

No. 17 of 2023.

*Climate Change (Management)(Amendment) Act 2023.*

Certified on : 21 DEC 2023



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**ARRANGEMENT OF SECTIONS.**

1. Interpretation (Amendment of Section 3).
  - “carbon”
  - “carbon credit”
  - “carbon levy”
  - “carbon oxidation factor”
  - “cubic metre”
  - “forest”
  - “fuel density”
  - “fuel levy”
  - “gigajoule”
  - “mitigation activity”
  - “Net Calorific Value” or “NCV”
  - “nitrogen levy”
  - “person”
  - “synthetic nitrogen fertiliser”
  - “Voluntary Carbon Market” or “VCM”.
2. Institutional amendment (Amendment of Part II).
3. Establishment and operation of the Climate Resilience and Green Growth Trust Fund (Amendment of Section 37).
4. Repeal and replacement of Section 38.

**“38. FUNDING LEVY ARRANGEMENT.”.**
5. Repeal and replacement of Section 38A.

**“38A. FEES AND CHARGES.”.**
6. Payment into the trust fund (Amendment to Section 39).
7. Administration (Amendment of Part III).
8. Establishment and Operations of an emissions trading scheme (Amendment of Part VIA).
9. REDD + transactions by the Government (Amendment of Section 78B).
10. New Section 78C.

**“78C. ESTABLISHMENT OF CARBON MARKETS.”.**

11. New Section 107A.

**“107A. STANDARDS, GUIDELINES, MANUALS, ETC.”.**

12. Repeal and replacement of the Schedule.

**“SCHEDULE 1 - CARBON LEVY AND FUEL LEVY RATE ON IMPORTS  
AND LOCALLY PRODUCED FUEL TYPES.**

**SCHEDULE 2 - NITROGEN LEVY ON IMPORTS ON SYNTHETIC  
NITROGEN FERTILISERS.**

**SCHEDULE 3 - CARBON MARKET FEES.**

**SCHEDULE 4 - GREEN FEES.”.**



No. 17 of 2023.

An Act

entitled

***Climate Change (Management)(Amendment) Act 2023,***

Being an Act to amend the *Climate Change (Management) Act 2015*, and for related purposes,

MADE by the National Parliament to come into operation in accordance with a notice in the National Gazette by the Head of State, acting with, and in accordance with the advice of the Minister.

**1. INTERPRETATION (AMENDMENT OF SECTION 3).**

Section 3 of the Principal Act is amended -

(a) by repealing the following definitions:

- (a) "Authorised Controller"; and
- (b) "carbon rights"; and
- (c) "forest"; and

(b) by inserting the following new definitions in their correct alphabetical order:

- "carbon" means a non-metallic chemical element found naturally abundant in many inorganics and all organic compounds;
- "carbon credit" means an emission reduction, removal or avoidance unit generated as a result of a mitigation activity carried out under Regulation;
- "carbon levy" means a tax that is applied per carbon content of fuel;
- "carbon oxidation factor" means the ratio of carbon oxidised when combustion occurs;
- "cubic metre" means the standard metric unit of volume applied for all solid and gas fuels;
- "forest" shall have the same meaning as under the *Forestry Act*;
- "fuel density" means the mass of fuel per unit volume;
- "fuel levy" means a tax applied per volume of fuel;
- "gigajoule" means a unit of measurement for energy consumption;
- "mitigation activity" means an activity or project undertaken in accordance with this Act for the purposes of achieving emissions reductions or removals;
- "Net Calorific Value" or "NCV" means the specific amount of energy released as heat when a fuel undergoes complete combustion under standard conditions less the heat of vaporisation of any water formed;
- "nitrogen levy" means a tax on import of synthetic nitrogen fertilisers types;
- "person" means a natural person or a legal person;
- "synthetic nitrogen fertiliser" means all man-made fertiliser types containing the element nitrogen;
- "Voluntary Carbon Market" or "VCM" means a decentralised market for private actors to voluntarily buy and sell carbon credits;"

**2. INSTITUTIONAL ARRANGEMENT (AMENDMENT OF PART II).**

The Principal Act is amended in Part II -

(a) by repealing Division 2 and replacing it with the following:

***“Division 2. - National Climate Change Board.***

**12. ESTABLISHMENT OF THE BOARD.**

There is established the National Climate Change Board.

**13. FUNCTIONS OF THE BOARD.**

(1) The Board -

- (a) shall be responsible for providing general control and guidance over the exercise of the functions and powers of the Authority; and
- (b) may, on the recommendation of the Managing Director, make decisions on permits in accordance with this Act; and
- (c) shall undertake such other functions, and exercise such powers as may be conferred on it by this Act or any other law; and
- (d) shall, in the exercise of its functions under this Act, act in accordance with any general or specified directions as to the policy.

(2) The Minister may, after consultation with the Board, give to the Board directions as to policy and the Board shall give effect to such policy but any such direction as to policy shall not be inconsistent with the provisions of this Act.

**14. MEMBERSHIP OF THE BOARD.**

(1) The Board shall comprise of the following eleven members:

- (a) the Managing Director of the Authority, or his nominee *ex officio*; and
- (b) the departmental head of the department responsible for treasury matters, or his nominee *ex officio*; and
- (c) the department head of the department responsible for financial matters, or his nominee *ex officio*; and
- (d) the departmental head of the department responsible for national planning matters, or his nominee *ex officio*; and
- (e) the Managing Director of the agency responsible for forestry matters, or his nominee *ex officio*; and
- (f) the State Solicitor or his nominee *ex officio*; and
- (g) the managing director of the agency responsible for conservation and environment protection matters, or his nominee *ex officio*; and
- (h) the head of government agency responsible for energy matters, or his nominee *ex officio*; and
- (i) the departmental head of the department responsible for higher education matters, or his nominee *ex officio*;

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- (j) two *non-ex officio* members -
  - (i) one member representing the private sector appointed amongst the members of the Papua New Guinea Chamber of Mines and Petroleum or their successor entities; and
  - (ii) one member who shall be a known expert on climate change matters.
- (2) Any departmental head or head of agency who opts to designate a nominee under Subsection (1)(a) to (i) inclusive shall designate a senior officer in that department or agency of a level not less than First Assistant Secretary, or the equivalent, and he shall advise the Minister in writing of his nominee and any subsequent changes.
- (3) The persons referred to under Subsection (1)(j)(i) and (ii) shall be appointed in accordance with the ***Regulatory Statutory Authorities (Appointment to Certain Offices) Act 2004***.
- (4) The persons nominated under Subsection (1)(j) shall -
  - (a) be ordinarily resident in the country; and
  - (b) be appointed for a term of three years; and
  - (c) hold office on such terms and conditions as are determined under the ***Boards (Fees and Allowances) Act*** (Chapter 299); and
  - (d) be eligible for re-appointment.
- (5) The first meeting of the Board for the purpose of submitting names to the Minister for selection of a Chairman, shall be chaired by the Managing Director.
- (6) If the body referred to in Subsection (1)(j)(i) ceases to exist and is unable to nominate a person for membership to the Board, the Minister may appoint a person in their place who shall, so far as is practicable, be representative of the interests of the group comprised by the body.

**15. CHAIRMAN AND DEPUTY CHAIRMAN.**

- (1) The Board shall submit to the Minister the names of at least three persons from among its members, having at least ten years' experience in climate change management, science, or law, in another natural resource field or who possess equivalent qualifications or experience.
- (2) The National Executive Council shall appoint one of these persons to be Chairman of the Board upon the recommendation of the Minister.
- (3) The Chairman shall be appointed for a period of three years.
- (4) The Board shall elect a Deputy Chairman annually from amongst its members.

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(5) Notwithstanding Subsections (1) and (3), the Managing Director shall not hold any of the positions of Chairman or Deputy Chairman.

(6) The Chairman and Deputy Chairman shall be eligible for reappointment.

### **15A. ALTERNATE MEMBERS.**

(1) For each of the persons appointed under Section 14(1)(j), an alternate member shall be appointed in the same way and subject to the same conditions as the member for whom he is the alternate.

(2) In the event of the inability to act of a member, the alternate member has and may exercise all his powers, and perform his functions, duties and responsibilities and this Act applies accordingly.

(3) An alternate member may, unless the Board otherwise directs, attend all meetings of the Board but shall not, except where he is attending in the absence of the member for whom he is the alternate, take part in debate, vote on any matter or be counted towards a quorum.

(4) An alternate member is entitled to receive independently all notices, papers, minutes of meetings and other relevant information to which members are entitled.

### **15B. LEAVE OF ABSENCE OF MEMBERS.**

(1) The Chairman may grant leave of absence to a member including the Deputy Chairman, on such terms and conditions as the Chairman determines.

(2) The Minister may grant leave of absence to the Chairman on such terms and conditions as the Minister determines.

### **15C. VACATION OF OFFICE BY A MEMBER OF THE BOARD.**

(1) A member of the Board, other than an *ex officio* member, may resign his office by writing and signed by him, and delivered to the Minister.

(2) If a member of the Board, other than an *ex officio* member -

- (a) becomes permanently incapable of performing his duties; or
- (b) is absent, except with the written consent of the Minister or Chairman in accordance with Section 15B, from three consecutive meetings of the Board; or
- (c) is absent, except with the written consent of the Minister, from three consecutive meetings of the Board; or
- (d) fails to comply with Section 15I; or
- (e) becomes bankrupt, or applies to take the benefit of any law for the benefit of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his remuneration for their benefit; or

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- (f) is convicted of an offence under this Act or an offence under any other law punishable by a term of imprisonment of one year or longer or by death, and, as a result of the conviction, is sentenced to imprisonment or death; or
- (g) ceases to be ordinarily resident in the country, the National Executive Council shall terminate his appointment.

(3) The Minister, may at any time, by written notice advise a member, other than an *ex officio* member, that he intends to terminate his appointment on any of the grounds specified under Subsection (2).

(4) Within 14 days of the receipt of a notice under Subsection (3), the member may reply in writing to the Minister, who shall consider the reply, and, where appropriate, terminate his appointment.

(5) Where the member referred to in Subsection (3) does not reply in accordance with Subsection (4), his appointment is terminated.

### **15D. VACANCY NOT TO AFFECT POWERS OR FUNCTIONS.**

The exercise of a power or the performance of a function of the Board is not invalidated by reason only of a vacancy in the membership of the Board.

### **15E. CALLING OF MEETINGS.**

(1) The Board shall meet as often as the business of the Authority requires, and at such times and places as the Board determines, or as the Chairman, or in his absence, the Deputy Chairman directs, but in any event, \ shall meet not less frequently than once in every quarter.

(2) Where he receives a written request to do so by the Minister or by not less than four members, the Chairman, or in his absence, the Deputy Chairman, shall convene a Special Meeting of the Board within 14 days, provided that at least three working days' notice has been given to every member of the Board.

(3) For the purposes of Subsection (1), the Chairman, or in his absence the Deputy Chairman, shall give to every member, at least 14 days' written notice of the meeting.

### **15F. MEETINGS OF THE BOARD.**

- (1) At a meeting of the Board -
  - (a) seven members, one of whom shall be the Managing Director, constitute a quorum; and
  - (b) the Chairman, or in his absence the Deputy Chairman, shall preside, and if both the Chairman and the Deputy Chairman are absent, the members present shall appoint, from among their own number, a Chairman for that meeting; and
  - (c) matters arising shall be decided by a majority of the votes of the members present and voting; and

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- (d) the person presiding has a deliberative vote and in the event of an equality of votes on any matter, also a casting vote.

(2) The Managing Director may nominate a staff member of the Authority to attend any Board meeting and present any matter or introduce any item of business, but shall not be entitled to vote or counted towards a quorum.

(3) The Board shall cause minutes of its meetings to be recorded and kept.

- (4) The Board may in its discretion at any meeting of the Board -
  - (a) invite persons to attend; or
  - (b) receive or hear submissions or information from any person.

### **15G. COMMITTEES OF THE BOARD.**

(1) The Board may, from time to time, establish such committees or sub-committees under terms and conditions specified by the Board, and in accordance with this Part, as it considers necessary in relation to its functions for the purpose of making reports and recommendations to the Board, and each sub-committee shall be comprised of Board members with equitable representation between *ex officio* and other Board members.

(2) Any committee or sub-committee established by the Board under Subsection (1) may exercise the powers of the Board described in Section 15F(4), but shall not take any decisions for or exercise any functions of, or on behalf of the Board.

### **15H. BOARD TO DETERMINE MEETING PROCEDURES.**

Subject to this Part, the Board may determine its own procedures for the conduct of its meetings.

### **15I. DISCLOSURE OF INTEREST BY MEMBER OF THE BOARD.**

(1) A member of the Board who has a direct or indirect or pecuniary interest in a matter being considered or about to be considered by the Board shall, as soon as possible after the relevant facts have come to his knowledge, disclose the nature of his interest at a meeting of the Board.

(2) A disclosure under Subsection (1), shall be recorded in the minutes of the meeting of the Board, and the member -

- (a) shall not take part, after the disclosure, in any deliberation or decision of the Board in relation to the matter; and
- (b) shall be disregarded for the purpose of constituting a quorum of the Board for any such deliberation or decision.

(3) Where a member who has an interest described in Subsection (1), has not made a disclosure in accordance with that subsection, his vote shall be null and void retrospectively from the time such interest is considered and determined by the Board, and the Minister shall terminate the appointment of such member other than an *ex officio* member or his nominee in accordance with Section 15C(2).

**15J. PROTECTION OF MEMBERS OF THE BOARD, ETC.**

No action is maintainable against the Chairman, Deputy Chairman or any member of the Board for anything which is done by him in good faith while acting as Chairman, Deputy Chairman or member, as the case may be.

**15K. REPORTS.**

(1) The Board shall furnish to the Minister -

- (a) on or before 15 March in every year, a report on the progress and performance of the Authority for the previous year; and
- (b) such other reports in relation to the functions of the Authority as are requested by the Minister.

(2) As soon as practicable after he has received the report referred to in Subsection (1)(a), the Minister shall present the report to the National Executive Council and shall also forward the report to the Speaker for presentation to the Parliament.”; and

(b) by repealing Divisions 3 and 4.

**3. ESTABLISHMENT AND OPERATION OF THE CLIMATE RESILIENCE AND GREEN GROWTH TRUST FUND (AMENDMENT OF SECTION 37).**

Section 37 of the Principal Act is amended by inserting immediately after Subsection (5), the following new subsection:

“(6) The operations of the trust fund shall be managed in accordance with a trust deed or trust instrument.”.

**4. REPEAL AND REPLACEMENT OF SECTION 38.**

The Principal Act is amended by repealing Section 38 and replacing it with the following:

**“38. FUNDING LEVY ARRANGEMENT.**

(1) For the purposes of this section -

“Carbon Emission Factor” means the assumed emission factor of a fuel based on the carbon content of the fuel type; and

“NPK” means the ratio of nitrogen (N), phosphorus (P), and potassium (K) in fertilisers.

(2) Subject to the approval of the National Parliament, the Authority shall, in consultation with the department responsible for treasury and customs and any relevant government agency, impose levies on the domestic production or importation -

- (a) of synthetic nitrogen fertilisers; and
- (b) of fuel; and
- (c) of coal; and
- (d) of other goods, which may contribute to the emission of greenhouse gases.

(3) The levies to be charged by the Authority for the purposes of Subsection (2) shall be in respect of the fuel types and synthetic nitrogen fertilizers specified under Schedules 1 and 2.

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(4) Subject to Subsection (3), the fuel levy rate shall be calculated in accordance with the following formula and steps and prescribed in Schedule 1:

### **Step 1. Calculation of the Carbon Emission Factor (CEF) -**

$$\text{CEF} = \text{CC} \times \text{COF} \times \text{NCV} \times 12/44 \times \text{D}$$

Where -

- “CEF” is the carbon emission factor of fuel type in kilogram of carbon per litre or kilogram of carbon per cubic metre;
- “CC” is the default carbon content of fuel type in kilogram per gigajoule as referred to in the IPCC guidelines;
- “COF” is the default carbon oxidation factor as referred to in the IPCC guidelines;
- “NCV” is the default net calorific value of fuel type in gigajoule per kilogram as referred to in the IPCC guidelines;
- “12/44” is the ratio of carbon over the molecular weight of carbon dioxide;
- “D” is the density of fuel type in kilogram per litre or kilogram per cubic metre.

### **Step 2. Calculation of the Fuel Levy Rate (FLR) -**

$$\text{FLR} = \text{CEF} \times \text{CLR}$$

Where -

- “FLR” is the fuel levy rate in toea per litre or toea per cubic metre;
- “CEF” is the carbon emission factor in kilogram of carbon per litre or kilogram of carbon per cubic metre;
- “CLR” is the carbon levy rate per carbon content of fuel type in toea per kilogram of carbon as referred to under Schedule 1.

(5) Subject to Subsections (3) and (4), the income generated from the fuel levy shall be calculated in accordance with the following formula:

$$\text{I} = \text{FLR} \times \text{V}$$

Where -

- “I” is the income generated from fuel levy in PNG toea;
- “FLR” is the fuel levy rate in toea per Litre or Toea per cubic metre;
- “V” is the volume of fuel imported or domestically produced in litres or cubic metre.

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(6) Subject to Subsection (3), the following formula shall apply to the calculation of income generated from import of synthetic nitrogen fertiliser bag(s) using the NPK ratio method and prescribed in Schedule 2:

Step 1. Calculation of Nitrogen mass in fertiliser bag(s) -

$$N_M = M_{\text{Fertilizer}} \times P_N$$

Where -

$N_M$  is the mass of nitrogen in kilogram (kgN);  
 $M_{\text{Fertilizer}}$  is the mass of fertiliser bag(s) in kilogram (kg);  
 $P_N$  is the percentage of nitrogen in the fertiliser bag(s).

Step 2. Calculation of income generated in PNG Kina -

$$I = N_M \times NLR \times Q$$

Where -

$I$  is the income generated from nitrogen synthetic fertiliser levy;  
 $N_M$  is the mass of nitrogen in kilogram;  
 $NLR$  is the nitrogen levy rate referred to under Schedule 2;  
 $Q$  is the quantity of nitrogen synthetic fertiliser bag(s).

(7) Collection of levies shall be done by the Authority as and when import and domestic production data shows an amount due fortnightly, using the appropriate forms developed by the Authority.

(8) All levies collected under this section shall be paid to the credit of a trust account to be established in consultation with the department responsible for financial matters.

(9) A person who does not comply with this section commits an offence.

Penalty: A fine not exceeding K1,000,000.00 for a body corporate, or a fine not exceeding K250,000.00, or imprisonment for a term not exceeding 10 years, or both for a natural person.”.

### **5. REPEAL AND REPLACEMENT OF SECTION 38A.**

The Principal Act is amended by repealing Section 38A and replacing it with the following:

#### **“38A. FEES AND CHARGES.**

(1) The Authority shall determine or review the activities and services for which fees and charges shall apply, and the amount of those fees and charges, in accordance with this Act and other relevant laws as prescribed in Schedules 3 and 4.

(2) Unless expressly stated, all fees and charges collected under this section shall be paid to the credit of a trust account to be established in consultation with the department responsible for finance matters.

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(3) A fee of seven percent shall be imposed on all proceeds from the net sales of carbon credits by persons carrying out all mitigation activities, and shall be paid to the Trust Fund.

(4) A climate administration fee totalling a fifth of what accredited entities and development partners get as administration fee shall be imposed on all accredited entities and development partners who receive climate finance on behalf of the Independent State of Papua New Guinea, in consultation with the department responsible for National Planning matters.”.

**6. PAYMENT INTO THE TRUST FUND (AMENDMENT TO SECTION 39).**

Section 39 of the Principal Act is amended -

(a) in Subsection (1) by repealing Paragraph (o) and replacing it with the following:

“(o) payments into the Trust Fund shall consist of seven percent which is imposed on all proceeds from the net sales of carbon credits by persons carrying out all mitigation activities shall be paid to the Trust Fund in accordance with a trust deed; and”; and

(b) in the penalty provision by repealing “seven” and replacing it with “10”.

**7. ADMINISTRATION (AMENDMENT OF PART III).**

The Principal Act is amended in Part III by repealing Division 2 and replacing it with the following:

*“Division 2. - Staff of the Authority.*

**44. MANAGING DIRECTOR.**

(1) There shall be a Managing Director of the Authority -

- (a) who is the chief executive officer of the Authority and the head of the staff of the Authority; and
- (b) who is responsible for carrying out the functions, managing the affairs and exercising the powers of the Authority; and
- (c) who shall advise the Board or the Minister on any matter concerning the Authority referred to him by the Board or the Minister; and
- (d) whose manner of appointment, suspension and dismissal shall be as specified in the *Regulatory Statutory Authorities (Appointment to Certain Offices) Act 2004*.

(2) The Managing Director shall be appointed for a term of four years and shall be eligible for reappointment.

(3) Where the National Executive Council believes that grounds exist for the dismissal of the Managing Director, it shall cause an investigation into the conduct, activities or performance of the Managing Director, and -

- (a) where the National Executive Council has caused an investigation into the conduct of the Managing Director, it may suspend the Managing Director; and
- (b) where the National Executive Council has suspended the Managing Director, the National Executive Council shall make an acting appointment; and

- (c) on receipt by the National Executive Council of the report on the investigation into the conduct of the Managing Director, it may -
  - (i) revoke the appointment of the Managing Director; or
  - (ii) reinstate the Managing Director to his substantive position.

(4) Subject to the provisions of the *Salaries and Remuneration Commission Act 1988*, the terms and conditions of employment of the Managing Director are as determined by the Head of State, acting on advice.

(5) The Managing Director may, by written instrument, delegate to any officer or staff member of the Authority all or any of his powers or functions under this Act, except this power of delegation.

(6) The Managing Director may appoint such advisory committees, under his direction and control, as he deems necessary to advise him on climate change matters and any other matter in relation to his responsibilities.

#### **45. FUNCTIONS OF THE MANAGING DIRECTOR.**

The functions of the Managing Director are -

- (a) to manage the operational matters and implement the functions, objectives and responsibilities of the Authority; and
- (b) to manage the Authority in accordance with the policy and direction of the Board; and
- (c) to advise the Board on any matter concerning the Authority referred to him by the Board; and
- (d) to carry out and perform the duties required of him under this Act and his contract of employment; and
- (e) to perform such other duties as the Board shall from time to time determine.

#### **46. DELEGATION.**

(1) The Managing Director may, by instrument in writing, delegate all or any of his functions or powers to a person other than this power of delegation.

(2) The Managing Director shall report any delegation under Subsection (1) without delay to the Board.

#### **47. REPORTS.**

(1) The Managing Director shall, within three months after 1 January in each year, furnish to the Board a report on the progress and the performance of the Authority in relation to its functions during the year ending 31 December previously.

(2) As soon as practicable after receiving the report referred to in Subsection (1), the Board shall forward the report to the Minister, who shall -

- (a) present the report to the National Executive Council; and
- (b) forward the report to the Speaker for presentation to the National Parliament; and
- (c) forward a copy of the report to each provincial government.

**48. GENERAL MANAGERS.**

(1) The Managing Director shall appoint General Managers, either of whom shall be appointed to act for the Managing Director in his absence, and who shall undertake such other responsibilities in accordance with this Act as may be required by the Managing Director.

(2) The qualifications of any person considered for appointment as General Manager shall include -

- (a) having the appropriate tertiary qualification; or
- (b) relevant experience in climate change management; or
- (c) economics; or
- (d) science law; or
- (e) another natural resource field; or
- (f) having equivalent qualifications or experience; or
- (g) having at least five (5) years' experience in a senior management position.

(3) The Managing Director may appoint the General Managers on such terms and conditions as he may determine subject to the provisions of the *Salaries and Conditions Monitoring Committee Act 1988*.

(4) The General Managers shall be appointed for a term of four years, and shall be eligible for reappointment.

**49. APPOINTMENT OF EMPLOYEES.**

The Managing Director may -

- (a) from time to time within the limits of funds lawfully available for the purpose, appoint such other employees as he thinks necessary for the purposes of the Authority; and
  - (b) on such terms and conditions as he may determine,
- subject to the provisions of the *Salaries and Conditions Monitoring Committee Act 1988*.

**50. STAFF OF THE AUTHORITY.**

(1) The Managing Director, General Managers, and other employees appointed under this section shall constitute the staff of the Authority.

(2) The Managing Director shall be responsible for directing the other staff of the Authority.

**51. CONTRACT OF EMPLOYMENT.**

The Managing Director and every employee of the Authority shall be employed under a contract of employment which, in the case of the Managing Director, shall be executed by the Head of State on behalf of the Authority and by the Managing Director, and in the case of an employee, shall be executed by the Managing Director on behalf of the Authority and by the employee concerned.

**52. TEMPORARY AND CASUAL EMPLOYEES.**

(1) The Managing Director may appoint such temporary and casual employees as are necessary for the purposes of the Authority.

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(2) Employees appointed under Subsection (1) are not employees for the purposes of the *Salaries and Conditions Monitoring Committee Act 1988* and shall be employed on such terms and conditions as the Managing Director determines.

### **52A. TECHNICAL ADVISERS.**

The Managing Director or the Board may, from time to time -

- (a) within the limits of funds lawfully available for the purpose; and
- (b) on such terms and conditions as are fixed by the Managing Director or the Board,

appoint as short-term employees of, or contractors to the Authority, such technical advisers or consultants as, in the opinion of the Managing Director or the Board, are necessary for the functions and purposes of the Authority.

### **52B. PUBLIC SERVICE RIGHTS.**

Where an officer or employee of the National Public Service is appointed to be the Managing Director or an employee of the Authority, his service as a Managing Director or as an employee of the Authority shall be counted as service in the National Public Service for the purposes of determining his rights (if any) in respect of -

- (a) leave of absence on the grounds of illness; and
- (b) furlough or pay in lieu of furlough including pay to dependents on the death of the officer or employee; and
- (c) any other related leave prescribed under the Public Service General Orders.”.

## **8. ESTABLISHMENT AND OPERATIONS OF AN EMISSIONS TRADING SCHEME (AMENDMENT OF PART VIA).**

The Principal Act is amended by repealing the heading of Part VIA and replacing it with the following:

**“PART VIA. - CARBON MARKETS.”.**

## **9. REDD+ TRANSACTIONS BY THE GOVERNMENT (AMENDMENT OF SECTION 78B).**

Section 78B of the Principal Act is amended -

- (a) by repealing all references to “Minister” wherever occurring in this Section and replacing them with “Board”; and
- (b) in Subsection (1) by repealing Paragraph (a).

## **10. NEW SECTION 78C.**

The Principal Act is amended by inserting immediately after Section 78B, the following:

### **“78C. ESTABLISHMENT OF CARBON MARKETS.**

(1) The Authority shall establish a process for the issuance of permits for a person to undertake a mitigation activity for the purpose of achieving emission reduction or removal results and the subsequent sale and transfer of the carbon credits generated from those emission reduction or removal results.

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- (2) A Regulation shall provide for the procedures relating to -
- (a) the application and approval process for issuance of permits for mitigation activities that are intended to participate in carbon markets; and
  - (b) generation, sale, and transfer of carbon credits; and
  - (c) the framework for benefit sharing; and
  - (d) reporting requirements; and
  - (e) any other areas necessary for the operation of the carbon trading mechanism.”.

**11. NEW SECTION 107A.**

The Principal Act is amended by inserting immediately after Section 107, the following new section:

**“107A. STANDARDS, GUIDELINES, MANUALS ETC.**

The Authority may develop standards, guidelines, manuals, forms and any other relevant documentation not inconsistent with this Act.”.

**12. REPEAL AND REPLACEMENT OF THE SCHEDULES.**

The Schedule of the Principal Act is repealed and replaced with the following new Schedules:

**“SCHEDULE 1. - CARBON LEVY RATE AND FUEL LEVY RATE ON  
IMPORTS AND LOCALLY PRODUCED FUEL TYPES.**

Act, Sec. 38(4)

Fuel Type	Carbon Levy Rate	Fuel Levy Rate
Motor spirit (gasoline) including aviation spirit	5 toea per kg of carbon	1 toea per litre
Jet A1	5 toea per kg of carbon	1 toea per litre
Kerosene	5 toea per kg of carbon	1 toea per litre
Diesel	5 toea per kg of carbon	1 toea per litre
Heavy Fuel, Oils	23 toea per kg of carbon	5 toea per litre

**SCHEDULE 2. - NITROGEN LEVY ON IMPORTS OF SYNTHETIC NITROGEN FERTILISERS.**

Act, Sec. 38(6)

<b>Synthetic Nitrogen Fertiliser Types</b>	<b>Nitrogen Levy Rate</b>
Urea, whether or not in aqueous solution	5 toea per kg/content of Nitrogen
Ammonium sulphate	5 toea per kg/content of Nitrogen
Others*	5 toea per kg/content of Nitrogen
Ammonium nitrate, whether or not in aqueous solution	5 toea per kg/content of Nitrogen
Mixtures of ammonium nitrate with calcium carbonate or other in organic non-fertilising	5 toea per kg/content of Nitrogen
Sodium nitrate	5 toea per kg/content of Nitrogen
Double salts and mixtures of calcium nitrate and ammonium nitrate	5 toea per kg/content of Nitrogen
Mixtures of urea and ammonium nitrate in aqueous or ammoniacal solution	5 toea per kg/content of Nitrogen
Other, including mixtures not specified in the foregoing tariff item	5 toea per kg/content of Nitrogen
Containing by weight 35% or more of diphosphorus pentaoxide (P2O5)	5 toea per kg/content of Nitrogen
Mineral or chemical fertilisers containing the three fertilising elements nitrogen, phosphorus and potassium	5 toea per kg/content of Nitrogen
Diammonium hydrogen orthophosphate (diammonium phosphate)	5 toea per kg/content of Nitrogen
Ammonium dihydrogen orthophosphate (monoammonium phosphate) and mixtures thereof with diammonium phosphate)	5 toea per kg/content of Nitrogen
Containing nitrates and phosphates	5 toea per kg/content of Nitrogen
Others	5 toea per kg/content of Nitrogen
Mineral or chemical fertilisers containing and two fertilising elements phosphorus and potassium	5 toea per kg/content of Nitrogen
Others	5 toea per kg/content of Nitrogen

**SCHEDULE 3. - CARBON MARKET FEES.**

Act, Sec. 38A(1)

Types of Fees	Categories of Fees	Fees payable in PNG Kina
VCM Application Fee	All Categories	1,000
VCM Permit	VCM	154,600
SDM Application Fee	All	1,000
SDM Permit	<15,000 t CO <sub>2</sub> eq	17,500
	15,000 – 50,000 t CO <sub>2</sub> eq	35,000
	51,000-100,000 t CO <sub>2</sub> eq	52,500
	101,000-200,000 t CO <sub>2</sub> eq	70,000
	>200,000 t CO <sub>2</sub> eq	105,000
VCM Permit Renewal Fee (Note: Half of permit cost)	All	77,000
SDM Permit Renewal (Note: Half of permit cost)	<15,000 t CO <sub>2</sub> eq	8,750
	15,000 – 50,000 t CO <sub>2</sub> eq	17,500
	51,000-100,000 t CO <sub>2</sub> eq	26,250
	101,000-200,000 t CO <sub>2</sub> eq	35,000
	>200,000 t CO <sub>2</sub> eq	52,500

**SCHEDULE 4. - GREEN FEES.**

Act, Sec. 38A(1)

Types of Fees	Description of fees	Fees payable in PNG Kina
Green Fee	International arrival only for all foreign passport holders	50

I hereby certify that the above is a fair print of the *Climate Change (Management)(Amendment) Act 2023*, which has been made by the National Parliament.



Acting Clerk of the National Parliament.

21 DEC 2023

I hereby certify that the *Climate Change (Management)(Amendment) Act 2023*, was made by the National Parliament on 11 October 2023, by an absolute majority in accordance with the *Constitution*.



Acting Speaker of the National Parliament.

