

No. 1 of 2025.

*National Petroleum Authority Act 2025.*

Certified on : 28 MAR 2025



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No. **1** of 2025.

AN ACT

entitled

***National Petroleum Authority Act 2025,***

Being an Act -

- (a) to provide an administrative framework for the implementation and enforcement of laws and policies governing petroleum activities and matters in Papua New Guinea; and
  - (b) to establish the National Petroleum Authority to replace the Department of Petroleum and Energy,
- 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.

**PART I. - PRELIMINARY.**

**1. COMPLIANCE WITH CONSTITUTIONAL REQUIREMENTS.**

(1) This Act, to the extent that it regulates or restricts the exercise of any right or any freedom referred to in Subdivision III.3.C (*qualified rights*) of the *Constitution*, namely -

- (a) the liberty of the person conferred by Section 42; and
- (b) the right to freedom from arbitrary search and entry conferred by Section 44; and
- (c) the right to freedom of expression and publication conferred by Section 46; and
- (d) the right to freedom of assembly and association conferred by Section 47; and
- (e) the right to freedom of employment conferred by Section 48; and
- (f) the right to privacy conferred by Section 49; and
- (g) the right to freedom of information conferred by Section 51,

of the *Constitution*, is a law that is made, taking into account of the National Goals and Directive Principles and the Basic Social Obligations, in particular to regulate or to restrict rights and freedoms for the purposes of giving effect to the public interest in public order and public welfare, to the extent that the law is reasonably justifiable in a democratic society having proper respect or regard for the rights and dignity of mankind.

(2) Insofar as this Act involves -

- (a) any taking possession compulsorily of any property or any acquisition compulsorily of any interest in, or any right over property, within the meaning of Section 53(1) (*protection from unjust deprivation of property*) of the *Constitution* and any other relevant law; and

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- (b) including the recovery of all hydrocarbons or unconventional hydrocarbons to produce petroleum through extraction and development activities, whether onshore or offshore of Papua New Guinea, under the *Oil and Gas Act 1998* and the *Unconventional Hydrocarbons Act 2015*,

this Act permits possession to be taken compulsorily of any property and permits any interest in, or any right over property to be acquired compulsorily.

- (3) For the purposes of Section 41 of the *Organic Law on Provincial Governments and Local-level Governments*, it is declared that this Act relates to a matter of national interest.

**2. INTERPRETATION.**

In this Act, unless the contrary intention appears -

- “Authority” means the National Petroleum Authority established under Section 5;  
“Board” means the Board of the National Petroleum Authority established under Section 9;  
“Chairperson” means the Chairperson of the Board appointed under Section 14;  
“Chief Inspector” has the meaning under Section 3 of the *Oil and Gas Act 1998*;  
“Chief Warden” has the meaning under Section 3 of the *Oil and Gas Act 1998*;  
“Department” means the Department responsible for petroleum matters;  
“Deputy Chairperson” means the Deputy Chairperson appointed under Section 14;  
“gas agreement” has the meaning under Section 3 of the *Oil and Gas Act 1998*;  
“gas project” has the meaning under Section 3 of the *Oil and Gas Act 1998*;  
“governmental body” has the meaning under Schedule 1.2 (*Meaning of Certain Expressions*) of the *Constitution*;  
“Inspector” has the meaning under Section 3 of the *Oil and Gas Act 1998*;  
“Managing Director” means the Managing Director appointed under Section 31;  
“petroleum” has the meaning under the *Oil and Gas Act 1998*;  
“petroleum activity or matter” means any activity or matter, the subject of the *Oil and Gas Act 1998*, the *Unconventional Hydrocarbons Act 2015*, the *Oil and Gas Regulation 2002*, and any other related laws;  
“Petroleum Advisory Board” has the meaning under Section 13 of the *Oil and Gas Act 1998*;  
“petroleum agreement” has the meaning under Section 3 of the *Oil and Gas Act 1998*;  
“petroleum project” has the meaning under Section 3(1) of the *Oil and Gas Act 1998*;  
“Secretary” means the Secretary of the Board appointed under Section 20;  
“this Act” includes any regulations made under this Act;  
“Warden” has the meaning given under Section 3 of the *Oil and Gas Act 1998*.

**3. APPLICATION.**

This Act binds the State.

**4. OBJECTIVES OF THE AUTHORITY.**

The Authority has the following objectives:

- (a) to establish technical, financial and human resource capacity for effective and efficient promoting, monitoring and regulating of the petroleum industry and related activities in Papua New Guinea from upstream to downstream; and
- (b) to effectively and efficiently promote, monitor and regulate the full value chain of the oil and gas industry in Papua New Guinea, to derive maximum value from our petroleum resources, discovered and yet to be discovered, and to contribute substantially to the country’s socio-economic development in a safe and sustainable manner with minimal environmental and carbon footprint.

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**PART II. - ESTABLISHMENT, FUNCTIONS AND POWERS, ETC., OF THE  
NATIONAL PETROLEUM AUTHORITY.**

**5. ESTABLISHMENT OF THE NATIONAL PETROLEUM AUTHORITY.**

- (1) The National Petroleum Authority is hereby established.
- (2) The Authority -
  - (a) is a body corporate with perpetual succession; and
  - (b) shall have a common seal; and
  - (c) may accept, acquire, purchase, hold and dispose of any interest in, and grant security in respect of, any property, personal or real for the purposes of undertaking and achieving the objectives of the Authority; and
  - (d) may sue and be sued in its corporate name.

**6. COMMON SEAL OF THE AUTHORITY.**

- (1) The common seal of the Authority may be affixed to any document or instrument pursuant to a resolution of the Board.
- (2) The affixation of the common seal of the Authority is to be attested to by any two members of the Board.
- (3) All Courts, judges and persons acting judicially shall -
  - (a) take judicial notice of the common seal of the Authority affixed to a document and on its face attested to by any two members of the Board; and
  - (b) presume that it was affixed properly, which presumption is rebuttable by evidence that is given to the contrary.
- (4) In the absence of any evidence to the contrary, any document to which the common seal of the Authority is affixed shall be treated as binding the Authority in respect of the subject matter of that document.

**7. FUNCTIONS AND POWERS OF THE AUTHORITY.**

- (1) The Authority has the following functions:
  - (a) to advise the Minister on matters relating to petroleum and the management, exploitation and development of Papua New Guinea's petroleum resources and infrastructure; and
  - (b) to administer petroleum licenses and operations permitting as per the *Oil and Gas Act 1998*, *Unconventional Hydrocarbon Act 2015*, *Oil and Gas Regulation 2002* and other related laws and policies; and
  - (c) to be the custodian of petroleum related data and samples; and
  - (d) to monitor petroleum operations and activities and to ensure industry best practices and standards, *Oil and Gas Act 1998*, any other related laws and policies are adhered to in terms of safety, environment and for the maximum benefit of the State and all stakeholders; and
  - (e) to monitor petroleum production and economics and oversee State benefits determination; and
  - (f) to administer any entitlement of the State in accordance with the *Oil and Gas Act 1998*, any other related laws and policies; and

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- (g) to assist in formulating, and undertake ongoing assessment of compliance with each gas agreement and petroleum agreement entered into by the State, and to advise the State in relation to any non-compliance by any party to any gas agreement and petroleum agreement; and
- (h) to conduct petroleum inspector duties in monitoring and regulating of field operations and infrastructure; and
- (i) to conduct petroleum warden duties in dealing with land matters where petroleum operations are conducted; and
- (j) to acquire, store and analyse geological and geophysical data in relation to petroleum exploration, development and production and provide reliable and accurate information to the State, petroleum industry, clients and relevant stakeholders; and
- (k) to conduct basin evaluation, petroleum systems analysis, build datasets and licence packages for bid rounds in the geological basins of Papua New Guinea; and
- (l) to formulate and monitor petroleum related policies and legislation in line with Government's objectives and as per the Minister's advice and instructions, consistent with enabling legislation and the National Executive Council's decisions; and
- (m) to effectively and efficiently manage landowner identification and beneficiary affairs in petroleum operation areas, consistent with the *Oil and Gas Act 1998*, any other related laws and policies; and
- (n) to promote National Content and participation in petroleum industry by way of policy and legislation; and
- (o) to formulate regulation consistent with best industry standards to ensure stability and sustainable development of the petroleum resources and infrastructure, for the benefit of Papua New Guinea; and
- (p) to act as agent for the State, as required, in relation to any international agreement relating to petroleum or to the management, exploitation or development of Papua New Guinea's petroleum resources; and
- (q) to receive and collect, on its own account and on behalf of the State, any fee, levy, rent, security, deposit, compensation, royalty, cost, penalty, or other money or other account payable under the *Oil and Gas Act 1998*, *Oil and Gas Regulation 2002*, *Unconventional Hydrocarbon Act 2015*, gas agreements and petroleum agreements or any other agreements that are scheduled to those Acts, and other laws the administration of which is the responsibility of the Authority from time to time; and
- (r) to administer, on behalf of the State any public investment program relating to petroleum; and
- (s) to perform any other function conferred by the Authority's corporate plan, this Act and any other laws and regulations.

(2) The Authority has, in addition to the powers otherwise conferred on it by this Act and any other law, full powers to do all things that are necessary or convenient to be done for or in connection with the performance of its functions and the achievement of its objectives.

### **8. POLICY DIRECTIONS.**

(1) The Minister shall consider the petroleum activities or matters within Papua New Guinea, and the hydrocarbon sector in general, and may -

- (a) direct for the development of policies for the sector; and
- (b) issue policy directions,

in accordance with law, and National Government policies and priorities as determined by the National Executive Council.

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(2) Any policy direction given by the Minister or the National Executive Council must not be inconsistent with the provisions of this Act, the *Oil and Gas Act 1998* and the *Unconventional Hydrocarbons Act 2015*, or any other Act that the administration of which is the responsibility of the Authority.

**PART III. - BOARD OF THE AUTHORITY.**

**9. ESTABLISHMENT OF THE BOARD OF THE NATIONAL PETROLEUM AUTHORITY.**  
The Board of the National Petroleum Authority is hereby established.

**10. FUNCTIONS AND POWERS OF THE BOARD.**

(1) The Board has the following functions and powers:

- (a) to perform the functions, exercise the powers, manage and direct the administrative affairs of the Authority under this Act; and
- (b) to determine the policies of the Authority in accordance with direction from the Minister; and
- (c) to approve the terms and conditions of the appointment of the Managing Director in accordance with this Act and the *Salaries and Remuneration Commission Act 1988*; and
- (d) to consider for appointment and to determine the terms and conditions of persons appointed as -
  - (i) Chief Inspector; or
  - (ii) Inspectors; or
  - (iii) Chief Warden; or
  - (iv) Wardens,as staff of the Authority; and
- (e) to approve the terms and conditions of appointment of staff of the Authority in accordance with the *Salaries and Conditions Monitoring Committee Act 1988*; and
- (f) to oversee the Authority and the Petroleum Advisory Board under the *Oil and Gas Act 1998* and the *Unconventional Hydrocarbons Act 2015*; and
- (g) to perform such other functions required by this Act.

(2) Subject to Subsection (1), the Board shall act, in accordance with, and shall give effect to, any general or lawful directions, general or specific, given to it by the Minister, including any direction as to the application of any aspect of any policy setting current for the purposes of Section 8.

(3) The Board must ensure the Managing Director implements -

- (a) each direction of the Minister and the Petroleum Advisory Board; and
- (b) any direction as to application of any policy setting current for the purpose of Section 8 relating to the administration of the *Oil and Gas Act 1998* and the *Unconventional Hydrocarbons Act 2015*.

(4) The Board has, in addition to the powers otherwise conferred on it by this Act, full powers to do all things that are necessary or convenient to be done for or in connection with the performance of its functions.

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**11. MEMBERS OF THE BOARD.**

- (1) The Board consists of not more than seven members as follows:
- (a) the Departmental Head of the Department responsible for treasury matters, *ex-officio* or his nominee; and
  - (b) the State Solicitor, *ex-officio* or his nominee; and
  - (c) the Managing Director, *ex-officio*; and
  - (d) four non *ex-officio* members, one of which is an industry representative, each appointed under Subsection (3).

(2) Where an *ex-officio* member under Subsection (1)(a) or (b) opts to designate a nominee, the nominee shall be a senior officer of a level not less than Deputy Secretary or the equivalent.

- (3) A non *ex-officio* member of the Board referred to under Subsection (1)(d) shall be -
- (a) appointed in accordance with the *Regulatory Statutory Authorities (Appointment to Certain Offices) Act 2004*; and
  - (b) appointed for a term not exceeding four years; and
  - (c) eligible for re-appointment for not more than two terms; and
  - (d) paid fees and allowances in accordance with the *Boards (Fees and Allowances) Act* (Chapter 299).

(4) A non *ex-officio* member of the Board referred to under Subsection (1)(d) shall not appoint an alternate and no person shall be recognised as an alternate.

**12. QUALIFICATIONS OF NON EX-OFFICIO MEMBERS.**

Notwithstanding Section 11(3)(a), for a person to be considered for appointment as a non *ex-officio* member of the Board under Section 11(2)(d), that person must -

- (a) be of good moral standing and reputation; and
- (b) be of the highest integrity, both personally and professionally; and
- (c) have at least 15 years of experience and expertise in a relevant field, including petroleum activities or matters, financial management, corporate governance, accounting or law that has given that person significant involvement and exposure within the petroleum sector.

**13. DISQUALIFICATIONS OF NON EX-OFFICIO MEMBERS.**

A person is disqualified from being a non *ex-officio* member of the Board if -

- (a) he -
  - (i) is employed by; or
  - (ii) has any, direct or indirect interest; or
  - (iii) has, within two years before being considered for appointment been employed; or
  - (iv) had any such interest,in any business or corporation undertaking any activity administered or regulated under the *Oil and Gas Act 1998* and the *Unconventional Hydrocarbons Act 2015* or any other law under which the Authority undertakes any activity or has any role; or
- (b) he is an office holder or candidate for election as an office holder in a registered political party; or

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- (c) he is a public servant in any level of government; or
- (d) he is, or has been, declared bankrupt, or has applied to take the benefit of any law for the benefit of a bankrupt or an insolvent debtor, or has compounded with his creditors or made assignment of remuneration for the benefit of any of them; or
- (e) he is standing or to stand trial for, or has been convicted of, any offence punishable under a law by imprisonment; or
- (f) he is found guilty of misconduct in office under the *Leadership Code* and the *Organic Law on the Duties and Responsibilities of Leadership*; or
- (g) he is prohibited from being a director or member or promoter of, or from taking part (in any way, whether directly or indirectly) in the management of, a company under any law of Papua New Guinea; or
- (h) he has his or her affairs administered under any law relating to mental health.

### **14. CHAIRPERSON AND DEPUTY CHAIRPERSON OF THE BOARD.**

(1) The National Executive Council shall, on the recommendation of the Minister, appoint a member of the Board to be the Chairperson and Deputy Chairperson of the Board.

(2) The Chairperson and Deputy Chairperson shall be appointed for a term not exceeding two years, and shall be eligible for re-appointment.

(3) The Chairperson and Deputy Chairperson shall remain as Chairperson and Deputy Chairperson, respectively, until the expiration of the term of their respective appointments or until each of whom ceases to be a member of the Board, whichever first occurs.

### **15. LEAVE OF ABSENCE.**

(1) The Chairperson may grant leave of absence to a member of the Board, other than the Deputy Chairperson, on such terms and conditions as the Chairperson determines.

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

### **16. VACATION OF OFFICE.**

If a non *ex-officio* member of the Board -

- (a) dies or becomes permanently incapable of performing the duties of a member of the Board; or
- (b) ceases to be a member of the Board due to the expiration of his term of appointment; or
- (c) is absent from three consecutive meetings of the Board, other than pursuant to leave of absence approved under Section 15; or
- (d) is disqualified under Section 13; or
- (e) fails to disclose any interests, in accordance with Section 26; or
- (f) resigns from office in accordance with Section 17; or
- (g) is removed in accordance with Section 18,

his appointment as member of the Board, shall be considered as having been vacated with immediate effect, and that person shall cease to be a member of the Board accordingly.

### **17. RESIGNATION.**

A member of the Board may, other than an *ex-officio* member, resign from the office, by notice, in writing, signed by that member of the Board and delivered to the Minister.

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**18. REMOVAL.**

(1) The Minister may, acting on the recommendation of the Board, at any time, by written notice, advise a member of the Board, other than an *ex-officio* member, that he intends to recommend for the revocation of the appointment of that member of the Board on the grounds of breach of contract, insufficient experience or expertise, incapacity, misconduct, poor performance or conflict of interest.

(2) The member of the Board may, within 14 days after receiving a notice under Subsection (1), reply in writing, to the Minister, who must consider the response and where appropriate, recommend to the National Executive Council to revoke the appointment of that member of the Board.

(3) Where the member of the Board fails to reply in accordance with Subsection (2), the Minister shall recommend to the National Executive Council to advise the Head of State to revoke the appointment of the member of the Board.

**19. VACANCY NOT TO AFFECT ANY FUNCTION OR POWER.**

The performance of a function or exercise of a power of the Board is not invalidated by reason only of vacancy in the membership of the Board under Section 16.

**20. SECRETARY OF THE BOARD.**

(1) The Board shall appoint an officer of the Authority who has at least five year's experience in legal practice, petroleum industry or business administration to be the Secretary of the Board.

(2) The Secretary shall -

- (a) provide secretarial functions to the Board; and
- (b) responsible for convening meetings of the Board; and
- (c) be responsible for recording minutes and decisions of the meetings of the Board; and
- (d) be responsible for keeping a register of all documents executed by the Board; and
- (e) perform any other functions as determined by the Board.

**21. MEETINGS OF THE BOARD.**

(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 Chairperson directs, or in his absence, the Deputy Chairperson directs, and in any event not less frequently than once in every three months.

(2) Where he receives a written request to do so, by the Minister or by not less than four members of the Board, the Chairperson, or in his absence, the Deputy Chairperson shall convene a special meeting of the Board within three days.

(3) Each member of the Board must be notified of the meeting one working day before the meeting.

**22. MEETINGS BY TELEPHONE OR ELECTRONIC COMMUNICATION, ETC.**

(1) In addition to meeting in person, the members of the Board may participate in a meeting by telephone or any electronic means of communication.

(2) A member of the Board who participates in a meeting by any of the means of communication referred to in Subsection (1) is considered to be present at the meeting and to form part of the quorum for the meeting.

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(3) A meeting relying on a means of participation referred to in Subsection (1) may be held at two or more places at the same time.

**23. BOARD TO DETERMINE MEETING PROCEDURES.**

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

**24. MINUTES OF MEETINGS AND DECISIONS TO BE RECORDED.**

The Board shall cause minutes of its meeting and its decisions to be recorded in writing and kept.

**25. QUORUM.**

(1) At a meeting of the Board -

- (a) subject to Subsections (2) and (3), the quorum for a meeting of the Board shall be four members of the Board; and
- (b) the Chairperson, or in his absence the Deputy Chairperson, shall preside and if both Chairperson and Deputy Chairperson are absent, the members present may appoint, from among their own number, a member to preside over that meeting; and
- (c) each member of the Board present shall have one vote; and
- (d) each matter is to be decided by a simple majority of votes; and
- (e) the person presiding as Chairperson has a deliberative, and if there is an equality of votes on any matter, also a casting vote.

(2) At any meeting of the Board at which there is to be any consideration of any investigation, suspension or recommendation for dismissal of the Managing Director -

- (a) notwithstanding Section 22, not less than four members of the Board, other than the Managing Director, shall be physically present to constitute a quorum; and
- (b) no other business or matter may be transacted, considered or dealt with.

(3) At any meeting of the Board at which there is to be consideration of the budget of the Authority -

- (a) notwithstanding Section 22, not less than four members of the Board, including the Departmental Head responsible for treasury matters and the Managing Director, shall be physically present to constitute a quorum; and
- (b) a resolution to pass the budget must be approved by not less than four members of the Board, including the Managing Director or the Departmental Head responsible for treasury matters.

**26. DISCLOSURE OF INTEREST BY MEMBERS OF THE BOARD.**

(1) A member of the Board who has a direct or indirect personal 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) The disclosure 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) be disregarded for the purpose of constituting a quorum of the Board for any such deliberation and decision.

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(3) Where a member of the Board 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 8.

### **27. REGISTER.**

The Secretary of the Board shall keep a register to keep a record of all documents sealed by the common seal of the Authority.

### **28. COMMITTEES OF THE BOARD.**

(1) The Board may, from time to time, establish any committee of the Board to advise the Board on any matter that the Board considers appropriate or necessary.

(2) In establishing a committee under this section, the Board shall -

(a) as it considers appropriate, appoint to the committee -

(i) any member or members of the Board as is required; and

(ii) any member or members of staff of the Authority; and

(iii) any officer or officers of the National Public Service; and

(iv) experts from outside the Authority, who have recognised standing, experience and expertise in respect of the applicable matter, in each case to fulfill a prescribed role, which is an advisory capacity only, however, shall not bind the Authority or the Board; and

(b) determine the functions and procedures of the committee.

(3) An expert appointed to a committee may receive fees and allowances as are approved by the Board.

(4) Any committee established under this section is only advisory in nature and is not authorised to perform any function or power of the Authority or of the Board.

(5) The Board shall, by written notice, notify the Minister in respect of the establishment of any committee of the Board, its purpose and its proposed members.

### **29. REPORTS BY THE BOARD.**

(1) The Board shall furnish to the Minister, in addition to the annual report under Section 57, such other reports in relation to the functions of the Authority as reasonably requested by the Minister from time to time.

(2) The Managing Director shall furnish such reports in relation to the functions of the Authority, or such other reports as requested by the Minister from time to time.

### **30. FEES AND EXPENSES OF MEMBERS OF THE BOARD.**

(1) As soon as practicable after the coming into operation of this Act, the Board shall recommend to the Minister an appropriate fee to be paid under the *Boards (Fees and Allowances) Act* (Chapter 299) to each member of the Board.

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(2) Each member of the Board shall be paid a fee as the Minister determines after considering the recommendation of the Board under Subsection (1).

**PART IV. - STAFF OF THE AUTHORITY.**

**31. MANAGING DIRECTOR.**

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

(2) The Managing Director is -

- (a) the Chief Executive Officer of the Authority; and
- (b) the Head of the staff of the Authority.

**32. APPOINTMENT OF MANAGING DIRECTOR.**

The Managing Director shall be -

- (a) appointed, suspended and dismissed in accordance with the *Regulatory Statutory Authorities (Appointment to Certain Offices) Act 2004*; and
- (b) appointed for a term not exceeding four years; and
- (c) appointed on such terms and conditions as determined by the Board, subject to the *Salaries and Remuneration Commission Act 1988*; and
- (d) eligible for re-appointment.

**33. QUALIFICATIONS FOR APPOINTMENT OF THE MANAGING DIRECTOR.**

(1) A person shall be eligible for appointment as the Managing Director, if he -

- (a) possesses a minimum tertiary qualification of an undergraduate degree in a field, considered by the Board to be relevant to the position of the Managing Director, from an accredited university that is recognised by the Department responsible for higher education; and
- (b) has at least 10 years practical experience relevant to the functions of the Authority, and at least five of which years were in an executive managerial capacity equivalent to head or deputy head level of a reputable organisation; and
- (c) is a fit and proper person.

(2) A fit and proper person -

- (a) is competent and of sound judgement to fulfil the responsibilities of that office; and
- (b) has no questionable conduct or activities in business or financial matters, in particular -
  - (i) has not committed an offence involving fraud or other dishonesty or violence; and
  - (ii) has not been engaged in or been associated with any financial loss due to dishonesty, incompetence or malpractice; and
  - (iii) has not been engaged in any business practices appearing to be deceitful or oppressive or otherwise improper (whether unlawful or not) or which otherwise reflect discredit on the person's conduct; and
  - (iv) has not been engaged in or been associated with any other business practices or otherwise conducted themselves in such a way as to cast doubt on that person's competence and soundness of judgement; and
- (c) has medical clearance from a certified medical practitioner; and
- (d) has police clearance.

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**34. FUNCTIONS OF THE MANAGING DIRECTOR.**

The Managing Director has the following functions:

- (a) to manage the administrative affairs of the Authority, and to control the staff of the Authority in the exercise of their lawful duties; and
- (b) to oversee the daily operations of the Authority to ensure the effective performance of the functions of the Authority, in accordance with the policy directions of the Board; and
- (c) to report to the Board on all matters referred to him by the Board, concerning the Authority; and
- (d) to be responsible to the Board in the performance of his functions under this Act; and
- (e) to perform the role of Director under the *Oil and Gas Act 1998* and the *Unconventional Hydrocarbons Act 2015* and any other related laws; and
- (f) to perform such other functions as determined by the Board, from time to time, or as provided for under his contract of employment.

**35. DELEGATION.**

(1) The Managing Director may delegate all or any of his functions under this Act, other than this power of delegation, to any member of the staff of the Authority and shall immediately report any such delegation to the Board in writing.

(2) The Managing Director may, by an instrument in writing, amend or revoke any delegation and shall advise the Board accordingly.

(3) A delegation made under this Act does not restrict or prevent the Managing Director from performing or exercising the delegated function.

**36. STAFF OF THE AUTHORITY.**

(1) The Managing Director may appoint persons to be staff of the Authority, in accordance with procedures established and approved by the Board, for the purpose of giving effect to this Act and carrying out the functions of the Authority.

(2) A member of the staff of the Authority appointed under Subsection (1) shall be appointed on such terms and conditions, as the Board subject to the *Salaries and Conditions Monitoring Committee Act 1988*, determine.

(3) The Managing Director may dismiss a member of the staff of the Authority in accordance with procedures established and approved by the Board.

(4) The Managing Director and other staff of the Authority appointed under Subsection (1) constitute the staff of the Authority.

(5) The staff of the Authority (including the Managing Director) are not officers of the Public Service.

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**37. CONTRACTS OF EMPLOYMENT.**

The Managing Director and each staff of the Authority shall be employed under a contract of employment which -

- (a) in the case of the Managing Director, shall be executed by the Head of State in accordance with the *Regulatory Statutory Authorities (Appointment to Certain Offices) Act 2004*; and
- (b) in the case of each member of the staff, shall be executed by the Managing Director.

**38. PUBLIC SERVICE RIGHTS.**

(1) Where an officer of the Public Service is appointed as Managing Director, his service as Managing Director shall be counted as service in the Public Service for the purpose of determining his rights (if any) in respect of -

- (a) absence or leave on the ground of illness; and
- (b) furlough or pay in lieu of furlough including pay to dependants or personal representatives on the death of the officer.

(2) Where an officer of the Public Service is appointed as a staff of the Authority, his service as a staff shall be counted as service in the Public Service for the purpose of determining his rights (if any) in respect of -

- (a) absence or leave on the ground of illness; and
- (b) furlough or pay in lieu of furlough including pay to dependants or personal representatives on the death of the officer.

**39. REGULATIONS FOR THE STAFF OF THE AUTHORITY.**

A Regulation may -

- (a) prescribe the terms and conditions of employment of staff; and
- (b) provide for a home ownership scheme for staff who are citizens; and
- (c) provide for the establishment of a superannuation scheme to provide benefits for staff of the Authority on retirement, resignation, retrenchment or death.

**40. ENGAGEMENT OF CONSULTANTS.**

(1) The Authority may engage persons with suitable qualifications and experience as consultants to the Authority.

(2) The Authority may engage consultants under agreement in writing on such terms and conditions as specified in the agreement.

(3) The Authority may engage non-citizens as consultants.

**41. SECONDMENTS.**

(1) The Authority may allow a staff of the Authority to be engaged on secondment to a State Service to assist the State Service in the performance of the State Service's functions.

(2) The Authority may be assisted in the performance of its functions by members of another State Service seconded to the Authority.

**42. TECHNICAL ADVISORS.**

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

(a) within the limit of funds 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 contract employees of, or contractors to, the Authority, such technical advisers as, in the opinion of the Managing Director or the Board, are necessary for the functions and purposes of the Authority.

**43. TEMPORARY AND CASUAL EMPLOYEES.**

(1) The Authority may appoint such temporary and casual employees as the Authority thinks necessary for the purpose of this Act.

(2) The temporary and casual employees shall be employed on such terms and conditions as the Authority determines.

**44. CODE OF CONDUCT.**

(1) The Authority must determine a Code of Conduct for all staff of the Authority.

(2) The Authority must publish the Code of Conduct in the National Gazette and ensure that all staff of the Authority are aware of the Code.

**45. GUIDELINES.**

(1) The Authority may make guidelines, not inconsistent with this Act, for any matter that is necessary or desirable for the efficient management and control of the staff of the Authority.

(2) The guidelines must be published in the National Gazette by the Authority.

(3) In the absence of any such guidelines referred to in Subsection (1), the Authority administration and operating procedures shall be guided by the Public Service General Orders.

**46. CONSULTATION WITH THE PUBLIC SERVICES COMMISSION.**

The Authority must consult with the Public Services Commission about -

(a) the Code of Conduct; and

(b) the Guidelines; and

(c) the terms and conditions of engagement of staff of the Authority.

**PART V. - FINANCES, REPORTING AND AUDIT.**

**47. APPLICATION OF OTHER ACTS.**

The following Acts apply to and in relation to the Authority:

(a) Part VIII of the *Public Finance (Management) Act 1995*; and

(b) the *National Procurement Act 2018*; and

(c) the *Non-Tax Revenue Administration Act 2022*.

**48. FUNDS OF THE AUTHORITY.**

(1) The funds of the Authority consist of -

(a) all monies appropriated by the National Parliament to the Authority for the purposes of carrying out or giving effect to this Act; and

## *National Petroleum Authority*

- (b) all monies received by the Authority by way of grants, donations, contributions, and subscriptions; and
- (c) all monies received by the Authority from any borrowing approved under Section 52; and
- (d) all fees, levies, and administrative fines and penalties paid or payable -
  - (i) under this Act or any other law in respect of or from any petroleum project or gas project to which the *Oil and Gas Act 1998* applies; or
  - (ii) under any petroleum project to which the *Unconventional Hydrocarbons Act 2015* applies; or
  - (iii) under any other law to be administered by the Authority; and
- (e) any revenue received from contracting for the acquisition or use of data and information; and
- (f) all monies earned or arising from any property, mortgages, charges, or debentures acquired by or vested in the Authority; and
- (g) all other monies received by the Authority in the performance of its functions and powers under this Act.

(2) Subsection (1) does not apply in respect of any money, levy or royalty to the extent explicitly allowed, received and held by the Authority, on behalf of any other person under any Act of Parliament or any constitutional law.

- (3) The finances of the Authority may be expended only for the following reasons:
- (a) payment or discharge of expenses, obligations and liabilities of the Authority; and
  - (b) remuneration of the staff of the Authority; and
  - (c) payment of any allowances to the members of the Board, or members of any committee of the Board in accordance with the *Boards (Fees and Allowances) Act 1951*; and
  - (d) payment of fees and costs for professional services rendered to the Authority; and
  - (e) payment of any charges on any amount which may be allocated to the Authority from loan funds, and repaying any moneys borrowed under this Act and any interest payable; and
  - (f) the disbursement of grants, loans or other financial assistance under this Act; and
  - (g) making investments authorised by this Act and other relevant laws; and
  - (h) such other purposes as are consistent with the functions of the Authority after consultation with the Board.

### **49. EXPENDITURE.**

(1) The Authority shall, not later than three months before the end of each financial year, submit to the Departmental Head of the Department responsible for treasury matters an operating budget including -

- (a) estimates of the receipts and expenditure of the Authority for the next financial year; and
- (b) its proposed program (if any) for that financial year, and identifying any expenditure to be charged against the assets of the Authority, as approved by the Board after consultation with, and in such form as reasonably required by the Departmental Head of the Department responsible for treasury matters.

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(2) Any disagreement in relation to the appropriateness or quantum of any expenditure item in the operating budget between the Authority and the Departmental Head of the Department responsible for treasury matters shall first be discussed between them, and if the disagreement is not resolved not later than one month before the end of the relevant financial year, then the matter shall be referred for determination by a person nominated by the Papua New Guinea Institute of Accountants, whose decision shall be final, and whose costs are to be paid by the State.

(3) Where a disagreement referred to in Subsection (2) is not resolved prior to the commencement of the next financial year, the operating budget of the current financial year shall apply for the next financial year and for so long as the disagreement is unresolved.

### **50. NATIONAL PETROLEUM AUTHORITY LEVY.**

(1) The Authority shall, by notice in the National Gazette, impose a National Petroleum Authority levy on all petroleum producers and exporters in Papua New Guinea.

(2) The levy shall be at the rate of 0.5% of gross sales revenue of crude oil, gas, liquified natural gas, condensates and liquid petroleum gas.

(3) The amount levied from the producer and exporter, who is an eligible taxpayer, shall be deducted from that taxpayer's assessable income pursuant to Section 68 of the *Income Tax Act 1959*.

### **51. BANK ACCOUNTS.**

Subject to the *Public Finances (Management) Act 1995*, the Authority shall open and maintain such bank accounts as are necessary for the exercise and performance of its functions and shall pay into them all such monies collected in relation to the purpose of the respective bank accounts.

### **52. INVESTMENT AND BORROWING.**

Monies of the Authority that are not immediately required may be invested in accordance with the relevant law.

### **53. LIABILITY TO TAXATION.**

For the purposes of Section 24(1) of the *Income Tax Act 1959*, the Authority is a public authority constituted under this Act.

### **54. ACCOUNT, RECORDS, ETC.**

The Authority shall, in accordance with general acceptable accounting standard practices -

(a) keep proper accounts of its transactions and affairs; and

(b) shall do all things necessary to ensure that -

(i) all expenditure of its funds are authorised in accordance with law; and

(ii) adequate control is maintained over its assets, or assets in its custody and over the incurring of liabilities.

### **55. AUDITS.**

The *Audit Act 1989* applies to the Authority.

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**56. FINANCIAL STATEMENTS.**

- (1) For the purpose of this section, unless the contrary intention appears -  
“accounting period” means the period commencing on the coming into operation of this Act and ending on the next succeeding balance date, and afterwards means the period of one year ending on a balance date;  
“balance date” means the close of 31 December;  
“financial statement”, in relation to the Authority and a balance date, means -  
(a) a balance sheet for the Authority as at the balance date; and  
(b) an income and expenditure statement for the Authority in relation to the accounting period ending at the balance date; and  
(c) a statement of cash flows for the Authority in relation to the accounting period ending at the balance date, together with any notes or documents giving information in relation to the balance sheet, income and expenditure statement or statement of cash flows; and  
“generally accepted accounting practice” has the meaning given to it by Section 172 of the *Companies Act 1997*, as if the Authority were a reporting company within the meaning of that expression in that section.

(2) The Board shall produce within three months after the balance date of the Authority, financial statements in compliance with this section -

- (a) for that accounting period of that balance date relating to the Authority; and  
(b) dated and signed on behalf of the Board by the Managing Director.

(3) The financial statements of the Authority shall comply with generally accepted accounting practice and must be consistent with Section 63 of the *Public Finances (Management) Act 1995*.

(4) For the purposes of this section, where, in complying with generally accepted accounting practice, the financial statements do not give a true and fair view of the matters to which they relate, the Board shall add such information and explanations as will give a true and fair view of those matters.

**57. 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 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, the Board shall forward the report to the Minister who shall forward to the Speaker for presentation to the National Parliament.

**PART VI. - MISCELLANEOUS.**

**58. FALSE STATEMENTS.**

A person who, in a statement made or information provided under or for the purposes of this Act or the *Oil and Gas Act 1998*, without reasonable excuse (proof of which is on that person), makes a statement, or gives information that is false or misleading in a material particular, is guilty of an offence.

Penalty: A fine not exceeding K100,000.00.

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**59. GENERAL PENALTY.**

(1) A person who acts in contravention of or does not comply with a provision of this Act is guilty of an offence.

(2) A person who commits an offence against this Act for which no penalty is provided elsewhere in this Act is liable to a penalty of a fine not exceeding K100,000.00 or imprisonment for a term not exceeding two years, or both.

(3) If the offence is a continuing offence, the person is further liable to a default penalty of a fine not exceeding K2,500.00 for each day during which the offence continues after conviction.

**60. SERVICE OF NOTICES, ETC.**

A notice, summons, writ or other process required to be served on the Authority may be served by being left and formally received and stamped at the office of the Authority or, in the case of any notice, by being sent by registered mail.

**61. AUTHENTICATION OF DOCUMENTS.**

Any document requiring authentication by the Authority is sufficiently authenticated if the common seal of the Authority is affixed to the document in accordance with Section 6.

**62. APPOINTMENT OF ATTORNEYS.**

(1) The Authority may, by instrument under the common seal of the Authority, appoint a person to act as its attorney for the purpose of doing anything that the Authority itself might lawfully do, including how to do it (other than allow that person to delegate).

(2) The person appointed under Subsection (1) on behalf of and in the name of the Authority, may do any act, discharge any duty, perform function or exercise any power authorised by the instrument appointing that person, including how to do so.

**63. PROTECTION FROM PERSONAL LIABILITY.**

A member of the Board, a committee of the Board, a member of the staff of the Authority, a servant or agent of the Authority is not personally liable for any act or omission (including any default or fault) or those of the Authority if done or omitted to be done in good faith consistent with the activities of the Authority or for the purposes of the Authority.

**64. PROOF OF CERTAIN MATTERS.**

In any proceeding by or against the Authority, proof is not required, unless evidence is given to the contrary, of -

- (a) any resolution of the Board; or
- (b) the appointment of any member of the Board; or
- (c) the appointment of the Managing Director; or
- (d) the presence of a quorum at a meeting of the Board at which a determination is made or an act is done.

**65. CONFIDENTIALITY.**

(1) The Authority shall take all reasonable steps to protect, from unauthorised use or disclosure, information given to it in confidence or in relation to the discharge of any duty, the performance of any function or the exercise of any power.

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(2) For the purposes of Subsection (1), the disclosure of information as required and permitted by any law or a Court of competent jurisdiction is to be taken to be authorised use and disclosure of the information.

(3) For the purposes of Subsection (1), the disclosure of information by any person for the purposes of performing the role of that person as a member of staff of the Authority or as a member of the Board is to be taken to be authorised use and disclosure of the information.

### **66. REGULATIONS.**

The Head of State may, acting on advice, make regulations, not inconsistent with this Act, prescribing all matters that by this Act are permitted or required to be prescribed, or that are necessary or convenient to be prescribed for achieving any objective or purpose or otherwise giving effect to this Act.

### **67. STANDARDS, GUIDELINES AND RULES OF PROCEDURE.**

(1) The Authority may develop standards, guidelines, rules of procedure, or other documents for the effective performance of its functions under this Act.

(2) The standards, guidelines, rules of procedures, or other documents developed under Subsection (1) shall not be inconsistent with this Act.

## **PART VII. - SAVINGS AND TRANSITIONAL PROVISIONS.**

### **68. SAVINGS.**

(1) Nothing in this Act affects the validity of any act or decision done or made by the Department, and shall be taken to be valid and effectual and to have continuing effect despite anything in this Act.

(2) All appointments, contracts, agreements, arrangements, conveyances, deeds, leases, licenses and other instruments executed by the Department, are on the coming into operation of this Act, binding on, and enforceable against the Authority as if executed by the Authority.

(3) Where by or under an Act or other law (other than this Act) any document or instrument wherever made or executed, contains a reference, express or implied, to the Department, that reference shall, on the coming into operation of this Act, except where the context otherwise requires, be read and construed and have effect as a reference to the Authority.

(4) All licences that were granted immediately before the coming into operation of this Act, shall continue to be valid and may be renewed under their existing terms and conditions, until such time the licence expires or is cancelled by the Authority.

### **69. DEPARTMENTAL HEAD AND STAFF.**

(1) A person who, immediately before the coming into operation of this Act, held office as a Departmental Head of the Department shall, on the coming into operation of this Act, be deemed to be the acting Managing Director of the Authority, until such time an appointment is made in accordance with this Act and the *Regulatory Statutory Authorities (Appointment to Certain Offices) Act 2004*.

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(2) A person who, immediately before the coming into operation of this Act held an office or appointment in the Department shall, on the coming into operation of this Act, hold a similar office or appointment under this Act and on the same terms and conditions until -

- (a) his appointment as a staff of the Department is made under this Act; or
- (b) his position is made redundant and his entitlements paid to him where he shall cease to be a staff of the Authority,

whichever occurs first.

### **70. TRANSFER OF ASSETS.**

(1) All the estate, right, title and interest, both in and to any property which, immediately before the coming into operation of this Act, was vested in the State on behalf of the Department or otherwise reserved or set aside for use by the Department for any purpose connected with, by virtue of this section and without the necessity of any formal deed of assurance, is vested in the Authority.

(2) Where the property referred to in Subsection (1) is land registered under the *Land Registration Act* (Chapter 191), the Registrar of Titles shall, without formal transfer and without fee, on application in that behalf by the Authority, enter or register the Authority in the relevant Register kept under that Act and, on that entry or registration, grant a certificate of title, lease or other instrument evidencing title to the land within that Act.

### **71. ACTIONS NOT TO ABATE.**

(1) Where, immediately before the coming into operation of this Act, any action, arbitration or proceeding was pending or existing by, against or in favour of the State, in so far as it relates to the functions of the Authority under this Act, it does not, on that coming into operation, abate or discontinue or be in any way affected by anything in this Act, but it may be prosecuted, continued or enforced by, against or in favour of the State as if the action, arbitration or proceeding were taken under this Act.

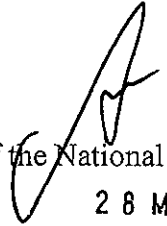
(2) Nothing in this Act affects the validity of any act or decision done or made by the Department (or any officer of the Department), the Secretary, or the Director or his delegate before the coming into operation of this Act.

(3) After the coming into operation of this Act, any act or decision done or made before the coming into operation of this Act, and relating to application and administration of the *Oil and Gas Act 1998* and the *Unconventional Hydrocarbons Act 2015* -

- (a) by the Department, shall be taken to be an act or decision, as the case requires, of the Authority; and
- (b) by the Departmental Head, shall be taken to be an act or decision, as the case requires, of the Managing Director.

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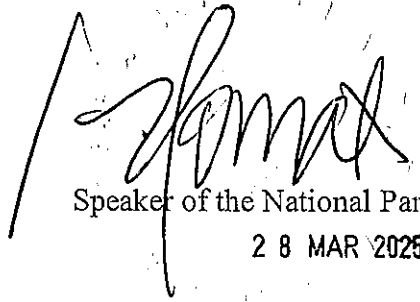
I hereby certify that the above is a fair print of the *National Petroleum Authority Act 2025*, which has been made by the National Parliament.



Clerk of the National Parliament.

28 MAR 2025

I hereby certify that the *National Petroleum Authority Act 2025*, was made by the National Parliament on 12 March 2025 by an absolute majority in accordance with the *Constitution*.



Speaker of the National Parliament.

28 MAR 2025

