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## PRESS RELEASE

### **MRA MD explains addition of Section 5A to the existing Mining Act 1992**

Managing Director of the Mineral Resources Authority (MRA) Jerry Garry has explained that the objective of Section 5A and its inclusion into the existing Mining Act 1992, is to ascertain the number of metals produced from each mine, to ensure that the state receives real value for its resources in terms of tax revenue, and that historical mineral and exploration data is collected and stored.

Section 5A which is a new addition/amendment to the Mining Act 1992, was passed by Parliament last week after the bill was introduced by the Mining Minister Hon Johnson Tuke.

The amendment was proposed on the back of considerations that the country could be missing out on revenue opportunities through tax collection. Papua New Guinea's tax to Gross Domestic Product (GDP) ratio is very low at 13.7 percent.

The MRA's Managing Director Jerry Garry, said based on the MRA's preliminary findings through the engagement of Organisation for Economic Cooperation and Development (OECD), PNG is collecting 20 percent less than the OECD member countries' average. PNG may have been losing out on its opportunity to collect more tax from the mining sector.

The OECD is an international organisation that works to build better policies for developing countries. Their goal is to assist countries through diagnostic studies and assist countries to develop better policies and strengthen capabilities in developing countries that foster good governance and well-being.

Mr Garry said the statistics acquired from OECD led the MRA, the Mineral Policy & Geohazards Management (DMPGM) and other relevant government departments into proposing the addition to the Mining Act 1992. Section 5A of the Act empowers the state through MRA and its line agencies, to acquire

“LIVE” mineral processing and production data, from mining companies operating in the country.

He explained that at present mining companies provide statistical data to MRA in a Form, which has never been and does not get verified through independent State –sponsored audits or reconciliations for each operating mines. The only way to verify data supplied by mining companies is by virtually having live visibility to throughput, recovery and tailings data from the processing plants.

The MD said, the MRA would work with its partners to build necessary infrastructure that would enable them view live production data. He said having visibility to mineral processing and production data would enable the State to have much better control over how much metals and revenue have been generated over a given period and how money is likely due for the country.