

By Peter Klinger

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AngloGold boss lambasts mining peers

AngloGold Ashanti managing director Mark Cutifani has lambasted his mining peers for not doing enough to address the structural cost issues facing the industry, as well as for failing to communicate the good the sector was doing for the broader community.

Addressing the Diggers & Dealers forum in Kalgoorlie-Boulder today, the well-regarded Mr Cutifani said "structural inflation" in the industry was running at 10 per cent to 15 per cent, driven by the fact that new mine developments were deeper, further from existing infrastructure and of lower head grade.

This was on top of other inflationary pressures such as labour, materials and fuel costs.

"This is a structural problem, not just inflation," Mr Cutifani, who is based in Johannesburg, said.

"(Equipment maker) Caterpillar estimates that we will be moving 70 per cent more waste material to get to the ore than we are today."

But Mr Cutifani, whose company is building the \$740 million Tropicana gold mine 330km north-east of Kalgoorlie-Boulder, said he was also concerned about his industry's lack of focus in the debate about cost pressures, especially at a time when politicians were targeting the mining industry "as a short term way to raise a buck".

"My great concern is that a lot of the debate in the industry is not going to the heart of this," he said.

Mr Cutifani said the mining industry's expenditure on research and development was too low, and significantly less than its oil and gas peers commit, while more had to be done to work with the community to improve productivity.

"We have to look in the mirror and take accountability for what we are not doing in changing the world as we know it."