Unit Outline

MGMT8604
Strategic International Mining Management

Trimester 3
2009
Crawley

Professor Malcolm Richmond

Business School
www.business.uwa.edu.au
CONTACT DETAILS

<table>
<thead>
<tr>
<th>LECTURER</th>
<th>Professor Malcolm Richmond</th>
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</thead>
<tbody>
<tr>
<td>EMAIL</td>
<td><a href="mailto:Malcolm.Richmond@uwa.edu.au">Malcolm.Richmond@uwa.edu.au</a></td>
</tr>
<tr>
<td>PHONE</td>
<td>(08) 6488 7993</td>
</tr>
<tr>
<td>CONSULTATION HOURS</td>
<td>By appointment</td>
</tr>
<tr>
<td>LECTURE TIMES</td>
<td>3rd, 16th, 17th &amp; 24th Oct 2009</td>
</tr>
<tr>
<td></td>
<td>6th Nov 09</td>
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<tr>
<td></td>
<td>08:30am until 17:00pm</td>
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<tr>
<td>LECTURE VENUE</td>
<td>Business School: Michael Chaney Case Study G42</td>
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</table>

Your Lecturer

Professor Malcolm Richmond has a business background – largely with the international minerals industry, with a career spanning 30 years with Rio Tinto Ltd (many years of which at senior positions), for example Vice President Strategy and Acquisitions, MD of Research and Development and Executive Director of Hamersley Iron. Malcolm has been (and remains) a Director of many companies and organizations. His major interests include strategy and decision making in complex and uncertain environments particularly where technological risk is a major factor.

Professor Richmond has significant interest in China and lectures to a number of major metallurgical and mining institutions there, and is regarded as a leading authority on many aspects of mining industry strategy.
UNIT DESCRIPTION

Introduction

The unit comprises a series of lectures that cover the application, of business strategy and international management principles, to the world mining industry. Lectures cover the behaviour of the world mining industry, the significant strategies and decisions taken by firms that have shaped important shifts in the industry’s current and future direction.

Unit Content

The unit comprises 5 full day lectures

- Essentially 12 lectures
- Scrap book presentations by each student will start mid unit (15 minutes each)
- Halfway through the unit (17th October 2009), I will introduce the case Study (for presentation/completion in the final week)
- The dates are below: each day starts at 8.30 am and finishes at 5 pm; there will be two key lectures plus a presentation together with intensive Q&A.
  
  Saturday, 3rd October 2009
  Friday, 16th October 2009
  Saturday, 17th October 2009
  Saturday, 24th October 2009
  Friday, 6th November 2009

The Goal of the Unit

Overall, it is the goal of the unit to provide the student with a broad understanding of a major industry, covering issues such as competitive and growth strategy, industry micro economics, production technology, international marketing, internationally effective organisations and recruitment of staff to international organisations.
Learning Outcomes

The unit seeks to provide the student with a framework for better understanding the industry today and where it might be heading tomorrow. It can be seen as providing the student with a real world application of many important tenets of international business, generally (particularly as it relates to China) and to the mining industry.

The unit provides the student a deeper insight into the use of classical microeconomic tools (e.g., supply curve analysis) which have wide application in a commodities industry. Towards the end of the unit the student is brought up to date with how Boards actually select (or reject) major investments and growth projects.

More specifically the unit will consider:

The important forces shaping the industry as a whole.

- The demand for metals and minerals internationally
  - A history of mutual demand and its relationship to macro economic variables
  - Expected demand/outlook for major economies (the special case of China)
  - Important shifts in technology, in the use of metals
- Longer term supply and the role of exploration
- Supply/demand balance in international price formation

Key issues of individual firm activity

The following issues are covered from both the basis of early stage and established firms:

- Corporate strategies for growth and development
- Asset spread/Portfolio strategy
- International marketing – contract agreement and price setting
- Political management in an international world
- Exploration – the life blood of new projects
- Financial strategy
- Project development and financing
- Engineering/technology
- Initial business planning and development of new customers

Prerequisites

This unit is very challenging; the lecture materials given to students are extensive and, in essence, a good example of “applied strategy.” As such, it is strongly recommended students have already undertaken units in finance and strategy.

Key Dates

- Saturday, 3rd October 2009
- Friday, 16th October 2009
- Saturday, 17th October 2009
- Saturday, 24th October 2009
- Friday, 6th November 2009
UNIT STRUCTURE

Half way through the unit, the case study will be introduced (and which students will present at the end of the unit).

Students will also be asked to prepare and give two “scrap book” presentations that will cover selected corporate decisions that have impacted on the industry.

Seminar Topics

The unit is to be taught “intensively” over five days with the topics to be covered listed below:

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>Saturday, 3rd October 2009</td>
<td>Introduction/Overview</td>
</tr>
<tr>
<td></td>
<td>* An industry undergoing major change – the issues at large.</td>
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<tr>
<td></td>
<td>* The extraordinary shift in demand/supply balance</td>
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<tr>
<td></td>
<td>* Political relations, new countries</td>
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<tr>
<td></td>
<td>* An initial look at corporate strategy</td>
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<tr>
<td></td>
<td>* The impact of the current recession</td>
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<tr>
<td>Friday, 16th October 2009</td>
<td>Shifts in demand/supply and price formation</td>
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<tr>
<td></td>
<td>Demand for Minerals &amp; Metals</td>
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<tr>
<td></td>
<td>* Economic development – stages of growth</td>
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<tr>
<td></td>
<td>* Industry growth and demand for metals</td>
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<td></td>
<td>The extraordinary importance of China</td>
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<tr>
<td>Saturday, 17th October 2009</td>
<td>Supply: Mining Projects, Exploration, Shipping</td>
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<tr>
<td></td>
<td>• Problems maintaining continuity/cost competitiveness</td>
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<tr>
<td>Saturday, 24th October 2009</td>
<td>Demand/Supply Balance, Market Overview, Price Formation</td>
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<tr>
<td></td>
<td>• Anticipated outlook for supply/demand</td>
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<tr>
<td></td>
<td>• Price formation; the various approaches adopted</td>
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<td>Friday, 6th November 2009</td>
<td>Detailed Review of Some Key International Markets</td>
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<td></td>
<td>Project Development and Financing/Early Stage Marketing, Evaluation</td>
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<tr>
<td></td>
<td>and Studies: * Prefeasibility, BFS.</td>
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<tr>
<td></td>
<td>Industry Strategy overview and Specific Firm Strategy</td>
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<td></td>
<td>Case Study – Discussions: Rio/Alcan acquisition</td>
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<td></td>
<td>Putting It Together – the key decisions at the Board table of a major</td>
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<tr>
<td></td>
<td>• How large scale projects are assessed</td>
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<td></td>
<td>Case Study Presentation</td>
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Attendance

Participation in class, whether it be listening to a lecture or getting involved in other activities, is an important part of the learning process. For this reason the Business School has decided not to move to online teaching. It is, therefore, important that you attend classes (and be on time).

More formally, the University regulations state that ‘to complete a course or unit, students shall attend prescribed classes, lectures, seminars and tutorials’. Students should not expect to obtain approval to miss more than two classes per unit, unless there are exceptional circumstances.

TEXTBOOKS AND RESOURCES

Unit Web Site

Lecture notes will be posted on the unit web site.

Text


Additional/Suggested/Alternate Text(s) Text

Students will be provided with very extensive lecture notes, addenda and relevant papers at the first lecture.

TEACHING AND LEARNING RESPONSIBILITIES

Teaching and Learning Strategies

“Scrapbook” Projects will examine a major decision taken by a firm within the world mining industry and consider the reasoning behind the decision and evaluate its outcomes; for example

MAJOR DECISIONS

*BHP development of HBI  *RIO purchase of NBH  *RIO acquisition of Alcan
*BHP acquisition of Magma  *Xtrata purchase of MIM  *BHP Sale Steel Business
*RIO decision not to purchase Escodida  *BHP development of Development of FMG
*Anglo American reorganization *INCO  *BHPs future moves at Olympic Dam

* Vales consolidation of and Pilbara operations

Teaching and Learning Evaluation

You may be asked to complete two evaluations during this unit. The Student Perception of Teaching (SPOT) and the Student’s Unit Reflective Feedback (SURF). The SPOT is optional and is an evaluation of the lecturer and the unit. The SURF is completed online and is a university wide survey and deals only with the unit. You will receive an email from the SURF office inviting you to complete the SURF when it is activated. We encourage you to complete the forms as your feedback is extremely important and can be used to make changes to the unit or lecturing style when appropriate.
Charter of Student Rights and Responsibilities

This Charter of Student Rights and Responsibilities upholds the fundamental rights of students who undertake their education at the University of Western Australia. It recognises that excellence in teaching and learning requires students to be active participants in their educational experience. It upholds the ethos that in addition to the University's role of awarding formal academic qualifications to students, the University must strive to instil in all students independent scholarly learning, critical judgement, academic integrity and ethical sensitivity. Please refer to the guild website the full charter of student rights, located at http://www.secretariat.uwa.edu.au/home/policies/charter

ASSESSMENT MECHANISM

<table>
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<tr>
<th>Component</th>
<th>Weight</th>
<th>Due Date</th>
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<tr>
<td>Class Participation</td>
<td>20% (each lecture has an intensive Q&amp;A component)</td>
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| Two Scrapbook Projects   | a) 15% and b) 25% (analyse/discuss two major resource industry undertakings) | a) 17th October 2009  
b) 6th November 2009 |
| Major Project            | 40% (Rio/Alcan acquisition. Student assumes role of major institutional shareholder, with large Rio holding) | 13th November 2009     |

Supplementary exams are not available in this unit.

The Purpose of Assessment

There are a number of reasons for having assessable tasks as part of an academic program. The assessable tasks are designed to encourage you to explore and understand the subject more fully. The fact that we grade your work then gives you an indication of how much you have achieved. Providing feedback on your work also serves as part of the learning process.

Final Exam

There is no final exam, in this unit.
Submission of Assignments

Please remember to attach an Assignment Cover Sheet to the front of your assignment. You can download and print your Assignment Cover Sheet from the Students web page http://www.business.uwa.edu.au/students/assessments

All cover pages printed from this website contain a barcode unique to each student. Once submitted through the pigeon hole at the Postgraduate Student Centre, the barcode will be scanned and recorded electronically. An automatic email will be sent to your UWA email address, notifying you that your assignment has been submitted and recorded successfully. If you do not receive this acknowledgement email, please contact the Student Centre (email postgrads-business@biz.uwa.edu.au or ph 6488 3980).

Note: All assignments submitted through the pigeon hole at the Student Centre must have a cover sheet containing a barcode attached. Use of the barcode cover sheet is not necessary if you submit your assignment electronically or hand it directly to your lecturer in class.

Late assignments will attract a penalty of 5% per day. This penalty will be waived by the lecturer only in exceptional circumstances. No marks will be awarded to assignments submitted after other students in the class have had their assignments returned.

Papers of excessive length will also attract a penalty. The penalty will be 5% for each 300 words, or part thereof, over the word limit.

Assignments will be returned in class or through the Postgraduate Student Centre.

It is the intention that the marked assignments will be returned within two weeks of submission.
The Standard of Assessment

The Business School must ensure that the processes of assessment are fair and are designed to maintain the standards of the School and its students. The School follows the University of Western Australia’s grading system:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>HD</td>
<td>(Higher distinction)</td>
<td>80-100%</td>
</tr>
<tr>
<td>D</td>
<td>(Distinction)</td>
<td>70-79%</td>
</tr>
<tr>
<td>CR</td>
<td>(Credit pass)</td>
<td>60-69%</td>
</tr>
<tr>
<td>P</td>
<td>(Pass)</td>
<td>50-59%</td>
</tr>
<tr>
<td>N+</td>
<td>(Fail)</td>
<td>45-49%</td>
</tr>
<tr>
<td>N</td>
<td>(Fail)</td>
<td>0-44%</td>
</tr>
<tr>
<td>FC</td>
<td>(Failed component)</td>
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</tbody>
</table>

The School awards marks leading to these grades by using the following general criteria which are presented here as a clear indication of the School’s expectations. These general criteria may be supplemented by specific standards with regard to a particular assignment.

HD The student has a clear understanding of theory, concepts and issues relating to the subject and is able to adopt a critical perspective. The student is able to clearly identify the most critical aspects of the task and is able to offer a logically consistent and well articulated analysis within the analytic framework presented in the unit. The student is able to draw widely from the academic literature and elsewhere but maintains relevance.

D The student has a clear understanding of theory, concepts and issues relating to the subject. The student is able to develop an analysis of an issue using the analytic framework presented in the unit and is able to identify and evaluate the critical issues. The student is able to draw upon relevant academic and other material.

CR The student demonstrates an understanding of the analytic framework developed in the unit and a partial understanding of concepts and issues. The student is able to identify some key issues and is able to present a logical discussion, but with some conceptual errors or gaps between analysis and conclusions. The student is able to draw upon an adequate range of references and other materials.

P The student generally takes a descriptive rather than analytic approach to the subject. The student is able to demonstrate some understanding of the issues involved but does not demonstrate the ability to apply the analytic framework which had been developed in the unit. Draws primarily upon unit materials for referencing.

N+ The student is unable to demonstrate that he or she understands the core elements of the subject matter. The student is able to provide some insight into issues but misapplies analytic framework developed in the unit, omitting key factors and, for example, drawing conclusions which are not related to the preceding discussion.

N The student is unable to demonstrate any understanding of the subject matter. Material presented for assessment is unrelated to unit framework and shows no effort to identify or address critical aspects of the topic.

FC Failure of the unit due to failure to complete an identified essential assessment component.

The scaling of marks to ensure comparability between classes is an acceptable academic practice. The School and Board of Examiners have the right to scale marks where it is considered necessary to maintain consistency and fairness.
Special Consideration and Deferred Exams

If something exceptional and beyond your control has interfered with your ability to study in the normal way you should consider completing an application for special consideration. The forms can be obtained at the Postgraduate Student Centre or from the Student Administration website http://www.studentadmin.uwa.edu.au/welcome/forms

In exceptional circumstances you can also apply for a deferred mid-semester exam or a deferred end of semester/trimester exam within three (3) university working days from the date of the exam. Application forms can be obtained at the Undergraduate or Postgraduate Student Centres.

A student may be granted a deferred examination in one or more of their units if the Sub-Dean of the UWA Business School is satisfied that on the basis of medical or other exceptional reasons the candidate was either:
- substantially and unusually hindered in their preparation for an examination; or
- unavoidably absent from or unable to complete an examination.

Further information concerning Special Consideration and Deferred Examinations is available on the Business School website http://www.business.uwa.edu.au/students/assessments

Ethical Scholarship, Academic Literacy and Academic Misconduct

Ethical Scholarship is the pursuit of scholarly enquiry marked by honesty and integrity.

Academic Literacy is the capacity to undertake study and research, and to communicate findings and knowledge, in a manner appropriate to the particular disciplinary conventions and scholarly standards expected at university level.

Academic misconduct is any activity or practice engaged in by a student that breaches explicit guidelines relating to the production of work for assessment, in a manner that compromises or defeats the purpose of that assessment. Students must not engage in academic misconduct. Any such activity undermines an ethos of ethical scholarship. Academic misconduct includes, but is not limited to cheating, or attempting to cheat, through:

- collusion
- inappropriate collaboration
- plagiarism (see more details below)
- misrepresenting or fabricating data or results or other assessable work
- inappropriate electronic data sourcing/collection
- breaching rules specified for the conduct of examinations in a way that may compromise or defeat the purposes of assessment.

Penalties for academic misconduct vary according to seriousness of the case, and may include the requirement to do further work or repeat work; deduction of marks; the award of zero marks for the assessment; failure of one or more units; suspension from a course of study; exclusion from the University; non-conferral of a degree, diploma or other award to which the student would otherwise have been entitled. Refer to the Ethical Scholarship, Academic Literacy and Academic Misconduct and individual Faculty policies. For further information on the rules and procedures in respect of appropriate academic conduct you should visit: http://www.teachingandlearning.uwa.edu.au/tl4/for_uwa_staff/policies/student_related_policies/academic_conduct
Academic Conduct Essentials (ACE)

From 2008 all newly enrolled students in Postgraduate programs are required to complete a short compulsory online module called Academic Conduct Essentials (ACE) within the first 10 weeks of trimester/semester. ACE introduces students to essential knowledge regarding ethical scholarship, helps prepare them for the expectations of their university career and informs them of correct academic conduct.

The unit can be accessed via WebCT (http://webct6.uwa.edu.au). The unit quiz must be completed with a mark of 80% or greater. Students may attempt the quiz as many times as they wish to gain the required pass mark. Completion of the unit will be recorded as an Ungraded Pass (UP) on students’ academic records. Non-completion (NC) within the required timeframe will also be documented on formal academic records. More information on ACE is available at http://ace.uwa.edu.au

Acknowledging sources of information

In the course of your individual and team work assignments, you will encounter ideas from many sources. These will include journal and newspaper articles, commentaries, books, web sites and other electronic sources, original case sources, lecture materials. All assignments that you submit must acknowledge all the different sources you have used. Not to acknowledge your sources is plagiarism, a form of dishonesty. Plagiarism is the misappropriation of the work or ideas of others and presenting them as your own. This is reprehensible from both an ethical and legal viewpoint. Neither the School nor the University accepts ignorance or the fact that a student’s previous acts of plagiarism had been undetected as a defence.

In order to avoid engaging in plagiarism it is your responsibility to acknowledge all of your sources in any work submitted for assessment and it is essential that you reference the work of others correctly. Where you quote directly from a source, you must ensure that any direct quotations are placed in quotation marks and are fully referenced. Even when you do not quote directly and are just referring to or expanding on the work of others, you must still acknowledge the sources of your information and ideas. Close paraphrasing in which you change a few phrases around, leave a clause out of a long sentence or put the original sentences in a different order is still plagiarism. To mark words as a quotation the entire text that has been copied should be enclosed within the quotation marks. If the copied text is four or more lines in length, it may be more appropriate to set it as a separate and indented paragraph. Each time that text is copied, the source must be acknowledged with a reference citation, including the page number.

Advice on proper referencing is given below. If you have any doubts concerning appropriate referencing formats or how to acknowledge the work of others correctly, you should seek the advice of your lecturer.

The Faculty of Economics and Commerce has the following regulation on Plagiarism:
“The Faculty will promote the highest levels of probity and honesty amongst students and will provide instruction on ethical conduct. By submitting assignments and other work for assessment, students acknowledge Faculty’s duty to guard against plagiarism, including by electronic means such as Turnitin or MyDropbox. A lecturer may require students submitting written or electronic work to sign a Plagiarism Declaration Form indicating that the work is original.”
Referencing

It is important that the referencing of any sources used in your written work is done properly, if only to substantiate the points you are making in your assignment or project. The Harvard style is the preferred and there are some notes for guidance which have been prepared by the library staff: ‘Citing your Sources Harvard Style’

www.library.uwa.edu.au/education_training___and___support/guides/how_to_cite_your_sources/citing_your_sources_-_harvard_style

EndNote is a really good system for building up a database of references. Not everyone will want to invest the time in using this system but you should consider it if you intend to build up resource materials or plan to undertake extensive research in a particular area. The library staff have also developed a tutoring package: ‘A Quick Guide to Using EndNote’ which provides the basics for using EndNote with an essay

http://www.library.uwa.edu.au/education_training___and___support/guides/endnote

This is linked to the ‘How to Use EndNote’ page
http://www.library.uwa.edu.au/education_training___and___support/guides/endnote/endnote_manuals which provides more comprehensive information.

Taping of Lectures

The Graduate School does not provide tape recordings of lectures, however if you do wish to tape record a lecture, then as a matter of courtesy you should obtain the permission of the lecturer first.

Appeals Against Academic Assessment

In the first instance, students are strongly advised to talk informally to the lecturer about the grade awarded. The University provides the opportunity for students to lodge an appeal against any mark which he or she feels is unfair. Any student making an appeal is under an obligation to establish a prima facie case by providing particular and substantial reasons for the appeal. It is recommended that students contact the Guild Education Officers to aid them in the appeals process.

There is a 20 day time limit for making any such appeal. An appeal against academic assessment may result, as appropriate, in an increase or decrease in the mark originally awarded. The University regulations relating to appeals and the form on which the appeal should be lodged can be found at


Student Guild contact details

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