

# OPPORTUNITY COST AT THE MINE GATE

*“Every choice buries another. Today you learn what the buried one is worth.”*



## YOUR ROLE TODAY: GENERAL MANAGER

Last lesson your extraction stage had one budget and three things screaming for it. Today you sit in the chair where that scream gets answered. One desk, one budget, three folders — and a Friday deadline.

## THE SATURDAY TRAP — LOCK YOUR ANSWER FIRST

Saturday morning. Three options: sleep in • play in the footy game • take a work shift that pays \$60. You choose the footy. **Question: what did playing footy cost you?**

**My locked answer: playing footy cost me** \_\_\_\_\_

**After the reveal — the correct answer, in my words:**

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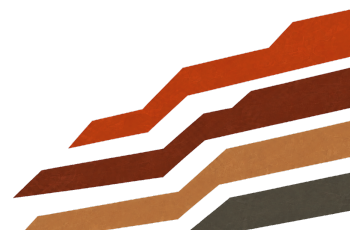
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## THE IDEA WITH A NAME

**Opportunity cost = the value of the NEXT-BEST alternative you gave up.**

Not everything you gave up added together — just the single best thing you didn't choose. That's what your choice really cost.

**Quick check — the footy cost you:** ☐ \$60 + a sleep-in ☐ the \$60 shift (if that was your next-best) ☐ nothing, footy is free



## ■ READ LIKE AN ANALYST — THE HIGHLIGHTING PROTOCOL

- 1 **BOX** the limited resource — the thing there isn't enough of.
- 2 **UNDERLINE** each competing option — every separate thing the money could do.
- 3 **CIRCLE** the one sentence that proves choosing is unavoidable.

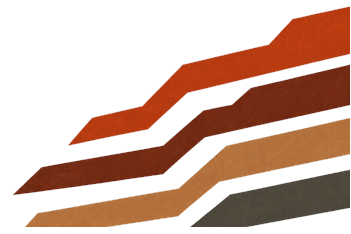
BRIEFING · JINDARRA OPERATIONS · MONDAY 7:12 AM · SCENARIO DATA FOR CLASSROOM USE

The General Manager's desk holds one budget and three open folders. The budget line reads **\$3,550,000** — every uncommitted dollar this operation has for the year. Folder one: the excavator fleet is ageing, the replacement quote is **\$1,695,000**, and every breakdown day costs production. Folder two: the workforce plan — hiring and training twelve new operators for **\$2,570,000** would lift output within months. Folder three: the exploration team wants **\$980,000** to drill for the next deposit; without it, this mine has no future beyond the ore it already knows about. And past the window, more needs and wants are queuing: safety upgrades, community sponsorship, the water team's wish list. The budget cannot fund everything. By Friday the GM must choose — and every choice buries another.

## ■ THE DECISION MATRIX — DO THE MATHS BEFORE THE ARGUING

| ALLOCATION I COULD MAKE<br>(HOW I WOULD SPLIT THE MONEY) | TOTAL COST | FITS THE<br>\$3,550,000? | WHAT THIS PATH GIVES UP |
|----------------------------------------------------------|------------|--------------------------|-------------------------|
| A · Equipment only (\$1,695,000)                         |            |                          |                         |
| B · Workforce only (\$2,570,000)                         |            |                          |                         |
| C · Exploration only (\$980,000)                         |            |                          |                         |
| A + C together                                           |            |                          |                         |
| B + C together                                           |            |                          |                         |
| A + B together                                           |            |                          |                         |

The combination that lands **EXACTLY** on the budget: \_\_\_\_\_ · The combination the budget makes impossible: \_\_\_\_\_



## ■ THE GM'S CALL — AND ITS TRUE COST

My allocation: \_\_\_\_\_ · My NEXT-BEST alternative was: \_\_\_\_\_

So the opportunity cost of my decision — named precisely, one alternative only:

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## ■ SKETCH THE FORK

Draw your decision as a fork in a mine road: your chosen path on one arm, your next-best on the other. Label the abandoned arm with what it was worth — that label IS your opportunity cost.

START: THE GM'S DESK → draw the fork, label both arms

## ■ EXIT TICKET — THE GM SIGNS OFF

1. Opportunity cost, my own words (the phrase “next-best” must appear):

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2. The curriculum question: WHY does opportunity cost exist at all? (Hint: what's limited — and what isn't?)

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3. Seed for next lesson: the mine pays wages → workers spend them in town → the shops... then what? Sketch or list where the money flows next — does it ever come back?

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### SKILLS I USED TODAY — TICK WHAT'S TRUE

☐ highlighted like an analyst · ☐ did the maths before the arguing · ☐ named a next-best precisely · ☐ argued in a real discussion · ☐ sketched a concept until it made sense

