



Australian Government

Department of Education, Employment and Workplace Relations

AHCMOM601A Analyse machinery options

Release: 1

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Modification History

Not Applicable

Unit Descriptor

Unit descriptor	This unit covers the analysis of machinery options within an agricultural, horticultural or land management enterprise and defines the standard required to: calculate the total running cost of machinery; review the machinery needs of the enterprise and evaluate costed alternative options; budget the calculated rate of return on investments using benchmarks of energy efficiency; compare the productivity and suitability of different types and brands of machinery; analyse the financial costs, tax impact and investment risk for different types of machinery; document the analysis and define the preferred option; and review the investment plan and analysis of options.
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Application of the Unit

Application of the unit	This unit applies to the analysis of machinery options within an agricultural, horticultural or land management enterprise and requires expertise of benchmarking practices and procedures, energy efficiency, capital budgeting techniques, relevant taxation provisions relating to investment, risks associated with investments and analysis and planning processes.
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Licensing/Regulatory Information

Not Applicable

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Not Applicable

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA

ELEMENT	PERFORMANCE CRITERIA
1. Calculate costs associated with machinery and use to assist decision making	1.1. Overhead, operating and intangible costs related to machinery are calculated. 1.2. Relevant benchmark data that relates machinery costs to enterprise productivity is sourced and compared to own enterprise data. 1.3. Comparison of productivity and suitability of different types and brands of machinery is made.
2. Review machinery requirements	2.1. Machinery inventory is reviewed in the context of the goals of the business, and current and future productivity and profitability levels. 2.2. Alternatives to ownership are identified, costed and evaluated. 2.3. Tax impact of the capital investment is identified through appropriate professional support and incorporated into the analysis. 2.4. Risks associated with high capital investment in machinery are assessed and controlled in making machinery decisions.
3. Analyse returns from major capital investments in machinery	3.1. Capital budgeting techniques including energy efficiency are used to calculate the rate of return on major investment decisions. 3.2. Plan and analysis of machinery options are reviewed and refinements are recorded.

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- calculate costs associated with machinery
- review machinery inventory and requirement
- evaluate and cost options
- assess investment risk
- budget and incorporate benchmarks
- calculate returns from major capital investments in machinery
- document a comprehensive report
- use literacy skills to fulfil job roles as required by the organisation. The level of

REQUIRED SKILLS AND KNOWLEDGE

skill may range from reading and understanding documentation to completion of written reports

- use oral communication skills/language competence to fulfil the job role as specified by the organisation, including questioning, active listening, asking for clarification, negotiating solutions and responding to a range of views
- use numeracy skills to estimate, calculate and record complex workplace measures
- use interpersonal skills to work with others and relate to people from a range of cultural, social and religious backgrounds and with a range of physical and mental abilities.

Required knowledge

- benchmarking practices and procedures, including energy efficiency, carbon footprint and water use efficiency
- capital budgeting techniques
- relevant taxation provisions relating to investment
- risks associated with investments
- analysis and planning processes.

Evidence Guide

EVIDENCE GUIDE	
The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>The evidence required to demonstrate competency in this unit must be relevant to workplace operations and satisfy holistically all of the requirements of the performance criteria and required skills and knowledge and include achievement of the following:</p> <ul style="list-style-type: none"> • calculate the total running cost of machinery • review the machinery needs of the enterprise and evaluate costed alternative options • budget the calculated rate of return on investments using benchmarks of energy efficiency • compare the productivity and suitability of different types and brands of machinery • analyse the financial costs, tax impact and investment risk for different types of machinery • document the analysis and define the preferred option • review the investment plan and analysis of options.
Context of and specific resources for assessment	Competency requires the application of work practices under work conditions. Selection and use of resources for some worksites may differ due to the regional or enterprise circumstances.

Range Statement

RANGE STATEMENT	
The range statement relates to the unit of competency as a whole.	
The factors may include:	<ul style="list-style-type: none"> • the range of farming systems • financing arrangements • machinery types • budgeting variables, including energy efficiency • machinery ownership options.

Unit Sector(s)

Unit sector	Machinery operations and maintenance
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Co-requisite units

Co-requisite units	

Competency field

Competency field	
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