



**Australian Government**

# **FWPTMM4202 Diagnose and calculate production costs**

**Release: 1**

## FWPTMM4202 Diagnose and calculate production costs

### Modification History

Release	Comment
1	Replaces equivalent unit FPITMM4202B Diagnose and calculate production costs, which was first released with FPI11 Forest and Forest Products Training Package Version 2.2.  This is the first release of this unit in the new standards format.

### Application

This unit of competency describes the outcomes required to estimate resource requirements for production of a range of timber products; to calculate overarching production costs and determine general supply costs. The preparation of individual quotations for customers is covered in FWPTMM3203 Estimate and cost job. Work is completed in a forest products factory setting.

The unit applies to timber manufacturing and production supervisors determine production and supply costs for the provision of products, including all overheads, in a forest and wood products factory setting.

No licensing, legislative, regulatory, or certification requirements apply to this unit at the time of publication.

### Pre-requisite Unit

Nil

### Unit Sector

Timber Manufactured Products

Timber Merchandising

### Elements and Performance Criteria

<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Gather and diagnose information	1.1 Obtain details of the particular product and competitors' products. 1.2 Obtain and analyse details of proposed production

	<p>operation.</p> <p>1.3 Access information on labour unit cost projections.</p> <p>1.4 Source and analyse details of logistic support contracts and supply agreements.</p> <p>1.5 Access details of proposed warehousing, physical distribution systems and related cost factors.</p> <p>1.5 Analyse all production cost factors for establishing supply cost.</p>
2. Estimate materials and labour	<p>2.1 Estimate and record types and quantities of material required for production.</p> <p>2.2 Estimate and record lead times and time requirements for production activities.</p> <p>2.3 Estimate and record labour requirements for direct production and handling operations.</p>
3. Calculate and document production cost	<p>3.1 Determine production components contributing to overhead costs.</p> <p>3.2 Determine type and percentage of overhead costs to be attributed to production in line with commercial and organisational procedures.</p> <p>3.3 Calculate material, labour and overhead costs to determine total production costs.</p> <p>3.4 Apply mark-up, in line with organisational procedures, and determine supply cost in conjunction with marketing and sales personnel.</p> <p>3.5 Document details of calculations and supply cost in line with organisational formats.</p>
4. Check and document details of production and supply costs.	<p>4.1 Check costs and calculations against production requirements.</p> <p>4.2 Report calculation processes and organise checking by relevant personnel for final authorisation.</p> <p>4.3 Complete and maintain accurate records of production and supply costs in line with organisational procedures.</p>

## Foundation Skills

This section describes those core and employment skills that are essential to performance and are not explicit in the performance criteria.

Numeracy skills to:	<ul style="list-style-type: none"> <li>interpret production costing information and calculate complex production and supply costs</li> <li>interpret and calculate organisational mark-up rates</li> <li>present accurate figures in records of calculations, production and supply costs.</li> </ul>
Oral communication skills to:	<ul style="list-style-type: none"> <li>clearly represent details of complex production costing information, calculations and rationale for proposed supply cost.</li> </ul>
Reading skills to:	<ul style="list-style-type: none"> <li>interpret detailed and familiar organisational procedures for production costing</li> <li>interpret complex documents about: <ul style="list-style-type: none"> <li>supply and distribution contracts</li> <li>labour unit costs</li> <li>organisational overheads.</li> </ul> </li> </ul>
Writing skills to:	<ul style="list-style-type: none"> <li>develop, document and present complex production and supply costs in a clear format.</li> </ul>
Planning and organising skills to:	<ul style="list-style-type: none"> <li>collect and organise data to inform production costing activities</li> <li>plan and manage own timing and productivity to complete production costing within deadlines.</li> </ul>
Problem-solving skills to:	<ul style="list-style-type: none"> <li>identify and resolve mistakes in calculations.</li> </ul>
Teamwork skills to:	<ul style="list-style-type: none"> <li>consult with and seek feedback from other team members involved in determining production and supply costs.</li> <li></li> </ul>
Technology skills to:	<ul style="list-style-type: none"> <li>use a computer, keyboard and software to prepare and record production and supply costs.</li> </ul>

## Range of Conditions

Not Applicable

## Unit Mapping Information

FPITMM4202B Diagnose and calculate production costs

## Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=0d96fe23-5747-4c01-9d6f-3509ff8d3d47>