



Australian Government

Department of Education, Employment and Workplace Relations

BSBPUR503C Manage international purchasing

Release: 1

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Modification History

Release	Comments
Release 1	<p>This version first released with <i>BSB07 Business Training Package version 6.0</i></p> <p>Revised unit. Required knowledge and Range Statement changed to include environmentally sustainable practices.</p> <p>Replaces BSBPUR503B Manage international purchasing</p>

Unit Descriptor

This unit specifies the outcomes required to manage international purchasing of specific goods within workplace policies and procedures and regulatory frameworks.

Application of the Unit

This unit applies to individuals who are responsible for managing international purchasing in an organisation. These individuals develop and implement relevant supply chain management strategies, and manage and review the implementation of improvements to international purchasing strategies.

Individuals undertaking this unit support the work of other employees carrying out international purchasing functions.

Licensing/Regulatory Information

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

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Element	Performance Criteria
<i>Elements describe the essential outcomes of a unit of competency.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.</i>

Elements and Performance Criteria

1. Develop and document strategies for international purchasing	<p>1.1 Research and analyse <i>strategic implications</i> for the organisation's international purchasing</p> <p>1.2 Research international market structures</p> <p>1.3 Research and analyse <i>export requirements</i> of supplier country</p> <p>1.4 Draft and submit organisation's strategies for international purchasing for approval</p>
2. Implement international purchasing strategies	<p>2.1 Communicate international purchasing strategies to relevant personnel and stakeholders</p> <p>2.2 Provide support to stakeholders to implement international purchasing strategies</p> <p>2.3 Monitor implementation of international purchasing strategies within the organisation</p> <p>2.4 Identify and address problems and issues arising from implementation of international purchasing strategies</p>
3. Undertake more complex international purchasing	<p>3.1 Ensure that export markets and <i>cultural considerations</i> having a potential impact on international purchasing are researched and appropriate markets chosen</p> <p>3.2 Research and apply relevant <i>international legal requirements</i> on sale of goods and <i>Australian regulatory controls</i> applicable to imports into Australia</p> <p>3.3 Apply relevant <i>INCOTERMS</i> and trade terms to international purchasing</p> <p>3.4 Draft exception clauses to business conditions</p> <p>3.5 Clarify and resolve any discrepancies to the satisfaction of all parties</p> <p>3.6 Prepare draft contract and access legal expertise to check legality of contract agreement</p>
4. Determine payment strategies	<p>4.1 Analyse financial risk and implement available <i>controls</i></p> <p>4.2 Identify source and availability of funds for payment</p> <p>4.3 Research and analyse <i>currency payment methods</i></p> <p>4.4 Select currency payment methods</p> <p>4.5 Plan and implement expenditure phasing</p>
5. Arrange barter or countertrade	<p>5.1 Research and analyse strategic implications of arranging specific <i>barter</i> or <i>countertrade</i></p> <p>5.2 Determine suppliers willing to engage in international <i>barter</i></p>

	<p><i>or countertrade</i></p> <p>5.3 Negotiate and reach agreement with partners on commercial conditions for proposed <i>barter or countertrade</i></p> <p>5.4 Prepare draft contract and access legal expertise to check legality of contract agreement</p> <p>5.5 Approve and issue contracts</p> <p>5.6 Investigate and resolve any disagreements and discrepancies to the satisfaction of all parties</p>
6. Determine logistics strategies	<p>6.1 Arrange inspection following ascertaining <i>requirements for pre-shipment inspection</i></p> <p>6.2 Research and analyse shipping facilities and other transport risks</p> <p>6.3 Research and analyse <i>regulatory compliance requirements</i> for importation into Australia</p> <p>6.4 Develop logistics strategies for the organisation taking into account appropriate transport, insurance and regulatory compliance requirements</p> <p>6.5 Gain approval from relevant personnel for implementation of logistics strategies</p>
7. Evaluate international purchasing strategies and implement identified improvements	<p>7.1 Review implementation of international purchasing strategies</p> <p>7.2 Identify improvements to international purchasing strategies from the review process</p> <p>7.3 Gain approval to implement improvements to international purchasing strategies</p> <p>7.4 Communicate changes to relevant stakeholders and support provided to implement improvements</p> <p>7.5 Monitor and review implementation of changes is to determine effectiveness of improvements</p>

Required Skills and Knowledge

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

Required skills

- culturally appropriate communication skills to relate to people from diverse backgrounds and people with diverse abilities
- literacy skills to develop and document international purchasing strategies, draft contracts and produce international purchasing documentation
- negotiation and verbal communication skills to successfully conduct international purchasing activities in a cross cultural context and within organisation
- organisational and time management skills to ensure international purchasing activities are conducted in a timely manner
- problem-solving skills to overcome obstacles arising in international purchasing activities
- research skills to analyse international markets and regulatory requirements affecting international purchasing
- risk management skills.

Required knowledge

- international markets and cultural considerations relevant to purchasing in supplier countries
- international issues in environmentally sustainable supply chain management
- knowledge of INCOTERMS
- methods of payment applicable to international purchasing, including barter and countertrade
- organisational policies and procedures for international purchasing
- range of available agencies involved in arranging importation arrangements such as:
 - consultants
 - customs brokers
 - freight forwarders
- range of available insurance brokers and types of policies to cover identified risks
- sources of information and assistance external to organisation, for example:
 - Austrade
 - chambers of commerce
 - customs brokers
 - regulatory authorities, such as ACS and AQIS
 - state/territory government departments or agencies
- range of available logistics and transport companies.

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>Evidence of the following is essential:</p> <ul style="list-style-type: none"> • completion of documented international purchasing strategies for an organisation • implementation of international purchasing strategies in an organisation • completion of a complex international purchase • completion of a barter or countertrade • implementation an evaluation of transport and logistics strategies to obtain goods purchased internationally.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • access to an actual workplace or simulated environment • access to office equipment and resources • organisation's purchasing strategies and relevant purchasing records.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:</p> <ul style="list-style-type: none"> • analysis of responses to case studies and scenarios • assessment of documented international purchasing strategies • direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate • observation of actions undertaken to achieve an international purchase • oral or written questioning to assess knowledge • review testimony from team members, colleagues, supervisors or managers • review of authenticated documents from the workplace or training environment.
Guidance information for assessment	<p>Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:</p> <ul style="list-style-type: none"> • other purchasing units.

Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<i>Strategic implications</i> may include:	<ul style="list-style-type: none"> • business risks • compliance requirements • economic and financial implications • establishment of overseas branches and agencies or representatives • knowledge and information requirements • environmental sustainability supply chain requirements.
<i>Export requirements</i> may include:	<ul style="list-style-type: none"> • business processes and practices of supplier country • compliance with legislation • international treaties • quotas • tariffs • trading agreements.
<i>Cultural considerations</i> may include:	<ul style="list-style-type: none"> • attitudes • beliefs • business processes and practices within supplier country • culturally appropriate communication styles • perception of Australia • values.
<i>International legal requirements</i> may include:	<ul style="list-style-type: none"> • international law • international trade agreements and treaties • legislation applicable to supplier country.
<i>Australian regulatory controls</i> may include:	<ul style="list-style-type: none"> • Australian Customs Service (ACS) requirements • Australian Quarantine Inspection Service (AQIS) requirements • Australian Taxation Office requirements • requirements of other government departments and agencies • Trade Practices Act.
<i>INCOTERMS</i> refer to:	<ul style="list-style-type: none"> • the set of international rules for the interpretation of trade terms published by ICC (International Chamber of Commerce) and applied to imports and exports to specify transportation and payment conditions.

Controls may include:	<ul style="list-style-type: none"> • guarantees • insurance • other strategies to minimise or transfer risk • selection or rejection of particular payment methods • specifying a particular currency for payment.
Currency payment methods may include:	<ul style="list-style-type: none"> • hedging • letters of credit • payment by cheque upon/after shipment.
Barter refers to:	<ul style="list-style-type: none"> • the simultaneous exchange of goods between the importer and exporter.
Countertrade refers to:	<ul style="list-style-type: none"> • a trading transaction where export sales to a particular market are made on the condition that imports from that particular market are accepted in return.
Requirements for pre-shipment inspection may include:	<ul style="list-style-type: none"> • checks made of things such as: <ul style="list-style-type: none"> • checks of condition of goods prior to shipment • labelling of goods and containers • packaging (including condition of containers) • quality • quantities • separation of goods to comply with Australian regulations such as Dangerous Goods Act.
Regulatory compliance requirements may include:	<ul style="list-style-type: none"> • fumigation and quarantine regulations • labelling requirements • legislation and regulations related to prohibited imports • separation of goods to comply with Australian regulations such as Dangerous Goods Act.

Unit Sector(s)

Administration – Purchasing and Contracting

Custom Content Section

Not applicable.