



Australian Government

Department of Education, Employment and Workplace Relations

FDFPPL4006A Manage a work area within budget

Revision Number: 1

FDFPPL4006A Manage a work area within budget

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit of competency covers the skills and knowledge required to plan, allocate and monitor work to achieve required outcomes within budget allocations.
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Application of the Unit

Application of the unit	This unit would typically apply to a team leader function where the team leader is required to reach decisions on resource utilisation within budget constraints.
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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

Elements describe the essential outcomes of a unit of competency.	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.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Identify and plan within budget parameters	<p>1.1. Budget requirements and parameters are identified</p> <p>1.2. Resources are identified, confirmed and allocated to achieve production schedule within budget</p>
2. Monitor resource utilisation against budget	<p>2.1. Performance is monitored to identify actual/potential variance to budget</p> <p>2.2. Variances to budget are identified, investigated and reported according to workplace reporting requirements</p> <p>2.3. Potential failure to achieve targets within budget are identified and communicated to appropriate personnel in a timely manner</p> <p>2.4. Action is taken to minimise negative impact of variance</p>
3. Communicate budget information	<p>3.1. Budget information is made available to relevant personnel in a timely manner</p> <p>3.2. Budget information is reported in the appropriate format and timelines according to workplace reporting requirements</p> <p>3.3. Contributions are made to the development of workplace budgets</p>

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

Ability to:

- identify budgets relevant to the work function and role
- identify resource requirements of the production process and match these to availability, to options and constraints (this depends on the nature of budget management, for example, when applied to managing within labour costs, availability includes available numbers and skill levels of operators; options may include use of permanents, overtime and/or casuals, and constraints may include the relative costs associated with each of these options)
- secure, confirm and allocate required resources to meet production schedule within budget parameters
- monitor resource utilisation to confirm capability to achieve production schedule within existing resource allocation, which may require calculation of yield
- interpret budgets to track performance outcomes
- identify situations where achievement of required outcomes within budget is not possible
- investigate causes of variance and take appropriate action within level of responsibility
- identify the impact on budget of production-related decisions, such as structuring rosters and scheduling holidays, adjusting production volume, and scheduling equipment maintenance
- identify opportunities to improve performance against budget
- communicate information on budget performance to others in the work area, such as providing information on key performance indicators (KPIs)
- record and report budget information in the required formats
- participate in budget development processes within level of responsibility
- use communication skills to interpret and complete work information to support operations of work team or area, and to consult and communicate with relevant personnel
- demonstrate and support cooperative work practices within a culturally diverse workforce

Required knowledge

Knowledge of:

- the basis on which budgets developed for the work area are constructed, including information supplied to budget planners, and how to read and interpret budget information and apply it to monitoring/reviewing work performance
- basic accounting concepts, including fixed and variable costs, rate of return,

REQUIRED SKILLS AND KNOWLEDGE

- methods of allocating indirect costs, methods of measuring investment value
- accounting models, including the difference between traditional accounting approaches and more recent developments, and accounting implications of value added management, life-cycle costing and triple bottom line
- company approach to cost management so that decisions on resource allocation are within both budget allocations and company philosophy/preferred approach
- resource requirements to meet production and related costs
- process knowledge to identify factors likely to impact on achieving budget
- relevant personnel and departments to be consulted/advised of budget information, including information relevant to each group/person and the importance of providing accurate and timely information to each of the stakeholders
- options for maximising resource utilisation and minimising costs
- recording systems and requirements
- process improvement procedures

Evidence Guide

EVIDENCE GUIDE	
<p>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.</p>	
<p>Overview of assessment</p>	<p>Assessment must be carried out in a manner that recognises the cultural and literacy requirements of the assessee and is appropriate to the work performed. Competence in this unit must be achieved in accordance with food safety standards and regulations.</p>
<p>Critical aspects for assessment and evidence required to demonstrate competency in this unit</p>	<p>Evidence of ability to:</p> <ul style="list-style-type: none"> • determine resource requirements for work area • establish budget and allocations for work area • monitor performance against budget targets and promptly identify and act on variances to minimise impact • ensure budget is communicated and reported to all appropriate personnel.
<p>Context of and specific resources for assessment</p>	<p>Assessment must occur in a real or simulated workplace where the assessee has access to:</p> <ul style="list-style-type: none"> • budgets and associated information and communication systems • production area and related functions and resources • relevant Standard Operating Procedures (SOPs) • workplace information recording systems, requirements and procedures.
<p>Method of assessment</p>	<p>This unit should be assessed together with core units and other units of competency relevant to the function or work role. Examples could be:</p> <ul style="list-style-type: none"> • FDFPPL4003A Schedule and manage production • BSBRES4001A Analyse and present research information.
<p>Guidance information for assessment</p>	<p>To ensure consistency in one's performance, competency should be demonstrated on more than one occasion over a period of time in order to cover a variety of circumstances, cases and responsibilities, and where possible, over a number of assessment activities.</p>

Range Statement

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.

Policies and procedures	Work planning and allocation to achieve outcomes within budget is consistent with company policies and procedures, regulatory and licensing requirements, legislative requirements, and industrial awards and agreements and takes account of occupational health and safety (OHS) and environmental impact of scheduling arrangements
Budgets	Budgets may include but are not limited to: <ul style="list-style-type: none"> • addressing labour costs • materials costs • yield/volume and related efficiency parameters • equipment costs • handling, storage and transport costs
Communication of budget information	Communication of budget information includes: <ul style="list-style-type: none"> • consulting the work team on budget related issues • providing prompt information on performance against budget • reporting budget information to relevant personnel in the required format

Unit Sector(s)

Unit sector	People management/planning/logistics
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		