



Australian Government

MSS402030 Apply cost factors to work practices

Release: 1

MSS402030 Apply cost factors to work practices

Modification History

Release 1. Supersedes and is equivalent to MSS402030A Apply cost factors to work practices

Application

This unit of competency covers the skills and knowledge required by an individual to identify cost components in their work and to be able to determine, in general terms, the cost impacts of alternative actions.

This unit applies to an individual who is required to contribute to, and be involved in, the assessment of cost factors in their work. This may be done individually or in a team environment.

The unit covers the skills to be able to assess the relative costs of the alternatives and use this as one of the key factors in making decisions. Decisions are made within the scope of the employee’s authority and according to procedures. Typical decisions include those that contribute to the efficient organisation of own work and the improvement of production time and cycle times.

This unit requires the application of skills associated with problem solving to identify cost factors and cost implications of own work and self-management to apply cost-effective practices.

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

Pre-requisite Unit

Nil

Competency Field

Competitive systems and practices

Unit Sector

Not applicable

Elements and Performance Criteria

Elements describe the essential outcomes.		Performance criteria describe the performance needed to demonstrate achievement of the element.	
1	Identify the major cost	1.1	Identify cost components in the product or process in own work area.

	components of product or process in own work area	1.2	Recognise the impact of current or alternative actions on costs.
2	Identify constraints to cost-efficiency	2.1	Identify required production/process rate and major costs.
		2.2	Identify costs factors under individual or team control.
		2.3	Relate identified costs factors to impact on overall cost of production/process.
		2.4	Identify cost factors that are a constraint to cost-efficiency in own work area.
3	Apply cost-efficient work practices	3.1	Identify and explain to relevant people the implications of possible actions/changes to improve cost-efficiency in simple financial terms.
		3.2	Identify non-financial implications of proposed changes in discussion with relevant people.
		3.3	Select actions which minimise overall costs.
		3.4	Monitor actions to ensure cost-efficiency in own work area is maintained.

Foundation Skills

This section describes those required skills (language, literacy and numeracy) that are essential to performance.

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

Range of Conditions

This field allows for different work environments and conditions that may affect performance. Essential operating conditions that may be present (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) are included.

- Competitive systems and practices include one or more of:**
- lean operations
 - agile operations
 - preventative and predictive maintenance approaches
 - statistical process control systems, including six sigma and three sigma
 - Just in Time (JIT), kanban and other pull-related operations control systems
 - supply, value, and demand chain monitoring and analysis
 - 5S
 - continuous improvement (kaizen)
 - breakthrough improvement (kaizen blitz)
 - cause/effect diagrams
 - overall equipment effectiveness (OEE)
 - takt time
 - process mapping
 - problem solving
 - run charts
 - standard procedures
 - current reality tree.
- Cost components include all of:**
- fixed and variable costs, such as power/energy, materials, plant and equipment, production or process time, including impact of salary and wages
 - office expenses, such as telephone and internet
 - government taxes and charges.
- Process includes one or more of:**
- production
 - maintenance
 - logistics
 - office
 - other support processes in an organisation.
- Overall cost includes all of:**
- the assessment of negative and positive financial implications
 - negative long-term issues, such as work health and safety (WHS), environmental and regulatory issues.

Unit Mapping Information

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Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=5b04f318-804f-4dc0-9463-c3fb9a3fe998>