



Australian Government

AURAAA002 Determine retail rates for automotive products and services

Release: 1

AURAAA002 Determine retail rates for automotive products and services

Modification History

Release	Comment
Release 1	New unit of competency.

Application

This unit describes the performance outcomes required to calculate fixed and variable costs to determine retail labour rates and cost of products and services for sale in automotive service and repair workplaces.

It applies to those working in administrative and sales areas of an automotive workplace who are required to calculate costs of products and services to ensure business profitability.

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

Competency Field

Common

Unit Sector

Administration

Elements and Performance Criteria

Elements	Performance Criteria
Elements describe the essential outcomes.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold and italicised text is used, further information is detailed in the range of conditions section.
1. Determine fixed costs	1.1 Fixed cost components are identified and classified into categories 1.2 Past records and business requirements are used to estimate fixed costs for next period 1.3 Fixed administrative and business operation overhead costs are

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	calculated 1.4 Proportion of fixed costs to be included in retail rates is determined
2. Determine labour rate	2.1 Cost components of labour are identified and classified into categories 2.2 Average charge per hour for each identified category is calculated 2.3 Cost component of subcontractors used on jobs is determined and included in calculations for relevant jobs 2.4 Hourly labour rates are calculated according to workplace procedures
3. Determine variable costs	3.1 Variable costs are identified and calculated using data obtained from accounting records or supplier information 3.2 Required materials are estimated and recorded
4. Determine retail price of products and services	4.1 Previous sales figures and trends in turnover volume are reviewed 4.2 Competitors' price for similar products or services is researched and reflected in final retail rate 4.3 Retail prices, margins and mark-ups for each product or service category are finalised according to workplace procedures

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance and are not explicit in the performance criteria.

Skills	Description
Reading skills to:	access and research pricing information in order to cost products and services.
Writing skills to:	- legibly and accurately enter data and record information in workplace documentation - prepare quotations and reports based on pricing and costing of products and services.
Numeracy skills to:	- perform mathematical operations, including, addition, subtraction, multiplication, division, percentages and fractions, relating to quantity and time - use mathematical ideas and techniques to calculate fixed and

Skills	Description
	variable costs, labour rates, and profit margins.
Digital literacy skills to:	use digital systems and software to access, filter, extract and organise information in order to determine costs and retail rates of work, including spreadsheets and databases.
Self-management skills to:	follow workplace procedures and prepare retail rates and price information within workplace timeframes.
Problem solving skills to:	determine pricing to meet workplace requirements relating to profitability and break even points.

Range of Conditions

This section specifies 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. Bold italicised wording, if used in the performance criteria, is detailed below.

<i>Hourly labour rates</i> must include:	- provision for: - fixed costs - on costs.
<i>Previous sales figures</i> must include:	- wholesale cost of product or service - retail price of product or service.

Unit Mapping Information

Equivalent to AURAAA4002 Determine retail rates for work

Links

Companion Volume implementation guides are found in VETNet - <https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=b4278d82-d487-4070-a8c4-78045ec695b1>

Assessment Requirements for AURAAA002 Determine retail rates for automotive products and services

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Performance Evidence

Before competency can be determined, individuals must demonstrate they can perform the following according to the standards defined in this unit's elements, performance criteria, range of conditions and foundation skills:

- research and compare costs from external suppliers and competitors for:
 - two automotive workplace services
 - one consumable item
 - one automotive accessory product
- calculate retail rates for above products and services.

Knowledge Evidence

Individuals must be able to demonstrate knowledge of:

- basic accounting principles and practices relating to costings:
 - Goods and Services Tax (GST) calculations
 - mark-up, break even and profit calculations
 - simple and compound interest
 - inflation effects
 - straight line depreciation
- factors impacting on pricing products and services:
 - overheads, including accommodation costs, utilities, depreciation, insurances, licences and other business charges
 - labour costs, including on costs covering leave provision, superannuation, training and workers' compensation
 - actual employee chargeable hours
- sources of information on prices and costs:
 - supplier or component price lists

- accounting records
- labour or payroll records
- purchasing records
- repair orders and job cards
- standard repair and warranty times
- key features of workplace software and technology relating to extracting and manipulating data and information.

Assessment Conditions

Assessors must satisfy NVR/AQTF assessor requirements.

Competency is to be assessed in the workplace or a simulated environment that accurately reflects performance in a real workplace setting.

Assessment must include direct observation of tasks.

Where assessment of competency includes third-party evidence, individuals must provide evidence that links them to determining retail rates for automotive products and services, e.g. itemised calculation of retail rate.

Assessors must verify performance evidence through questioning on skills and knowledge to ensure correct interpretation and application.

The following resources must be made available:

- automotive workplace or simulated workplace
- range of information and data relating to product and service costs, including supplier price lists, workplace sales and service data, financial data and payroll records
- calculator, computer hardware and software, and general office equipment.

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