



Australian Government

Department of Education, Employment and Workplace Relations

AURT577727A Identify and calculate total costs of work

Release: 1

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Modification History

Unit Descriptor

This unit covers the competence to estimate materials, labour and time requirements and establish costs for the provision of automotive services (repairs, maintenance and modifications), including overheads.

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Application of the Unit

Licensing/Regulatory Information

Pre-Requisites

Employability Skills Information

Elements and Performance Criteria Pre-Content

Elements define essential outcomes of a unit of competence

Performance criteria specify the level of performance required to demonstrate achievement of the element

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Elements and Performance Criteria

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Element	Performance Criteria
1 Gather information	1.1 Details of the particular service and competition services are obtained
	1.2 Details of the proposed service requirements are obtained and analysed
	1.3 Labour unit cost projections are obtained and

- agreed
- 1.4 Logistic support contracts, supply agreements or equivalent are obtained and analysed
 - 1.5 Details of proposed warehousing and physical distribution systems and related cost factors are obtained
 - 1.6 Information is converted to usable form and stored ready for retrieval and application
- 2 Estimate materials and labour
- 2.1 Types and quantities of materials required for the service are estimated and documented
 - 2.2 Time requirements for work activities and other lead times are estimated
 - 2.3 Labour requirements for direct services and related operations are estimated and documented
- 3 Determine/calculate overheads
- 3.1 Components contributing to overhead costs are identified
 - 3.2 Overhead costs to be attributed to work in accordance with commercial and enterprise procedures are identified
- 4 Calculate costs
- 4.1 Total materials costs and labour costs are calculated in accordance with enterprise procedures
 - 4.2 Total service cost, including overheads is calculated
 - 4.3 Final cost to customer is calculated, if necessary, in conjunction with accounting persons
- 5 Document details and verify where necessary
- 5.1 Details of costs and charges are documented in accordance with enterprise practice
 - 5.2 Costs, calculations or other details are verified by other enterprise persons
 - 5.3 Details are documented for future reference in accordance with enterprise practice

Required Skills and Knowledge

Evidence Guide

The Evidence Guide identifies critical aspects, knowledge and skills to be demonstrated to confirm competence for this unit. This is an integral part of the assessment of competence and should be read in conjunction with the Range Statement.

Critical aspects of evidence

Apply safety requirements throughout the work sequence, including the use of personal protective clothing and equipment

Calculate the total costs of work for a significant non-routine service involving a number of tradespersons and without the aid of standard service costing schedules using the following or equivalent steps:

obtain information relevant to the determination of costs

interpret proposals, specifications and instructions for the work

estimate quantities of materials required

determine the types and amount of labour required to complete the work

estimate time required to complete the work

determine/calculate overheads

document the process and outcomes

Work effectively with others

Underpinning knowledge

General knowledge of work systems documentation processes

General knowledge of enterprise costing procedures

Detailed knowledge of mathematical formulae and processes relevant to costing

General knowledge of components of labour costs

Specific key competencies, underpinning and employability skills required to achieve the performance criteria

General knowledge of enterprise/commercial approach to overhead costs

General knowledge of enterprise/commercial approaches to warehousing and physical distribution costs

General knowledge of enterprise information management processes, including storage requirements

Detailed knowledge of the processes for identifying, apportioning, summarising and validating total costs for work

These include a number of processes that are learned throughout work and life, which are required in most jobs. Some of these are covered by the national key competencies, although others may be added. The details below highlight how these competencies are to be applied in the attainment of this unit.

Application of the key competencies in this unit are to satisfy the nominated level in which:

Level 1 - relates to working effectively within set conditions and processes;

Level 2 - relates to management or facilitation of conditions or processes; and

Level 3 - relates to design, development and evaluation of conditions or process.

How will the candidate apply the following key competency in this unit? The candidate will need to:

Collect, analyse and organise information

Collect, organise and understand information related to service costing, including technical, commercial, industrial and accounting requirements

(Level 2)

Communicate ideas and information

Communicate ideas and information to enable clarification of the work and related requirements and to present the outcomes in

	an appropriate manner (Level 2)
Plan and organise activities	Plan and organise activities to avoid backtracking and reworking of solutions (Level 2)
Work with others and in a team	Work with others and in a team by recognising dependencies and using cooperative approaches to optimise workflow and productivity (Level 2)
Use mathematical ideas and techniques	Use mathematical ideas and techniques to estimate and validate labour, materials and on-costs and calculate work costs (Level 2)
Solve problems	Create and apply systematic problem-solving techniques to anticipate costing problems, avoid reworking and avoid wastage (Level 2)
Use technology	Use the workplace technology related to costing, including calculators and measuring devices and computing/ computer-aided systems (Level 2)
Context of assessment	Assessment may occur on the job or in a workplace simulated facility with process equipment, materials, work instructions and deadlines
Method of assessment	Assessment methods must confirm consistency of performance over time and in a range of workplace contexts Assessment should be by direct observation of tasks and questioning on underpinning knowledge Assessment should be conducted over time and may be in conjunction with assessment

Specific resource requirements for this unit

of other units of competence

Access is required to real or appropriately simulated situations involving estimation and costing of service operations

Access is required to specifications and costs of equipment and materials and information on labour costs and availability, on-costs, safety costs, regulations, quality standards, and enterprise procedures

Access is required to necessary facilities and associated equipment, including calculators, computers and software

Range Statement

The Range Statement provides advice to interpret the scope and context of this unit of competence, allowing for differences between enterprises and workplaces. It relates to the unit as a whole and facilitates holistic assessment. The following variables may be present for this particular unit:

Unit scope

Work involves the estimating and total costing of automotive services (repair, maintenance and/or modification) for significant and non-routine activities involving a number of tradespersons and for which costing schedules are not available

Unit context

OH&S requirements include legislation, vehicle industry regulations, safety management systems, hazardous substances and dangerous goods code and safe operating procedures

Work is carried out in accordance with legislative obligations, Australian Design Rules, environmental legislation, health regulations, manual handling procedures and organisation insurance requirements

Work requires individuals to demonstrate research, analytical, judgement and problem-solving skills in the diagnosis of faults

Overhead costs

Overheads may be calculated for a specific service or be a constant component based on historical records and may include such costs as rental/lease costs, utilities, non-production resources, depreciation of plant and equipment, warehousing margins, warehousing costs, insurance and other costs incurred by doing business

Information and procedures

Enterprise or equivalent financial management policy and procedures

Enterprise or equivalent policy and procedures for cost and apportioning

overheads

Labour employment costs (awards, EBA, contracts)

Material/supply costs (catalogues, contracts, standing agreements, market rates, warehousing margins)

Australian, international and enterprise quality standards and procedures

Unit Sector(s)