



Australian Government

FWPTMM4202 Diagnose and calculate production costs

Release: 1

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Modification History

Release	Comment
1	Replaces equivalent unit FPITMM4202B Diagnose and calculate production costs, which was first released with FPI11 Forest and Forest Products Training Package Version 2.2. This is the first release of this unit in the new standards format.

Application

This unit of competency describes the outcomes required to estimate resource requirements for production of a range of timber products; to calculate overarching production costs and determine general supply costs. The preparation of individual quotations for customers is covered in FWPTMM3203 Estimate and cost job. Work is completed in a forest products factory setting.

The unit applies to timber manufacturing and production supervisors determine production and supply costs for the provision of products, including all overheads, in a forest and wood products factory setting.

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

Pre-requisite Unit

Nil

Unit Sector

Timber Manufactured Products

Timber Merchandising

Elements and Performance Criteria

<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Gather and diagnose information	1.1 Obtain details of the particular product and competitors' products. 1.2 Obtain and analyse details of proposed production

	operation. 1.3 Access information on labour unit cost projections. 1.4 Source and analyse details of logistic support contracts and supply agreements. 1.5 Access details of proposed warehousing, physical distribution systems and related cost factors. 1.5 Analyse all production cost factors for establishing supply cost.
2. Estimate materials and labour	2.1 Estimate and record types and quantities of material required for production. 2.2 Estimate and record lead times and time requirements for production activities. 2.3 Estimate and record labour requirements for direct production and handling operations.
3. Calculate and document production cost	3.1 Determine production components contributing to overhead costs. 3.2 Determine type and percentage of overhead costs to be attributed to production in line with commercial and organisational procedures. 3.3 Calculate material, labour and overhead costs to determine total production costs. 3.4 Apply mark-up, in line with organisational procedures, and determine supply cost in conjunction with marketing and sales personnel. 3.5 Document details of calculations and supply cost in line with organisational formats.
4. Check and document details of production and supply costs.	4.1 Check costs and calculations against production requirements. 4.2 Report calculation processes and organise checking by relevant personnel for final authorisation. 4.3 Complete and maintain accurate records of production and supply costs in line with organisational procedures.

Foundation Skills

This section describes those core and employment skills that are essential to performance and are not explicit in the performance criteria.

Numeracy skills to:	- interpret production costing information and calculate complex production and supply costs - interpret and calculate organisational mark-up rates - present accurate figures in records of calculations, production and supply costs.
Oral communication skills to:	clearly represent details of complex production costing information, calculations and rationale for proposed supply cost.
Reading skills to:	- interpret detailed and familiar organisational procedures for production costing - interpret complex documents about: - supply and distribution contracts - labour unit costs - organisational overheads.
Writing skills to:	develop, document and present complex production and supply costs in a clear format.
Planning and organising skills to:	- collect and organise data to inform production costing activities - plan and manage own timing and productivity to complete production costing within deadlines.
Problem-solving skills to:	identify and resolve mistakes in calculations.
Teamwork skills to:	- consult with and seek feedback from other team members involved in determining production and supply costs.
Technology skills to:	use a computer, keyboard and software to prepare and record production and supply costs.

Range of Conditions

Not Applicable

Unit Mapping Information

FPITMM4202B Diagnose and calculate production costs

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=0d96fe23-5747-4c01-9d6f-3509ff8d3d47>

Assessment Requirements for FWPTMM4202 Diagnose and calculate production costs

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Performance Evidence

A person demonstrating competency in this unit must satisfy all of the elements, performance criteria and foundation skills of this unit. If a specific volume or frequency is not stated below, then evidence must be provided that the following requirements have been performed on at least one occasion:

- diagnose and calculate production costs for at least two product ranges selected from this list:
 - pallets
 - crates
 - trellises
 - stairs
 - doors
 - windows
 - frames
 - beams
 - roof trusses
 - floor systems
 - wall frames.

Knowledge Evidence

A person competent in this unit must be able to demonstrate knowledge of:

- competitors' current products and services and price structure
- sources of negotiated cost of supply, contractual arrangements and preferred supplier arrangements
- sources of organisational costs for:
 - materials specific to production operations
 - labour unit costs specific to production operations
 - particular construction methods
 - complying with environmental protection practices
 - warehousing and distribution
- business overheads and how overheads are applied to individual production operations
- desired profit margins and appropriate commercial mark-ups to suit market acceptance
- organisational procedures for documenting calculations, communicating costs to relevant personnel and maintaining records.

Assessment Conditions

The following resources must be made available:

- computers, keyboards and printers
- industry current software programs used to calculate and document production and supply costs
- comprehensive information about the financial operating costs of a real or simulated business to determine production and supply costs
- relevant personnel for the purposes of communicating information
- organisational procedures for documenting calculations, communicating costs to relevant personnel and maintaining records.

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

Assessor requirements

Assessors must:

- hold the appropriate assessor competency standards as outlined in regulations; and
- be able to demonstrate vocational competencies at least to the level being assessed; and
- be able to demonstrate how they are continuing to develop their VET knowledge and skills as well as maintaining their industry currency and assessor competence.

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