



Australian Government

FWPTMM4212 Calculate production costs

Release: 1

FWPTMM4212 Calculate production costs

Modification History

Release	Comments
Release 1	This version released with FWP Forest and Wood Products Training Package Version 6.0.

Application

This unit of competency describes the skills and knowledge required to estimate resource requirements for production of a range of timber products. It includes calculating overarching production costs and determining general supply costs.

The unit applies to timber manufacturing and production supervisors in a forest and wood products manufacturing setting, who use their own judgment to deal with predictable and unpredictable problems and decide on solutions to a range of complex problems during the documentation preparation process.

The unit does not cover the preparation of individual quotations for customers.

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

Pre-requisite Unit

Nil

Unit Sector

Timber Manufactured Products (TMM)

Elements and Performance Criteria

Elements	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 analyse information	1.1 Obtain and analyse details of materials, production operations and labour costs from work order 1.2 Source and analyse details of logistic support contracts and supply agreements 1.3 Identify cost factors relating to warehousing and physical

Elements	Performance Criteria
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
	distribution systems 1.4 Identify all production cost factors for establishing supply cost
2. Estimate materials and labour	2.1 Estimate and record types and quantities of materials 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 procedures 3.3 Calculate total production cost and apply mark-up 3.4 Determine supply cost in conjunction with marketing and sales personnel 3.5 Document details of calculations and supply cost according to workplace 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 accurate records of production and supply costs according to workplace procedures

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential for performance in this unit of competency but are not explicit in the performance criteria.

Skill	Description
Reading	- Identify implicit and explicit production information for a variety of workplace documentation - Extract and utilise detailed information contributing to production costs

Skill	Description
Writing	Integrate compiled production costs into a clear financial document
Oral communication	Use financial terminology and production language when seeking cost supply information
Numeracy	Use mathematical processes such as ratios, rates and percentages to calculate quantities and overall costs

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FWPTMM4212 Calculate production costs	FWPTMM4202 Diagnose and calculate production costs	Re-titled Minor wording and grammatical changes in Application and Performance Criteria Foundation Skills updated Assessment Requirements updated for clarity	Equivalent

Links

Companion Volumes, including Implementation Guides, are available at VETNet: - <https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=0d96fe23-5747-4c01-9d6f-3509ff8d3d47>

Assessment Requirements for FWPTMM4212 Calculate production costs

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Performance Evidence

An individual demonstrating competency must satisfy all of the elements and performance criteria in this unit.

There must be evidence that the individual has calculated production costs for three different work orders for at least one product range from the list below:

- pallets
- crates
- trellises
- stairs
- doors
- windows
- frames
- beams
- treated timber
- structural timber
- flooring
- decking
- laminated timber
- roof truss
- floor truss
- wall frame.

Knowledge Evidence

An individual must be able to demonstrate the knowledge required to perform the tasks outlined in the elements and performance criteria of this unit. This includes knowledge of:

- sources of negotiated cost of supply, contractual arrangements and preferred supplier arrangements
- sources of production costs for:

- materials specific to production operations
- labour unit costs specific to production operations
- methods of construction and production
- complying with environmental protection practices relevant to manufacturing and storage
- 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
- workplace procedures for documenting calculations, communicating costs to relevant personnel and maintaining records
- industry regulations, standards and codes of practice relevant to calculating production cost.

Assessment Conditions

Assessment of the skills in this unit of competency must take place under the following conditions:

- physical conditions:
 - skills must be demonstrated a timber manufactured product fabrication or processing facility or an environment that accurately represents workplace conditions
- resources, equipment and materials:
 - workplace documentation and records containing material and product costing and labour costs
- specifications
 - access to work orders according to the Performance Evidence
- relationships:
 - person to discuss product and supply costs.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

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