



Australian Government

Department of Education, Employment and Workplace Relations

ICPSU553C Prepare production costing estimates

Revision Number: 1

ICPSU553C Prepare production costing estimates

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to cost and estimate production processes.
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Application of the Unit

Application of the unit	This unit requires the individual to estimate and determine the cost of production.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Identify costing estimate requirements	1.1. Labour hours, times and other statistics required are identified and applied in calculations 1.2. Available machine hours are identified and applied in calculations 1.3. Economic batch sizes are identified 1.4. Material requirements are identified and applied in calculations
2. Prepare costing estimates	2.1. Costing estimates are calculated using material, labour and machine costs 2.2. Cost estimate details are calculated
3. Compare estimates with actual costs	3.1. Actual costs are compared with estimates 3.2. Costing basis is adjusted as appropriate

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- OHS in relation to operating machinery such as safely switching off machinery before cleaning is started
- communication of ideas and information by consulting with customers and staff to identify problems and issues
- collecting, analysing and organising information by accessing data about customer needs, machine and worker capabilities, capital cost bases; use of data from production control systems
- planning and organising activities by determining required cost estimate details prior to printing estimates
- teamwork when obtaining feedback from production workers to verify estimates against actual costs
- mathematical ideas and techniques by developing of costing models that take all relevant factors into consideration
- problem-solving skills by adjusting the basis for costing as determined by the discrepancy between estimated and actual costing
- use of technology by using tools to assist with calculations

Required knowledge

- OHS and other statutory requirements
- legal requirements that affect the costing of your operations
- printing processes and operations
- information that you require from a client before costing/estimating can be done
- minimising production costs on any given job
- relationships between the processes you are involved in and prior and subsequent operations done to the job
- set up and changeover times determined for your processes
- printing materials
- materials that need to be included in the costing/estimating process
- alternative materials that may determined suitable for a client
- alternative materials or processes suggested to a client
- references and resources about materials and suppliers that do you need to help in costing/estimating
- different costing/estimating methodologies
- particular costing/estimating method choice
- other methods that are there, and when might you use them
- factors that you might adjust in your estimations if they consistently do not match costs

REQUIRED SKILLS AND KNOWLEDGE

- sampling and quality control techniques
- quality checks that are necessary on outsourced materials or other inputs
- effects that quality control have on costing
- production records
- accurate production records keeping
- review production records and actual costs
- computerised production monitoring systems that can be used to accurately assess costs

Evidence Guide

EVIDENCE GUIDE	
The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	Evidence of the ability to: • accurately estimating and costing production • for valid and reliable assessment of this unit, evidence should be gathered over a period of time through a range of methods for assessment to indicate consistent performance • evidence for assessment may be gathered from assessment of the unit of competency alone or through an integrated assessment activity.
Context of and specific resources for assessment	Assessment must ensure: • assessment may take place on the job, off the job or a combination of these. Off the job assessment must be undertaken in a closely simulated workplace environment.
Method of assessment	A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit: • direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate.
Guidance information for assessment	Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended.

Range Statement

RANGE STATEMENT	
The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.	
Type of costing may include:	this unit applies to managers/supervisors responsible for quality in an enterprise or large production section.
Enterprise procedures may include:	established organisational practices and procedures, and incorporate the organisation's known resources and work load as well as identified capacities.
Scope of costing may include:	estimates are based on familiar processes using available standard cost item statistics.
Data sources may include:	manual records or computerised production monitoring systems.

Unit Sector(s)

Unit sector	
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Competency field

Competency field	Support
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Co-requisite units

Co-requisite units		

