



Australian Government

Department of Education, Employment and Workplace Relations

ICTSMB4160A Set up and operate a contractor business

Release: 1

ICTSMB4160A Set up and operate a contractor business

Modification History

Not Applicable

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to operate a small scale contractor operation involving an owner operator and employees installing telecommunications services. Specific legal requirements apply to small business. Requirements should be confirmed with the relevant federal, state or territory authority.
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Application of the Unit

Application of the unit	This unit applies to telecommunications installers who operate their own contracting business delivering installation services to major service providers.
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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. Set up a business operation	1.1. Develop a business plan for a small business operation according to business planning guidelines 1.2. Follow the statutory and legal requirements to register a business 1.3. Ensure adequate business insurance policies are held according to business plan and to mitigate risks 1.4. Provide and maintain a vehicle through purchase, lease or hiring purchase, including managing fringe benefits tax (FBT) liabilities according to business plan
2. Provide customer service	2.1. Determine and maintain a customer base to support the business plan 2.2. Analyse and determine customer expectations in relation to industry standards 2.3. Provide customer service that meets customer expectations according to enterprise standards 2.4. Monitor and evaluate performance on installations completed against industry standards
3. Perform simple financial management tasks	3.1. Record income and expenditure using bookkeeping tools and software according to normal accounting standards 3.2. Construct a simple financial balance sheet using banking records or supply information to accountant according to normal accounting standards 3.3. Calculate simple taxation and superannuation requirements or supply information to accountant according to normal accounting standards 3.4. Complete a Business Activity Statement (BAS) or supply data to accountant according to normal accounting standards
4. Cost and quote an installation	4.1. Establish the extent of work to be completed through professional and personable discussions with customer 4.2. Complete a job specification for the quote with cost estimates of time required to complete work 4.3. Estimate and include cost of materials to be used using supplier quoted prices 4.4. Determine and include a margin for profit and ongoing costs for installation according to business plan

ELEMENT	PERFORMANCE CRITERIA
	4.5. Check finalised quote for accuracy according to established policies and procedures 4.6. Submit quote to customer within agreed timeframe

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- communication skills to relate to customers, employees and government officers
- literacy skills to:
 - develop plans using a set format
 - interpret relevant regulatory, taxation and insurance information
- planning and organisational skills to schedule own work
- problem-solving skills to develop solutions unique to a customer
- numeracy skills to:
 - interpret financial information
 - prepare quotes
- technical skills to:
 - estimate telecommunications work
 - operate simple computer software packages

Required knowledge

- business banking principles
- business registration and licensing requirements
- cash or accrual accounting principles
- Commonwealth, state, territory and local government legislative requirements relating to business operation:
 - anti-discrimination
 - environmental issues
 - equal employment opportunity
 - industrial relations
 - OHS
 - taxation requirements
- costs associated with running a business
- current tax rates

REQUIRED SKILLS AND KNOWLEDGE

- industry codes of practice
- industry standard:
 - materials and labour costs
 - rates of pay
- nature of legal responsibility
- OHS responsibilities and procedures
- sources of advice and specialist services
- sources of information about regulatory, taxation and insurance requirements and issues

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:

- produce a business plan and set up a business
- define and meet customer needs
- perform simple financial management tasks including completing BAS, FBT and insurance documentation
- quote for installation jobs that cover all aspects of costing.

Context of and specific resources for assessment

Assessment must ensure:

- resources:
 - Australian Taxation Office (ATO) guides
 - financial management record keeping software
 - access to industry standard labour rates and material suppliers
 - general office bookkeeping procedures
 - customer service guides.

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 observation of the candidate performing business tasks
- review of business plans, records and quotes prepared by the candidate
- oral or written questioning on required knowledge and skills.

Guidance information for assessment

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:

- ICTSMB4161A Operate a contractor business with employees.

Aboriginal people and other people from a non-English

EVIDENCE GUIDE

	speaking background may have second language issues. Access must be provided to appropriate learning and assessment support when required. Assessment processes and techniques must be culturally appropriate, and appropriate to the oral communication skill level, and language and literacy capacity of the candidate and the work being performed. In all cases where practical assessment is used it will be combined with targeted questioning to assess required knowledge. Questioning techniques should not require language, literacy and numeracy skills beyond those required in this unit of competency. Where applicable, physical resources should include equipment modified for people with special needs.
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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.

Business plan may include:

- capital investment
- cash flow projection
- costing for labour
- margins for materials
- objectives
- personnel
- products

RANGE STATEMENT	
	• profit margins • statement of vision or mission • values.
Business may include:	• company • partnership • sole trader.
Business insurance may include:	• equipment • income protection • professional indemnity • public liability • vehicle • workers compensation.
Business planning guidelines may include:	• customer enterprise guidelines • guidelines provided by the Australian Government Initiatives project titled 'business.gov.au'
Provide and maintain a vehicle may include:	• fitting out for business operations • garaging • organising payments • registration • servicing and maintenance.
Customer may include:	• companies • external • individuals • internal • small businesses.
Quote may include:	• detailed costing • job description of work to be undertaken • single price • statement of costs for work.
Margin for profit and ongoing costs may be:	• ongoing costs: • accounting • insurances • registration • tools • vehicle • set in the business plan • set on a job-by-job basis.

Unit Sector(s)

Unit sector	Telecommunications
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Co-requisite units

Co-requisite units		

Competency field

Competency field	Small and micro business
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