



Australian Government

Department of Education, Employment and Workplace Relations

MSACMT230A Apply cost factors to work practices

Revision Number: 1

MSACMT230A Apply cost factors to work practices

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit covers the knowledge and skills needed for an individual to identify cost components and to be able to determine in general terms the cost impacts of alternative actions.
------------------------	--

Application of the Unit

Application of the unit	In a typical scenario, a person is required to contribute to and be involved in the assessment of cost factors in their work. This may be done individually or in a team environment. The person is able to assess the relative costs of the alternatives and use this as one of the key factors in making decisions. Decisions are made within the scope of the employee's authority and according to procedures. Typical decisions include those that contribute to the efficient organisation of own work and the improvement of production time and cycle times. This unit requires the application of skills associated with problem solving to identify cost factors and cost implications of own work and self management to apply cost effective practices.
--------------------------------	--

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units	
---------------------------	--

Employability Skills Information

Employability skills	This unit contains employability skills.
-----------------------------	--

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.
---	--

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Identify in own work area major cost components of product or process	1.1. Identify cost components in the product or process in own work area 1.2. Recognise the impact of current or alternative actions on costs
2. Identify constraints to cost efficiency	2.1. Identify required production/process rate and major costs 2.2. Identify costs factors under the control of the individual or team 2.3. Relate identified costs factors to impact on overall cost of production/process 2.4. Identify cost factors that are a constraint to cost efficiency in own work area
3. Apply cost efficient work practices	3.1. Express the implications of possible actions/changes to improve cost efficiency in simple financial terms 3.2. Identify non-financial implications of proposed changes in discussion with relevant people 3.3. Select actions which minimise overall costs 3.4. Monitor actions to ensure cost efficiency in own work area is maintained

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- basic numeracy
- problem solving
- communication

Required knowledge

- cost components of products made
- costs concepts such as expense and income
- major cost contributors to product (eg energy)
- the difference between internally and externally controlled costs
- difference between overhead, labour and consumables

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, the range statement and the assessment guidelines for this training package.

Overview of assessment requirements	The person will as part of their routine decision making aim to minimise costs. There should be evidence of their doing so.
What are the specific resource requirements for this unit?	Access to a workplace implementing competitive manufacturing strategies. No other specific resources are required.
What critical aspects of evidence are required to demonstrate competency in this unit?	Evidence of being able to identify costs factors relevant to an individual's job. Evidence of having made appropriate decisions to minimise overall costs.
In what context should assessment occur?	Assessment will need to occur in a workplace or by use of a work based case study.
Are there any other units which could or should be assessed with this unit or which relate directly to this unit?	This unit may be assessed concurrently with appropriate units on continuous improvement.
What method of assessment should apply?	Assessors must be satisfied that the person can consistently perform the unit as a whole, as defined by the Elements, Performance Criteria, skills and knowledge. A holistic approach should be taken to the assessment. Assessors should gather sufficient, fair, valid, reliable, authentic and current evidence from a range of sources. Sources of evidence may include direct observation, reports from supervisors, peers and colleagues, project work, samples, organisation records and questioning. Assessment should not require language, literacy or numeracy skills beyond those required for the unit. The assessee will have access to all techniques, procedures, information, resources and aids which would normally be available in the workplace. The method of assessment should be discussed and agreed with the assessee prior to the commencement

EVIDENCE GUIDE	
	of the assessment.
What evidence is required for demonstration of consistent performance?	Evidence should be available over a period of time or from more than one process or product.

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.	
Cost components	Cost components include fixed and variable costs such as power/energy, materials, plant and equipment, production or process time including impact on salary and wages, office expenses such as telephone and government taxes and charges.
Process	Process may include a production, maintenance, logistics or office process in a manufacturing environment.
Overall cost	Overall cost may include the assessment of negative and positive financial implications. It also includes negative long term issues, such as Occupational Health and Safety (OHS), environmental and regulatory issues.

Unit Sector(s)

Unit Sector	CM Tools
--------------------	----------

Co-requisite units

Co-requisite units	
--------------------	--

Functional area

Functional Area	
-----------------	--