



Australian Government

Department of Education, Employment and Workplace Relations

MSACMT430A Improve cost factors in work practices

Revision Number: 1

MSACMT430A Improve cost factors in work practices

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit covers the knowledge and skills needed to evaluate the product or process outcomes of a team in terms of their cost components and to be able to determine in general terms the cost impacts of alternative actions.
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Application of the Unit

Application of the unit	In a typical scenario, a person is able to assess the relative costs of alternatives and use this as one of the key factors in decision making. Typical decisions include the efficient organisation of work within a team and the improvement of throughput and cycle times. Decisions are made within the scope of the team's authority and according to procedures This unit primarily requires the application of skills associated with communication and information gathering, teamwork and problem solving to analyse the cost components of team processes. Initiative, enterprise, planning and organising are also required identify opportunities for improved cost efficiency. This unit also requires a degree of self management and learning to effectively operate and maintain skills and performance.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units	
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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. Analyse cost components of team's function	1.1. Identify cost components in the product or process 1.2. Identify costs factors under control of the team 1.3. Identify causes of variability in costs 1.4. Analyse impact of costs on production or process activities undertaken by team
2. Improve cost efficiency of team processes	2.1. Identify methods of improving productivity and/or reducing costs within team's area of responsibility 2.2. Determine cost/ benefit ratio of alternative methods improving productivity and/or reducing costs 2.3. Consult with all relevant stakeholders regarding possible changes 2.4. Recommend changes which will increase productivity and reduce cost and variability 2.5. Implement recommended changes in consultation with relevant stakeholders

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills:

- basic numeracy.

Required knowledge:

- cost components of products made
- costs concepts such as expense, income and cost benefit
- major cost contributors to product (e.g. 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 maximise the cost efficiency of their work team within their scope of authority. There should be evidence of their doing so.
What critical aspects of evidence are required to demonstrate competency in this unit?	Evidence of routinely analysing cost factors relevant to their team's operation and implementing improvements to the team's cost efficiency.
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 of the assessment.
What evidence is required for demonstration of consistent	Evidence should be available over a period of time or from more than one process or product.

EVIDENCE GUIDE	
performance?	
What are the specific resource requirements for this unit?	Access to a workplace implementing competitive manufacturing strategies. No other specific resources are required.

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 may include fixed and variable costs such as power/energy, materials, plant and equipment, 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.
Procedures	Procedures include all work instructions, standard operating procedures, formulas/recipes, batch sheets, temporary instructions and similar instructions provided for the smooth running of the plant. They may be written, verbal, computer based or in some other form. For the purposes of this Training Package, 'procedures' also includes good operating practice as may be defined by industry codes of practice (e.g. Good Manufacturing Practice (GMP), Responsible Care) and government regulations.
Benefits	Benefits should include positive benefits as well as negative benefits such as quality, safety, reliability and similar issues which may be impacted by a cost saving.

Unit Sector(s)

Unit Sector	CM Tools
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corequisite units

Corequisite units	
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Functional area

Functional Area	
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