



Australian Government

MSS402030 Apply cost factors to work practices

Release: 1

MSS402030 Apply cost factors to work practices

Modification History

Release 1. Supersedes and is equivalent to MSS402030A Apply cost factors to work practices

Application

This unit of competency covers the skills and knowledge required by an individual to identify cost components in their work and to be able to determine, in general terms, the cost impacts of alternative actions.

This unit applies to an individual who 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 unit covers the skills to be 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.

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

Pre-requisite Unit

Nil

Competency Field

Competitive systems and practices

Unit Sector

Not applicable

Elements and Performance Criteria

Elements describe the essential outcomes.

Performance criteria describe the performance needed to demonstrate achievement of the element.

1 **Identify the major cost**

1.1 Identify cost components in the product or process in own work area.

	components of 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 individual or team control.
		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	Identify and explain to relevant people 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.

Foundation Skills

This section describes those required skills (language, literacy and numeracy) that are essential to performance.

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

Range of Conditions

This field allows for different work environments and conditions that may affect performance. Essential operating conditions that may be present (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) are included.

- Competitive systems and practices include one or more of:**
- lean operations
 - agile operations
 - preventative and predictive maintenance approaches
 - statistical process control systems, including six sigma and three sigma
 - Just in Time (JIT), kanban and other pull-related operations control systems
 - supply, value, and demand chain monitoring and analysis
 - 5S
 - continuous improvement (kaizen)
 - breakthrough improvement (kaizen blitz)
 - cause/effect diagrams
 - overall equipment effectiveness (OEE)
 - takt time
 - process mapping
 - problem solving
 - run charts
 - standard procedures
 - current reality tree.
- Cost components include all of:**
- fixed and variable costs, such as power/energy, materials, plant and equipment, production or process time, including impact of salary and wages
 - office expenses, such as telephone and internet
 - government taxes and charges.
- Process includes one or more of:**
- production
 - maintenance
 - logistics
 - office
 - other support processes in an organisation.
- Overall cost includes all of:**
- the assessment of negative and positive financial implications
 - negative long-term issues, such as work health and safety (WHS), environmental and regulatory issues.

Unit Mapping Information

Release 1. Supersedes and is equivalent to MSS402030A Apply cost factors to work practices

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=5b04f318-804f-4dc0-9463-c3fb9a3fe998>

Assessment Requirements for MSS402030 Apply cost factors to work practices

Modification History

Release 1. Supersedes and is equivalent to MSS402030A Apply cost factors to work practices

Performance Evidence

Evidence required to demonstrate competence in this unit must be relevant to and satisfy the requirements of the elements and performance criteria and include the ability, on one (1) or more occasions to use cost factors in making a decision related to their workplace, and to:

- identify major cost components
- distinguish components which they can control from those they can't
- make decisions which minimise overall cost and explain these to stakeholders.

Knowledge Evidence

Must provide evidence that demonstrates knowledge relevant to their job role sufficient to fulfil their job role under routine only supervision, including:

- concepts of expense, income and capital
- fixed and variable cost components relevant to own work:
 - power/energy
 - materials, plant and equipment
 - production or process time, including impact of salary and wages
 - office expenses
 - government taxes and charges
- relative impact of each of these
- financial and non-financial impacts of cost reductions
- the difference between internally and externally controlled costs
- difference between overhead, labour and consumables.

Assessment Conditions

- The unit should be assessed holistically and the judgement of competence shall be based on a holistic assessment of the evidence.
- The collection of performance evidence is best done from a report and/or folio of evidence drawn from:
 - a single project which provides sufficient evidence of the requirements of all the elements and performance criteria
 - multiple smaller projects which together provide sufficient evidence of the requirements of all the elements and performance criteria.

- A third-party report, or similar, may be needed to testify to the work done by the individual, particularly when the project has been done as part of a project team.
- Assessment will use a real project in an operational workplace.
- Knowledge evidence may be collected concurrently with performance evidence or through an independent process such as workbooks, written assessments or interviews (provided a record is kept).
- Assessment processes and techniques must be appropriate to the language, literacy and numeracy requirements of the work being performed and the needs of the candidate.
- Conditions for assessment must include access to all tools, equipment, materials and documentation required, including relevant workplace procedures, product and manufacturing specifications associated with this unit.
- Foundation skills are integral to competent performance of the unit and should not be assessed separately.
- Assessors must satisfy the assessor competency requirements that are in place at the time of the assessment as set by the VET regulator.
- The assessor must demonstrate both technical competency and currency.
- Technical competence can be demonstrated through:
 - relevant VET or other qualification/Statement of Attainment AND/OR
 - relevant workplace experience
- Currency can be demonstrated through:
 - performing the competency being assessed as part of current employment OR
 - having consulted with an organisation providing relevant environmental monitoring, management or technology services about performing the competency being assessed within the last twelve months.

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=5b04f318-804f-4dc0-9463-c3fb9a3fe998>