



Australian Government

MSS402087 Apply cost factors to work practices

Release: 1

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Modification History

Release 1. Unit code changed. Application changed. Elements changed. Performance Criteria changed. Foundation Skills populated. Assessment Requirements changed. Supersedes and is equivalent to MSS402082 Apply cost factors to work practices.

Application

This unit describes the skills and knowledge required to identify cost components in work practices and determine the broad cost impacts of alternative actions.

This unit applies to personnel who are required to identify and compare the costs of alternatives and apply this in making decisions within own scope of responsibility. Typically the decisions will contribute to efficient organisation of own work and/or improvement to production time and cycle times.

This unit applies to any organisation.

No licensing or certification requirements exist at the time of publication. Relevant legislation, industry standards and codes of practice within Australia must be applied.

Competency Field

Competitive systems and practices

Elements and Performance Criteria

Elements	Performance Criteria
Elements describe the essential outcomes.	Performance criteria describe the performance needed to demonstrate achievement of the element.
1. Identify the major cost components of process, product or service in own work area	1.1 Identify cost components in process, product or service in own work area 1.2 Identify alternative actions and related cost components 1.3 Identify impact of current and alternative actions on costs
2. Identify constraints to cost efficiency	2.1 Identify required production or process rate and major costs 2.2 Identify costs factors that can and cannot be controlled by individual or team 2.3 Relate identified costs factors to impact on overall cost of production or process 2.4 Identify cost factors that are constraint to cost efficiency in own work area

Elements	Performance Criteria
Elements describe the essential outcomes.	Performance criteria describe the performance needed to demonstrate achievement of the element.
3. Apply cost efficient work practices	3.1 Identify changes to improve cost efficiency 3.2 Explain to relevant people implications of changes, using simple financial terms 3.3 Discuss changes with relevant people to identify positive and negative non-financial implications and determine acceptable negative impact 3.4 Select actions which minimise overall costs within acceptable negative impact 3.5 Monitor actions to ensure cost efficiency in own work area is maintained

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

- Reading skills to interpret workplace documents to identify cost components
- Oral communication skills to communicate about financial and non-financial impacts with relevant people
- Numeracy skills to interpret and compare cost components.

Other foundation skills essential to performance are explicit in the performance criteria of this unit.

Unit Mapping Information

Release 1. Supersedes and is equivalent to MSS402082 Apply cost factors to work practices.

Links

The MSS Sustainability Companion Volume I Implementation Guides are available from VETNet: - -

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

Assessment Requirements for MSS402087 Apply cost factors to work practices

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Performance Evidence

There must be evidence the candidate has completed the tasks outlined in the elements and performance criteria of this unit, and demonstrated the ability to:

- compare cost implications for at least 2 alternatives to a current process, product or service
- apply at least 1 cost-efficiency improvement in own work area.
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Knowledge Evidence

There must be evidence the candidate has knowledge of:

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

Skills must have been demonstrated in the workplace or in a simulated environment that reflects workplace conditions and contingencies. The following conditions must be met for this unit:

- use of suitable facilities, equipment and resources, including:
 - sources of information in relation to cost factors
- modelling of industry operating conditions.

Assessors must satisfy the NVR/AQTF mandatory competency requirements for assessors.

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