

Title	Analyse a budget in a wood manufacturing workplace		
Level	3	Credits	5

Purpose	People credited with this unit standard are able to: explain the relationship between a specific workplace budget and the overall budget for a wood manufacturing company; examine factors that impact on the profitability of a wood manufacturing workplace or a wood manufacturing project; and design measures to control costs in a wood manufacturing workplace.
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Classification	Wood Manufacturing - Generic Skills > Wood Manufacturing Foundation Skills
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Available grade	Achieved
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Guidance Information

1 Definitions

Accepted industry practice refers to approved codes of practice and standardised procedures accepted by the wider wood manufacturing industry as examples of best practice.

KPIs (key performance indicators) are financial and non-financial measures used to help an organisation define and evaluate how successful it is, typically in terms of making progress towards its long-term organisational goals.

Wood manufacturing industries include solid wood, wood panels and pulp and paper organisations or business.

Wood manufacturing workplace is a separate division and/or team operating within a company in the wood manufacturing industries.

Workplace procedures refer to documented policies and procedures set by the organisation carrying out the work, and to documented or other directions provided to staff, and applicable to the tasks being carried out. They may include but are not limited to – standard operating procedures, site specific procedures, site safety procedures, equipment operating procedures, quality assurance procedures, product quality specifications, references, approved codes of practice, housekeeping standards, environmental considerations, on-site briefings, supervisor’s instructions, and procedures to comply with legislative and local body requirements relevant to the wood manufacturing sector.

2 Range

Competence is to be demonstrated with reference to at least one of the wood manufacturing industries.

3 Assessment information

All activities and evidence must meet workplace procedures and accepted industry practice.

- 4 Recommended unit standard for entry: Unit 19794, *Demonstrate knowledge of business basics in the wood manufacturing industry.*
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Outcomes and performance criteria

Outcome 1

Explain the relationship between a specific workplace budget and the overall budget for a wood manufacturing company.

Performance criteria

- 1.1 The workplace budget is explained in terms of percentage of total costs and percentage of total revenue of the wood manufacturing company annual budget.
- 1.2 The impact of variations in the wood manufacturing workplace costs and revenues on the overall company budget is explained, and under and over performances are identified.

Outcome 2

Examine factors that impact on the profitability of a wood manufacturing workplace or a wood manufacturing project.

Performance criteria

- 2.1 Predicted input costs are identified from the annual wood manufacturing workplace budget.
- Range costs – fixed, variable, overhead.
- 2.2 Values of output products and services provided are identified from the annual workplace or project budget.
- 2.3 Predicted costs and values of products and services are used to calculate profit or loss contribution to the overall wood manufacturing company budget.
- 2.4 Examples of factors that may influence the variation of predicted input costs against actual input costs are identified, and their influence is explained.
- Range evidence is required for at least five factors.

Outcome 3

Design measures to control costs in a wood manufacturing workplace.

Performance criteria

- 3.1 Key performance indicators that allow for the measurement and control of costs in a wood manufacturing workplace are identified.

- 3.2 Key performance indicators are compared against wood manufacturing company annual budget outcomes.
- 3.3 Corrective actions to ensure costs are controlled in the wood manufacturing workplace are identified, and reasons for their selection are justified.

Planned review date	31 December 2024
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Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	26 August 2003	31 December 2020
Review	2	18 December 2006	N/A
Review	3	28 May 2020	N/A

Consent and Moderation Requirements (CMR) reference	0013
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Comments on this unit standard

Please contact Competenz qualifications@competenz.org.nz if you wish to suggest changes to the content of this unit standard.