

**Modification history**

Release	Comments
Release 1	This version released with AHC Agriculture, Horticulture, Conservation and Land Management Training Package Version 4.0.

AHCAGB604XX	Analyse business performance
<b>Application</b>	<p>This unit of competency describes the skills and knowledge required to analyse the business performance of a production enterprise, and develop strategies for improving business profitability.</p> <p>This unit applies to individuals who take personal responsibility and exercise autonomy in undertaking complex work. They must analyse information and exercise judgement to complete a range of advanced skilled activities. They work in contexts that are subject to change and adapt a range of fundamental principles accordingly.</p> <p>All work must be carried out to comply with workplace procedures, work health and safety legislation and codes.</p> <p>No occupational licensing, legislative or certification requirements are known to apply to this unit at the time of publication.</p>
<b>Prerequisite Unit</b>	Nil
<b>Unit Sector</b>	Agribusiness (AGB)

Elements	Performance Criteria
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Analyse financial reports	1.1 Interpret taxation reports and determine accounts to be true and fair 1.2 Review and interpret management reports generated by the enterprise 1.3 Determine distribution of profit
2. Use financial analysis tools	2.1 Calculate gross margins and relevant breakdowns of profit and loss 2.2 Calculate ratios related to production activity, solvency and liquidity, gearing and profitability 2.3 Source and compare relevant performance benchmarks 2.4 Identify and analyse trends in production and profitability
3. Identify opportunities for increasing profit	3.1 Assess yield or production potential and determine current position 3.2 Identify key issues related to production efficiency 3.3 Identify key issues related to market return
4. Develop strategies for improving business performance	4.1 Use strengths, weaknesses, opportunities and threats (SWOT) approach to determine possible strategies to address production and marketing issues 4.2 Perform sensitivity analyses to evaluate strategies

<b>Foundation Skills</b>	
<i>This section describes those language, literacy, numeracy and employment skills that are essential for performance in this unit of competency but are not explicit in the performance criteria.</i>	
<b>Skill</b>	<b>Description</b>
Reading	<ul style="list-style-type: none"> <li>Access and analyse business records and interpret legislation and regulations</li> </ul>

<b>Unit Mapping Information</b>			
<b>Code and title current version</b>	<b>Code and title previous version</b>	<b>Comments</b>	<b>Equivalence status</b>
AHCAGB604XX Analyse business performance	AHCAGB604 Analyse business performance	Performance criteria clarified. Foundation skills added. Assessment requirements updated.	Equivalent unit

<b>Links</b>
Companion Volumes, including Implementation Guides, are available at VETNet: <a href="https://vetnet.education.gov.au/Pages/TrainingDocs.aspx?q=c6399549-9c62-4a5e-bf1a-524b2322cf72">https://vetnet.education.gov.au/Pages/TrainingDocs.aspx?q=c6399549-9c62-4a5e-bf1a-524b2322cf72</a>

<b>TITLE</b>	<b>Assessment requirements for AHCAGB604 Analyse business performance</b>
<b>Performance Evidence</b>	
<p>An individual demonstrating competency must satisfy all of the elements and performance criteria in this unit. There must be evidence that the individual has analyse the business performance of at least one business, including:</p> <ul style="list-style-type: none"> <li>• used financial analysis tools</li> <li>• identified profit drivers for the enterprise</li> <li>• benchmarked business performance against other businesses</li> <li>• developed strategies for improving business performance.</li> </ul>	
<b>Knowledge Evidence</b>	
<p>An individual must be able to demonstrate the knowledge required to perform the tasks outlined in the elements and performance criteria of this unit. This includes knowledge of:</p> <ul style="list-style-type: none"> <li>• financial reports of the business</li> <li>• legislation and regulations for taxation and business operation</li> <li>• financial analysis tools</li> <li>• performance benchmarking strategies</li> <li>• issues related to production efficiency and marketing</li> <li>• methods to determine strengths, weaknesses, opportunities and threats (SWOT) analysis</li> <li>• methods to develop business strategies.</li> </ul>	
<b>Assessment Conditions</b>	
<p>Assessment of skills must take place under the following conditions:</p> <ul style="list-style-type: none"> <li>• physical conditions: <ul style="list-style-type: none"> <li>• skills must be demonstrated in an environment that accurately represents workplace conditions</li> <li>• resources, equipment and materials: <ul style="list-style-type: none"> <li>• access to financial and production records for business</li> </ul> </li> </ul> </li> <li>• specifications: <ul style="list-style-type: none"> <li>• legislation and regulations relevant to taxation and business operation.</li> </ul> </li> </ul> <p>Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.</p>	
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