

PO - Unit Cost Model			(Costs in \$)																		
Short Term Scenario - Double Stamped Mail to OCR - OCR Efficiency to 60% - Other direct labour variable															© Jim McCallum Publishing Ltd 2012						
Dept	Actual Manhours	%	No of Machines	Running Hours/Day	Machine Run Hrs	%	Space sq m	%	Staffing Costs	Rates	Heat & Light	Power	Repair & Mntnce	Fixed Overhead	Variable Overhead	Indirect Re-alloc'n	Engin'ring Re-alloc'n	Non-alloc Overhead	Total Cost	Items Processed	Cost per Item
Pre-sort	37947	17.9	5	12	60	27.6	236	1.6	4200733	7104	7474	15839	438673	36219	512550	556438	508011		6283041	87000000	0.07
Facing/Cancel	33854	16.0	6	6	36	16.6	554	3.7	3747638	16677	17544	3122	263204	85024	457266	496420	304806		5391701	55680000	0.10
OCR	7311	3.5	7	11	77	35.5	637	4.3	809328	19175	20173	10514	562963	97762	98750	107205	651947		2377817	47080000	0.05
VCM	8881	4.2	4	9	36	16.6	929	6.2	983127	27965	29420	4232	263204	142576	119956	130227	304806		2005513	9850000	0.20
LSM	707	0.3	2	4	8	3.7	96	0.6	78265	2890	3040	3084	58490	14733	9549	10367	67735		248153	36820000	0.01
Prim'y Sort	36833	17.4					748	5.0	4077413	22517	23688			114797	497503	540103			5276022	50180000	0.11
Sec'y Sort	6713	3.2					848	5.7	743129	25527	26855			130145	90673	98436			1114765	11540000	0.10
Indirect	45395	21.5							5025227	0	0			0	613150	2537270		2537270	2537270		
Engineering	13111	6.2					77	0.5	1451388	2318	2438			11817	177090	192254					
Mgt/Admin	960	0.5					8312	55.5	106272	250214	263229	46375		1275662	12967	14077		1968797	1968797		
Air Letter Sort	5382	2.5					74	0.5	595787	2228	2343			11357	72695	78919			763329	1420000	0.54
Air Packet Srt	950	0.4					295	2.0	105165	8880	9342			45274	12832	13930			195424	210000	0.93
Parcels	4376	2.1					1627	10.9	484423	48977	51525			249700	59107	64168			957899	53000	18.07
Speedpost	9064	4.3					549	3.7	1003385	16526	17386			84256	122427	132910			1376892	196000	7.02
Tot Overhead (non-allocated)																		4506066			0.05
Total	211484 132246				217		14982		23411279	451000	474459	83166	1586533	2299323	2856515	5638377	1837306		30496623	87000000	0.35
Assumptions									Based on \$110.7 per man hour	Alloc on Space	Alloc on Space HL+Px0.8 +Aircon	Cal on Kwh HL+Px0.2	Alloc on m/c run	Alloc on Space incl ASD, Ins, Bldg Depr Cleaning	Alloc on man hours incl uniform OAE,GAE Water	45% to ind o/h bal alloc on manhrs	Alloc on m/c run				