

PO - Unit Cost Model		(Costs in \$)																			
Long Term Scenario - 50% further increase in stamped and metered mail to OCR - OCR Efficiency to 80% - 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	20.8	5	12	60	27.6	236	1.6	4200733	7104	7474	15839	438673	36219	593591	655498	525216		6480347	87000000	0.07
Facing/Cancel	24862	13.6	6	6	36	16.6	554	3.7	2752223	16677	17544	3122	263204	85024	388907	429467	315130		4271298	40890000	0.10
OCR	7311	4.0	7	11	77	35.5	637	4.3	809328	19175	20173	10514	562963	97762	114363	126290	674027		2434596	63950000	0.04
VCM	6456	3.5	4	9	36	16.6	929	6.2	714679	27965	29420	4232	263204	142576	100989	111521	315130		1709716	71600000	0.24
LSM	1102	0.6	2	4	8	3.7	96	0.6	121991	2890	3040	3084	58490	14733	17238	19036	70029		310531	57390000	0.01
Prim'y Sort	21734	11.9					748	5.0	2405954	22517	23688			114797	339977	375434			3282367	29610000	0.11
Sec'y Sort	3961	2.2					848	5.7	438483	25527	26855			130145	61960	68422			751392	68100000	0.11
Indirect	45395	24.9							5025227	0	0			0	710097	2580896		2580896	2580896		
Engineering	13111	7.2					77	0.5	1451388	2318	2438			11817	205090	226480					
Mgt/Admin	960	0.5					8312	55.5	106272	250214	263229	46375		1275662	15017	16583		1973353	1973353		
Air Letter Sort	5382	2.9					74	0.5	595787	2228	2343			11357	84189	92969			788873	14200000	0.56
Air Packet Srt	950	0.5					295	2.0	105165	8880	9342			45274	14860	16410			199933	21000000	0.95
Parcels	4376	2.4					1627	10.9	484423	48977	51525			249700	68452	75591			978668	53000000	18.47
Speedpost	9064	5.0					549	3.7	1003385	16526	17386			84256	141785	156572			1419910	19600000	7.24
Tot Overhead (non-allocated)																		4554249			0.05
Total	182611 103373				217		14982		20215038	451000	474459	83166	1586533	2299323	2856515	5735323	1899532		27181879	87000000	0.31
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				