



Australian Government

BSBESB402 Establish legal and risk management requirements of new business ventures

Release: 1

BSBESB402 Establish legal and risk management requirements of new business ventures

Modification History

Release	Comments
Release 1	This version first released with BSB Business Services Training Package Version 7.0.

Application

This unit describes the skills and knowledge required to identify and comply with legal and risk management requirements of the business or new business venture, including negotiating, creating and planning for legal contracts used within the business, where required.

The unit applies to those establishing a business providing self-employment, as well as those establishing a new venture as part of a larger organisation.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Unit Sector

Business Competence – Entrepreneurship and Small Business

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Identify legal and risk management requirements relating to business	1.1 Identify legal structure of business using reliable sources 1.2 Identify legislative and regulatory requirements applicable to identified legal structure 1.3 Analyse identified requirements and their relationship to business and workplace practices and processes
2. Implement procedures and processes to comply with legislative and regulatory requirements	2.1 Develop and implement procedures to ensure compliance with relevant legislative and regulatory requirements 2.2 Develop and implement processes and procedures for storing and maintaining legal documents and business records 2.3 Establish systems to identify areas of non-compliance and take

ELEMENT	PERFORMANCE CRITERIA
	corrective action where necessary
3. Negotiate and arrange contracts	3.1 Assess products and/or services to determine procurement rights and ensure protection of business interests 3.2 Negotiate and secure contractual procurement rights for goods and/or services as required and according to business plan and workplace procedures 3.3 Complete any contractual arrangements according to workplace procedures and business plan 3.4 Seek legal advice if required to confirm contractual rights and obligations
4. Mitigate business risks	4.1 Analyse business activities and identify applicable risk management requirements 4.2 Assess probability and impact of identified internal and external risks to business 4.3 Develop a plan to prioritise and treat risks 4.4 Implement procedures to mitigate risks according to risk treatment plan

Foundation Skills

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

Skill	Description
Learning	Accesses information to maintain up-to-date information on legal and risk management requirements
Reading	Identifies, analyses and evaluates a range of complex text to determine legislative, regulatory and related business requirements
Writing	Prepares written plans and workplace documentation that communicate information clearly and effectively
Oral communication	- Uses specific and relevant language to clearly articulate legal issues, and uses questioning and listening techniques to clarify solutions - Participates in verbal negotiations using tone and language suitable to audience
Numeracy	Reviews, analyses and contrasts numerical data which may be embedded in documents
Self-management	Monitors adherence to workplace procedures and legislative requirements
Planning and	Implements actions as per plans and makes adjustments if necessary

Skill	Description
organising	and addressing unexpected issues

Unit Mapping Information

Supersedes and is equivalent to BSBSMB401 Establish legal and risk management requirements of small business.

Supersedes but is not equivalent to:

- BSBIPR405 Protect and use intangible assets in small business
- BSBSMB410 Review and implement energy efficiency in business operations.

Links

Companion Volume Implementation Guide is found on VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=11ef6853-ceed-4ba7-9d87-4da407e23c10>

Assessment Requirements for BSBESB402 Establish legal and risk management requirements of new business ventures

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Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- establish legal and risk management requirements for at least one business or new business venture, and implement procedures for meeting them
- create at least one contract with a supplier of goods or services to business or new business venture
- identify, assess and treat at least three different risks specific to business or new business venture and prioritise risks with highest probability of occurrence and greatest negative impact.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- legislative and regulatory requirements relating to operation of new business ventures, including:
 - consumer legislation
 - environmental requirements and responsibilities
 - registration and licensing
 - industry codes of practice and standards
 - work health and safety (WHS) requirements and responsibilities
 - insurance products and requirements, including adequate coverage
- workplace procedures for:
 - negotiating, creating and terminating contractual arrangements, including seeking legal advice
 - investigating and securing procurement rights relating to products and/or services
 - identifying options for leasing or owning business premises
- legal rights and obligations of alternative ownership structures

- key features of workplace record-keeping processes and procedures that:
 - meet minimum legal and taxation requirements
 - maintain records in a secure and accessible manner
- key components of compliance procedures:
 - following taxation and industrial relations principles and requirements
 - updating and maintaining legal documents
 - investigating areas of non-compliance
 - monitoring provision of products and/or services
 - taking corrective action where necessary
- key steps in risk management process, including procedures for developing and implementing business risk treatment plan.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- business technology, including internet access
- legislation, regulations, codes of practice and standards relating to business described in performance evidence
- workplace documentation and resources relevant to performance evidence.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

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