



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **SIRXGLC502 Establish business legal and legislative requirements**

**Release: 1**

## SIRXGLC502 Establish business legal and legislative requirements

### Modification History

The version details of this endorsed unit are in the table below. The latest information is at the top.

| Release       | Comments                                                                                                                                                                                                                                                                                                      |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First Release | This is a revised unit, based on but not equivalent to SIRXGLC002A Establish compliance with legislative requirements. Significant review of unit, with deletion of wholesale focus and addition of content from deleted unit SIRXGLC003A Comply with legislative requirements affecting business activities. |

### Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to identify and understand the salient features of the legal environment as they affect businesses, and to establish compliance with legal and legislative requirements.

This unit covers aspects of contract law, intellectual property, product recall risk, and transfer of ownership across national boundaries.

### Application of the Unit

This unit applies to senior managers and business owners.

### Licensing/Regulatory Information

Licensing, legislative and regulatory requirements apply to the legal establishment of a business at the time of endorsement. Checks should be made of current requirements within the relevant state or territory.

### Pre-Requisites

Nil

### Employability Skills Information

This unit contains employability skills.

## Elements and Performance Criteria Pre-Content

### Elements and Performance Criteria

| Element                                                                  | Performance Criteria                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Elements describe the essential outcomes of a unit of competency.        | Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 1. Examine legal compliance of business-to-business arrangements.        | <p>1.1.Determine key elements of major <b><i>legal oversight systems</i></b> affecting business-to-business operations.</p> <p>1.2.Compare various issues affecting <b><i>different forms of contract and agreements</i></b> within business operations.</p> <p>1.3.Detail business entities commonly encountered in the business environment.</p> <p>1.4.Examine legal aspects of <b><i>financial transactions</i></b> within business operations.</p> <p>1.5.Determine <b><i>legal requirements</i></b> for the sale of products and services across state, territory, regional and national borders.</p> <p>1.6.Examine legal implications of e-commerce for business-to-business operations.</p>                                                                                                                                                                                                                                                                              |
| 2. Establish compliance of current product recall policy and procedures. | <p>2.1.Develop <b><i>procedures and guidelines</i></b> for supplier-initiated recalls.</p> <p>2.2.Develop recall procedures and guidelines for government or industry-initiated recalls.</p> <p>2.3.Ensure product recall procedures and guidelines comply with prevailing legislative, legal and industry requirements.</p> <p>2.4.Circulate product recall procedures and policies to <b><i>relevant personnel</i></b> and business partners.</p> <p>2.5.Establish procedures for halting or monitoring the sale and distribution of recalled products.</p> <p>2.6.Inform <b><i>staff</i></b> of risks associated with recalled products.</p> <p>2.7.Establish policy and procedures for dealing with media and consumer enquiries relating to product recalls.</p> <p>2.8.Establish storage, isolation or disposal process for recalled products according to risk and recall notification.</p> <p>2.9.Analyse records and reports on product recall activities and costs.</p> |
| 3. Ensure compliance of parties undertaking                              | <p>3.1.Determine legal rules relating to ownership of assets and intellectual property.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

- business transactions.
- 3.2. Apply legal rules relating to the transfer of risk.
  - 3.3. Design and issue warranties in compliance with relevant legislation.
  - 3.4. Ensure insurance for business operations and products complies with relevant legislation.
  - 3.5. Determine legal remedies and enforcement options available for the resolution of disputes.
4. Ensure compliance with business and contract law.
- 4.1. Determine and apply requirements for a valid contract to be formed in a business environment.
  - 4.2. Apply remedies available for breaches of contract within a business-to-business transaction.
  - 4.3. Analyse and apply range of principles affecting business-to-business licensing and other agreements.
5. Analyse application of intellectual property.
- 5.1. Determine major principles relating to intellectual property and its creation.
  - 5.2. Compare various forms or categories of intellectual property.
  - 5.3. Apply law of copyright in business-to-business transactions and relationships.
  - 5.4. Apply law of design in business-to-business transactions and relationships.
  - 5.5. Analyse various methods of regulating patents and trademarks in an international and local business environment.
  - 5.6. Apply principles of assignment and licensing of **intellectual property** rights.
  - 5.7. Determine legal consequences of franchising of intellectual property rights held by a business.
6. Ensure compliance with workplace and safety laws.
- 6.1. Identify and implement policies and procedures to ensure goods are handled, stored and transported safely and according to requirements for dangerous and hazardous materials.
  - 6.2. Identify and implement policies and procedures to ensure food is handled, stored and transported according to food safety requirements.
  - 6.3. Identify and implement policies and procedures to ensure equal employment opportunity (EEO), anti-discrimination and related legislative provisions and business codes are implemented.
  - 6.4. **Record**, store and transfer information according to legislative and business requirements.
  - 6.5. Administer access to records according to legislative and business requirements ensuring customer and staff privacy is

protected.

6.6. Use ***appropriate channels*** to report and action ***grievances or complaints*** against individual behaviour or practices in line with organisational policies and procedures.

## Required Skills and Knowledge

This section describes the skills and knowledge required for this unit.

### Required skills

- communication and interpersonal skills to:
  - discuss risk management plan
  - inform staff of risks associated with recalled products through clear and direct communication
  - share information
  - use and interpret non-verbal communication
  - use language and concepts appropriate to cultural differences
- literacy and numeracy skills to:
  - determine the costs and consequences of non-compliance with key legal obligations and requirements affecting wholesale transactions
  - interpret language and meaning associated with legislative, statutory, legal, insurance and contractual documents that span national and international contexts
  - record, store and transfer information
  - research, plan, analyse and organise information
- self-management skills to apply relevant legal principles

### Required knowledge

- business policy and procedures affecting job role or function
- contract validation
- information sources on product and supply arrangements for customers
- principles relating to intellectual property
- product and service warranties
- relevant legislation and statutory requirements, including:
  - industry codes of practice
  - work health and safety (WHS)
  - Australian consumer law
  - domestic and international law, conventions, agreements and legislation
- remedies available for breach of contract
- reporting requirements
- business context, both national and international, in which the legal, insurance, rights and contractual sources of information apply

## Evidence Guide

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

### **Critical aspects for assessment and evidence required to demonstrate competency in this unit**

Evidence of the following is essential:

- completes tasks associated with management of a business operation in a satisfactory and timely manner and in compliance with legal and legislative requirements
- uses relevant legal and statutory rights to protect the business brand and intellectual property
- implements and documents product recall procedures for a business operation
- describes and complies with legal rules relating to transfer of risk and legal obligations affecting a specific range of business operations, including import and export operations
- establishes and implements appropriate reporting procedures and record-keeping systems for a business operation
- processes documentation relating to business and legal compliance within a set timeframe.

### **Context of and specific resources for assessment**

Assessment must ensure access to:

- a retail work environment
- relevant documentation, such as:
  - relevant legislation and statutory requirements
  - information on the internal and external operating environment
  - business policy and procedures manuals
- information on:
  - business operations
  - markets
  - competitors
  - products and services
  - suppliers.

### **Method of assessment**

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- observation of performance in the workplace
- third-party reports from a supervisor
- review of portfolios of evidence
- written or verbal questioning to assess knowledge and understanding.

**Guidance information  
for assessment**

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended.

## Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the individual, accessibility of the item, and local industry and regional contexts) may also be included.

***Legal oversight systems*** may include:

- Australian Competition and Consumer Commission provisions
- contract law
- environmental protection, and sustainability
- EEO
- industry codes of practice
- licence, patent or copyright arrangements
- WHS
- Australian consumer law and fair trading Acts
- transport, storage and handling of goods
- workplace relations.

***Different forms of contract and agreements*** may include or relate to:

- common-use arrangements or standing offers
- consequences
- contracts, including:
  - contracts as detailed under the Australian consumer law
  - external contracts
- in-house service level agreements
- letters of appointment or intent
- memorandums of understanding or memorandums of agreement
- non-compliance
- people contracts
- petty cash
- purchase orders
- trade partners
- verbal and written orders.

***Financial transactions*** may include:

- cash on delivery (COD)
- cheques
- credit card transactions
- customer account management
- customer refunds
- deposits
- hire-purchase
- withdrawals.

***Legal requirements*** for the sale of products and services may include:

- industry codes of practice
- liquor laws
- lottery legislation

- WHS
  - pricing procedures, including GST requirements
  - sale of second-hand goods
  - sale of X and R-rated products
  - tobacco laws
  - Australian consumer law and fair trading Acts.
  - approvals obtained
  - claim procedures on recalled products
  - consultation with key stakeholders
  - impact on business relationships and contractual arrangements
  - insurance issues
  - legal requirements
  - organising logistics
  - reporting compliance
  - timing
  - warnings.
  - customer-specific
  - documented in hard copy or electronic manuals
  - implemented at business, team or operational levels
  - product or service-specific
  - territory or location-specific.
  - employees
  - internal or external contacts
  - relevant managers
  - supervisors.
  - full-time, part-time, casual or contract staff
  - people from a range of cultural, social and ethnic backgrounds
  - people with a range of responsibilities and job descriptions
  - people with varying degrees of language and literacy.
  - ability to show ownership
  - legal and legislative provisions
  - location, for example, international variations in legal protection
  - nature of product or service delivery
  - nature of the product or service
  - scope of protection sought.
  - asset registers
  - corporate credit card transaction statements
  - evaluation process documentation
  - financial statements
  - human resources files
  - invoices and payment requests
- Product recall ***procedures and guidelines*** may be developed in consideration of:
- Procedures and guidelines*** may include:
- Relevant personnel*** may include:
- Staff*** may include:
- Principles related to ***intellectual property*** may vary according to:
- Record*** may refer to:

***Appropriate channels***  
may include:

- offer and contract documents
- purchase requests and orders
- records of authorised officers' decisions
- records of conversation
- records of supplier performance
- statements and petty cash vouchers
- tender submissions and proposals.
- informal and formal meetings
- presentations
- verbal reports
- written reports.
- customers
- management
- staff
- staff representatives.

***Grievances or complaints*** may be  
reported by:

## **Unit Sector(s)**

Cross-Sector

## **Competency Field**

Governance and Legal Compliance