

BSBSMB401

Establish legal and risk management requirements of small business

Learner Workbook



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Candidate Details

Assessment – BSBSMB401: Establish legal and risk management requirements of small business

Please complete the following activities and hand in to your trainer for marking. This forms part of your assessment for BSBSMB401: Establish legal and risk management requirements of small business

Name: Karl Kain

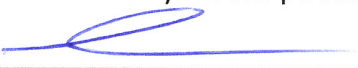
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Employer: Aus PT

Declaration

I declare that no part of this assessment has been copied from another person's work with the exception of where I have listed or referenced documents or work and that no part of this assessment has been written for me by another person.

Signed: 

Date: 1-3-2020

If activities have been completed as part of a small group or in pairs, details of the learners involved should be provided below;

This activity workbook has been completed by the following persons and we acknowledge that it was a fair team effort where everyone contributed equally to the work completed. We declare that no part of this assessment has been copied from another person's work with the exception of where we have listed or referenced documents or work and that no part of this assessment has been written for us by another person.

Learner 1: _____

Signed: _____

Learner 2: _____

Signed: _____

Learner 3: _____

Signed: _____

Competency Record to be completed by Assessor

Learner Name: _____

Date of Assessment: _____

The learner has been assessed as competent in the elements and performance criteria and the evidence has been presented as;

	Assessor Initials
Authentic	
Valid	
Reliable	
Current	
Sufficient	

Learner is deemed: COMPETENT NOT YET COMPETENT (Please circle)

If not yet competent, date for re-assessment: _____

Comments from Trainer / Assessor:

Assessor Signature: _____

Observation/Demonstration

Throughout this unit, you will be expected to show your competency of the elements through observations or demonstrations. Your instructor will have a list of demonstrations you must complete or tasks to be observed. The observations and demonstrations will be completed as well as the activities found in this workbook. An explanation of demonstrations and observations:

Demonstration is off-the-job

A demonstration will require:

- Performing a skill or task that is asked of you
- Undertaking a simulation exercise

Observation is on-the-job

The observation will usually require:

- Performing a work based skill or task
- Interaction with colleagues and/or customers

Your instructor will inform you of which one of the above they would like you to do. The demonstration/observation will cover one of the unit's elements.

The observation/demonstration will take place either in the workplace or the training environment, depending on the task to be undertaken and whether it is an observation or demonstration. Your instructor will ensure you are provided with the correct equipment and/or materials to complete the task. They will also inform you of how long you have to complete the task.

You should demonstrate that you can:

1. Identify and implement business legal requirements
2. Comply with legislation, codes and regulatory requirements
3. Negotiate and arrange contracts

You should also demonstrate the following skills:

- Reading
- Writing
- Oral Communication
- Numeracy
- Navigate the world of work
- Interact with others
- Get the work done

Activities

Activity 1A

Estimated Time	30 minutes												
Objective	To provide you with an opportunity to identify and research possible options for the business legal structure using appropriate sources												
Activity	1. Conduct your own research and document advantages and disadvantages in creating the types of legal structure detailed in this table.												
	<table><tr><th>Type</th><th>Advantages</th><th>Disadvantages</th></tr><tr><td>Cooperative</td><td> - There are equal voting rights for all members - liability is limited for members - there is no limit to members - The structure encourages member contribution & shared responsibility </td><td> - members have equal voting rights regardless of investment, may not suit an investor-driven business - legal limits on payments of dividends on shares may not suit an investor-driven business </td></tr><tr><td>Trust</td><td> - limited liability is possible if a corporate trustee is appointed - The structure provides more privacy than a company - There can be flexibility in distributions among beneficiaries - Trust income is generally taxed as income of an individual </td><td> - The structure is complex - The trust can be expensive to establish & maintain - problems can be encountered when borrowing due to additional complexities of loan structure - Power of trustees are restricted by trust deed. </td></tr><tr><td>Association or not-for-profit legal structure</td><td> - tax exempt status, & protection for directors, officers & members from personal liability </td><td> - limited purposes, in order to be exempt under tax laws an organization can only perform certain functions listed in those laws. </td></tr></table>	Type	Advantages	Disadvantages	Cooperative	- There are equal voting rights for all members - liability is limited for members - there is no limit to members - The structure encourages member contribution & shared responsibility	- members have equal voting rights regardless of investment, may not suit an investor-driven business - legal limits on payments of dividends on shares may not suit an investor-driven business	Trust	- limited liability is possible if a corporate trustee is appointed - The structure provides more privacy than a company - There can be flexibility in distributions among beneficiaries - Trust income is generally taxed as income of an individual	- The structure is complex - The trust can be expensive to establish & maintain - problems can be encountered when borrowing due to additional complexities of loan structure - Power of trustees are restricted by trust deed.	Association or not-for-profit legal structure	- tax exempt status, & protection for directors, officers & members from personal liability	- limited purposes, in order to be exempt under tax laws an organization can only perform certain functions listed in those laws.
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Activity 1B

Estimated Time	20 minutes
Objective	To provide you with an opportunity to determine legislation and regulatory requirements affecting operations of the business under its chosen structure.
Activity	1. Report on your organisation or in accordance with directions from the instructor, the legislation and regulatory requirements affecting the operations of your business. Aus PT main legislation that has a impact on the Business is, Employment, Environment & health & safety. Corporations Act 2001 & Taxation laws for GST & PAYG

Activity 1C

Estimated Time	20 minutes
Objective	To provide you with an opportunity to develop and implement procedures to ensure full compliance with relevant legislation and regulatory requirements.
Activity	1. What methods are used to implement procedures to ensure full compliance with the relevant legislation and regulatory requirements governing your specific business operations? You may make reference to your answers in Question 1B. To comply with general reporting & submitting regulatory returns & documents, maintain a register of employees, Record all meeting minutes & resolutions, Keep all financial records, prepare & audited financial statements & reports and send them off each financial year, or as required on what company set up is in place. Financial reporting if a Pty Ltd company under the corporations Act 2001, will be prepared under the accordance with the law yearly, or if selected yearly There are many ways to model corporate governance pro procedures, they can differ from the variety of businesses or areas they operate in a

Activity 2A

Estimated Time	30 minutes
Objective	To provide you with an opportunity to establish systems to ensure legal rights and responsibilities of the business are identified and the business is adequately protected, specifically in relation to work health and safety (WHS), business registration and environmental requirements
Activity	1. Detail/report your company's systems to ensure the legal rights and responsibilities of the business are identified and the business is adequately protected. <u>WHS</u> WHS requirements include - - complying with relevant WHS codes & practices - Establishing & maintaining a system for managing WHS - Establishing hazard management arrangements to access & control the risks associated with workplace hazards, including a detailed written safe operating procedures or summaries - WHS record keeping in accordance with regulatory requirements - WHS duty of care - Registering with state/territory workers compensation authority <u>Environmental</u> - It is hard to place one group of these elements to small businesses for managing the Enviro side, but u should look out for laws that affect ur business by water, heritage & the Arts, The Sea, importing, hazardous waste & fuel quality. And see what the business uses or needs to do with these laws if ur Building on a heritage listed site by the sea <u>Registration</u> Before you register a business name, apply for a ABN, when you apply for the ABN through the Australian Business register, it links you straight to ASIC connect to register your Business, there are fees involved.

Activity 2B

Estimated Time	25 minutes
Objective	To provide you with an opportunity to identify taxation principles and requirements relevant to the business, and follow procedures to ensure compliance, and identify and carefully maintain legal documents and maintain and update relevant records to ensure their ongoing security and accessibility.
Activity	1. Define a sole trader, an incorporated company and a trust. A sole trader is the easiest business structure, you control your own business & manage it. you can use your own TFN or ABN, you are solely responsible for any tax the business must pay. A incorporated company is a distinct legal entity that pays its own tax, separate from individuals income tax. Companies are regulated by ASIC. The company must have its own bank account. A trust is an obligation imposed on a person to hold property or income to benefit other which are called beneficiaries. 2. What legal documents may you have to maintain? Some documents you may have to maintain are legal documents may include - • Appropriate software for financial records • Certificate of incorporation • Constitution documents • Franchise agreements & financial documentation • Partnership agreements • Statutory books for companies, such as register of members, register of directors & minute books Record may include - • Environmental • tax • personnel • WHS • Financial

Activity 2C

Estimated Time	20 minutes
Objective	To provide you with an opportunity to monitor provision of products and services of the business to protect legal rights and to comply with legal responsibilities and conduct investigations to identify areas of non-compliance with legal and regulatory requirements, and take corrective action where necessary
Activity	1. Suggest three options that could likely cause an error in compliance. For the areas identified, give your recommendations on ways to eliminate future occurrences.

Contracts - read thoroughly threw the contract, make sure you understand all elements placed inside the contract. Some things that are non compliance & unlawful are, secret payments in a clause providing commission, and price fixing agreement which is likely to be in breach of trade practises Act 1974, an attract penalties.

Financial Reporting When a company fails to lodge documents, ASIC may issue penalty notice to each secretary if it has more than one, it would be advised to have trained competent people handling such documents, and have a Reporting Procedure outlined, to follow step by step on reporting, so to minimise errors. Once u have a reporting procedures model, you can find one or more aspects missed or allocated sufficient checks & balances.

Non conforming Building products - non conforming Building products & materials that present a safety risk and do not meet the standards for the use in which intended for. Do checks on products before ordering and refer any non conforming product to the QBCC as they the supplier are inbreach of Queensland Building & construction Commission Act 1991, for code of practice on non-conforming Building products.

Activity 3A

Estimated Time	25 minutes
Objective	To provide you with an opportunity to seek legal advice on contractual rights and obligations, if required, to clarify business liabilities, investigate and assess potential products or services to determine procurement rights and ensure protection of business interests where applicable
Activity	1. In pairs, groups or individually list five contractual rights and obligations that could give cause to potential business liabilities. ① right to purchase a particular product or service ② right to delivery of a timely payment ③ right for refund or repairs. ④ Insurance obligations. To the works been performed. ⑤ Service obligations to what you said or service you are providing to the contract.

Activity 3B

Estimated Time	30 minutes
Objective	To provide you with an opportunity to seek legal advice on contractual rights and obligations, if required, to clarify business liabilities, Investigate and assess potential products or services to determine procurement rights and ensure protection of business interests where applicable.
Activity	1. List five products or services to determine procurement rights and ensure protection of the business interests where applicable. <u>7 R's of procurement</u> ① Right Price ② Right Quantity ③ Right Quality ④ Right Time ⑤ Right Place ⑥ Right Source ⑦ Right Service Products or Services ① Timber framing ② windows ③ Roof cladding ④ Plumbing services ⑤ electrical services. and apply the 7 R's to these to stop, cheap quality, program delays and unethical sourcing.

Activity 3C

Estimated Time	30 minutes
Objective	To provide you with an opportunity to negotiate and secure contractual procurement rights for goods and services including contracts with relevant people, as required, in accordance with the business plan
Activity	1. Create a five point plan on negotiating for securing contractual procurement rights for goods and services contracts. ① Conduct research & analysis comprising a) demand analysis b) supply market analysis & market sounding c) evaluating the results ② Identifying the procurement objectives ③ developing and evaluating procurement strategy options. ④ Specifying measures and supplier management arrangements. ⑤ developing the implementation plan ⑥ obtaining approval to proceed to the supplier evaluation & selection stage

Activity 3D

Estimated Time	25 minutes
Objective	To provide you with an opportunity to identify options for leasing/ownership of business premises and complete contractual arrangements in accordance with the business plan
Activity	1. What would be your choice, to either lease or purchase premises for a small business in your capital city, and why? Leasing would be the preferred option. Not sure how well the business will fair in a competitive market, so having a year or 2 lease as the commitment will be better than having a mortgage on a property to pay off and the business doesn't fair. I would only purchase a property after 5-10 years when the company is viable & has capital to spend on the investment. Leasing has no capital required and if you do well and need a big property or are in the wrong location, you can move on to the next property.

Activity 4B

Estimated Time	30 minutes																										
Objective	To provide you with an opportunity to assess the probability and impact of identified risks																										
Activity	1. For each risk you identified in Activity 4A, assess its probability and impact. <u>Risk probability into categories</u> Highly unlikely - could occur in exceptional circumstances, But there's a good chance it never will Unlikely - Unexpected, but there is a slight chance Possible - There is a chance of it occurring & similar incidents have occurred in the past. Likely - A strong possibility that will occur in some form Certainty - Expected to occur due to past events and is planned around. <table border="1"> <thead> <tr> <th>Internal Risk</th><th>Impact Category</th><th>Business Impact</th><th>Financial Impact.</th></tr> </thead> <tbody> <tr> <td>① employees stealing</td><td>Possible</td><td>ranges from money out a till to expensive equipment missing</td><td>Some financial impact</td></tr> <tr> <td>③ Supplier chain failures.</td><td>Likely</td><td>High levels of disruption for short term</td><td>New supplier might be clearer,</td></tr> <tr> <td>External Risk</td><td></td><td></td><td></td></tr> <tr> <td>⑧ Fire damage</td><td>Unlikely.</td><td>Be quiet high ranging from some equipment damage to all of the business at a total loss</td><td>higher insurance premiums, Some things not insured.</td></tr> <tr> <td>⑫ Natural disaster (flood)</td><td>Unlikely</td><td>depending on flood levels, Business could get flooded</td><td>Some insurance companies don't cover floods.</td></tr> </tbody> </table>			Internal Risk	Impact Category	Business Impact	Financial Impact.	① employees stealing	Possible	ranges from money out a till to expensive equipment missing	Some financial impact	③ Supplier chain failures.	Likely	High levels of disruption for short term	New supplier might be clearer,	External Risk				⑧ Fire damage	Unlikely.	Be quiet high ranging from some equipment damage to all of the business at a total loss	higher insurance premiums, Some things not insured.	⑫ Natural disaster (flood)	Unlikely	depending on flood levels, Business could get flooded	Some insurance companies don't cover floods.
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Activity 4A

Estimated Time	20 minutes
Objective	To provide you with an opportunity to identify potential internal and external risks to the business
Activity	1. Give examples of internal and external risks that may affect your organisation. <u>Internal Risks</u> ① - employees stealing or embezzling ② - Cash flow & liquidity problems ③ - Supplier chain failures ④ - Distribution problems ⑤ - union strikes ⑥ - loss of data on computer systems ⑦ - management & leadership problems. <u>External Risks</u> ⑧ - Fire damage ⑨ - Burglary ⑩ - property damage ⑪ - Market fluctuations & price changes ⑫ - Natural disaster ⑬ - pandemic's

Activity 4C

Estimated Time	25 minutes				
Objective	To provide you with an opportunity to prioritise risks for treatment				
Activity	1. Create probability-impact matrix and determine which risk has the highest priority.				
Probability		Impact			
		minor 0.2	Moderate ^{0.4}	Major 0.6	Catastrophic 0.8
	0.9 Highly likely	0.18	0.36	0.54	0.72
	0.7 Unlikely	0.14	0.28	0.42	0.56
	0.5 Possible	0.1	0.2	0.3	0.4
	0.3 likely	0.6	0.12	0.18	0.24
	0.1 Certainly	0.2	0.4	0.6	0.8
Internal Risks		External Risks			
① 0.2		⑧ 0.56			
② 0.12		⑨ 0.3			
③ 0.18		⑩ 0.3			
④ 0.18		⑪ 0.2			
⑤ 0.4		⑫ 0.42			
⑥ 0.3		⑬ 0.72			
⑦ 0.2					
⑬ Pandemic is the highest priority.					

Activity 4D

Estimated Time	25 minutes
Objective	To provide you with an opportunity to develop actions to mitigate risks including identifying insurance requirements and adequate cover
Activity	1. You are about to take out an insurance policy. Thinking about the likely risks to your business, suggest the approach and cover you would likely use to insure against the following risks. - Insurance for a steel fixing company. Things that the company might have is - Vans & trucks - Comprehensive motor Insurance - Director - Directors liability Insurance - yard (yard) - Burglary insurance policy with flood cover - employees - Workers compensation, CIP's, public liability - tools - contents Insurance - Construction works - Public liability. Things the business might have in type of insurance

Skills and Knowledge Activity

Estimated Time	60 Minutes
Objective	To provide you with an opportunity to demonstrate your knowledge of the foundation skills, knowledge evidence and performance evidence.
Activity	Complete the following individually and attach your completed work to your workbook. The answers to the following questions will enable you to demonstrate your knowledge of: ➤ Reading ➤ Writing ➤ Oral Communication ➤ Numeracy ➤ Navigate the world of work ➤ Interact with others ➤ Get the work done ➤ Outline business registration and licensing requirements ➤ Identify commonwealth, state/territory and local government legislative requirements relating to business operation ➤ Explain creation and termination of relevant legal contracts ➤ Summarise relevant cultural differences and legal implications ➤ Describe legal rights and obligations of alternative ownership structures ➤ Outline necessary record keeping to meet minimum legal and taxation requirements ➤ Summarise relevant consumer legislation and industry codes of practice ➤ Outline the key steps in the risk management process ➤ Explain relevant insurance requirements and products 1. What texts may you have to read to assess the legal and risk management requirements of the business? 2. What reports and workplace documentation may you have to write? 3. What skills are needed to communicate effectively during communications? 4. What information might you need to determine insurance costs? 5. What are organisational policies which may apply to your ethical behaviour? 6. Why may you need to seek legal advice? 7. What sort of information may you need to store securely? 8. What are the benefits of being on the Australian Business Register (ABR)? 9. What local, state/territory, commonwealth and international legislation, regulations and codes of practice may affect business operations? 10. What elements must be present for a legally enforceable contract? 11. How can you manage diversity and cultural differences within a workplace? 12. What alternative ownership structures exist? 13. What records will you need to keep in order to meet taxation regulation? 14. What is the purpose of the Australian Competition and Consumer Commission?

	15. How would you assess risks within an organisation? 16. What insurance requirements may your organisation have?
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Major Activity

Estimated Time	60-120 Minutes
Objective	To provide you with an opportunity to demonstrate your knowledge of the entire unit.
Activity	This is a major activity – your instructor will let you know whether you will complete it during class or in your own time. Attach your completed answers to the workbook. You must individually, answer the following questions in full to show your competency of each element: 1. Identify and implement business legal requirements 2. Comply with legislation, codes and regulatory requirements 3. Negotiate and arrange contracts 4. Identify and treat business risks 1. Which business legal structure do you believe is the most appropriate? Note the positive and negative aspects of your chosen structure in relation to your business needs. 2. What kind of permissions do you need to secure and maintain for your business? 3. Pick three elements of general reporting on Section 1.3 of the Learner Guide and explain them in the context of your company, describing what you need to do in order to satisfy this requirement. 4. What measures do you have in place regarding WHS policies and procedures? Explain why they are effective. If your company has not yet been opened or established, write about what you may need to implement and why. 5. Which description in section 2.2 of the Learner Guide applies to your business? Explain how this works in relation to your business. 6. What kind of records do you keep in relation to finance? Explain why each system you use is appropriate for your needs. 7. What legislation may affect any contracts associated with the running of your business? 8. What measures could you put in place to detect incidences of non-compliance? 9. What can you do to ensure legal co-operation with contractual rights and obligations? 10. What systems can you implement to ensure you are sourcing the right item, from the right supplier at the right time? 11. Through the general running of your business, who can you expect to have contracts with? How does each person or company fit into your business plan?

- | | |
|--|---|
| | <ol style="list-style-type: none">12. Is renting or buying more ideal for your business needs? Explain why and how you made this decision and detail the options that are available to you in this endeavour.13. What is the difference between internal and external threats? 6914. What are likely or certain risks within your business?15. How can you prioritise risks?16. What compulsory insurance must you obtain in order to run your business? What extra or voluntary insurance could you also get, and why? |
|--|---|

Skills & Knowledge Activity

- ① Can look up Queensland Government, Business Queensland website to help with a checklist of things to have ready or done for starting up or business, Corporations Act 2001 (Cwlth) details the requirements relating to the company and financial products & services. If leasing a yard get a solicitor to check the terms & conditions, If working from home, check with local council on limits of number of people who can work there. Also Work health and safety Act 2011 for duty of care to the health & safety of your staff.
- ② Some workplace documents could include, messages, memorandums, minutes from meetings, ASIC's annual report, Pay & for employees, financial records of the company, Bank accounts, employment records, Occupational training records, Sales records, proof of purchases, work, health & safety records.
- ③ To be a effective in communicating in the business you must be a good listener, Non Verbal communication in Body language, eye contact, tone of voice, hand gestures. Confidence, Open. Mindedness, Respectful of others Empathy.
- ④ Be better to use a broker to help insure your business, to determine how much u want to cover the business, Cause do you want to insure every Risk or the most likely. An what insurance do I need by law. like worker compensation for workers. Public liability.

- ⑤ All staff in the company are required to comply with the workcover Code of conduct. The standards of conducts in the code are based on the four ethics principles contained in the public Sector Ethics Act 1994. (QLD) which are ① Integrity and impartiality, ② promoting the public good, ③ Commitment to the system of government, ④ accountability and transparency.
- ⑥ for a Business structure some factors for legal advice is Contract Law, taxes, limitation of personal liability, asset protection and ease of transferring a sold Business
- ⑦ it will need to store the companies personal details securely including employees contracts & personal info, customers personal data, Companies tax records
- ⑧ Being on the Australian Business Register helps with validating your clients & suppliers ABNs in real time, an risk profiling, work planning & site visits, planning & economic development to help establishing future strategic plans to meet the needs of community growth & change.
- ⑨ Some Key legislations, regulations & codes of practice are Employment, Consumers, Environmental, Competition & health & safety.
- ⑩ The requisite elements that must be present to establish the formation of a legally binding contract are - offer, acceptance, consideration, mutuality, capacity & a written instrument.

(11) Teamwork, model the right behavior, awareness and communication

(12) There are 4 most common types of Business Structures.

- Sole trader
- Company
- Partnership
- Trust

(13) you need to keep for taxation are Payments received, Expenses related to payments received, Asset acquisition or disposal, Gift, donations and contributions, disability aids, attendant care or aged care expenses.

(14) The Australian Competition and Consumer Commission is a independent Commonwealth statutory authority to enforce the competition and consumer sct 2010 and a range of additional legislation, promoting competition, fair trading and regulation national infrastructure for the benefit of all Australians

(15)

- use models or software
- Seek feedback from employees/customers
- Consult a expert
- Conduct internal & external research
- Analyze customer complaints.
- Checklists

(16) Some insurance that a company might have would have but not limited is Public & product liability Insurance, Directors & officers liability Insurance, Property or Building Insurance if I owe a yard, Workers compensation, and Contents Insurance.

Major Activity

- ① To start my business off first, I would get it going under sole trader to start, cause its simple to set up & operate, has a lower cost to set up, have full control of the business assets & business decisions. Only have to keep records from present to 5 years ago. Then as time went on and the business was booming & stable, can change the structure to a Pty Ltd company. Cause I can shift the personal assets that I have as a sole trader from being at risk. An I would be personally liable to pay tax on all income derived. Where the company has its own company tax, which would be lower than carrying all the tax on my personal tax return.
- ② Need license and permits to secure & maintain

- ③ - Keep proper financial records - To file all purchase receipts and set up a spreadsheet to keep all costs in order. Keep all sales receipts and add those to the spreadsheet, so u can track all sales. Add wages to it. There are systems that you can purchase to help have it all in one. But that can come down to the track when money is not so tight.
- Maintain a register of it members or shareholders to which u record, The name of each shareholder, contact address for each, number and types or classes of share held by each, The amount agreed or paid on each share and the date of when the shareholder became a member of the company.

- Record all meeting minutes and resolutions in meetings held to keep record of all been said and agreed upon. To have a effective meeting minutes draw up. It should include the names of participants, agenda items, Calender or due dates, Actions and tasks, Main points, Decisions made by participants, Future decisions and most important points.

④ My small Bussiness in house renos is not up an running Say. So I would have to go threw an see wat hazard I can identify. Then Assess the risks on each one I have identified. I would have to put controls in to try and minimize the risk of someone getting hurt or eliminate it all together. Then review and maintain the control measures and implement a Swmm's with the work crew, by consulting the worker I can use there knowledge and experiences And ideas to chouse effective controls. I would Consult ~~the~~ workers to become a work place health & safety representative threw been nominated by the work crew. Also follow the Work health & safety Act 2011 for framework to protect all workers at

⑤ Been a sole trader to start with helps by Been the Simplest structure to set up with an operate a Business. I could use my TFN to start off with, to lodge tax returns. later down the track apply for a ABN to Carry on a enterprise in Australia. Even though all the tax is solely on my individual tax returns. It helps set you on your way to a sussesfull Business with cheaper set up costs.

- ⑥ Need to keep financial records to allow you to track the business's cash flow, prepare tax returns and understand the business's overall financial position. Documents can include
- receipts and invoices of goods & services that are bought or sold
 - contract with suppliers and other contractors.
 - Bank statements.
 - a business register of assets
 - depreciation schedules.
 - tax documents, activity statements and annual tax returns
 - documents of how the business is financed via a business loan or shares in the business.

- ⑦ There are many legislations that affect contracts associated with running a business, could come across a wide range from employee or contractor laws, consumer laws, Superannuation, transport industry law, work health and safety, workers compensation, international contract law, collective bargaining, anti discrimination, taxation rules & laws & Building & construction industry payment security.

- ⑧ Monitoring or auditing for non compliance, Even sometimes a toolbox meeting once a week picks up on the workplace's teams concerns for self monitoring.

- ⑨ to ensure both parties of the formation of the contract cooperate in the dealings of the written contract and agree on all items in the contract.
- ⑩ set up a criteria, list all of the suppliers. Selections of items needed. Check the process of each suppliers methods of supplying your items. Call for bids, and Evaluate the submitting Bids. Select the right supplier and review the Suppliers performance.
- ⑪ can have contracts with employees, landlords distributors and customers, each one helps the company or business become successful. employees are valued workers getting the Job done so u can have something at the end to sell to customers. landlords provide the premise to do the Job. distributors can provide products to help achieve ur end goal.
- ⑫ To start off, Renting a premises is more ideal to start off with. Cash flow might be a issue to take on the cost of buying a premise with all the cost involved. Plus renting or leasing a premise is more mobile if down the track the premise is to small, wont be responsible for property tax, Fire Insurance, maintenance and repairs.

- ⑬ The difference between internal & External threats are what it says, internal that are in the business's normal processes. like theft from employees, cash flow problems, supply chain failures - and External threats are that not in the business day to day normal process. like a natural disaster or Fire or damage to a premise or Burglary.
- ⑭ Some main risks can be strategic risks, compliance Risk, operation risk, Financial Risk and Reputational Risk.
- ⑮ one method to prioritise risks is use a Probability-impact matrix (PIM)
- ⑯ Some forms of compulsory Insurance is workers compensation insurance, Public liability Insurance & Third party personal injury Insurance. Some optional Insurance is Personal or loss of Income Insurance, disability Insurance, life Insurance, management liability Insurance, total and permanent disability insurance, Building and contents Insurance, Burglary, Electronic equipment, tax audit, machinery Breakdown, Product liability Insurance, Professional indemnity Insurance, cyber liability Insurance and not limited to Queensland Building and construction Commission (QBCC) home warranty Insurance in most cases.

Activity 4C

Estimated Time	25 minutes				
Objective	To provide you with an opportunity to prioritise risks for treatment				
Activity	1. Create probability-impact matrix and determine which risk has the highest priority.				
Probability 0.9 0.7 0.5 0.3 0.1	Impact				
		minor 0.2	Moderate ^{0.4}	Major 0.6	Catastrophic 0.8
	Highly likely	0.18	0.36	0.54	0.72
	Unlikely	0.14	0.28	0.42	0.56
	Possible	0.1	0.2	0.3	0.4
	likely	0.6	0.12	0.18	0.24
	Certainly	0.2	0.4	0.6	0.8
Internal Risks ① 0.2 ② 0.12 ③ 0.18 ④ 0.18 ⑤ 0.4 ⑥ 0.3 ⑦ 0.2 External Risks ⑧ 0.56 ⑨ 0.3 ⑩ 0.3 ⑪ 0.2 ⑫ 0.42 ⑬ 0.72 ⑬ Pandemic is the highest priority.					