

FOREWORD

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The myriad business laws and regulations that we have in Australia provide the basis upon which most commercial activity is undertaken. Simply put, it spells out what we can – and can't – do in a business context: the legal structures that can be used, the ways in which firms compete or otherwise deal with each other, the behaviours that are acceptable when selling to customers, how we can resolve disagreements, and the way in which risk is managed, to name just a few.

In short, it is the framework around which all commercial trading and activities takes place.

Learning the basics of business law is often seen as a tedious necessity by many students, especially those without any prior exposure to the law and its peculiarities. But it's a crucial ingredient for anyone seeking to build a truly successful career in business or commerce. Knowing the rules of the game is an important first step in being able to successfully operate as a manager, business owner, entrepreneur, employee, director or investor.

Understanding the law is essential in many different ways.

Firstly, it is an important operational factor for many businesses. Our web of laws and regulations jointly provide the framework that underpins almost all the other activities of business. They spell out such basic issues, for example, as how we employ people, the manner in which we collect and report our accounting information, and what claims can be made in an advertisement, as well as penalties for non-compliance. Secondly, the competitive nature of business makes it almost inevitable that, sooner or later, most firms will come into conflict or contention with someone else. How such disputes are managed, adjudged and resolved is an important feature of the contemporary legal environment. Our legal system may seem to focus on the responsibilities of businesses, but it also contains important rights and protections for firms. Knowing what these are, how they can be exercised, and the benefits of such measures can be a great help to the savvy business operator. Finally, our laws can be a great source of competitive advantage for those who bother to learn how they work, and why. The law matters to everyone, not just lawyers. Not everyone understands the law equally, and those who take the time to understand what the rules are, and what is permitted, can often plan strategically in a way that others don't. Conversely, history is littered with many examples of enterprises that have come unstuck by ignoring or downplaying one or other of their legal responsibilities.

As the many cases and examples provided in this book show, the law is an evolving, challenging aspect of the business environment. It is full of fascinating and sometimes confusing issues, and there are many grey areas open to multiple analyses, challenges and debate. Its interpretation and application is not always clear, but it is always important.

This sixth edition of *Business and the Law* will provide you with a comprehensive overview of most of the key legal aspects you're likely to encounter in the Australian business environment. Each of the sections in this book is valuable, and will help you to develop a better understanding of how laws are made, what they seek to do, and – perhaps most importantly – how they actually operate in practice. I commend it to you.