



Dispute Resolution in Victoria: Small Business Survey 2007

**Prepared for Department of Justice
By Ipsos Australia Pty Ltd**

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Table of Contents

Executive Summary	iii
1. Background & Objectives	7
1.1 Introduction	7
1.2 Research Objectives	7
1.3 What is ADR?	7
1.4 ADR Service Providers.....	8
2. Findings - All Disputes	9
2.1 Incidence of Disputes	9
2.2 Recognition of ADR Services by Small Businesses.....	18
2.3 Access to ADR Services by Small Businesses	21
2.4 Enablers of Using ADR Services.....	24
2.5 Barriers to Using ADR Services	26
3. Findings - Serious Disputes.....	29
3.1 Introduction.....	29
3.2 Serious Disputes with Customers, Suppliers, Contractors or Employees	29
3.3 Serious Disputes with Government	33
3.4 Serious Disputes with Neighbours & Local Community	35
3.5 Estimated Cost of Serious Dispute Resolution	38
3.6 Time Spent on Serious Dispute Resolution.....	40
3.7 Emotional Cost of Dispute Resolution.....	41
Appendix A: Research Methodology.....	43
A1. Questionnaire Design.....	43
A2. Sample Selection.....	44
A3. Response Rate.....	45
A4. Calculations and Weightings	45
Appendix B: Sample Characteristics	49
Appendix C: Survey Questionnaire	53

Executive Summary

In October 2006, Ipsos was commissioned by the Department of Justice to conduct two surveys on dispute resolution in Victoria. The first survey was conducted among Victorian citizens and involved 502 telephone interviews with Victorians aged 18 years or more; the second involved 500 owners or operators of Victorian small businesses with fewer than twenty employees. Both surveys were designed to be representative of the populations of Victorian adults and small businesses. This report concerns the small business survey only.

The business survey was conducted to reliably and validly measure small businesses' recognition of, attitudes to, and experiences of alternative dispute resolution (ADR) schemes operating in Victoria. The key findings, extrapolated to the Victorian small business population, via an accurate weighting method, are summarised below.

Incidence of Disputes

Of all Victorian small businesses, 37% had experienced at least one dispute in the 12 months to May 2007. The total number of disputes among Victorian small businesses was 637,000 of which 526,000 involved disputes with customers, suppliers, contractors or employees, 54,000 were with state, federal and local government, and 58,000 were with neighbours and the local community. The most prevalent dispute categories were 'about unpaid debts or late payment of bills owed to you by a customer' (15%), and 'over the quality, timeliness or price of goods or services provided by you to a customer' (7%).

Attempts at Resolution

Sixty-nine percent (441,000) of all disputes were resolved without getting help from a third party, while around 18% (117,000) involved a third party in an attempt to achieve resolution. Almost a fifth (16% or 103,000) of all disputes were not resolved at the time of the survey.

It is estimated that 66% (49,000) of the 74,000 disputes with customers, suppliers, contractors or employees that remained unresolved, involved third party help. However, of the 18,000 disputes with government that remained unresolved a lower proportion (43% or 8,000 disputes) involved a third party. Similarly, of the 10,000 disputes with neighbours and local community that remained unresolved, 46% or just under 5,000 involved third party help.

Small Businesses' Recognition of ADR Services

Prompted recognition of ADR service providers was high for Consumer Affairs Victoria, Victorian Equal Opportunity and Human Rights Commission, Ombudsman Victoria, Banking and Financial Services Ombudsman, and Telecommunications Industry Ombudsman.

A second group of ADR services had quite low levels of recognition and in most cases low levels of usage and included Dispute Settlement Centre Victoria, Financial Industry Complaints Service, and Institute of Arbitrators and Mediators Australia.

The proportion of Victorian small businesses contacting ADR suppliers was low other than for Consumer Affairs Victoria, which has been contacted at some stage by more than 5% of all small businesses.

Survey findings suggest that the key factors influencing Victorian small businesses to make greater use of ADR services include the relatively lower cost and speed of resolution compared with going to court, as well as access to subject/industry experts. In contrast, the survey revealed that perceptions of high cost and effort involved in dispute resolution discourage some Victorian small businesses from using ADR services.

It is noteworthy that the majority (70%) of Victorian small businesses did not see any advantages in taking a dispute to a court or tribunal.

Action Taken to Resolve Serious Disputes

For serious disputes with customers, suppliers, contractors or employees:

- the majority (87%) were taken up directly with the other party involved
- for one fifth (19%) information or advice was obtained from a solicitor/lawyer and for 5% information or advice was obtained from an industry body or professional association
- third party agencies such as the Dispute Settlement Centre Victoria or an Ombudsman or Commissioner (excluding the Small Business Commissioner) were used in a very small number of serious disputes – usually to lodge a complaint or seek mediation assistance - each agency was used in 1% or less of serious disputes
- for 8% a debt collection agency was used
- 3% were taken to VCAT or some other tribunal.

For serious disputes with government:

- the majority (79%) were taken up directly with the other party involved
- for one-third (33%) information or advice was sought from solicitors/lawyers
- one-quarter (24%) were taken to VCAT or another tribunal
- 10% were taken to a local Council.

For serious disputes with neighbours and local community:

- the majority (90%) were taken up directly with the other party involved
- for one-fifth (20%) information or advice was sought from a solicitor or lawyer
- for 16% information was sought from a local government authority
- 12% were taken to a court
- for 10% a complaint was lodged with a government Minister or department
- 9% went to VCAT or another tribunal.

Cost and Time Involved in Dispute Resolution

The total cost of the resolution of all disputes to Victorian small businesses was estimated at \$1.8 billion, including the amount of money and time spent.

The total cost to Victorian small businesses that used a third party to resolve a serious dispute was \$620 million, which was almost half the aggregated costs when no third party was involved (\$1.2 billion).

The total cost to Victorian small businesses when their serious disputes were resolved was \$1.5 billion, which was considerably higher than the cost when no resolution was achieved (\$315 million).

The total number of hours spent by small businesses on resolving disputes was approximately 10 million hours, which is equivalent to \$294 million. Of the 10 million hours, 37% (approximately 4 million hours) was spent dealing with or responding to a third party, which is equivalent to approximately \$110 million.

The reported emotional cost associated with dispute resolution was considerable for small businesses. *High* or *very high* emotional costs were associated with the majority of serious disputes (63%). Notably, higher emotional costs were associated with serious disputes in which third party help was involved (83%), compared with serious disputes in which no third party was involved (54%).

1. Background & Objectives

1.1 Introduction

The Victorian Department of Justice (DoJ) commissioned Ipsos to conduct two surveys – *Dispute Resolution in Victoria: Community Survey 2007* and *Dispute Resolution in Victoria: Small Business Survey 2007*. These surveys sought to reliably and validly measure recognition of, attitudes to, and experiences of alternative dispute resolution (ADR) schemes operating in Victoria. These surveys are one element of a broader project aiming to improve and strengthen ADR service delivery to Victorians by the public and private sectors.

At present, data and information available about ADR services, practices and performance, as well as public recognition of and attitudes to ADR services, is poor. The community and small business surveys were used to collect data to assist in filling this knowledge gap about the ADR market. The community survey was conducted with a representative sample of Victorian citizens and the small business survey with Victorian small businesses with fewer than 20 employees. This report concerns the findings from the small business survey only.

For the purposes of this survey, “a dispute” is defined as:

A conflict or disagreement between two or more people, businesses, organisations or government agencies. Disputes may have been resolved by the persons themselves or have involved someone like a mediator, lawyer or ombudsman to help sort it out.

1.2 Research Objectives

Fundamentally, the specific research objectives were to determine:

- incidence of disputes among Victorian small businesses across different dispute types (i.e. disputes with business, government, family, neighbourhood or community), including the number of disputes involving a third party
- types of third parties used to resolve disputes
- actions taken in an attempt to resolve serious or difficult disputes
- the cost to small businesses of dispute resolution in terms of dollar value, time and emotional cost
- attitudes towards ADR services, including the level of confidence in using a third party to resolve disputes in the future and preferred approaches to dispute resolution
- recognition of and access to ADR services, including levels of contact, barriers to and enablers of usage.

1.3 What is ADR?

For the purposes of this project, ADR is referred to as a process for resolving a broad range of disputes without recourse to the courts. ADR services comprise the provision of information and advice, negotiation, mediation, conciliation and arbitration. ADR schemes aim to:

- minimise the cost of disputes
- provide informal and quickly achieved resolution of disputes
- provide non-adversarial processes
- provide a forum for resolving disputes that are unlikely to proceed to litigation
- reduce the number of disputes that proceed to litigation – which in turn reduces the Courts' workloads.

The growth of the ADR sector has been driven by its accessibility, adaptability to different types of disputes, timeliness and cost advantages.

DoJ is a major provider of ADR services. DoJ agencies that provide ADR include:

- Consumer Affairs Victoria
- Dispute Settlement Centre of Victoria
- Victorian Equal Opportunity and Human Rights Commission.

DoJ also has a key role in ensuring that ADR services are operating fairly and effectively.

Another key ADR service provider, offered through the Department of Innovation, Industry and Regional Development, is the Small Business Commissioner, who provides a specialist ADR service for small business.

1.4 ADR Service Providers

In Victoria, dispute resolution assistance is accessible through public and private ADR providers. Those that fall within the scope of this project, because of their widespread use, include:

- ADR mechanisms operated by courts and tribunals
- community dispute resolution service providers
- statutory and government agencies and regulatory bodies with an ADR role
- industries that have in place their own dispute resolution schemes
- commercial ADR service providers such as lawyers and members of specialist bodies such as the Institute of Arbitrators and Mediators or LEADR, who charge fees for their services.

While small businesses may be a party to ADR, not all ADR schemes, notably some consumer schemes, accept “complaints” from small businesses. Where these schemes do accept complaints from a small business, it is usually in the circumstance of the small business being a purchaser of a good or service.

2. Findings - All Disputes

2.1 Incidence of Disputes

Of all Victorian small businesses, 37% had at least one dispute in the last 12 months, while 63% had no disputes. The total number of disputes among Victorian small businesses was 637,000, of which 526,000 involved customers, suppliers, contractors or employees; 54,000 involved government, and 58,000 involved neighbours or the local community. The most prevalent dispute categories were ‘unpaid debts or late payment of bills owed to you by a customer’ (15% of all businesses), and ‘the quality, timeliness or price of goods or services provided by you to a customer’ (7% of all businesses).

Over two-thirds (69% or 441,000) of all disputes were resolved without getting help from a third party, while around 18% or 117,000 involved a third party in an attempt to achieve resolution.

Almost a fifth (16% or 103,000) of all disputes was not resolved at the time of the survey. It is estimated that:

- 66% (49,000) of all disputes with customers, suppliers, contractors or employees that remained unresolved (74,000) involved third party help
- 43% (8,000) of the disputes with government that remained unresolved (18,000), involved a third party
- 46% (5,000) of all disputes with neighbours and local community that remained unresolved (10,000) involved third party help.

2.1.1 Interpretation of Tables 1 to 4

When considering the data presented in Tables 1 to 4 please note that two different types of data are presented in each table. In each table:

- the first column of data presents the proportion of Victorian small businesses that reported being involved in each type of dispute listed over the last twelve months
- the second column presents the total numbers reported for each type of dispute
- the third column shows the total number of each dispute resolved without help
- the fourth column shows the total number resolved with third party help
- the right-hand column shows the total number of each dispute not resolved at the time of interview.

Table 1: All Disputes With Customers, Suppliers, Contractors, Employees, Government, Neighbours And Local Community

Dispute categories	Q1/6/11 % Having Dispute n=500**	Q2/7/12 Number of disputes n=352***	Q3/8/13 Number resolved without help n=352***	Q4a/9/14 Number with 3rd party help n=352***	Q5/10/15 Number not resolved n=352***
DISPUTES WITH CUSTOMERS, SUPPLIERS, CONTRACTORS OR EMPLOYEES					
<i>Customer Disputes</i>					
About unpaid debts or late payment of bills owed to you by a customer	15%	189,418	105,606	44,097	41,058
Over the quality, timeliness or price of goods or services provided by you to a customer	7%	73,939	59,107	12,987	4,734
Over contracting issues such as work allocation – with your principal contractor	1%	7,520	4,778	2,471	271
<i>Total - Disputes with Customers</i>	23%	270,877	169,491	59,555	46,063
<i>Supplier Disputes</i>					
Over electricity, water, gas, or phone supplied to you by a utility supplier	3%	33,755	30,114	3,094	1,307
Over parts, materials or trading stock provided to you by a supplier	3%	44,712	30,895	409	7,629
Over transport and for your business, including haulage, buying, leasing or maintaining vehicles and fuel	2%	25,606	25,606	-	-
Over construction, renovation, repairs or maintenance of your business premises	1%	3,285	271	2,471	3,013
Over your tenancy – as a retailer (if applicable)	Less than 1%	826	689	138	138
<i>Total – Disputes with Suppliers</i>	9%	108,184	87,575	6,112	12,087
<i>Sub-contractor Disputes</i>					
Over the quality, timeliness or price of services provided to you by a subcontractor	3%	76,715	72,532	4,045	1,169
Over the payment of bills issued to you by a subcontractor	1%	10,618	8,009	2,471	138
Over contracting issues such as work allocation – with your subcontractor	1%	9,040	9,040	-	-
<i>Total – Disputes with Sub-contractors</i>	5%	96,373	89,581	6,516	1,307
<i>Employee Disputes</i>					
Over unfair dismissal, discrimination, management, unfair treatment, pay or entitlements for an employee	1%	7,547	4,192	2,262	1,364
Over occupational health and safety issues for an employee	1%	2,805	1,987	680	409
<i>Total – Disputes with Employees</i>	2%	10,352	6,179	2,942	1,773
<i>Financier Disputes</i>					
Over the amount you owe, including fees and charges or the timing of your payments to a financial institution	2%	15,103	13,801	1,031	1,303
Over gaining finance for your business from a financial institution	Less than 1%	2,201	1,169	-	1,031
<i>Total – Disputes with Financiers</i>	2%	17,304	14,970	1,031	2,334
<i>Other Disputes</i>					
With another business over intellectual property owned by your business including trade names and designs, copyright material with another business	2%	9,125	-	9,125	7,822
Other customers/suppliers/ sub-contractors/employees/financiers	1%	10,974	7,685	3,151	2,880

Dispute categories	Q1/6/11 % Having Dispute n=500**	Q2/7/12 Number of disputes n=352***	Q3/8/13 Number resolved without help n=352***	Q4a/9/14 Number with 3rd party help n=352***	Q5/10/15 Number not resolved n=352***
Penalties or fines imposed (by private company)	Less than 1%	2,471	2,471	-	-
<i>Total – Other Disputes</i>	4%	22,570	10,156	12,276	10,702
Did not have disputes with customers, suppliers, sub-contractors, employees, financiers,	70%	-	-	-	-
TOTAL - All Disputes with Customers, Suppliers, Sub-contractors, Employees, Financiers	*	525,660	377,952	88,432	74,266
DISPUTES WITH GOVERNMENT					
<i>Regulation Disputes</i>					
Planning application or permits	2%	19,679	3,968	13,240	8,987
Local laws (local government, competitive tender requirements)	1%	9,503	8,334	1,031	1,169
Regulatory compliance requirements	1%	5,214	271	2,471	2,471
Registration, licence or permits needed to conduct a business	1%	4,049	547	-	2,471
Alleged breach of the law by your business	Less than 1%	542	542	-	-
<i>Total – Disputes about Regulation</i>	5%	38,987	13,662	16,742	15,098
<i>Financial Disputes</i>					
Taxation/duties/GST	1%	3,422	2,742	138	542
Grants and other business assistance	Less than 1%	680	542	138	-
<i>Total – Disputes about Financial</i>	1%	4,102	3,284	276	542
<i>Penalties Disputes</i>					
Penalties or fines imposed	Less than 1%	684	684	-	-
<i>Total – Disputes about Penalties</i>	Less than 1%	684	684	-	-
<i>Rights Disputes</i>					
Complaint to government about another business other than a supplier, customer	Less than 1%	1,982	680	1,303	271
Use of business or personal information	Less than 1%	138	138	-	-
<i>Total – Disputes about Rights</i>	Less than 1%	2,120	818	1,303	271
Other government disputes	2%	7,685	2,742	2,471	2,471
Did not have any disputes with government	93%	-	-	-	-
TOTAL - All Disputes with government	*	53,578	21,190	20,792	18,382
DISPUTES WITH NEIGHBOURS OR LOCAL COMMUNITY					
<i>Neighbours Disputes</i>					
Over construction, renovation, repairs or maintenance of your business premises	Less than 1%	271	-	271	-
Planning application or permits	Less than 1%	138	-	138	-
With neighbours over parking, pollution, noise etc	2%	10,206	8,903	1,303	271

Dispute categories	Q1/6/11 % Having Dispute n=500**	Q2/7/12 Number of disputes n=352***	Q3/8/13 Number resolved without help n=352***	Q4a/9/14 Number with 3rd party help n=352***	Q5/10/15 Number not resolved n=352***
With others you share a business premises with over maintenance, payment or shared bills, rent etc	1%	3,827	271	813	2,742
With a trade association	1%	2,471	-	-	2,471
With partners, shareholders or others with a financial interest in your business	Less than 1%	1,716	138	1,578	1,303
With a body corporate over joint property, fees, management etc	Less than 1%	21,454	21,454	-	-
<i>Total - Disputes with Neighbours</i>	4%	40,083	30,766	4,103	6,787
<i>Local Community Disputes</i>					
In the local community over local issues such as planning or environment issues	2%	10,978	10,707	-	271
Other local community	1%	6,597	-	4,126	3,094
<i>Total - Disputes with Local Community</i>	3%	17,575	10,707	4,126	3,365
Did not have any disputes with neighbours and local community	93%	-	-	-	-
<i>TOTAL - All Disputes with Neighbours and Local Community</i>	*	57,658	41,473	8,229	10,152
<i>GRAND TOTAL – ALL DISPUTES</i>	*	636,896	440,615	117,453	102,800
<i>PROPORTION OF ALL BUSINESSES REPORTING NO DISPUTES WITH ANOTHER PARTY IN THE PAST 12 MONTHS</i>	63%	-	-	-	-

*Note: Because respondents were able to give multiple responses for this question – businesses can report more than one dispute within each category and across dispute categories – a total proportion in this cell would be meaningless.

**Note: This base represents the total number of respondents in the survey.

***Note: These bases represent the total number of disputes over issues reported in Q1/6/11.

Q1. In the last 12 months has your business been involved in any disputes with customers, suppliers, contractors or employees about any of the following issues?

Q2. How many different disputes have you had over Q1...?

Q3. How many of these disputes over Q1 were you able to resolve without help from a third party such as a mediator, lawyer or ombudsman?

Q4. Did you involve a third party in an attempt to resolve any of these disputes? In how many of these disputes did you involve a third party?

Q5. How many of these disputes were not resolved, either because you haven't been able to reach agreement or because you didn't try to?

2.1.3 Incidence of Disputes with Customers, Suppliers, Contractors or Employees

Of all Victorian small businesses, 30% had one or more disputes in the 12 months to May 2007 with customers, suppliers, contractors or employees, while 70% had no such disputes. Within this category the two types of disputes with highest frequencies were:

- 'unpaid debts or late payment of bills owed to you by a customer' (15%)
- 'the quality, timeliness or price of goods or services provided by you to a customer' (7%).

Interestingly, relatively low proportions of Victorian small businesses had disputes related to 'contracting issues such as work allocation with principal contractor' (1%).

Overall, a relatively low proportion of disputes with customers, suppliers, contractors or employees involved a third party (14%, or 88,000 from a total of 526,000 disputes). Within this category, the top two types of disputes involving help from a third party were:

- ‘unpaid debts or late payment of bills owed to you by a customer’ (23% of disputes or 44,000 out of a total of 189,000 disputes)
- ‘the quality, timeliness or price of goods or services provided by you to a customer’ (18% or 13,000 out of a total of 74,000 disputes).

Table 2: Disputes With Customers, Suppliers, Contractors Or Employees

Dispute categories	Q1. % Having Dispute n=500**	Q2. Number of disputes n=257***	Q3. Number resolved without help n=257***	Q4a. Number with 3 rd party help n=257***	Q5. Number not resolved n=257***
DISPUTES WITH CUSTOMERS, SUPPLIERS, CONTRACTORS OR EMPLOYEES					
<i>Customer Disputes</i>					
About unpaid debts or late payment of bills owed to you by a customer	15%	189,418	105,606	44,097	41,058
Over the quality, timeliness or price of goods or services provided by you to a customer	7%	73,939	59,107	12,987	4,734
Over contracting issues such as work allocation – with your principal contractor	1%	7,520	4,778	2,471	271
<i>Total – Disputes with Customers</i>	<i>23%</i>	<i>270,877</i>	<i>169,491</i>	<i>59,555</i>	<i>46,063</i>
<i>Supplier Disputes</i>					
Over electricity, water, gas, or phone supplied to you by a utility supplier	3%	33,755	30,114	3,094	1,307
Over parts, materials or trading stock provided to you by a supplier	3%	44,712	30,895	409	7,629
Over transport and for your business, including haulage, buying, leasing or maintaining vehicles and fuel	2%	25,606	25,606	-	-
Over construction, renovation, repairs or maintenance of your business premises	1%	3,285	271	2,471	3,013
Over your tenancy – as a retailer (if applicable)	Less than 1%	826	689	138	138
<i>Total – Disputes with Suppliers</i>	<i>9%</i>	<i>108,184</i>	<i>87,575</i>	<i>6,112</i>	<i>12,087</i>
<i>Sub-contractor Disputes</i>					
Over the quality, timeliness or price of services provided to you by a subcontractor	3%	76,715	72,532	4,045	1,169
Over the payment of bills issued to you by a subcontractor	1%	10,618	8,009	2,471	138
Over contracting issues such as work allocation – with your subcontractor	1%	9,040	9,040	-	-
<i>Total – Disputes with Sub-contractors</i>	<i>5%</i>	<i>96,373</i>	<i>89,581</i>	<i>6,516</i>	<i>1,307</i>
<i>Employee Disputes</i>					
Over unfair dismissal, discrimination, management, unfair treatment, pay or entitlements for an employee	1%	7,547	4,192	2,262	1,364
Over occupational health and safety issues for an employee	1%	2,805	1,987	680	409
<i>Total – Disputes with Employees</i>	<i>2%</i>	<i>10,352</i>	<i>6,179</i>	<i>2,942</i>	<i>1,773</i>
<i>Financier Disputes</i>					
Over the amount you owe, including fees and charges or the timing of your payments to a financial institution	2%	15,103	13,801	1,031	1,303
Over gaining finance for your business from a financial institution	Less than 1%	2,201	1,169	-	1,031
<i>Total – Disputes with Financiers</i>	<i>2%</i>	<i>17,304</i>	<i>14,970</i>	<i>1,031</i>	<i>2,334</i>
<i>Other Disputes</i>					
With another business over intellectual property owned by your business including trade names and designs, copyright material with another business	2%	9,125	-	9,125	7,822
Other customers/suppliers/contractors/employees	1%	10,974	7,685	3,151	2,880
Penalties or fines imposed	1%	2,471	2,471	-	-

Dispute categories	Q1. % Having Dispute n=500**	Q2. Number of disputes n=257***	Q3. Number resolved without help n=257***	Q4a. Number with 3 rd party help n=257***	Q5. Number not resolved n=257***
Total – Other Disputes	4%	22,570	10,156	12,276	10,702
TOTAL - All Disputes with Customers, Suppliers, Sub-contractors, Employees, Financiers	*	525,660	377,952	88,432	74,266
Did not have disputes with customers, suppliers, sub-contractors, employees, financiers	70%	-	-	-	-

Base: All Respondents (n=500)

*Note: Because respondents were able to give multiple responses for this question – businesses can report more than one dispute within each category and across dispute categories – a total proportion in this cell would be meaningless.

**Note: This base represents the total number of respondents in the survey.

***Note: These bases represent the total number of disputes over issues reported in Q1

Q1. In the last 12 months has your business been involved in any disputes with customers, suppliers, contractors or employees about any of the following issues?

Q2. How many different disputes have you had over Q1...?

Q3. How many of these disputes over Q1 were you able to resolve without help from a third party such as a mediator, lawyer or ombudsman?

Q4. Did you involve a third party in an attempt to resolve any of these disputes? In how many of these disputes did you involve a third party?

Q5. How many of these disputes were not resolved, either because you haven't been able to reach agreement or because you didn't try to?

2.1.4 Incidence of Disputes with Government

Of all Victorian small businesses, 7% had one or more disputes in the last 12 months with government, whereas 93% had no such dispute. Although at relatively low levels, the two categories with highest frequency of disputes with government were:

- 'planning application or permits' (2% incidence, involving 19,679 disputes)
- 'local laws - local government, competitive tender requirements' (1% incidence, involving 9,503 disputes).

Overall, a relatively low proportion of disputes with government involved a third party (39%, i.e. 20,792 out of 53,578 disputes). More specifically, in the top two dispute categories with government, involvement of third party help were:

- 'Planning application or permits' – in 67% of disputes (i.e. 13,240 involving third party help out of a total of 19,679 disputes)
- 'Local laws - local government, competitive tender requirements' – in 11% of disputes (i.e. 1,031 involving third party help out of a total of 9,503 disputes).
- Third party assistance was also relatively high in disputes involving regulatory compliance – in 47% of disputes (i.e. 2,471 involving third party help out of a total of 5,214 disputes).

Overall, one third of all disputes with government were not resolved (34% i.e. 18,382 out of 53,578 disputes). The most common types of unresolved dispute with government were:

- 'planning application or permits' – in 46% of disputes (i.e. 8,987 unresolved out of a total of 19,679 disputes)
- 'local laws - local government, competitive tender requirements' – in 12% of disputes (i.e. 1,169 unresolved out of a total of 9,503 disputes)
- 'regulatory compliance requirements' – in 47% of disputes (2,471 unresolved out of a total of 5,214 disputes).

Table 3: Disputes With Government

Dispute categories	Q6. % Having Dispute n=500**	Q7. Number of disputes n=54***	Q8. Number resolved without help n=54***	Q9. Number with 3rd party help n=54***	Q10. Number not resolved n=54***
DISPUTES WITH GOVERNMENT					
<i>Regulation Disputes</i>					
Planning application or permits	2%	19,679	3,968	13,240	8,987
Local laws (local government, competitive tender requirements)	1%	9,503	8,334	1,031	1,169
Regulatory compliance requirements	1%	5,214	271	2,471	2,471
Registration, licence or permits needed to conduct a business	1%	4,049	547	-	2,471
Alleged breach of the law by your business	Less than 1%	542	542	-	-
<i>Total – Disputes about Regulation</i>	5%	38,987	13,662	16,742	15,098
<i>Financial Disputes</i>					
Taxation/duties/GST	1%	3,422	2,742	138	542
Grants and other business assistance	Less than 1%	680	542	138	-
<i>Total – Disputes about Financial</i>	1%	4,102	3,284	276	542
<i>Penalty Disputes</i>					
Penalties or fines imposed	Less than 1%	684	684	-	-
<i>Total – Disputes about Penalties</i>	Less than 1%	684	684	-	-
<i>Rights Disputes</i>					
Complaint to government about another business other than a supplier, customer	Less than 1%	1,982	680	1,303	271
Use of business or personal information	Less than 1%	138	138	-	-
<i>Total – Disputes about Rights</i>	Less than 1%	2,120	818	1,303	271
Other government	2%	7,685	2,742	2,471	2,471
TOTAL - All Disputes with government	*	53,578	21,190	20,792	18,382
<i>Did not have any disputes with government</i>	93%	-	-	-	-

Base: All Respondents (n=500)

*Note: Because respondents were able to give multiple responses for this question – businesses can report more than one dispute within each category and across dispute categories – a total proportion in this cell would be meaningless.

**Note: This base represents the total number of respondents in the survey.

***Note: These bases represent the total number of disputes over issues reported in Q6

Q6. In the last 12 months has your business been involved in any disputes with a government department or agency (outside any suppliers covered in Q1) about any of the following issues?

Q7. How many different disputes have you had over Q6...?

Q8. How many of these disputes over Q6 were you able to resolve without help from a third party such as a mediator, lawyer or ombudsman?

Q9. Did you involve a third party in an attempt to resolve any of these disputes? In how many of these disputes did you involve a third party?

Q10. How many of these disputes were not resolved, either because you haven't been able to reach agreement or because you didn't try to?

2.1.5 Incidence of Disputes with Neighbours or Local Community

Of all Victorian small businesses, 7% had one or more disputes in the last 12 months with neighbours or the local community, whereas 93% had no such dispute. Although at relatively low levels, the most frequent type of community or neighbour dispute were:

- 'with neighbours over parking, pollution, noise etc' (2% frequency involving 10,206 disputes)
- 'in the local community over local issues such as planning or environmental issues' (2% frequency involving 10,978 disputes).

Overall, a relatively low proportion of disputes with neighbours and the local community involved a third party (14%, i.e. 8,229 out of 57,658 disputes).

Less than a fifth of all disputes with neighbours and the local community in the last 12 months were not resolved (18%, i.e. 10,152 out of 57,658 disputes).

Table 4: Disputes With Neighbours Or Local Community

Dispute categories	Q11. % Having Dispute n=500**	Q12. Number of disputes n=41***	Q13. Number resolved without help n=41***	Q14. Number with 3rd party help n=41***	Q15. Number not resolved n=41***
DISPUTES WITH NEIGHBOURS AND LOCAL COMMUNITY					
<i>Neighbour Disputes</i>					
Over construction, renovation, repairs or maintenance of your business premises	Less than 1%	271	-	271	-
Planning application or permits	Less than 1%	138	-	138	-
With neighbours over parking, pollution, noise etc	2%	10,206	8,903	1,303	271
With others you share a business premises with over maintenance, payment or shared bills, rent etc	1%	3,827	271	813	2,742
With a trade association	1%	2,471	-	-	2,471
With partners, shareholders or others with a financial interest in your business	Less than 1%	1,716	138	1,578	1,303
With a body corporate over joint property, fees, management etc	Less than 1%	21,454	21,454	-	-
<i>Total - Disputes with Neighbours</i>	4%	40,083	30,766	4,103	6,787
<i>Local Community Disputes</i>					
In the local community over local issues such as planning or environment issues	2%	10,978	10,707	-	271
Other local community	1%	6,597	-	4,126	3,094
<i>Total - Disputes with Local Community</i>	3%	17,575	10,707	4,126	3,365
TOTAL - All Disputes with Neighbours and Local Community	*	57,658	41,473	8,229	10,152
<i>Did not have any disputes with neighbours and local community</i>	93%	-	-	-	-

Base: All Respondents (n=500)

*Note: Because respondents were able to give multiple responses for this question – businesses can report more than one dispute within each category and across dispute categories – a total proportion in this cell would be meaningless.

**Note: This base represents the total number of respondents in the survey

***Note: These bases represent the total number of disputes over issues reported in Q11

Q11. In the last 12 months has your business had any disputes with neighbours or others in your local community about any of the following issues?

Q12. How many different disputes have you had over Q11...?

Q13. How many of these disputes over Q11 were you able to resolve without help from a third party such as a mediator, lawyer or ombudsman?

Q14. Did you involve a third party in an attempt to resolve any of these disputes? In how many of these disputes did you involve a third party?

Q15. How many of these disputes were not resolved, either because you haven't been able to reach agreement or because you didn't try to?

2.2 Recognition of ADR Services by Small Businesses

A list of ADR services was read to respondents who were asked to indicate whether they had heard of each as a body that could help with a dispute. Respondents were also asked whether they had ever contacted these services to help them handle a dispute.

The survey revealed that several ADR services have a high level of recognition among Victorian small businesses, including:

- Consumer Affairs Victoria (97%)
- Victorian Equal Opportunity and Human Rights Commission (92%)
- Ombudsman Victoria (80%)
- Banking and Financial Services Ombudsman (76%)
- Telecommunications Industry Ombudsman (75%).

The only business-focussed ADR service provider, the Small Business Commissioner, had a recognition level of 50%.

Table 5: Recognition Of Dispute Resolution Services

Dispute resolution service	All Businesses n=500		Business that had no disputes in past 12 months n=208		Businesses with at least 1 dispute in past 12 months n=292	
	Heard of	Not Heard of	Heard of	Not Heard of	Heard of	Not Heard of
Consumer Affairs Victoria	97%	3%	97%	3%	98%	2%
The Victorian Equal Opportunity and Human Rights Commission	92%	8%	92%	8%	93%	7%
Ombudsman Victoria	80%	20%	79%	21%	81%	19%
Banking and Financial Services Ombudsman	76%	24%	75%	25%	78%	22%
Telecommunications Industry Ombudsman	75%	25%	74%	26%	76%	24%
Insurance Ombudsman	64%	36%	67%	33%	60%	40%
Victorian Privacy Commissioner	56%	44%	58%	42%	54%	46%
Public Transport Ombudsman	52%	47%	52%	47%	52%	48%
Small Business Commissioner	50%	50%	49%	51%	53%	47%
Health Services Commissioner	46%	54%	47%	53%	45%	55%
Energy and Water Ombudsman (Victoria)	42%	58%	45%	55%	39%	61%
Legal Services Commissioner	42%	58%	43%	57%	41%	59%
Workplace Rights Advocate	41%	59%	41%	59%	42%	58%
Relationships Australia	36%	64%	39%	61%	33%	67%
Institute of Arbitrators and Mediators Australia	34%	66%	37%	63%	29%	71%
Financial Industry Complaints Service	28%	72%	29%	71%	26%	74%
Dispute Settlement Centre Victoria	20%	80%	22%	78%	16%	84%

Q28 Now I'll read a list of dispute resolution services.

a) Firstly I'd like you to tell me whether you have heard of any of them as a body that can help with a dispute

Recognition for each of these services was found to differ among various groups, with some groups reporting significantly higher recognition when compared to other groups. Differences were found for:

- Consumer Affairs Victoria – a higher level of recognition was found among small businesses that employ 1-4 employees (97%) compared with those employing 10-19 people (92%)
- Telecommunications Industry Ombudsman – significantly higher levels of recognition were found among Victorian small businesses that -

- had total revenue of \$100,000-\$500,000 (81%), compared to those with revenue of less than \$100,000 (68%); and
- had been trading for more than 15 years (83%), compared to those that had traded for 6 years or less (61%) or 7-15 years (70%).

A relatively lower level of recognition was found for the following ADR services:

- Dispute Settlement Centre Victoria (20%)
- Financial Industry Complaints Service (28%)
- Institute of Arbitrators and Mediators Australia (34%)
- Relationships Australia (36%).

The level of recognition for some of these services was also found to differ significantly among various groups, with some groups reporting significantly lower recognition compared to other groups, for example, for the Institute of Arbitrators and Mediators Australia a significantly lower level of recognition was found among small businesses that have been trading 7-15 years (25%), compared with those that have traded for more than 15 years (43%).

Recognition was generally not found to differ considerably between businesses that had had no dispute in the previous year and businesses that had a least one dispute in the past 12 months. Some exceptions are:

- Insurance Ombudsman Service (67% compared to 60%)
- Energy and Water Ombudsman (Victoria) (45% compared to 39%)
- Relationships Australia (39% compared to 33%)
- Institute of Arbitrators and Mediators Australia (37% compared to 29%).

In each case, recognition was higher among businesses that had had no disputes in the twelve months before interview, than among those that had at least one dispute.

Table 6: Level Of Contact with Dispute Resolution Services

Dispute Resolution Service	Ever Contacted		
	All Businesses n=500	Businesses with no disputes n=208	Businesses with at least 1 dispute n=292
Consumer Affairs Victoria	17%	15%	20%
Telecommunications Industry Ombudsman	8%	4%	14%
Ombudsman Victoria	5%	3%	9%
Institute of Arbitrators and Mediators Australia	4%	4%	5%
Banking and Financial Services Ombudsman	4%	3%	5%
Equal Opportunity Commission	3%	3%	2%
Relationships Australia	3%	3%	2%
Relevant Ombudsman	3%	2%	4%
Legal Services Commissioner	2%	1%	5%
Relevant union	2%	2%	2%
Small Business Commissioner	2%	1%	3%
Insurance Ombudsman	2%	2%	2%
VECCI/ Chamber of Commerce & Industry	1%	1%	2%
Dispute Settlement Centre Victoria	1%	-	4%
Energy and Water Ombudsman (Victoria)	1%	1%	2%
Industry/Trad body/Professional Association	1%	1%	2%
VCAT	1%	1%	1%
Solicitor/ Lawyer/ Legal service	1%	1%	1%
REIV/Real Estate Institution of Victoria	1%	-	2%
Mediator/ Private Mediator	1%	-	2%
Relevant government Department	1%	-	2%
Victorian Privacy Commissioner	1%	-	2%
Local council	1%	-	2%
Health Services Commissioner	1%	1%	-
Public Transport Ombudsman	1%	1%	-
Debt Collection Agency	1%	1%	-
Legal Aid	1%	-	1%
Financial Industry Complaints Service	1%	-	2%
Workplace Rights Advocate	-	-	-
Other	4%	2%	6%
Had contact with some services	42%	33%	57%
Had no contact with any agency	58%	67%	43%

Q28 Now I'll read a list of dispute resolution services.

b) Whether you have ever contacted them to help you to handle a dispute

The survey found that, in general, relatively low proportions of small businesses contacted ADR services to help them handle a dispute. The majority of services were contacted by 5% or less of small businesses at some stage in the past, while Consumer Affairs Victoria was contacted by 17% and the Telecommunications Industry Ombudsman was contacted by 8%.

Overall, 42% of Victorian small businesses have contacted ADR services at some time. Businesses with at least one dispute were more likely to have contacted ADR services relative to businesses that have had no disputes in the last 12 months (57% compared with 33%).

Consumer Affairs Victoria, Telecommunications Industry Ombudsman and Ombudsman Victoria had been contacted by higher proportions of businesses with at least one dispute

(20%, 14%, and 9%, respectively) relative to businesses with no disputes in the past 12 months (15%, 4%, and 3%, respectively).

2.3 Access to ADR Services by Small Businesses

Respondents were asked several questions about access to ADR services. Respondents were asked whether they believed that the government had a responsibility to provide ADR services; their preferred approaches to dispute resolution; their preferred ways of finding ADR services; and the perceived barriers and enablers of using ADR services.

Respondents who believe that government has a responsibility to provide services, other than courts and tribunals, to help Victorians to resolve disputes, were asked an open-ended question about their reasons for holding this view. Through this question, respondents' spontaneous perceptions were gauged as they were not led or prompted to respond in any way. Responses were then coded and presented using descriptive labels (refer Table 7).

The majority of small businesses (77%) said that government has a responsibility to provide ADR services to help resolve disputes, while 23% did not believe so. The main reasons given to explain why government has a responsibility to provide services other than courts and tribunals include:

- cost (35%) - mainly the relatively lower costs compared to courts
- time and efficiency (25%) - mainly quicker, easier and less stressful dispute resolution.

The majority of Victorian small businesses (91%) indicated that they would always or mostly try and resolve a significant dispute by themselves, while 49% would always or mostly seek information from business colleagues or associates to help decide how to resolve the dispute.

Around one-quarter (24%) said they would seek information from an external agency in an effort to resolve a dispute, however, just over a quarter of Victorian small businesses (28%) indicated that they would never seek information from an external agency.

Table 7: Reasons Why Government Has Responsibility To Provide Services Other Than Courts And Tribunals To Help Resolve Disputes

Reasons why government has responsibility to provide services other than courts and tribunals to help resolve disputes - All mentions	Total
Nett 'Cost'	35%
To save money/avoid costly legal fees/cheaper than court/more affordable system	16%
Average person/small business can't afford legal help/court system/provide cheaper option/financial help to those who cannot afford	9%
We pay taxes/use our taxes to fund dispute resolution services	7%
Reduce cost of legal system to the government/benefits the economy	3%
Nett 'Time and Efficiency'	25%
To ease/take pressure off court system	9%
In need of more efficient/effective/simpler/easier system	7%
To save time/resolve disputes quicker/less delays	7%
Most people want to avoid court/formalities of court/stressful	2%
Other Reasons	
The government's job/duty of care/community/small business obligation/cover welfare/maintain orderly society/protect rights	13%
Need to resolve disputes without going to court/before dispute escalates	8%
To provide assistance/advice/support/guidance/what services are available	8%
Provide third party/mediation services/resolve dispute at lowest level	7%
Government should provide broader range of alternative dispute resolution services/avenues of help	7%
Make it equal/impartial/fair for everyone	5%
Average person/small business not educated in way of law/complexity of law system/conflict/resolution/confusing	5%
Provide service that encourages personal harmony/ensures smooth running business	5%
Courts not deal with minor disputes/only major criminal cases	4%
Independent arbitrator/government best suited to provide independent service	4%
Provide more amicable/less intimidating/adversarial/antagonistic options	4%
Readily available services/accessible service	3%
Need protection from large/wealthy organisations	3%
Disputes need to be resolved otherwise family problems/business problems/problem escalation/business closure violence etc	3%
Can provide expertise/skills in specialised areas/departments	3%
Appropriately empowered service/binding decision/resolution	2%
Current services government provides are good/sufficient	1%
Provide local/rural/regional services/local council service for local/minor disputes	1%
Provide reputable/accountable services/all parties protected	1%
Other	1%
No mentions	21%
Don't Know	2%

Base: All Respondents (n=500)

Note: The total may not add up to 100% due to rounding

Q33 Do you believe that government has a responsibility to provide services, other than courts and tribunals, to help Victorians to resolve disputes?

Table 8: Approaches To Dispute Resolution

When you have a significant dispute with another person or organisation do you USUALLY:	Always	Mostly	Sometimes	Occasionally	Never	Don't Know	TOTAL
Try to resolve it yourselves	71%	20%	2%	1%	4%	2%	100%
Seek information from business colleagues or associates to help you decide how to resolve the dispute	25%	24%	19%	12%	18%	2%	100%
Get information from an external agency to help you to resolve the dispute	14%	10%	20%	26%	28%	2%	100%

Base: All Respondents (n=500)

Note: The total may not add up to 100% due to rounding

Q26 When your business has a significant dispute with an individual or organisation do you USUALLY:

2.3.1 Ways of Finding ADR Services

Respondents were asked an open-ended question about how they would go about finding a service if they needed help to resolve a dispute. Through this question, respondents' spontaneous perceptions were gauged as they were not lead or prompted to respond in any way. Responses were then coded and presented in the table below, using descriptive labels.

The most frequently mentioned approaches were to 'ask friends/family' (23%), 'solicitor/lawyer/legal advice' (22%), and to 'look on the internet' (19%), while the least common approaches were to contact a 'REIV/real estate agent' (1%), 'debt collection agency' (1%), 'VCAT' (1%), the Dispute Settlement Centre Victoria (1%), 'Consumer Affairs Victoria' (2%) or the Office of the Small Business Commissioner (2%).

As the responses suggest, Victorian businesses were less likely to approach established ADR service providers directly, relative to the indirect means of finding information by asking friends and family and searching the internet. As this study has found, the majority of ADR service providers are being contacted by a very small proportion of Victorian small businesses (8%) when they have needed help to settle a dispute.

Table 9: Ways Of Finding Dispute Resolution Services

If needed help to resolve a dispute, how would go about finding a service - All mentions	Total
Ask friends/family/associates	23%
Solicitor/lawyer/legal advice	22%
Look on the internet	19%
Contact an employer or industry association	13%
Ask for advice from another business associate	11%
Contact a relevant government Department	10%
Look in telephone directory or ask directory assistance	9%
Ask local government	7%
Ask Ombudsman Victoria (Ombudsman for Victorian government)	4%
Accountant/chartered accountants Assoc	3%
Ask Consumer Affairs Victoria/ACCC	2%
Insurance Company/indemnity insurer	2%
Ask Office of Small Business Commissioner	2%
Ask Dispute Settlement Centre Victoria (DSCV)	1%
VCAT	1%
Debt collection agency	1%
REIV/real estate agent	1%
Other	6%
None of the above	3%
Don't Know	3%

Base: All Respondents (n=500)

Note: The total may not add up to 100% due to rounding

Q27 If you needed help to resolve a dispute of any kind, how would you go about finding a service to help?

2.4 Enablers of Using ADR Services

Respondents were asked an open-ended question about the factors that might encourage them to use ADR services. Through this question, respondents' spontaneous perceptions were gauged as they were not led or prompted in any way. Responses were then coded and presented using descriptive labels.

The top two factors mentioned were:

- cheaper than court procedure/legal advice/VCAT or tribunal procedure (34%)
- easier than going to court/handling myself/easily accessible services (19%).

Other factors that could encourage Victorians to use ADR services included:

- 'expert agencies are well placed to understand our problem' (12%)
- 'if I had exhausted all other avenues' (11%).

Respondents were also asked a question about the perceived advantages in taking a dispute to court or to a tribunal such as VCAT, again in an open-ended, non prompted manner.

The top three advantages mentioned were related to the perception that through these authorities a *final* and *quick* dispute resolution will occur: final resolution (7%); quicker resolution (4%); and higher authority/more power (4%).

It is noteworthy that the majority of small businesses (70%) did not see any particular advantage in taking a dispute to court or to a tribunal in preference to using a dispute resolution service.

Table 10: Factors That Might Encourage Use Of Dispute Resolution Service

Factors that might encourage use of dispute resolution service - All mentions	Total
Nett 'Cheaper'	34%
Free service/Low cost in service	14%
Cheaper than court procedure	10%
Cheaper than getting legal advice	5%
Cheaper than VCAT/tribunal procedure	4%
Cost factor/financial position (general)	1%
Nett 'Easier and quicker'	19%
Easier/less stressful than handling it ourselves	4%
Easier/less stressful than going to court	4%
Quicker than handling it ourselves	4%
Quicker than taking it to court	2%
Quicker than taking it to VCAT/tribunal	1%
Simple procedures/less intrusive procedures	1%
Less stressful/emotional/aggressive/confrontational	1%
Easily accessible/easy to contact/find and use	1%
Easier/less stressful than going to VCAT/tribunal	1%
Other factors	
Expert agencies are well placed to understand our problem	12%
If I had exhausted all other avenues	11%
If I knew more about them/had more information about the services	8%
Not being able to resolve dispute/work it out myself/reach agreement	5%
Fair/Impartial service	4%
More likely to get a good outcome for business	4%
Other party may be more likely to be willing to reach agreement	4%
Based on recommendations/reputation/knowledge of service	3%
Depends of seriousness/magnitude of dispute/how much money involved	3%
Necessity/occasion to use service/if had problem/dispute	3%
Other party may be more likely to adhere to agreement/follow through as agreed	2%
Helpful service/helpful staff	2%
Location/local service	1%
Privacy issues/too much information revealed in court	1%
Prefer mediation/conciliatory/calm/amicable resolution	0%
Other	2%
None of the above	17%
Don't Know	6%

Base: All Respondents (n=500)

Note: The total may not add up to 100% due to rounding

Q29 What factors would ENCOURAGE your business to use an alternative dispute resolution agency such as those I have read out to you, to help resolve a dispute, WITHOUT GOING TO COURT OR A TRIBUNAL?

Table 11: Advantages In Taking A Dispute To Court Or Tribunal Such As VCAT

Advantages in taking a dispute to court or tribunal such as VCAT - All mentions	Total
Final resolution/decision/definite result	7%
Quicker resolution/less time involved/sort out quickly	4%
Higher authority/more power	4%
Enforceable decision/outcome/have to comply	3%
If other options fail/could not get resolution/mediation failed/last option	3%
Legally binding/settled/court decision	2%
Less expensive/cheaper	2%
Depends on extent of dispute/serious disputes/lot of money involved	2%
If strong case/going to win/if certain/guaranteed outcome	2%
Formal proceedings/set process	1%
If cannot be resolved/settled/agreement reached	1%
Level of specialised expertise/knowledge/gives options	1%
Less stressful/emotional/intimidating	1%
Fair/independent decision/unbiased	Less than 1%
Financial payout/reimbursement/restitution	Less than 1%
Established record/resolves disputes successfully	Less than 1%
Other mentions	1%
No advantage in court or tribunal	70%
Don't Know	5%

Base: All Respondents (n=500)

Note: The total may not add up to 100% due to rounding

Q31 Do you see particular advantages in taking a dispute to court or a tribunal such as VCAT rather than using a dispute resolutions service such as the ones I previously read out?

2.5 Barriers to Using ADR Services

Respondents were asked an open-ended question about the factors that might deter them from using ADR services. Through this question, respondents' spontaneous perceptions were again gauged without prompting.

The most frequently mentioned deterrents were 'likely cost' (26%) and 'time involved in dealing with an outside agency' (14%). More specifically:

- likely cost was mentioned by a significantly higher proportion of small businesses that have had at least one dispute in the last 12 months (36%), compared to those that have not had any disputes (20%)
- time involved in dealing with an outside agency was mentioned by a significantly higher proportion of Victorian small businesses that are metropolitan-based (17%) compared with regional small businesses (5%).

Table 12: Factors That Might Deter Use Of Dispute Resolution Service

Factors that might <u>deter</u> use of dispute resolution service - All mentions	Total
Likely cost/fees	26%
Time involved in dealing with an external agency	14%
The dispute might not justify the time/effort involved	9%
Privacy or confidentiality concerns	6%
Form filling or other bureaucratic requirements	5%
Concerns about enforceability/whether the agreement will be followed	5%
Difficulty in finding the right agency to help	4%
Possible poor outcome/not likely to be successful/added complications	4%
Potential to jeopardise continuing business relationship e.g. retail lease or govt contract	4%
Lack of customer service/assistance/contact ability	3%
Concerns about impartiality/bias/fairness	3%
Location/distance from home	3%
Degree of seriousness/legal complexity/amount of money involved	3%
Lack of expertise/knowledge of situation	3%
Lack of awareness/knowledge of service	3%
Poor reputation/publicity/negative comments/previous bad experience	3%
Prefer to resolve disputes myself	2%
Emotional cost/stress involved	1%
Other	2%
None of the above	32%
Don't Know	4%

Base: All Respondents (n=500)

Note: The total may not add up to 100% due to rounding

Q30 What factors would deter your business from using an alternative dispute resolution service, such as the ones I have just read out, to help you to resolve a dispute?

Respondents were also asked an open-ended question about the perceived disadvantages in taking a dispute to court or tribunal using an open-ended, non-prompted question.

The most frequently mentioned disadvantages were related to the perceived cost and time involved in going to court (52% and 35%, respectively).

More specifically the cost of going to court was mentioned by a higher proportion of Victorian small businesses that:

- have not used third party help to resolve their dispute (56%), compared with those that have (35%)
- were metropolitan-based (58%) relative to regional (38%).

Table 12: Factors That Might Deter Use Of Dispute Resolution Service

Factors that might <u>deter</u> use of dispute resolution service - All mentions	Total
Likely cost/fees	26%
Time involved in dealing with an external agency	14%
The dispute might not justify the time/effort involved	9%
Privacy or confidentiality concerns	6%
Form filling or other bureaucratic requirements	5%
Concerns about enforceability/whether the agreement will be followed	5%
Difficulty in finding the right agency to help	4%
Possible poor outcome/not likely to be successful/added complications	4%
Potential to jeopardise continuing business relationship e.g. retail lease or govt contract	4%
Lack of customer service/assistance/contact ability	3%
Concerns about impartiality/bias/fairness	3%
Location/distance from home	3%
Degree of seriousness/legal complexity/amount of money involved	3%
Lack of expertise/knowledge of situation	3%
Lack of awareness/knowledge of service	3%
Poor reputation/publicity/negative comments/previous bad experience	3%
Prefer to resolve disputes myself	2%
Emotional cost/stress involved	1%
Other	2%
None of the above	32%
Don't Know	4%

Base: All Respondents (n=500)

Note: The total may not add up to 100% due to rounding

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More specifically the cost of going to court was mentioned by a higher proportion of Victorian small businesses that:

- have not used third party help to resolve their dispute (56%), compared with those that have (35%)
- were metropolitan-based (58%) relative to regional (38%).

3. Findings - Serious Disputes

3.1 Introduction

Respondents were asked to select up to three disputes that were serious for them or difficult to resolve. They were then asked a series of questions about the action taken to resolve the disputes. Findings related to these questions are presented in the following sections. Please note that the data in this section is based on respondents having a “serious” dispute in the last 12 months.

Respondents were asked to indicate the action they took to resolve their serious disputes and the following tables and text discuss the actions taken by type of dispute, i.e. disputes with customers, suppliers, contractors or employees¹; disputes with government² and disputes with neighbours and local community³. Within each dispute type, one respondent could have referred to one or more particular serious disputes thereby providing multiple responses. Therefore, results in the tables in this section are based on the number of responses or the number of serious disputes rather than the number of respondents. This analytical approach ensures that the base for each table realistically reflects the way respondents answered the questions.

3.2 Serious Disputes with Customers, Suppliers, Contractors or Employees

The majority (87%) of serious disputes with customers, suppliers, contractors or employees were taken up directly with the other party involved. For one-fifth (19%) of these disputes information or advice was obtained from a solicitor/lawyer, and for 5% of cases information or advice was obtained from an ‘industry body/professional association’.

Third party agencies such as an ombudsman or commissioner were used in a very small number of serious disputes (to lodge a complaint or seek mediation) - each agency was used in 1% or less of serious disputes.

A solicitor or lawyer provided mediation; negotiation or conciliation services in 4% of these serious disputes and other mediation services were used to resolve a similar proportion of disputes. Interestingly, a ‘debt collection agency’ was used for 8% of serious disputes, while VCAT or other tribunals, and courts, were each used for 3% of serious disputes.

¹ Disputes with customers, suppliers, contractors or employees include all dispute categories in Q1 of the questionnaire (refer to Appendix C).

² Disputes with government include all dispute categories in Q6 of the questionnaire (refer to Appendix C).

³ Disputes with neighbours and local community include all dispute categories in Q11 of the questionnaire (refer to Appendix C).

Table 14: Actions Taken To Resolve Serious Disputes With Customers, Suppliers, Contractors Or Employees

Actions taken to resolve serious disputes	Serious disputes with Customers, Suppliers, Contractors or Employees
Took the matter up directly with the other party involved	87%
<i>Got information or advice from:</i>	
- Solicitor/lawyer	19%
- Industry body/professional association	5%
- Local government	-
- Work Cover/Work Safe	-
- Small Business Commissioner (Vic)	1%
- Community Legal Service/Support Organisation	-
- Ombudsman/Commissioner other	1%
- Other	6%
<i>Lodged complaint with:</i>	
- Industry body/professional association	1%
- Ombudsman/Commissioner - other	1%
- Other	1%
<i>Sought mediation, negotiation, conciliation service from:</i>	
- Solicitor/lawyer	4%
- Dispute Settlement Centre Victoria (DSCV)	1%
- Commercial arbitrator/mediator	-
- Community support organisation/legal service	-
- Environment Protection Authority (EPA)	-
- Ombudsman/Commissioner	1%
- Other	6%
<i>Courts</i>	
Took the matter to VCAT/tribunal	3%
Took the matter to a court	3%
Involved the police	1%
<i>Others</i>	
Debt Collection Agency	8%
Took matter up with other party involved	3%
Mediator/through mediation	4%
Personal acquaintances i.e. family, friends, neighbours etc	3%
Local Council	-
Work/business colleagues/workplace advice	2%
Real Estate Agent/Real Estate Institute of Victoria (REIV)	1%
Consultant	-
Insurance Company/Underwriters	-
Tenancy Board/Tribunal/Union/Association	-
government Department	-
Solicitor/lawyer/legal advice	-
None	7%

Base: All serious disputes with customers, suppliers, contractors or employees (n=232)

Q17 What actions did the business take to try to resolve these disputes?

Respondents were asked to indicate the action that most helped to resolve their serious disputes with customers, suppliers, contractors or employees. In over half (53%) of these disputes the most helpful action taken was 'taking the matter up directly with the other party involved'.

Table 15: Actions Most Helped To Resolve Serious Disputes With Customers, Suppliers, Contractors Or Employees

Actions <u>most helped</u> to resolve serious disputes	Serious disputes with Customers, Suppliers, Contractors or Employees
Took the matter up directly with the other party involved	53%
<i>Got information or advice from:</i>	
- Solicitor/lawyer	7%
- Community Legal Service/support organisation	-
- Work Cover/Work Safe	-
- Ombudsman/Commissioner - other	2%
- Other	8%
<i>Lodged complaint with:</i>	
- Ombudsman/Commissioner - other	1%
- Other	-
<i>Sought mediation, negotiation, conciliation service from:</i>	
- Solicitor/lawyer	1%
- Other	2%
<i>Courts</i>	
Took the matter to VCAT/a tribunal	2%
Took the matter to a court	1%
Involved the police	-
Other	1%
None	24%

Base: All serious disputes with customers, suppliers, contractors or employees (n=232)
 Q18 Which ONE of these actions MOST helped to resolve the dispute of Q16?

Table 16: Actions Also Helped To Resolve Serious Disputes With Customers, Suppliers, Contractors Or Employees

Actions also helped to resolve serious disputes	Serious disputes with Customers, Suppliers, Contractors or Employees
Took the matter up directly with the other party involved	5%
<i>Got information or advice from:</i>	
- Solicitor/lawyer	3%
- Industry body/professional association	1%
- Other	8%
<i>Lodged complaint with:</i>	
- Other	3%
<i>Sought mediation, negotiation, conciliation service from:</i>	
- Solicitor/lawyer	2%
- Community support organisation/legal service	-
- Other	3%
<i>Courts</i>	
Took the matter to VCAT/a tribunal	-
Took the matter to a court	1%
Other	1%
Don't know	1%
None	73%

Base: All serious disputes with customers, suppliers, contractors or employees (n=232)

Q19 Which other of these actions ALSO helped to resolve the dispute?

In the majority (61%) of serious disputes with customers, suppliers, contractors or employees where third party help was used, respondents believed that the outcome achieved was better than if no help was involved. Notably though, in over a quarter of serious disputes (28%) respondents did not think that the involvement of outside resulted in a better outcome.

Table 17: Whether Better Outcome Achieved With Outside Help/Third Party - Serious Disputes With Customers, Suppliers, Contractors Or Employees

Whether better outcome achieved with third party involved	Serious disputes with Customers, Suppliers, Contractors or Employees n=140
Yes	61%
No	28%
Don't Know/Not Sure	11%

Base: All serious disputes with customers, suppliers, contractors or employees in which third party help was used

Note: The total does not add up to 100% due to multiple responses allowed for this question, i.e. one respondent could have mentioned more than one dispute with customers, suppliers, contractors or employees

Q20 Thinking of how you now feel about how the dispute was handled, or is being handled, overall, do you think that the outside help you got achieved a better outcome for your business than you could have achieved on your own?

In almost half (47%) of all serious disputes with customers, suppliers, contractors or employees, small businesses said that they felt more confident or better able to deal with a similar dispute in the future as a result of their involvement with a third party. In 37% of serious disputes businesses felt that their level of confidence did not change and in 8% of serious disputes businesses felt less confident.

Table 18: Whether Confidence In Dealing With Future Disputes Is Affected - Serious Disputes With Customers, Suppliers, Contractors Or Employees

Effect on confidence of using a third party to resolve serious dispute	Serious disputes with Customers, Suppliers, Contractors or Employees n=140
More confident/able	47%
Neither more nor less confident/able	37%
Less confident/able	8%
Don't Know	7%

Base: All serious disputes with customers, suppliers, contractors or employees in which third party help was used

Note: The total does not add up to 100% due to multiple responses allowed for this question, i.e. one respondent could have mentioned more than one dispute with customers, suppliers, contractors or employees

Q21 How do you think the experience of having a third party involved in resolving a dispute has affected the confidence or ability of your business to deal with a similar problem in the future?

3.3 Serious Disputes with Government

The majority (79%) of serious disputes with government were resolved by taking the matter up directly with the government party involved, while for a third (33%) of this type of dispute information or advice was sought from solicitors/lawyers and 19% sought information or advice from local government. Notably, a quarter (24%) of serious disputes with government were taken to VCAT or another tribunal, 13% were referred to a Member of State Parliament or a Local Councillor, and 10% were referred to a local Council.

Table 19: Actions Taken To Resolve Serious Disputes With Government

Actions taken to resolve serious disputes	Serious disputes with government n=47
Took the matter up directly with the government party involved	79%
<i>Got information or advice from:</i>	
Solicitor/lawyer	33%
Industry body/professional association	11%
Local government	19%
Ombudsman/Commissioner other	3%
Other	8%
<i>Lodged complaint with</i>	
Government Minister/Department	1%
Other	1%
<i>Sought mediation, negotiation, conciliation service from</i>	
Commercial arbitrator/mediator	6%
Community support organisation/legal service	1%
<i>Courts</i>	
Took the matter to VCAT/a tribunal	25%
<i>Others</i>	
Local Council	10%
Police	6%
Member of State Parliament/ Local Councillor	13%
Consultant	1%
None	1%

Base: All serious disputes with government

Q17 What actions did the business take to try to resolve these disputes?

Respondents were asked to indicate the action that best helped resolve their serious disputes with government. For over one-quarter (28%) of serious disputes with government taking the matter up directly with the other party involved helped most, while for 13% getting information or advice from a solicitor was most helpful, and for 7% the most

helpful action was taking the matter to VCAT or a tribunal. In 3% of these disputes the information or advice received from an ombudsman or commissioner was most helpful.

A commercial arbitrator or mediator was also helpful in resolving a small proportion (6%) of the serious disputes between government and small business, as shown below in Table 21.

Table 20: Actions Most Helped To Resolve Serious Disputes With Government

Actions most helped to resolve serious disputes	Serious disputes with government n=47
Took the matter up directly with the other party involved	28%
<i>Got information or advice from:</i>	
- Solicitor/lawyer	13%
- Local government	1%
- Ombudsman/Commissioner	3%
- Other	1%
<i>Lodged complaint with:</i>	
- Other	7%
Took the matter to VCAT/a tribunal	7%
None	40%

Base: All serious disputes with government

Q18 Which ONE of these actions MOST helped to resolve the dispute of Q16?

Table 21: Actions That Also Helped To Resolve Disputes With Government

Actions also helped to resolve serious disputes	Serious disputes with government n=47
Took the matter up directly with the other party involved	4%
<i>Got information or advice from:</i>	
- Other	11%
<i>Lodged complaint with:</i>	
- Other	1%
<i>Sought mediation, negotiation, conciliation service from</i>	
Commercial arbitrator/mediator	6%
Other	7%
None	71%

Base: All serious disputes with government

Q19 Which other of these actions ALSO helped to resolve the dispute?

In almost half (48%) of all serious disputes with government for which a third party was used, small businesses thought that they had achieved a better outcome than could have been achieved without third party help. However, in 43% of serious disputes with government small businesses did not believe that the outside help had achieved a better outcome.

Table 22: Whether Better Outcome Achieved With Outside Help/Third Party - Serious Disputes With Government

Whether better outcome achieved with third party involved	Serious disputes with government n=34
Yes	48%
No	43%
Don't Know/Not Sure	9%

Base: All serious disputes with government in which third party help was used

Q20 Thinking of how you now feel about how the dispute was handled, or is being handled, overall, do you think that the outside help you got achieved a better outcome for your business than you could have achieved on your own?

In around one-third (31%) of serious disputes with government, small businesses felt confident or able to deal with a similar problem in the future, having already experienced third party involvement in a dispute. In 59% of cases small businesses that had experienced third party involvement were neutral about the affect on their level of confidence in dealing with future disputes, while in just 3% of instances small businesses were less confident about their ability to deal with similar problems in the future.

Table 23: Whether Confidence In Dealing With Future Disputes Is Affected By Third Party Involvement - Serious Disputes With Government

Effect on confidence of using a third party to resolve serious dispute	Serious disputes with government n=34
More confident/able	31%
Neither more nor less confident/able	59%
Less confident/able	3%
Don't Know	8%

Base: All serious disputes with government in which third party help was used

Q21 How do you think the experience of having a third party involved in resolving a dispute has affected the confidence or ability of your business to deal with a similar problem in the future?

3.4 Serious Disputes with Neighbours & Local Community

Please note that the sample base here is a more modest 37 responses involving serious disputes.

In the vast majority (90%) of all serious disputes with neighbours and local community attempts were made to resolve the matter through a direct approach to the other party involved.

In 20% of cases information or advice was sought from a solicitor or lawyer; in 16% of instances information was sought from a local government authority and in 9% information was obtained from WorkCover or WorkSafe.

Interestingly, 12% of these serious disputes were taken to a court by small businesses and 9% went to VCAT or another tribunal.

For 10% of disputes a complaint was lodged with a Government Minister/Department, and for 9% mediation, negotiation or a conciliation assistance was sought from Dispute Settlement Centre Victoria. Seven per cent took the matter up with their estate agent or the Real Estate Institute of Victoria.

Table 24: Actions Taken To Resolve Serious Disputes With Neighbours And Local Community

<u>Actions taken to resolve serious disputes</u>	Serious disputes with Neighbours & Local community n=37
Took the matter up directly with the other party involved	90%
<i>Got information or advice from:</i>	
- Solicitor/lawyer	20%
- Local government	16%
- Work Cover/Work Safe	9%
- Industry body/professional association	1%
- Community Legal Service/support organization	1%
<i>Lodged complaint with:</i>	
- Government Minister/Department	10%
- Other	9%
<i>Sought mediation, negotiation, conciliation service from:</i>	
- Dispute Settlement Centre Victoria (DSCV)	9%
- Solicitor/lawyer	3%
- Community support organisation/legal service	1%
- Environment Protection Authority (EPA)	1%
- Other	9%
<i>Courts</i>	
- Took the matter to a court	12%
- Took the matter to VCAT/a tribunal	9%
<i>Other</i>	
- Real estate agent/Real Estate Institute of Victoria (REIV)	7%
- Took matter up with other party involved	5%
- Local Council	5%
- Involved the police	4%
- Mediator/through mediation	4%
- Police	4%
- Other	9%
- None	4%

Base: All serious disputes with neighbours and local community
Q17 What actions did the business take to try to resolve these disputes?

Respondents were asked to indicate the action that most helped to resolve their serious disputes with neighbours and local community. Of all actions, taking 'the matter up directly with the other party involved' was cited as the single most helpful action (38%), while taking the matter to VCAT or a tribunal was perceived as most helpful for almost in one in ten (9%) of serious disputes with neighbours and the local community.

Table 25: Actions Most Helped To Resolve Serious Disputes With Neighbours And Local Community

Actions <u>most helped</u> to resolve serious disputes	Serious disputes with Neighbours & Local community n=37
Took the matter up directly with the other party involved	38%
<i>Got information or advice from :</i>	
- Local government	4%
- Industry body/professional association	1%
- Other	4%
<i>Lodged complaint with:</i>	
- Other	1%
<i>Sought mediation, negotiation, conciliation service from:</i>	
- Solicitor/lawyer	3%
- Environment Protection Authority (EPA)	1%
- Other	4%
<i>Courts</i>	
Took the matter to VCAT/a tribunal	9%
Took the matter to a court	4%
None	31%

Base: All serious disputes with neighbours and local community
Q18 Which ONE of these actions MOST helped to resolve the dispute of Q16?

Table 26: Actions Also Helped To Resolve Serious Disputes With Neighbours And Local Community

Actions <u>also helped</u> to resolve serious disputes	Serious disputes with Neighbours & Local community n=37
Took the matter up directly with the other party involved	6%
<i>Got information or advice from:</i>	
- Solicitor/lawyer	1%
- Other	17%
<i>Sought mediation, negotiation, conciliation service from</i>	
- Other	4%
Involved the police	4%
None	73%

Base: All serious disputes with neighbours and local community
Q19 Which other of these actions ALSO helped to resolve the dispute?

In less than half (48%) of all serious disputes with neighbours and local community, small businesses believed the external help they received achieved a better outcome for them than they could have achieved on their own. But, in 39% of serious disputes small businesses felt that the help they received did not achieve a better outcome for their business.

Table 27: Whether Better Outcome Achieved With Outside Help/Third Party - Serious Disputes With Neighbours And Local Community

Whether better outcome achieved with third party involved	Serious disputes with Neighbours and Local community n=28**
Yes	48%
No	39%
Don't Know/Not Sure	13%

Base: All serious disputes with neighbours and local community in which third party help was used

**Note: Respondent bases for this question are very small and results should be treated with caution and as indicative only.
Q20 Thinking of how you now feel about how the dispute was handled, or is being handled, overall, do you think that the outside help you got achieved a better outcome for your business than you could have achieved on your own?

In 32% of all serious disputes with neighbours and local community, small businesses felt that the assistance of a third party had left them feeling more confident or able to deal with a similar problem in the future; while in one quarter (25%) of cases small businesses felt less confident as a result of third party involvement in dispute resolution.

Table 28: Whether Confidence In Dealing With Future Disputes Is Affected – Serious Disputes With Neighbours And Local Community

Effect on confidence of using a third party to resolve serious dispute	Serious disputes with Neighbours and Local community n=28**
More confident/able	32%
Neither more nor less confident/able	30%
Less confident/able	25%
Don't Know	13%

Base: All serious disputes with neighbours and local community in which third party help was

**Note: Respondent bases for this question are very small and results should be treated with caution and as indicative only.
Q21 How do you think the experience of having a third party involved in resolving a dispute has affected the confidence or ability of your business to deal with a similar problem in the future?

3.5 Estimated Cost of Serious Dispute Resolution

Respondents were asked to estimate the costs they incurred in attempting to resolve serious disputes. These costs included the amount of money and time expended as well as the emotional cost.

A 'total cost of dispute resolution' dollar value was calculated by combining the amount of money spent on legal advice, other expert advice, other expenses, and the time spent trying to resolve the dispute, as described in *Appendix A - Research Methodology*. In essence, the time spent assumed an overall 'opportunity cost' for time at \$30 per hour. While the Australian Bureau of Statistics estimated the average hourly gross earnings of "managers and administrators" across Australia at \$48 in May 2006, this calculation was not limited to small business i.e. it reflects earnings in large businesses and corporations as well. Therefore, Ipsos used the more conservative hourly rate published by the leading online job board MyCareer.com, which records the current average wage for managers in the administration and support area of small businesses as \$59,743 per annum or \$30.63 per hour (rounded to \$30).

Ipsos' estimated total cost of serious disputes to Victorian small businesses is presented at the beginning of this section, followed by the component costs including legal costs, other expert advice costs, other expenses, and time.

Please note that the estimated costs presented in this report relate to costs incurred by Victorian small businesses in dispute resolution for a twelve month period and do not represent the cost to government.

3.5.1 Total Cost of Serious Dispute Resolution

The total cost to Victorian small businesses of attempting to resolve all serious disputes was estimated at \$1,778,379,000 (including dollars spent and the estimated value of time spent) – in round terms \$1.8 billion.

Table 29: Total Cost Of Serious Dispute Resolution For All Serious Disputes

Total Cost of Dispute Resolution (Serious Disputes Only)	TOTAL Cost of Serious Dispute Resolution n=316
Total dollars spent on disputes (\$)	\$1,778,379,000

Base: Respondents who had at least one serious dispute in the last 12 months

Q22. Can you estimate in dollars how much your business spent on this dispute on...?

Q23. Altogether, approximately how many hours would you say you and your staff have spent trying to resolve this dispute – from the time it started?

The total cost to Victorian small businesses who used a third party in an attempt to resolve a serious dispute was \$620,211,000, lower than the aggregate costs when no third party was involved (\$1,158,168,000). The cost per dispute was significantly higher for disputes that involved third party help (\$7,728), compared with the cost when no third party help was involved (\$1,734).

Table 30: Total Cost Of Serious Dispute Resolution By Whether Used Third Party Or Not

Total Cost of Dispute Resolution (Serious Disputes Only)	All serious disputes		TOTAL Cost of Dispute Resolution (all serious disputes) n=316
	Third Party Used n=105	No Third Party Used n=211	
Average dollars spent per dispute (\$)	\$7,728	\$1,734	-
Total dollars spent on disputes (\$)	\$620,211,000	\$1,158,168,000	\$1,778,379,000
Proportion of total dollars spent (%)	35%	65%	-

Base: Respondents who have had at least one serious dispute in the last 12 months

Q22. Can you estimate in dollars how much your business spent on this dispute on...?

Q23. Altogether, approximately how many hours would you say you and your staff have spent trying to resolve this dispute – from the time it started?

The total cost to Victorian small businesses of serious disputes that were resolved was \$1,463,514,000, compared with \$314,865,000 for serious disputes where no resolution was achieved. The cost per dispute was lower for disputes that were resolved (\$3,057), compared with the cost when disputes were not resolved (\$5,878).

Table 31: Total Cost Of Serious Dispute Resolution By Whether Disputes Were Resolved Or Not

Total Cost of Dispute Resolution (Serious Disputes Only)	All serious disputes		TOTAL Cost of Dispute Resolution (all serious disputes) n=316
	Resolved Disputes n=257	Not Resolved Disputes n=59	
Average dollars spent per dispute (\$)	\$3,057	\$5,878	-
Total dollars spent on disputes (\$)	\$1,463,514,000	\$314,865,000	\$1,778,379,000
Proportion of total dollars spent (%)	82%	18%	-

Base: Respondents who had at least one serious dispute in the last 12 months

Q22. Can you estimate in dollars how much your business spent on this dispute on:...?

Q23. Altogether, approximately how many hours would you say you and your staff have spent trying to resolve this dispute –from the time it started?

3.5.2 Component Costs of Serious Dispute Resolution

Expenditure by small businesses related to resolving all serious disputes (including legal advice, other expert advice and out-of-pocket expenses, but not including time) is estimated at \$1,484,382,000.

Overall, ‘legal advice’ (\$1,317,254,000) constituted the single highest cost item on all serious disputes. Relatively lower was the total cost of ‘other expert advice’ (\$74,318,000) and ‘other expenses’ (\$92,810,000).

Table 32: Total Amount Spent On Serious Disputes

	All Serious Disputes n=252			
	Number of disputes	Average \$ spent per dispute	Total \$ spent on dispute	% of total cost
Legal advice*	49,998	\$26,346	\$1,317,254,000	89%
Other expert advice**	27,362	\$2,716	\$74,318,000	5%
Other expenses except owners and employees time ***	76,010	\$1,221	\$92,810,000	6%
TOTAL:	153,370	-	\$1,484,382,000	100%

Base: Respondents who had at least one serious dispute in the last 12 months

*Note: Average cost of legal advice per dispute when legal advice was sought.

**Note: Average cost of other expert advice per dispute when other expert advice was sought.

***Note: Average cost of other expenses per dispute when other expenses were incurred.

Q22. Can you estimate in dollars how much your business spent on this dispute on:...?

3.6 Time Spent on Serious Dispute Resolution

Victorian small businesses spent a total of 9,800,000 hours on resolving serious disputes, which has an estimated value of \$293,997,000⁴.

Of the total number of hours (9,800,000), 37% (3,662,000) were spent dealing with or responding to a third party; this is valued at around \$109,858,000.

⁴ Assuming a cost of \$30 per administration hour as discussed in Appendix A.

Table 33: Number Of Hours Spent On Resolving A Dispute

Overall number of hours spent on dispute resolution	All Serious Disputes n=252
Average time spent per dispute (hours)	3 hrs
Time spent on disputes (hours)	9,800,000 hrs
Total time spent on disputes in dollar value (\$)	\$293,997,000

Base: Respondents who had at least one serious dispute in the last 12 months

Q23. Altogether, approximately how many hours would you say you and your staff have spent trying to resolve this dispute – from the time it started?

Table 34: Number Of Hours Spent Dealing Or Responding To Third Party

Hours spent dealing with third party	All Serious Disputes n=181
Average time spent per serious dispute (hours)	3 hrs
Time spent on serious disputes (hours)	3,662,000 hrs
Total time spent on serious disputes in dollar value (\$)	\$109,858,000

Base: Respondents who had at least one serious dispute in the last 12 months

Q23. Altogether, approximately how many hours would you say you and your staff have spent trying to resolve this dispute – from the time it started?

3.7 Emotional Cost of Dispute Resolution

Respondents were asked to rate the emotional cost of dealing with serious disputes.

The reported emotional cost associated with dispute resolution was considerable among Victorian small businesses. *High* or *very high* emotional costs were associated with the majority of serious disputes (63%).

Notably, higher emotional costs were associated with serious disputes in which third party help was involved (83%), compared with serious disputes in which no third party was involved (54%).

Table 35: Rating Of Emotional Costs Associated With Serious Dispute(S)

Rating of emotional cost	All serious disputes n=316
Very Low	6%
Low	17%
Nett 'Low'	23%
Neutral	14%
High	31%
Very High	32%
Nett 'High'	63%

Base: All serious disputes in the last 12 months

Q25 Disputes such as the ones we have been discussing can lead business owners and managers to feel annoyed, frustrated or stressed. How would you rate the emotional costs associated with these disputes...?

Table 36: Rating Of Emotional Costs Associated With Serious Dispute(S) By Third Party Involved And No Third Party Involved

Rating of emotional cost	All serious disputes	
	Third party involved n=105	Third party not involved n=211
Very Low	1%	8%
Low	2%	24%
Nett 'Low'	3%	32%
Neutral	13%	15%
High	28%	32%
Very High	55%	22%
Nett 'High'	83%	54%

Base: All serious disputes in the last 12 months

Q25 Disputes such as the ones we have been discussing can lead business owners and managers to feel annoyed, frustrated or stressed. How would you rate the emotional costs associated with these disputes...?

Appendix A: Research Methodology

A1. Questionnaire Design

The questionnaire was designed in collaboration with the Department and subjected to cognitive testing by a group of respondents to identify areas of the questionnaire that required further development or revision.

Cognitive Testing

Cognitive testing is a process by which a small sample of target respondents is asked to undertake a proposed survey. These sessions are conducted in small groups. The researcher observes and records any problems involved with question interpretation, questionnaire layout, wording, ease of completion and question order, etc. Participants are also asked whether they would have realistically completed the survey if they were called.

The cognitive testing sessions for this survey checked to ensure that the questionnaire:

- is comprehensible to respondents in terms of what was being asked
- is clear in its instructions
- contains appropriate ‘skips’
- takes a reasonable time to complete.

Testing also sought to determine whether participants were willing to complete the survey given the:

- subject matter
- data was being collected on behalf of the Victorian Government / Department of Justice.

Feedback from above the items was used to fine-tune the survey instrument in readiness for pilot testing.

Twelve individuals tested the questionnaire and were involved in group interviews, each of about one-hour’s in duration. The interviews were conducted by a single researcher. Four groups were tested over two nights (21 and 22 February 2007); with each group comprising around 3 participants of varying ages and socio-economic backgrounds, who were an owner or manager of a business employing less than 20 people. Genders were equally represented.

Each of the cognitive testing sessions revealed a number of problems Ipsos felt would adversely affect data quality and response rate. Key issues raised included:

- Survey length - most participants felt that the survey was too long, and if they were called and asked to complete the survey they would not be able to spare the time from their work day to complete it.
- Difficulty in recalling disputes - participants commented on the difficulty they had in recalling disputes they had experienced in the past 12 months. However, business survey respondents did not find this as difficult as respondents to the consumer survey.

Further, costing these disputes was difficult, with suggestions made to introduce response categories, where respondents could choose one of a series of cost ranges (e.g. \$1,000-\$5,000).

- Survey structure - participants found that the draft questionnaire did not flow well. It was frustrating for many to have to move back and forth between questions, and suggestions were made to restructure the instrument, for instance, addressing one dispute at a time rather than switching between disputes at different points in the survey.
- Survey clarity - the majority of respondents thought that the wording of questions was, on the whole, well understood. They also considered that the definition of a dispute was clear.

Upon review of participants' feedback, a series of modifications were made to the questionnaire, most notably a significant reduction in length.

The questionnaire was converted to accommodate Computer Assisted Telephone Interviewing (CATI), this reduced complexity for respondents.

A2. Sample Selection

Data collection was conducted between April 20 and May 16 2007.

To source the sample, approximately 5500 numbers were drawn from AoD – an electronic version of the White Pages. These numbers were randomly sourced from two key areas – Metropolitan Melbourne and the remainder of Victoria. A list of all phone numbers in the specified areas was generated, and then the required number of sample items was randomly selected from these listings. This listing was then randomized to ensure that the sample was loaded non-sequentially.

A list of all phone numbers in the specified areas was generated against 17 relevant industry groups - refer to *Table A1* below. The required number of sample items was randomly selected from these listings. This listing was then randomized to ensure that the sample was loaded non-sequentially.

The survey resulted in a completed sample of 500 business owners or managers, 249 recruited from the Melbourne metropolitan area and 251 recruited from regional Victoria.

Table A1: Quota Summary Table

Quota Description	Cell Size
Metro	249
Rural/ Regional	251
Q1 disputes with customers, suppliers, contractors or employees	167
Q6 disputes with government	44
Q11 disputes with neighbours & local community	41
Agriculture, Forestry and Fishing	24
Mining	4
Manufacturing	30
Electricity, Gas and Water Supply	7
Construction	37
Wholesale Trade	18
Retail Trade	32
Accommodation, Cafes and Restaurants	36
Transport and Storage	32
Communication Services	20
Finance and Insurance	32
Property and Business Services	55
Government Administration and Defence	2
Education	26
Health and Community Services	33
Cultural and Recreation Services	29
Personal and other services	31
Other	50

A3. Response Rate

The overall response rate was 23%.

The response rate for regional and rural areas was higher than the overall average (30%) while the response rate for metropolitan small business participants was lower than the overall average (18%).

The response rate shows completed interviews as a percentage of a total comprising completed interviews and refusals.

Interview Duration

The average interview length across the 500 respondents was 19 minutes.

A4. Calculations and Weightings

Analysis Notes

All comparisons and analysis within the report have been made at the 95% confidence level.

Data based on sample sizes of less than 30 have to be treated with caution and interpreted as indicative only.

Incidence of disputes

When reading about the incidence of disputes, there is potential for slight over-estimation. There is also the possibility of double counting some disputes which might have occurred because some small businesses are suppliers of goods or services to other small businesses so that a particular dispute could have been reported by both parties i.e. the dispute is between two small businesses. However, such overestimation is unlikely to be significant.

Weighting

The survey data was weighted based on aggregated small business population statistics for Metro and Rural/Regional areas in Victoria. Data was also weighted by number of employees. All weightings were based on the most recent Australian Bureau of Statistics data and classifications for regional and metropolitan areas⁵ (as at June 2006).

There are four weighting ‘cells’ overall (as below):

Table A2: ‘Weighting Cells’

Cell	Description
1	Metro 1-4 employees
2	Metro 5-19 employees
3	Regional 1-4 employees
4	Regional 5-19 employees

Unless otherwise specified, all survey data presented in this report is weighted to the Victorian small business population. In other words, the findings of this research are extrapolated to all Victorian small businesses employing less than 20 employees.

Cost of Personal Time

A dollar value was allocated to quantify the cost of small business owners/managers time spent on disputes. These costs were based on an hourly rate of \$30. In order to derive this cost of dispute resolution, the hourly rate was multiplied by the number of hours spent dealing with the dispute (Question 23).

Formula used for calculating the cost of time to Victorian small businesses:

$$\text{Time Cost} = Q23 (\text{Total Hours}) \times \$30 \text{ per hour}$$

While the Australian Bureau of Statistics estimated the average hourly gross earnings of “managers and administrators” across Australia at \$48 in May 2006 (refer ABS Cat. No. 6306.0 *Employee Earnings and Hours, Australia, May 2006*), this was not limited to small business and reflects earnings in large businesses and corporations as well. Therefore, Ipsos used the more conservative hourly rate published by the leading on-line job board MyCareer.com, which records the current average wage for managers in the administration and support area of small businesses as \$59,743 per annum or \$30.63 per hour (rounded to \$30). It is assumed that while more senior and therefore more highly paid managers (often

⁵ Australian Bureau of Statistics data reference: 8165.0 Jun 2003 to Jun 2006 counts of Australian businesses, including Entries and Exits

small business owners) may direct and supervise the dispute resolution process, most of the process issues themselves are handled by office administration and support staff. Hence Ipsos use of \$30 as the opportunity cost of the *average* hour spent by small business staff across the State on dispute resolution.

Total Cost of Dispute Resolution

The costs of dispute resolution (Q22) were added to the costs of time (Q23, as per section above) to generate a 'total cost of dispute resolution'.

Formula used for calculating the 'total cost of dispute resolution' to Victorian small businesses:

Total Cost of Dispute Resolution = Q22 (\$) + Q23 (Hours) x \$30 per hour.

Appendix B: Sample Characteristics

Presented below are weighted tables which show the characteristics of small businesses participating in the survey, in terms of:

- number of employees including owner-operators and partners
- number of full time employees
- number of part time employees
- business trading period
- total annual business revenue.

In summary, the sample consisted of:

- mainly businesses employing 1-4 people (88%)
- established (7-15 years) and mature small businesses (16-45 years) - 39% and 40%, respectively
- mainly businesses with total annual revenue of \$50,000 to \$500,000 (60%), and some with revenue of less than \$50,000 (15%) and between \$500,000 and \$2,000,000 (17%);

Table B1: Number Of Employees Including Owner-Operators And Partners

Employees	
1-4 Employees	88%
5-9 Employees	7%
10-19 Employees	5%

Base: All Respondents (n=500)

Q34 Approximately how many employees work in your business nationally, including owner-operators and partners?

Table B2: Number Of Full Time Employees

Full-time employees	
0 Employees	12%
1-4 Employees	81%
5-9 Employees	4%
10-19 Employees	3%

Base: All Respondents (n=500)

Q35 How many are full-time employees?

Table B3: Number Of Part Time Employees

Part-time employees	
0 Employees	59%
1-4 Employees	38%
5-9 Employees	2%
10-19 Employees	1%
20 or more	0%

Base: All Respondents (n=500)

Q36 How many are part-time employees?

Table B4: Business Trading Period

Business trading period	
1-3 yrs	5%
4-6 yrs	11%

7-10 yrs	16%
11-15 yrs	23%
16-45 yrs	40%
46-75 yrs	3%
76-100 yrs	2%
Over 100 yrs	0%
Other	0%

Base: All Respondents (n=500)

Q39 How long has this business been trading?

Table B5: Business Revenue

Business revenue	
Less than \$50,000	15%
\$50,000 to less than \$100,000	18%
\$100,000 to less than \$500,000	42%
\$500,000 to less than \$2,000,000	17%
\$2,000,000 or more	3%
Don't Know	2%
Refused	2%

Base: All Respondents (n=500)

Q40 Before tax, which of the following value ranges best describes your business's total revenue over the last 12 months?

Respondent Characteristics

Presented below are weighted tables which show the characteristics of respondents to the survey, in terms of:

- position in the business
- length of time employed in industry
- gender
- age
- highest level of education achieved.

In summary:

- over half (53%) of respondents were an owner and manager, while 24% were an owner and 14% were an employed manager, with 10% being a partner or in another position
- varying levels of experience in business were reported – up to 10 years (24%), 11-25 years (41%), 26 years or more (34%)
- two-thirds were male (66%)
- the majority were older in that 85% were aged 40 years or more
- the majority were educated to secondary level or higher (83%), - secondary level (18%); TAFE level (27%); university level (38%).

Table B6: Position In The Business

Position within the business	
Owner	24%
Employee Manager	14%
Owner AND Manager	53%
Partner	3%
Other	7%

Base: All Respondents (n=500)

Q41 Which of the following best describes your position within the business?

Table B7: Length Of Time Employed In Industry

Length of time employed in industry	
Less than 1 year	1%
1-3 years	5%
4-6 years	7%
7-10 years	11%
11-15 years	19%
16-25 years	22%
26-35 years	21%
36-45 years	11%
46-55 years	1%
56+ years	1%

Base: All Respondents (n=500)

Q42 How long have you worked in this industry?

Table B8: Gender

Gender	
Male	66%
Female	34%

Base: All Respondents (n=500)

Q43 Record Respondent's Gender

Table B9: Age

Age Groups	
20 - 24 years	0%
25 - 29 years	2%
30 - 34 years	4%
35 - 39 years	9%
40 - 44 years	11%
45 - 49 years	19%
50 - 54 years	19%
55 - 59 years	14%
60+ years	22%
Refused	1%

Base: All Respondents (n=500)

Note: The total may not add up to 100% due to rounding

Q44 What is your age?

Table B10: Highest Level Of Education Achieved

Highest level of education achieved	
No formal education	1%
Completed primary	0%

Some secondary	14%
Completed secondary	18%
TAFE or other vocational Certificate/s / Diploma	27%
University/Postgraduate studies	38%
Other	1%
Refused	1%

Base: All Respondents (n=500)

Note: The total may not add up to 100% due to rounding

Q45 What is the highest level of education you have achieved?

Appendix C: Survey Questionnaire

Introduction

Good morning/afternoon, my name is [---], I'm calling from Ipsos, a research company. We are doing a study for the Victorian Department of Justice on disputes between businesses, organisations, government and individuals.

A	Firstly, I need to ask if the business employs more or less than 20 full time staff in total in Australia.			
	20 or more full-time staff	1	[TERMINATE - thanks, we are only surveying small businesses].	
	19 or less full-time staff	2	PROCEED WITH INTERVIEW	
	Refused	3	SAY "Thank you for your time..." [END CALL]	
B	Could I speak to the owner or manager of the business?			
	Yes, I am the owner / manager	1	PROCEED WITH INTERVIEW	
	Yes I will transfer you	2	REPEAT INTRODUCTION AND PROCEED WITH INTERVIEW	
	Yes but he/she is not available right now	3	ASK, "Could I make an appointment time to call him/her back when convenient?"	
			Date	Time
	No	4	"Thank you for your time..." [END CALL]	
	<i>REPEAT IF A DIFFERENT RESPONDENT: Good afternoon/morning, my name is [---], I'm calling from Ipsos, a research company. We are doing a study for the Victorian Department of Justice on disputes between businesses, organisations, government and individuals. SAY TO ALL: The information we collect will be used to give Victorians more options for resolving disputes quickly and cheaply. The survey is anonymous and confidential.</i>			
C	Would you be able to help us out now - it will take about xx minutes to complete or would you like us to make an appointment time to call you back?			
	Yes – proceed or record interview appointment	1	Date	Time
	No	2	"Thank you for your time..." [END CALL]	
	DISPUTES WITH CUSTOMERS, SUPPLIERS CONTRACTORS OR EMPLOYEES [ASK ALL]			
37	Before I begin can you tell me in which industry sector is your business? [SPECIFY]			
	C1 Agriculture, Forestry and Fishing			
	C2 Mining			
	C3 Manufacturing			
	C4 Electricity, Gas and Water Supply			
	C5 Construction			
	C6 Wholesale Trade			
	C7 Retail Trade			
	C8 Accommodation, Cafes and Restaurants			
	C9 Transport and Storage			
	C10 Communication Services			
	C11 Finance and Insurance			
	C12 Property and Business Services			
	C13 Government Administration and Defence			
	C14 Education			
	C15 Health and Community Services			
	C16 Cultural and Recreation Services			
	C17 Personal and other services			
	C99 Other			

1 In the last 12 months has your business been involved in any disputes with customers, suppliers, contractors or employees about any of the following issues [READ OUT & RECORD MULTIPLE RESPONSES]

	Q1 Had Dispute	Q2 Number Of Disputes	Q3 Number Resolved Without Help	Q4a Number With 3 rd Party Help	Q4b Which 3 rd Party Involved	Q5 Number Not Resolved
<i>(customers)</i>						
Over the quality, timeliness or price of goods or services provided by you to a customer						
About unpaid debts or late payment of bills owed to you by a customer						
Over contracting issues such as work allocation – with your principal contractor						
<i>(suppliers)</i>						
Over parts, materials or trading stock provided to you by a supplier						
Over electricity, water, gas, or phone supplied to you by a utility supplier						
Over construction, renovation, repairs or maintenance of your business premises						
Over your tenancy – as a retailer (if applicable)						
Over transport and for your business, including haulage, buying, leasing or maintaining vehicles and fuel						
<i>(franchisee)</i>						
Over franchise arrangements						
<i>(sub-contractors)</i>						
Over the quality, timeliness or price of services provided to you by a subcontractor						
Over contracting issues such as work allocation – with your subcontractor						
Over the payment of bills issued to you by a subcontractor						
<i>(employees)</i>						
Over unfair dismissal, discrimination, management, unfair treatment, pay or entitlements for an employee						
Over occupational health and safety issues for an employee						
<i>(financiers)</i>						
Over gaining finance for your business from a financial institution						
Over the amount you owe, including fees and charges or the timing of your payments to a financial institution						
(Non-contractual)						
With another business over intellectual property owned by your business including trade names and designs, copyright material with another business.						
Other [SPECIFY]						
No [DON'T READ]						
Don't recall [DON'T READ]						
Refused [DON'T READ]						

IF NOT DISPUTES AT Q1 GO TO Q6

2 How many different disputes have you had over Q1
[REPEAT FOR EACH TYPE OF DISPUTE MENTIONED IN Q1 - BE SURE THAT THE NUMBER OF INCIDENCES RECORDED ARE 'SEPARATE' INCIDENCES & NOT COMPONENTS OF ONE DISPUTE. RECORD ABOVE]

3 How many of these disputes over Q1 were you able to resolve without help from a third party such as a mediator, lawyer or ombudsman [RECORD ABOVE]?

4 Did you involve a third party in an attempt to resolve any of these disputes?

IF YES ASK – A. In how many of these disputes (Q1) did you involve a third party? [RECORD ABOVE]
 IF YES ASK – B. Who did you go to for help? [WRITE IN CODE FROM Q17] RECORD BUSINESS, PERSON AND SECTOR

- Yes
- No
- Not sure

5 How many of these disputes were not resolved, either because you haven't been able to reach agreement or because you didn't try to [RECORD ABOVE]?

DISPUTES WITH GOVERNMENT

6 In the past 12 months has your business been involved in any disputes with a Government department or agency (outside the any supplier disputes covered in Q1)

	Q6 HAD DISPUTE	Q7 NUMBER OF DISPUTES	Q8 NUMBER RESOLVED WITHOUT HELP	Q9A NUMBER WITH 3 RD PARTY HELP	Q9B WHICH 3 RD PARTY INVOLVED	Q10 NUMBER NOT RESOLVED
Yes [ASK] Could you describe the issue involved? [READ OUT, PROMPT FOR OTHERS AND RECORD MULTIPLE RESPONSES]						
<i>(Regulation)</i> local laws (local government, competitive tender requirements)						
planning application or permits						
registration, licence or permits needed to conduct a business						
alleged breach of the law by your business						
regulatory compliance requirements						
<i>(Financial)</i> taxation / duties / GST						
grants and other business assistance						
<i>(penalties)</i> penalties or fines imposed						
<i>(Rights)</i> use of business or personal information						
requirement for your business to provide information to government eg statistics or information wanted by Tax Office						
complaint to government about another business other than a supplier, customer						
Other [SPECIFY]						
Not sure / Refused						
No						

[IF NO DISPUTES MENTIONED AT Q6 GO TO Q11]

7 How many different disputes have you had over Q6 [REPEAT FOR EACH TYPE OF DISPUTE MENTIONED IN Q6 - BE SURE THAT THE NUMBER OF INCIDENCES RECORDED ARE 'SEPARATE' INCIDENCES & NOT COMPONENTS OF ONE DISPUTE. RECORD ABOVE]

8 How many of these disputes over Q6 were you able to resolve without help from a third party such as a mediator, lawyer or ombudsman [RECORD ABOVE]?

9 Did you involve a third party in an attempt to resolve any of these disputes?

IF YES ASK – A. In how many of these disputes (Q6) did you involve a third party? [RECORD ABOVE]
 IF YES ASK – B. Who did you go to for help? [WRITE IN CODE FROM Q17] RECORD BUSINESS, PERSON AND SECTOR

- Yes
- No
- Not sure

10 How many of these disputes were not resolved, either because you haven't been able to reach agreement or because you didn't try to [RECORD ABOVE]?

DISPUTES WITH NEIGHBOURS & LOCAL COMMUNITY

11 In the last 12 months has your business had any disputes with neighbours, or others in your local community [READ OUT & RECORD MULTIPLE RESPONSES]

	Q11 HAD DISPUTE	Q12 NUMBER OF DISPUTES	Q13 NUMBER RESOLVED WITHOUT HELP	Q14A NUMBER WITH 3 RD PARTY HELP	Q14B WHICH 3 RD PARTY INVOLVED	Q15 NUMBER NOT RESOLVED
Yes:						
with partners, shareholders or others with a financial interest in your business						
with a body corporate over joint property, fees, management etc						
with others you share a business premises with over maintenance, payment of shared bills, rent, etc						
with neighbours over parking, pollution, noise etc						
in the local community over local issues such as planning or environmental issues						
with a trade association						
Other [SPECIFY]						
No [DON'T READ]						
Can't recall [DON'T READ]						
Refused [DON'T READ]						

[IF NO DISPUTES OR COMPLAINTS MENTIONED AT Q1, Q6 OR Q11 GO TO Q26]

Q12 How many different disputes have you had over Q11 [REPEAT FOR EACH TYPE OF DISPUTE MENTIONED IN Q11 - BE SURE THAT THE NUMBER OF INCIDENTS RECORDED ARE 'SEPARATE' INCIDENTS & NOT COMPONENTS OF ONE DISPUTE. RECORD ABOVE]

Q13 How many of these disputes over Q11 were you able to resolve without help from a third party such as a mediator, lawyer or ombudsman [RECORD ABOVE]?

Q14 Did you involve a third party in an attempt to resolve any of these disputes?
IF YES ASK – A. In how many of these disputes (Q11) did you involve a third party? [RECORD ABOVE]
IF YES ASK – B. Who did you go to for help? [WRITE IN CODE FROM Q17] RECORD BUSINESS, PERSON AND SECTOR

- Yes
- No
- Not sure

Q15 How many of these disputes were not resolved, either because you haven't been able to reach agreement or because you didn't try to [RECORD ABOVE]?

IDENTIFY DISPUTES FOR FURTHER DISCUSSION

Q16 IF 1-3 DISPUTES MENTIONED IN Q1, Q6 & Q11 PROGRAM TO AUTOMATICALLY INSERT CODE EG FOR Q1 "RAW MATERIALS".
IF MORE THAN 3 DISPUTES MENTIONED SAY: How many of these disputes which were initiated by your business would you describe as serious or difficult to resolve? WRITE IN NUMBER
Would you select 3 disputes that your business initiated and that were serious for your business or difficult to resolve [PERMIT MULTIPLE DISPUTES IN A SINGLE CATEGORY ONLY IF THERE ARE NO DISPUTES IN OTHER CATEGORIES.]

Label for dispute 1	
Label for dispute 2	
Label for dispute 3	

ACTIONS TAKEN TO RESOLVE DISPUTES

Q17	What actions did the business take to try to resolve these disputes? <i>[DON'T READ OUT; PROBE FOR & RECORD MULTIPLE RESPONSES FOR EACH DISPUTE SELECTED IN Q16]</i>	Q17 ACTION TAKEN			Q18 MOST HELPED TO RESOLVE			Q19 ALSO HELPED TO RESOLVE		
		1	2	3	1	2	3	1	2	3
	Took the matter up directly with the other party involved									
	Got information / advice from:									
	Small Business Commissioner (Vic)									
	Commercial arbitrator / Mediator									
	Consumer Affairs Victoria									
	Victorian Equal Opportunity & Human Rights Commission									
	WorkCover / WorkSafe									
	Dispute Settlement Centre Victoria									
	Industry body / professional association									
	Community Legal Service / Support Organisation									
	Ombudsman / Commissioner [SPECIFY]									
	Local government									
	Solicitor / lawyer									
	Other [SPECIFY]									
	Lodged a complaint with :									
	Government Minister/ Department									
	Small Business Commissioner									
	Industry Body / Professional Association									
	Ombudsman / Commissioner [SPECIFY]									
	Other [SPECIFY]:									
	Sought mediation, negotiation, or conciliation service from:									
	Small Business Commissioner									
	Commercial arbitrator / mediator									
	Ombudsman / Commissioner [SPECIFY]									
	Lawyer/Solicitor									
	Dispute Settlement Centre Victoria (DSCV)									
	WorkCover / WorkSafe									
	Environment Protection Authority (EPA)									
	Privacy Commissioner									
	Community support organisation /legal service									
	Other [SPECIFY]									
	Involved the police									
	Took the matter to a court									
	Took the matter to VCAT / a tribunal									
	Other [SPECIFY]:									
	None [don't read]									
	Can't recall [don't read]									
	Refused [don't read]									

18 Which ONE of these actions MOST helped to resolve the dispute of Q16? [RECORD ABOVE. REPEAT FOR EACH]

19 Which other of these actions ALSO helped to resolve the dispute? [RECORD ABOVE. RECORD MULTIPLE RESPONSES. REPEAT FOR EACH]

IF USED A THIRD PARTY AT Q17 CODES 2 TO 32

20 Thinking of how you now feel about how the dispute was handled, or is being handled, overall, do you think that the outside help you got achieved a better outcome for your business than you could have achieved on your own? [RECORD AND REPEAT FOR EACH DISPUTE]

Yes

No
 Don't Know / Not Sure
 Refused

21	How do you think the experience of having a third party involved in resolving a dispute has affected the confidence or ability of your business to deal with a similar problem in the future?						
	More confident / able						
	Neither more or less confident / able						
	Less confident / able						
	Don't know / Refused						
22	Can you estimate in dollars how much your business spent on this dispute on:	1	2	3			
	Legal advice	\$	\$	\$			
	Other expert advice	\$	\$	\$			
	Other expenses except owners & employees time	\$	\$	\$			
23	Altogether, approximately how many hours would you say you and your staff have spent trying to resolve this dispute – from the time it started?	hrs	hrs	hrs			
24	<i>IF USED A THIRD PARTY IN Q17 CODES 2 TO 32</i> Approximately how many of those hours did you spend dealing with or responding to the third party for this dispute?	hrs	hrs	hrs			
25	Disputes such as the ones we have been discussing can lead business owners and managers to feel annoyed, frustrated or stressed. How would you rate the emotional costs associated with these disputes...?	1	2	3			
	Very Low Cost						
	Low						
	Neutral						
	High						
	Very High Cost						
	Don't Know / Can't Say						
26	ABOUT ALTERNATIVE DISPUTE RESOLUTION [ask all] When your business has a significant dispute with an individual or organisation do you USUALLY: [READ OUT]	Always	Mostly	Sometimes	Occasionally	Never	Don't Know
	Try to resolve it yourselves						
	Seek information from business colleagues or associates to help you decide how to resolve the dispute						
	Get information from an external agency to help you to decide how to resolve the dispute						
27	If you needed help to resolve a dispute of any kind, how would you go about finding a service to help? [DO NOT READ OUT - PROBE FOR AND RECORD MULTIPLE RESPONSES]						
	Ask friends / family / associates						
	Ask local government						
	Ask Office of Small Business Commissioner						
	Ask Consumer Affairs Victoria / ACCC						
	Ask Dispute Settle Centre Victoria						
	Ask Ombudsman Victoria (the Ombudsman for the Victorian Government)						
	Contact a relevant Government Department						
	Look in telephone directory or ask directory assistance						
	Search the internet						
	Contact an employer or industry association						
	Ask for advice from another business associate						
	Other [SPECIFY]						
	Don't Know						
	Refused						
28	Now I'll read a list of dispute resolution services. A. Firstly I'd like you to tell me whether you have heard of any of them as a body that can help with a dispute AND THEN B. Whether you have ever contacted them to help you to handle a dispute [READ OUT – RECORD MULTIPLE RESPONSES]						
		Heard Of	ASKED FOR HELP				

Form filling or other bureaucratic requirements

Other [SPECIFY]

No / Don't Know

Refused

- 31 Do you see particular advantages in taking a dispute to court or a tribunal such as VCAT rather than using a dispute resolution service such as the ones I previously read out? [DO NOT READ OUT]
 Yes [PROBE FOR REASONS & WRITE IN]
 No
 Don't Know
 Refused
- 32 Do you see particular disadvantages in taking a dispute to court or tribunal such as VCAT compared to using a dispute resolution service such as the ones we have been discussing ? [DO NOT READ OUT]
 Yes [PROBE FOR REASONS & WRITE IN]
 No
 Don't Know
 Refused
- 33 Do you believe that Government has a responsibility to provide services, other than courts and tribunals, to help Victorians to resolve disputes?
 Yes [PROBE FOR REASONS & WRITE IN]
 No
 Don't Know
 Refused

About the respondent business

Finally, just a few questions about your business to ensure we have a good cross-section of businesses in our sample.
 [ASK ALL]

- 34 Approximately how many employees work in your business nationally, including owner-operators and partners [DO NOT READ. IF NECESSARY COLLECT IN TERMS OF FULL-TIME EQUIVALENTS]?
 1-4 Employees
 5-9 Employee
 10-19 Employees
- 35 How many are full-time employees? [DO NOT READ.]
 0 Employees
 1-4 Employees
 5-9 Employees
 10-19 Employees
- 36 How many are part-time employees? [DO NOT READ.]
 0 Employees
 1-4 Employees
 5-9 Employees
 10-19 Employees
 20+ employees
- 38 What is the postcode for the principal premises of your business?
 Postcode [WRITE IN]
 Don't Know [ASK FOR SUBURB / TOWN/ LOCALITY]
- 39 How long has this business been trading? [DO NOT READ.]
 1-3 years
 4-6 years
 7-10 years
 11-15 years
 Other [SPECIFY]
- 40 Before tax, which of the following value ranges best describes your business's total revenue over the last 12 months? [READ OUT]
 Less than \$50,000
 \$50,000 to less than \$100,000
 \$100,000 to less than \$500,000
 \$500,000 to less than \$2000000

\$2million or more

ABOUT THE INDIVIDUAL RESPONDENT - Now just a few questions about yourself [ASK ALL]	
41	Which of the following best describes your position within the business? [READ OUT] Owner Employee Manager Owner AND Manager Other [SPECIFY]
42	How long have you worked in this industry? [DO NOT READ] Less than 1 year 1-3 years 4-6 years 7-10 years 11-15 years Other [SPECIFY]
43	Record respondent's gender [DONOT READ] Male Female
44	What is your age? [DO NOT READ] 18 -19 years 20 – 24 years 25 – 29 years 30 – 34 years 35 – 39 years 40 – 44 years 45 – 49 years 50 – 54 years 55 – 59 years 60+ years Refused
45	What is the highest level of education you have achieved? [READ OUT] No formal education Some primary Completed primary Some secondary Completed secondary TAFE or other vocational certificate/s / Diploma University/Postgraduate studies Other [SPECIFY] Refused
46	The Department of Justice may be undertaking further research into dispute resolution, are you willing to be contacted again? No [GO TO CLOSE] Yes
47	Could you tell me your first name and confirm your phone number so that you can be contacted again? First Name Phone Number

CLOSE: That's the end of the survey. I would like to thank you on behalf of the Department of Justice and Ipsos for your help with this survey. We realise that we have asked you some difficult questions and appreciate the time and effort you have given.

If respondents ask about obtaining a copy of the report on the survey: "Please provide your name and address, and we will pass it on to the Department of Justice who will forward you a summary of the key findings".