



# **MEDIA RELEASE**

## **SENATOR THE HON NICK SHERRY**

Minister for Small Business  
Minister Assisting on Deregulation  
Minister Assisting on Tourism

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### **SURVEY SHEDS LIGHT ON SMALL BUSINESS DISPUTES**

The first national survey of business-to-business dispute resolution for small business provides valuable insight into the number and types of disputes experienced by small business.

In releasing the report today, the Minister for Small Business, Senator Nick Sherry, said the survey shows around one in five small businesses has experienced a dispute of some kind with another business in the past five years.

However, only a third of these small businesses believed their dispute was serious enough to warrant further action by a third party.

“What comes through strongly from the survey is that many small businesses don’t know about low-cost options available to them for dispute resolution,” Senator Sherry said.

“In the case of small businesses, a dispute may drain significant resources and have an impact on everyday operations.”

“They may miss out on having their matters settled to their satisfaction simply because they don’t know how to access alternative methods of dispute resolution.

“Many of these services are free or available at a relatively low cost – and the survey shows it’s definitely worthwhile for small businesses to use them.”

The survey was commissioned by the Department of Innovation, Industry, Science and Research to find out what small businesses know about business-to-business dispute mechanisms and the level of any unmet demand for these services. Its findings include:

- About 20 per cent of small businesses experienced a disagreement or dispute with another business in the past 5 years
- Around 9 per cent classed their dispute as serious
- Only 6.5 per cent took legal or third party action
- Businesses with 0 – 2 employees were proportionally more likely to avoid taking action
- Two-thirds of disputes were about payment
- Small businesses that use alternative avenues of dispute resolution, such as arbitration, mediation or conciliation, are more satisfied than those that go to court or seek legal advice

“The Gillard Government knows how important small business is to national prosperity and supporting jobs and we are committed to helping them operate and grow,” Senator Sherry said.

“The key message from this study is that despite the wide range of mechanisms available, including low cost and free services, many small businesses simply are not aware of these services and this may be a place where all levels of government could play a role.

“This survey is another valuable contribution to assist policy development when considering future approaches to support for small businesses dealing with disputes,” Senator Sherry said.

The survey summary report is available at [www.innovation.gov.au](http://www.innovation.gov.au)

CANBERRA

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