



MEDIA RELEASE

SENATOR THE HON NICK SHERRY

Minister for Small Business
Minister Assisting on Deregulation and Public Sector Superannuation
Minister Assisting on Tourism

OPTIONS PAPER TO HELP RESOLVE BUSINESS DISPUTES

Small Business Minister, Senator Nick Sherry, has released an options paper designed to generate comment on ways to help small businesses resolve disputes.

The paper follows a survey last year by the Department of Innovation, Industry, Science and Research (DIISR), which showed around 20 per cent of small businesses surveyed experienced a dispute with another business in the previous five years.

“My aim is to bring about a national business to business disputes resolution process that is accessible, prompt and as low cost as possible for small businesses,” Senator Sherry said.

“This paper seeks to identify where there may be gaps in Australia’s current disputes resolution landscape and how best to form an integrated national service.

“The four options in this paper have been developed to complement and, where necessary, supplement the existing system of public, private and industry-based dispute resolution mechanisms. I look forward to feedback from interested parties.”

The following are the four options for consideration:

1. National Information and Referral Service

This would provide a telephone hotline and website directing small businesses to available dispute resolution services and assistance. Callers would be guided through dispute resolution options and then referred to appropriate services in their state or territory.

2. National Dispute Resolution Service

This service would provide information and referrals similar to option one, but also offer mediation where no appropriate low cost dispute resolution service exists.

3. National Small Business Tribunal

A tribunal would specifically deal with small business disputes. It would have the role of investigation and conciliation, backed by Commonwealth legislation. The tribunal would be both a national network and a one-stop shop for small businesses in dispute. It could be based in a capital city and potentially use existing federal court infrastructure.

4. Small Business Advocate

The Small Business Advocate would offer independent representation of small business interests and concerns within the Australian Government.

The DIISR survey on business disputes also showed most business owners were unaware of the range of dispute resolution services available to them. Of those who did know, many declined to pursue the options open to them because of the fear of cost or time lost.

“This dispute resolution initiative builds on the range of important small business assistance measures announced in the Budget,” Senator Sherry said.

“The paper also looks to build on services already offered by the Government’s Small Business Support Line and the recently introduced business.gov.au’s Advisor Finder.

“This options paper identifies existing services offered across the public sector, both nationally and at state and territory levels, and explores affordable and accessible dispute resolution options available to small businesses.

“I would judge the new system a success if it is able to keep those disputes which can be dealt with by low-cost and speedy services - out of the courts.

“With the economy recovering from economic downturn, maintaining cash-flow can be critical for small business survival.

“Protracted dispute resolution may have serious consequences to cash flow and distract owners from day-to-day business.

“Hopefully, as small businesses become more aware and use the wide range of advisory services available at a federal, state and territory level, there’ll be fewer causes of disputes,” Senator Sherry said.

The options paper and information on how to submit comments is available at: www.innovation.gov.au/disputes

Forward comments on the paper to email@innovation.gov.au by 30 June 2011.

MELBOURNE

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Media contact: Joe Scavo, Minister’s Office, 0413 800 757