

WHAT HAPPENS if the dispute goes to VCAT or the Courts?

Recent research of a broad range of commercial disputes between businesses at VCAT found that on average:

- Costs incurred by each business were around 70% of the amount in dispute;
- This included each business-person spending 63 hours of their or their staff's time on the dispute (and not on their business); and
- Disputes took over 6 months to be finalised.

Businesses also identified other adverse effects of being involved in litigation on:

- Business performance (37%);
- Work-related stress (52%); and
- General health and wellbeing (31%).

These adverse impacts were greater for smaller businesses, and for disputes of higher amounts.

For more information contact the Victorian Small Business Commissioner

vsbc.vic.gov.au
13 VSBC (13 8722)



Take advantage of quick, low cost resolution of commercial disputes



Victorian
**Small Business
Commissioner**



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Resolving business disputes



WHAT is the Victorian Small Business Commissioner?

The Victorian Small Business Commissioner (VSBC) is an independent statutory role established by the State Government.

A primary role of the VSBC is to assist businesses resolve disputes with other businesses quickly, at no or low cost, avoiding litigation.

HOW does the VSBC resolve disputes?

The VSBC resolves disputes either by:

- Preliminary assistance, which involves assisting the parties over the telephone or by email to work out a solution to the issue; or
- Mediation, where the parties are brought together with an experienced mediator to confidentially discuss their issues with the aim of reaching a resolution acceptable to both parties.

WHY should I use the services of the VSBC?

The VSBC has been helping businesses resolve disputes and avoid litigation since 2003, saving both parties the cost, time, emotion and distraction of Tribunal or Court proceedings.

- Around 30% of disputes are resolved through preliminary assistance, at no cost to the parties;
- Around 80% of matters that progress to mediation are settled.

The VSBC has received over 13,000 applications for assistance since 2003.

For some disputes, refusal by the respondent party to mediate can lead to a costs order against that party by the Victorian Civil and Administrative Tribunal, or the naming of that party in the VSBC Annual Report.

WHAT types of disputes can the VSBC assist with?

The VSBC can assist with all types of commercial disputes between businesses, or between business and government. This includes disputes between commercial tenants and landlords. The amount in dispute may be hundreds of dollars or millions of dollars.

TELL me more about mediation.

The role of the mediator is to assist the parties to a dispute to identify possible ways in which the dispute could be settled. The process is managed by the mediator, to ensure fair hearing for both parties.

The mediator does not decide who is 'right' or 'wrong', nor does the mediator make any determination on the dispute. Any settlement reached is based on the agreement of the parties, encouraging win-win outcomes.

Mediations can be held in locations to suit the parties, although most are held at the VSBC offices in Melbourne. They are usually conducted over a 3-4 hour period. Parties may bring representation to the mediation if they wish. The mediations are confidential.

High business satisfaction

Feedback from parties to mediation with the VSBC shows 93% customer satisfaction – regardless of whether the party was the applicant or the respondent business.