

HOW VICTORIAN SMALL BUSINESS OWNERS CAN RESOLVE A COMMERCIAL DISPUTE

Who can assist small business owners to resolve a dispute?

Small business owners facing a commercial dispute (a disagreement over a business matter) with their landlord, supplier, franchisor, or a business customer, can apply to the Victorian Small Business Commission (VSBC) for assistance in resolving that dispute.

What is the Victorian Small Business Commission (VSBC)?

The VSBC is an independent government agency that helps small businesses to resolve disputes through a process called Alternative Dispute Resolution (ADR). This is enabled by the Victorian *Small Business Commission Act 2017* (the Act).

What is Alternative Dispute Resolution (ADR)?

ADR is a process where parties (people or businesses engaged in dispute) resolve their conflicts through negotiation, without going to court.

There are a number of ways that ADR can be undertaken. The VSBC primarily delivers ADR through a method called mediation.

What are the benefits of ADR?

ADR is quicker and less expensive than the court system. It is confidential and less formal than court processes. By comparison, many people find ADR to be less stressful.

What is mediation?

A mediation is a meeting between parties in dispute, led by a mediator, with the intention of agreeing upon a resolution. The mediator is an independent and impartial facilitator of the negotiations. This means they are neutral. Their role is to encourage conversation between the disputing parties in order to reach a mutually agreeable resolution.

Who mediates the dispute?

The VSBC appoints an independent and impartial mediator from its panel of experienced and accredited professionals.

What types of business disputes can the VSBC help to resolve?

The VSBC can help resolve commercial disputes between a Victorian small business and another business or government agency. Examples of disputes the VSBC can assist with include:

- **Retail lease disputes:** Disagreements between tenants and landlords. Examples include rent reviews, repairs, or "make good" provisions, among others.
- **Contractual disagreements:** Disputes over the quality of goods, the terms of a commercial agreement, or services not being delivered.
- **Franchising disputes:** Disagreements on commercial matters between franchisors and franchisees.
- **Transport and forestry disputes:** Disagreements between forestry contractors, or owner-drivers of commercial vehicles, and their hirers.
- **Unpaid invoices & debts:** Assistance in recovering money from business customers or resolving payment issues with suppliers.
- **Government disputes:** Where a small business has a commercial disagreement with a government agency or authority, such as contract terms or a procurement process.
- **Gig workers & their platforms:** Independent gig workers (such as delivery drivers, rideshare drivers, and care workers) in dispute with digital platforms over payments or contract treatment.

Note: Account deactivation disputes (where a worker is locked out of an app) must be lodged with the Fair Work Commission, not the VSBC.

THE VSBC ALTERNATIVE DISPUTE RESOLUTION PROCESS

1. Apply for assistance at vsbc.vic.gov.au

Applications must be made via the VSBC website.

You'll need to provide your contact details and Australian Business Number (ABN), and the contact details of who you're in dispute with. You'll also need to provide documentation that outlines what your dispute is, including any evidence.

2. Preliminary dispute resolution assistance

A VSBC Dispute Resolution Officer (DRO) will manage your file and they'll be your key contact throughout the process.

The DRO's role is to help you (the applicant) and the organisation you're in dispute with to discuss the matter of dispute. The DRO is impartial through this process. Their task is to encourage the parties to consider solutions to the dispute that they can both accept.

This service is free of charge.

33% of disputes were resolved through this preliminary assistance during financial year 2024-25.

3. Mediation

Should the dispute not be resolved during the preliminary assistance stage, the DRO may encourage the parties to participate in a mediation.

A mediation is a confidential meeting between the parties in dispute, facilitated by an accredited mediator appointed by the VSBC. The mediator guides the parties to negotiate a solution they can accept.

Mediations are held online via video.

69% of mediations facilitated by the VSBC were successful in Financial Year 2024-25.

4. Agree to an outcome

If the mediation is successful, both parties will sign terms of settlement. This is a legal document and it can be enforced by the courts.

5. Apply for a certificate

If the mediation is unsuccessful, either party may request a certificate from the VSBC which can be used as evidence that you attempted to settle the matter but could not.

FREQUENTLY ASKED QUESTIONS

What do the VSBC's dispute resolution services cost?

The VSBC is funded by the Victorian Government and preliminary assistance is free of charge.

In May 2026 the fees payable by each party for mediation were \$300 (incl. GST) for a half-day session and \$600 (incl. GST) for a full-day session. These are subject to change.

Is the agreed outcome of mediation binding?

When terms of settlement are agreed, signed and dated, the matter is resolved and the agreement is binding. If one party doesn't honour their commitment, they can be taken to court in order to enforce the terms of settlement.

Contact the VSBC

- Visit vsbc.vic.gov.au for information and to make an application.
- Call **1800 878 964** to speak with the VSBC in English.
- Call **131 450** to access a translator and request they help you speak with the VSBC.

WHAT DOES THE VSBC NOT DO?

The VSBC cannot, and does not, provide legal, financial or business advice.

Legal advice should be sought from a lawyer. The Law Institute of Victoria has a free referral service, accessible online at liv.asn.au/referral

Business guidance and related information can be accessed by visiting business.vic.gov.au or calling 13 22 15.

The VSBC does not take a position in a dispute (it is impartial).

The VSBC does not make rulings or decisions on disputes, instead, it guides parties to negotiate a solution they can all accept.

The VSBC does not assist consumer (private person) complaints or disputes. Such matters are for Consumer Affairs Victoria.