



It's personal: business ownership and the experience of legal problems



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Abstract: *The business and private lives of the more than two million Australian business owners are intertwined. Stresses in one area can spill over into the other. As is the case with individuals, the experience of legal problems impacts negatively on business owners. This paper uses Legal Australia-Wide (LAW) Survey data to explore 2,611 nationally representative business owners' experiences of business-related and non-business-related legal problems. Independent of other demographic factors, business owners were more likely than other LAW Survey respondents to report non-business-related legal problems, particularly if they reported business-related legal problems. Latent class analysis suggested three distinct groups of business owners with business-related legal problems. The first group experienced non-business-related legal problems similarly to the population as a whole. The second group had a 'highly elevated' likelihood of experiencing such problems. The third group had an 'extreme' likelihood of experiencing such problems. The last group reported substantially higher levels of non-business-related legal problem types. The findings reveal the importance of targeted, joined-up services and timely intervention in relation to legal services aimed at businesses, as is the case for services aimed at individual members of the public.*

Business ownership, vulnerability and legal problems

The business and private lives of business owners are ‘inextricably intertwined’ (Aldrich & Cliff 2003, p. 573).¹ This affects many more than just an elite few Australians. The (now discontinued) Forms of Employment Survey estimated that just over 2 million people either owned or operated businesses in Australia in November 2012 (Australian Bureau of Statistics (ABS) 2013a); representing over 13 per cent of the working age population (ABS 2013b). The overwhelming majority of such businesses are very small, tending to blur even further the distinction between business and personal. For example, ‘there is often ... very limited differentiation between the [small business] owner’s personal assets and liabilities, and those of the business’ (Holmes & Gupta 2015, p. 38). According to the latest ABS business count (ABS 2017), 61 per cent of businesses have no employees, 88 per cent have fewer than five employees (‘micro businesses’) and 98 per cent have fewer than 20 employees (‘small businesses’)². The proportion of businesses of different sizes has remained ‘broadly stable’ over recent years (Swanepoel & Harrison 2015, p. 4).

While small businesses comprise ‘the engine’ of the Australian economy – accounting for over 40 per cent of national employment in the private non-financial sector and around one-third of production (Nichols &

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Orsmond 2015) – the lives of small business owners are particularly volatile. The nature of such businesses makes it generally more difficult to ride the storms of misfortune. Small businesses ‘face a range of structural challenges ... that add to their vulnerability’ (Nichols & Orsmond 2015, p. 14). For example, they

do not enjoy economies of scale to meet the costs associated with understanding and coping with the complexities of business life. Thus, ‘owner-managers often try to stretch their skills’ beyond their capabilities (p. 15).

The increased vulnerability of small businesses is demonstrated by the fact that the fewer employees

a business has, the less likely it is to survive (ABS 2017). Just 57 per cent of non employing businesses survived the 4 years from June 2012 to June 2016, compared to 70 per cent of other small businesses and 82 per cent of larger businesses. The Productivity Commission (2015) recently pointed out that many businesses are temporary in nature and most business exits ‘are for reasons other than a financial failure event, although many businesses that close are not financially strong’ (p. 21).

The storms of misfortune that businesses can face often have a legal dimension. Businesses operate in a ‘law thick’ world (Hadfield 2010, p. 133). Their structure, activities and transitions all present opportunities for legal problems to arise (Pleasence et al. 2012). For example, trading is founded on contracts, must be conducted within complex and wide-ranging regulatory and taxation frameworks and, particularly as businesses grow, often involves the creation of employment, obtaining or extending premises, and importing/exporting of goods or services. All of these activities give rise to multiple legal rights and responsibilities. And this is in addition to intellectual property rights, and the legal issues stemming from restructuring, mergers and acquisitions, and business failure.

When businesses experience legal problems,³ these problems can remove value, introduce instability and increase vulnerability to further problems (Blackburn, Kitching & Saridakis 2015; Orima Research 2010; Pleasence & Balmer 2013). Recent surveys of business owners in England and Wales found that around half of reported legal problems had adverse impacts. While loss of income was most common, other impacts included damage to business relationships, loss of employees and, in some cases, businesses folding (Blackburn, Kitching & Saridakis 2015; Pleasence & Balmer 2013).⁴

While small businesses in Australia have been found to experience fewer legal problems than their larger counterparts as a consequence of the scale of their activities (e.g. Orima Research 2010), they are less capable of dealing with them. As the Council of Small Business of Australia argued in its response to the Commonwealth Government’s 2011 options paper on the resolution of small business disputes (Department of Innovation, Industry, Science and Research 2011),⁵ small businesses ‘should not be assumed to have all the skills and knowledge necessary’ to deal with the range of disputes that businesses can face, and ‘the cost of seeking

1 Aldrich and Cliff (2003) were discussing links between business and family lives, but the observation is equally relevant to business and personal lives.

2 Using the ABS definition of businesses employing fewer than 20 employees. As Connolly, Norman and West (2012, p. 1) point out, although the concept of a ‘small business’ is quite intuitive, there is no consistently used definition. Common definitions categorise businesses based on their number of employees, as used by Fair Work Australia (FWA) and in most surveys of small businesses; or according to annual revenue, as used by the Australian Taxation Office (ATO).’

3 The term ‘legal problem’ is used throughout this paper for easy reference to a problem that is ‘justiciable’. Justiciable problems have been defined by Genn (1999) as problems that raise civil legal issues, whether or not this is recognised and whether or not any legal service or process is utilised in their resolution.

4 This is similar to the figure of 45.2 per cent reported in respect of individuals through the LAW Survey (Coumarelos et al. 2012).

5 Letter to Department of Innovation, Industry, Science and Research, 30 June 2011.

professional legal advice is often beyond the reach of a business owner'.^{6,7} This is evidenced by the 2011 and 2016 Australian Consumer Surveys which found that smaller businesses are less aware than larger businesses of the Australian Consumer Law (ACL); less likely to provide ACL information to consumer clients; less likely to report good understanding of their business obligations and responsibilities; and less likely to have obtained information about ACL (Department of the Treasury 2011, 2016). Similarly, Coverdale, Jordan and du Plessis (2012) found that smaller regional Victorian businesses access legal assistance less frequently than larger ones. International research suggests that the lesser legal capability⁸ of smaller businesses results in them obtaining less favourable outcomes to legal problems (Pleasence & Balmer 2013).

The intertwined nature of business owners' business and private lives means that stresses in one area – which includes the experience of legal problems – can spill over into the other, crossing the 'work-family interface' (e.g. Grzywacz & Marks 2000). For example, insolvency or failure of a business can have substantial impact on personal circumstances because there is little differentiation between business and personal finances. Indeed, the Australian Financial Security Authority's most recent personal insolvency statistics⁹ indicate that business factors¹⁰ are responsible for over 20 per cent of personal bankruptcies and 18 per cent of insolvencies; a fact amplified by the generally greater rate of debt of business-owning households as compared to other Australian households (Connolly, Norman & West 2012).

And while it is sometimes suggested that business ownership brings health benefits because of greater 'job control', the high 'job demand' of business ownership – which includes dealing with legal issues – may 'if anything ... [be] bad for one's health' (Reitveld, Kippersluis & Thurik 2015, p. 1302).¹¹

Certainly, the findings of business legal needs surveys have shown that the experience of business-related legal problems can adversely affect business owners' health (e.g. Pleasence & Balmer 2013).

Of course, 'spillover' is bidirectional. Stresses in the private lives of business owners can adversely impact on business success. In the proceedings of the 2015 Reserve Bank of Australia Conference on Small Business Conditions and Finance, it was suggested that 'owner-managers facing relationship difficulties are more likely to put less effort into running their small business; and financially resolving a relationship breakdown often means that a small business needs to be dissolved because the finances of the small business are usually intertwined with the finances of the household' (Moore & Simon 2015, p. 34). The Productivity Commission has also identified business owner illness as a reason for business closure (Productivity Commission 2015).¹²

Stresses in the private lives of business owners can adversely impact on business success

The present study

Building on earlier findings from the Legal Australia-Wide (LAW) Survey (Coumarelos et al. 2012), this paper explores how the experience of business-related legal problems among business owners is linked to their experience of legal problems more generally, and broader health, social and economic problems.

The LAW Survey is part of a tradition of 'legal needs' surveys – surveys that explore respondents' experiences of, and responses to, legal problems – that can be traced back to Clark and Corstvet's (1938) surveys of businesses and individuals living in Connecticut in the 1930s. Only in recent years, has 'considerable momentum' (Coumarelos et al. 2012, p. 1) led to such surveys being undertaken on a routine basis across the globe. Globally, around 60 large-scale national legal needs surveys have been conducted over the past 25 years (Pleasence 2017). While only seven surveys have been specifically of businesses (Asia Consulting Group & Policy 21 Limited 2008; Blackburn et al. 2015; Croes & Maas 2009; Orima Research 2010; Pleasence & Balmer 2013; Uprimny, La Rota, Lalinde & Lopez 2012), a number of general population surveys have included questions concerning the business-related legal problems faced by respondents; the LAW Survey being an example.¹³

6 The Council of Small Business of Australia linked this to the suggestion that small businesses 'tend to avoid dealing with their disputes until the dispute has reached a toxic stage'.

7 Linked to this, the Australian Small Business and Family Enterprise Ombudsman's recent inquiry into small business loans report noted that in many cases small business borrowers in financial difficulty 'are unable to pursue their rights though the courts because the process is either unaffordable, or they have lost control of their financial assets due to the appointment of receivers' (Australian Small Business and Family Enterprise Ombudsman 2016, p. 10).

8 Defined by Pleasence, Coumarelos, Forell and McDonald (2014, p. 123) as comprising the capabilities required 'to have an effective opportunity to make a decision about whether and how to make use of the justice system to try to resolve a problem'. Thus framed, the concept of legal capability follows on from Sen's (1999, 2002, 2010) capability approach to disadvantage.

9 December quarter 2016, at www.afsa.gov.au/sites/g/files/net1601/f/dq16_bus_summary.xlsx

10 Directly attributable to a proprietary link in a business.

11 Reference is here made to the 'job-demand-control' model of occupational epidemiology (Karasek 1979). These findings also

tie in with the idea that business ownership can lead to 'self-exploitation' (Lewin-Epstein & Yuchtman-Yaar 1991).

12 Research also points to poor health on the part of business owners as significantly associated with subsequent business closure (e.g. Chao, Pauly, Szrek, Pereira, Bundred, Cross & Gow 2007).

13 Along with surveys conducted in Argentina, Georgia, Jordan, Mali, Moldova, the Netherlands, Sierra Leone, Slovakia,

Method

The LAW Survey

The LAW Survey was conducted in 2008, and remains the only large-scale national legal needs survey conducted in Australia to date. It was designed to provide detailed information on the nature and pattern of respondents' experiences of, and responses to, legal problems to inform Australian legal aid and broader access to justice policy development (Coumarelos et al. 2012). While now almost 10 years old, the data continues to provide a rich source of insight into Australians' experiences of legal problems.

In all, the LAW Survey involved 20 716 Computer Assisted Telephone Interviews (CATIs) with household residents aged 15 years or over. Just over 2000 interviews were conducted in each state and territory, apart from NSW and Victoria, in which more than double this number of interviews were conducted. Random digit dialling was used to yield a quota sample that matched the general population according to the 2006 Census of Population and Housing, in terms of age, gender, geographical area and cultural and linguistic diversity (CALD). Additional quotas (oversamples) were also set for people living in the six local government areas that formed the basis of the 2003 NSW Legal Needs Survey (Coumarelos et al. 2006), those in remote and outer regional areas of Victoria and Indigenous people in Victoria. The average length of interviews was 26 minutes and the response rate was 60 per cent.¹⁴

While the LAW Survey was not primarily focused on businesses or business-related problems, it did include questions relating to both. In collecting demographic data, the survey asked whether 'at any time during the last 12 months' respondents had been 'a business owner' (Question D9.4). If respondents replied that they had, then they were later asked – as part of a series of questions aimed at identifying legal problems across a broad range of 129 criminal, civil and family law problems – whether they had experienced any 'problems or disputes' related to:

- P14.1 payments for your business? For example, about business loans, tax, income, accounts or expenses
- P14.2 other issues for your business that weren't about payments? For example, about contracts,

tenancy, staff issues, workers compensation, licensing, inspections, ownership or litigation.

Overall, 2,611 of 20 716 LAW Survey respondents (12.6%) identified themselves as having been business owners during the previous 12 months. Being focused on the experience of individuals, the LAW Survey did not ask about the size or nature of owned businesses. However, given the LAW Survey's sample frame, it can be assumed that the vast majority of owned businesses will have been small.¹⁵

As might be expected, business-owning LAW Survey respondents had a different demographic profile from other respondents. They more often fell within the standard working age range – particularly between the ages of 35 and 64 (72% vs 46%) – and were more likely to be male, speak English as their main language, have more qualifications, and live in regional and remote areas. In addition, they were less likely to be 'disadvantaged' in that they were less likely to have a disability,¹⁶ live in disadvantaged housing,¹⁷ be Indigenous, be single parents or have government payments as their main income (Table 1).¹⁸

Analysis

We conducted basic descriptive analyses aimed at placing the findings from the LAW Survey into a broader context. We also used both logistic and Poisson regression to compare the problem experience and number of problems faced by business owners and other LAW Survey respondents. Finally, we conducted a latent class analysis to identify groupings of business owners in terms of legal problem experience.

Poisson regression is a type of regression analysis typically used to model count data (such as the number of problems reported by respondents). In this

15 Overall, 3,204 of 20,716 LAW Survey respondents (15.5%) defined themselves as self-employed. Combining business ownership and self-employment yielded 3,710 respondents (17.9%). However, the focus of this paper is specifically on business owners. It excludes those self-employed respondents who did not define themselves as business owners. A key reason for this distinction is that only 'business owners' were asked about legal problems concerning business ownership. Note that the LAW Survey did not collect data regarding the size of businesses that were owned; although, as indicated in the main text, the great majority will have been small businesses, and many of these will have been businesses operating in the household sector.

16 The LAW Survey defined 'disability' as any long-term illness or disability that had already lasted, or was likely to last, at least six months, and included a wide range of sensory, intellectual, learning, mental health, neurological and physical conditions.

17 The LAW Survey defined 'disadvantaged housing' as any of the following housing situations at any time during the previous 12 months: being homeless, living in emergency or basic accommodation (e.g. refuge, shelter, boarding house, caravan park, tent, motor vehicle, shed or barn), living with relatives or friends due to having nowhere else to live, or living in public housing.

18 The LAW Survey defined 'government payments' as means-tested government payments received on a fortnightly basis at any time during the previous 12 months.

Tajikistan, Tunisia, Ukraine, the United Arab Emirates and the United States (e.g. Barendrecht, M, Gramatikov, M, El Khoury, R, Motiejunas, G, Muller, S, Osborne, D, Heijstek-Ziemann, K & Verdonchot, JH 2014; General Statistics Department (Jordan) 2011, GfK Slovakia 2004; Gramatikov 2011; HiiL 2016a; HiiL 2016b; Institute of Social Studies and Analysis 2012; Social Research Center 2012; Subsecretaría de Acceso a la Justicia Ministerio de Justicia y Derechos Humanos 2017; Reese & Eldred 1994).

14 Calculated using the American Association for Public Opinion Research (2009) classification.

TABLE 1: DEMOGRAPHIC PROFILE OF BUSINESS OWNERS AND OTHER LAW SURVEY RESPONDENTS

Demographic variable	Category	Business owner			
		Yes		No	
		N	%	N	%
Gender	Female	1,034	39.6	9,441	52.2
	Male	1,577	60.4	8,635	47.8
Age	15–17	4	0.1	1,039	5.7
	18–24	84	3.2	2,416	13.4
	25–34	403	15.5	3,109	17.2
	35–44	702	26.9	3,001	16.6
	45–54	716	27.4	2,825	15.6
	55–64	472	18.1	2,446	13.5
	65 and over	231	8.8	3,239	17.9
Indigenous status	Indigenous	27	1.0	321	1.8
	Non-Indigenous	2,584	99.0	17,754	98.2
Disability status	Disability	398	15.2	3,695	20.4
	No disability	2,213	84.8	14,380	79.6
Education	<Year 12	677	26.0	5,810	32.3
	Year 12	464	17.8	3,674	20.5
	Post-school qualification	1,458	56.1	8,477	47.2
Employment status	Unemployed	117	4.5	2,061	11.4
	Other	2,494	95.5	16,015	88.6
Family status	Single parent	158	6.1	1,328	7.3
	Other	2,453	93.9	16,747	92.7
Housing type	Disadvantaged	92	3.5	1,143	6.3
	Other	2,519	96.5	16,932	93.7
Main income	Government payment	257	9.8	5,238	29.0
	Other	2,354	90.2	12,838	71.0
Main language	Non-English	123	4.7	1,271	7.0
	English	2,488	95.3	16,805	93.0
Remoteness	Remote	90	3.5	401	2.2
	Regional	992	38.0	5,393	29.8
	Major city	1,529	58.5	12,282	67.9

Note: N=20,686 respondents, including 2,611 business owners. Data on business owner status was missing for 30 respondents.

case, it assumes that the number of legal problems has a Poisson distribution, and that the logarithm of its expected value can be modelled by business ownership (for a simple practical introduction, see Hardin & Hilbe, 2012).

Latent class analysis (e.g. Collins & Lanza 2010) is a statistical technique which aims to identify different groups of cases in multivariate categorical data. In our analysis, we were aiming to detect hidden groups of business owners (or groups of cases or latent classes) with distinct patterns of legal problem experience. Our discrete variables were binary problem experience variables of various types among

business owners. The technique is analogous to factor analysis, with the key difference being in the nature and distribution of the latent variable (in latent class analysis it is categorical, while in factor analysis it is continuous). As with factor analysis, choices must be made regarding how many latent variables (patterns of problem experience) are extracted. We selected the number of latent classes based on the smallest possible Akaike information criterion (Akaike 1987) which is a common measure to help choose among competing models.

Complex statistical output is set out in Tables A1 to A4 in the Appendix.

Findings

Business-related legal problem prevalence

Of the 2,611 business-owning LAW Survey respondents, 326 (12.5%) reported business-related legal problems (as described above). The majority (58%) of those who reported such legal problems reported only one problem, but 17 per cent reported two, 6 per cent reported three, 3 per cent reported four and 16 per cent reported five or more. The experience of business-related legal problems therefore had an ‘additive’ effect, meaning that each problem experienced increased the likelihood of additional problems being experienced.

As would be expected, the other party in business-related legal problems differed markedly from those for other problem types. Almost 70 per cent of business-related legal problems were with an ‘other business person or organisation’, ‘other work person’ or ‘government department or agency’.¹⁹ Business-related problems were also more often with an ‘other financial person or organisation’ or ‘landlord or landlord’s agent’. In contrast, when compared to business-related legal problems, non-business-related legal problems (of business or non-business owners) were more often with strangers, neighbours and utility companies.

Overall, business-related legal problem prevalence was found to be lower than might be expected on the basis of other dedicated business surveys. For example, Orima Research (2010) found that ‘slightly fewer than one in five’ Australian small businesses surveyed as part of the Small Business Dispute Resolution Survey had ‘experienced a disagreement or dispute of some kind over the past five years’.

¹⁹ 194 of the 356 problems about which data was available. Data was available for a subset of problems since detailed information on the other side was only obtained for respondent’s ‘most serious’ problem.

However, this discrepancy is not surprising, since the reference period of the LAW Survey was just one year, and the LAW Survey included only the two simple questions set out above to identify business-related legal problems. In any event, the focus of this paper is on the interaction between business-related legal problems and non-business-related legal problems, and so the absolute level of problem prevalence is not a key consideration.

Business ownership and the experience of legal problems more generally

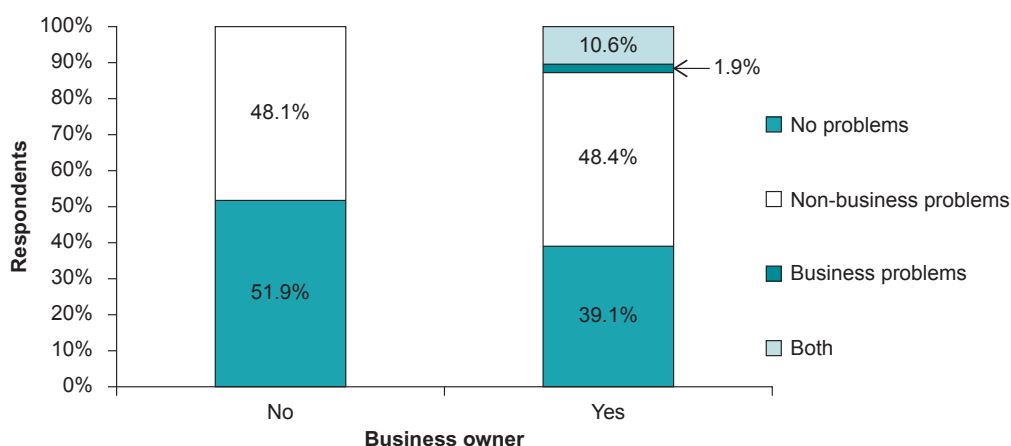
Business owners were more likely than other LAW Survey respondents to report legal problems. Overall, 61 per cent of business owners did so, compared to 48 per cent of others. As is illustrated by Figure 1, this difference was not simply a product of the additional inclusion of business-related problems.²⁰ A greater proportion of business owners reported non-business-related legal problems than did respondents who did not own businesses (59% vs 48%). And little of the difference was due to the different demographic profile of business owners. The relationship between business ownership and legal problem experience (whether all problems or only non-business-related problems) remained much

²⁰ ‘Business-related problems’ are here defined as problems with (1) payments relating to business ownership and (2) other problems relating to business ownership. ‘Non-business-related problems’ encompass all other problems included in the LAW Survey. Full details of the survey questionnaire are set out in Coumarelos et al. (2012). The precise form of the relevant questions was as follows:

- P14 Have you had any problems or disputes related to:
 P14.1 payments for your business? For example, about business loans, tax, income, accounts or expenses;
 P14.2 other issues for your business that weren’t about payments? For example, about contracts, tenancy, staff issues, workers compensation, licensing, inspections, ownership or litigation.

²¹ There were 18,076 respondents who did not own businesses; 9,388 with no problems and 8,688 with non-business-related problems. There were 2,610 business owners; 1,021 with no problems, 1,263 with non-business-related problems, 50 with business-related problems and 276 with both business and non-business-related problems.

FIGURE 1: PERCENTAGE OF BUSINESS OWNERS AND OTHER RESPONDENTS REPORTING LEGAL PROBLEMS OF DIFFERENT TYPES



Note: N=20,687.²¹

the same even when controlling for a broad range of social and demographic predictors using logistic regression (see Tables A1 and A2 in the Appendix).²²

The LAW Survey categorised legal problems using 12 broad categories and 27 legal problem sub-categories. As detailed in Table 2, with the exception of one broad problem category (employment, unsurprisingly) and three problem sub-categories (criminal offending, government payments and other housing problems), business owners had a higher prevalence in raw terms of *all* legal problem types, and more than double the prevalence of credit or debt, local government, state/federal government, owned housing and ‘other civil’ problems.

Business ownership and multiple problem experience

Crucially, business-related legal problems tended to be experienced alongside non-business-related legal problems. In fact, 85 per cent of the 326 business owners who had faced business-related problems also faced non-business-related problems. This compared to 55 per cent of the 2,284 business owners who had not faced business-related problems.

In addition to reporting legal problems more often, business owners also reported a greater number of legal problems when compared to others. Examining only those respondents who reported at least one problem, Poisson regression indicated a highly significant difference in the number of legal problems reported by business owners and other LAW Survey respondents, equating to a 53 per cent increase in the number of problems reported by business owners compared to others.²³ Some of this difference is a result of the experience of business-related problems

TABLE 2: PROBLEM GROUPS AND PROBLEM SUBGROUPS REPORTED BY BUSINESS OWNERS AND OTHER LAW SURVEY RESPONDENTS

Problem group	Business owner			
	Yes		No	
	N	%	N	%
Accidents	240	9.2	1,364	7.5
Consumer	797	30.5	3,470	19.2
Goods	263	10.1	1,160	6.4
Services	694	26.6	2,794	15.5
Credit/debt	332	12.7	995	5.5
Crime	466	17.8	2,484	13.7
Crime offender	33	1.3	317	1.8
Crime victim	449	17.2	2,295	12.7
Employment	124	4.7	1,166	6.4
Family	168	6.4	869	4.8
Children	121	4.6	592	3.3
Relationships	72	2.7	357	2.0
Government	469	17.9	1,754	9.7
Fines	102	3.9	458	2.5
Government payments	59	2.3	425	2.4
Local government	246	9.4	736	4.1
State/federal government	144	5.5	409	2.3
Health	105	4.0	586	3.2
Clinical negligence	72	2.8	388	2.1
Health services	31	1.2	183	1.0
Mental health	17	0.7	87	0.5
Housing	392	15.0	2,043	11.3
Neighbours	252	9.6	1,386	7.7
Owned housing	103	4.0	310	1.7
Rented housing	85	3.3	512	2.8
Other housing	1	0.0	17	0.1
Money	499	19.1	681	3.8
Business & investments	458	17.6	409	2.3
Wills/estates	77	3.0	307	1.7
Personal injury	192	7.4	1,252	6.9
Rights	196	7.5	1,005	5.6
Discrimination	72	2.8	434	2.4
Education	89	3.4	416	2.3
Unfair police treatment	50	1.9	249	1.4
Other civil	15	0.6	11	0.1

Note: N=20,686 respondents, including 2,611 business owners. Data on business owner status was missing for 30 respondents. If investments are removed from the ‘business and investments’ category, 326 of 2,610 business owners (12.5%) reported business-related problems (and no non-business owners).

²² Modelling ‘any problem’ using logistic regression on the basis of business ownership alone resulted in a highly significant increase in problem prevalence with business ownership; $B = 0.52$ (odds ratio = 1.68), $S.E. = 0.043$, $Wald_1 = 147.35$, $p < 0.001$. Introducing a range of other predictors including gender, age group, Indigenous status, disability status, education, employment, family composition, housing type, main income, main language and remoteness, made little difference to the relationship, which remained highly significant; $B = 0.54$ (odds ratio = 1.71), $S.E. = 0.046$, $Wald_1 = 137.19$, $p < 0.001$. The same was also true for non-business-related problems. Modelling non-business-related problem experience on the basis of business ownership alone again showed a highly significant increase in problem prevalence with business ownership; $B = 0.44$ (odds ratio = 1.55), $S.E. = 0.042$, $Wald_1 = 107.41$, $p < 0.001$. Introducing social and demographic predictors made little difference to the relationship; $B = 0.46$ (odds ratio = 1.58), $S.E. = 0.042$, $Wald_1 = 100.45$, $p < 0.001$.

²³ $B = 0.43$ (IRR = 1.53), $S.E. = 0.011$, $Wald_1 = 1594.70$, $p < 0.001$. Business owners had a mean of 6.97 legal problems and a median of three legal problems. Other respondents had a mean of 4.83 legal problems and a median of two legal problems. Also controlling for a range of other variables, including gender, age group, Indigenous status, disability status, education, employment, family composition, housing type, main income, main language and remoteness, made little difference to the relationship between business ownership and number of problems. In fact, the difference between business owners and others increased; $B = 0.52$ (IRR = 1.69), $S.E. = 0.011$, $Wald_1 = 2158.08$, $p < 0.001$.

(which were exclusive to business owners). However, business owners were found to report significantly more problems even after business-related problems were removed from the analysis; equating to a 45 per cent increase in number of problems compared to others.²⁴ Controlling for a range of additional social and demographic variables did nothing to diminish the relationship. In fact, the increase in number of problems associated with business ownership grew to 69 per cent (all problems) and 59 per cent (non-business-related problems) (see Tables A3 and A4 in the Appendix). This suggested that the increased problem experience associated with business ownership was not simply a function of demographic profile. Indeed, the profile of business owners was one more generally associated with a lower number of problems, explaining the increase in number of reported problems associated with business ownership once other factors were controlled for.

Figures 2 and 3²⁵ illustrate the total number of legal problems and total number of non-business-related legal problems reported by business owners and other LAW Survey respondents.

The relationship between business-related legal problems and other legal problems

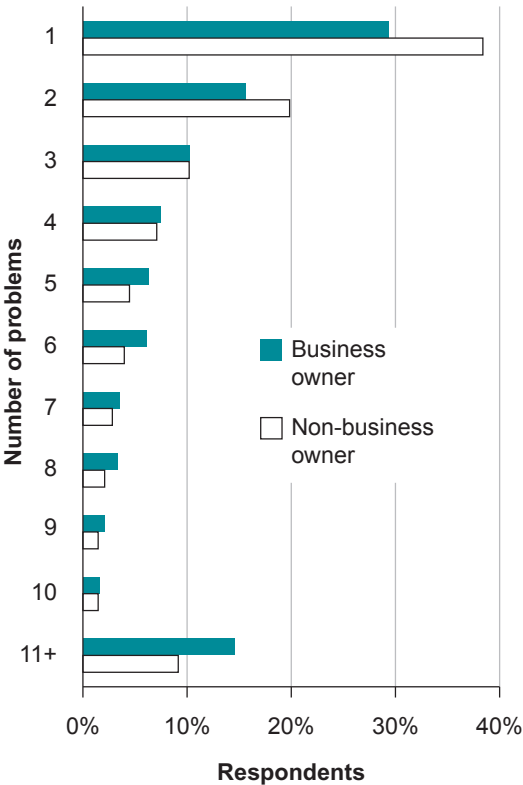
Table 3 sets out the relationship between business-related legal problems and other types of legal problems. Business owners who reported business-related legal problems were associated with higher prevalence of all legal problem types (including employment problems), when compared to both business owners who did not report business-related legal problems and other LAW Survey respondents.

Business owners who faced business-related legal problems reported problems concerning unfair treatment by the police at rates that were almost nine times those of other business owners. They were also five times as likely to report problems concerning criminal offending and credit or debt, four times as likely to report issues with state/federal government, wills and estates, and health services and more than

24 $B = 0.37$ (IRR = 1.45), S.E. = 0.011, Wald₁ = 1130.40, $p < 0.001$. Business owners had a mean of 6.58 non-business-related legal problems and a median of three such problems. Other respondents had a mean of 4.83 non-business-related legal problems and a median of two such problems. Again, controlling for gender, age group, Indigenous status, disability status, education, employment, family composition, housing type, main income, main language and remoteness, made little difference to the relationship between business ownership and number of non-business-related problems. As for all problems, having controlled for other variables, the difference between business owners and others actually increased; $B = 0.47$ (IRR = 1.59), S.E. = 0.012, Wald₁ = 1609.33, $p < 0.001$.

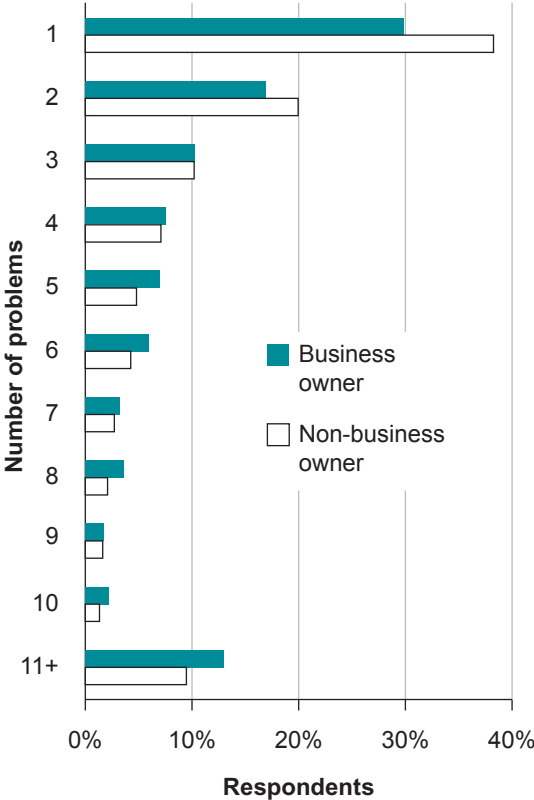
25 Figure 2 is made up of 8,688 respondents who did not own businesses and 1,588 business owners. Figure 3 is made up of 8,688 respondents who did not own businesses and 1,539 business owners.

FIGURE 2: LEGAL PROBLEMS REPORTED BY BUSINESS AND NON-BUSINESS OWNERS REPORTING 1+ PROBLEMS



Note: N=10,279, made up of 1,591 business owners and 8,688 others.

FIGURE 3: NON-BUSINESS-RELATED LEGAL PROBLEMS REPORTED BY BUSINESS AND NON-BUSINESS OWNERS REPORTING 1+ PROBLEMS



Note: N=10,279, made up of 1,591 business owners and 8,688 others.

three times as likely to report problems concerning education, rented housing, owned housing and discrimination. There were no problem types where having a business-related problem was not associated with some increase in prevalence for business owners.

Twenty-six per cent of business owners who had faced business-related legal problems reported more than 10 non-business-related problems (Figure 4).

The clustering of non-business-related legal problems among those with business-related problems

Latent class analysis was used to identify groups of business owners with distinctive experience of non-business-related legal problems. Rather than distinct ‘problem clusters’, analysis suggested that business owners with business-related problems could be divided into three main groups (or latent classes) broadly corresponding to their likelihood of reporting problems across a broad range of problem types. Specifically; a

group with a ‘normal’ likelihood of experiencing other problems, a group with a ‘highly elevated’ likelihood and a group with an ‘extreme’ likelihood.

The first group accounted for 42 per cent of those who had experienced business-related problems. As illustrated by Figure 5, this group of business owners who had reported business-related legal problems had relatively ‘normal’ probability of experiencing different types of legal problem. This meant that the probability of most legal problem types was broadly comparable to that for respondents as a whole.

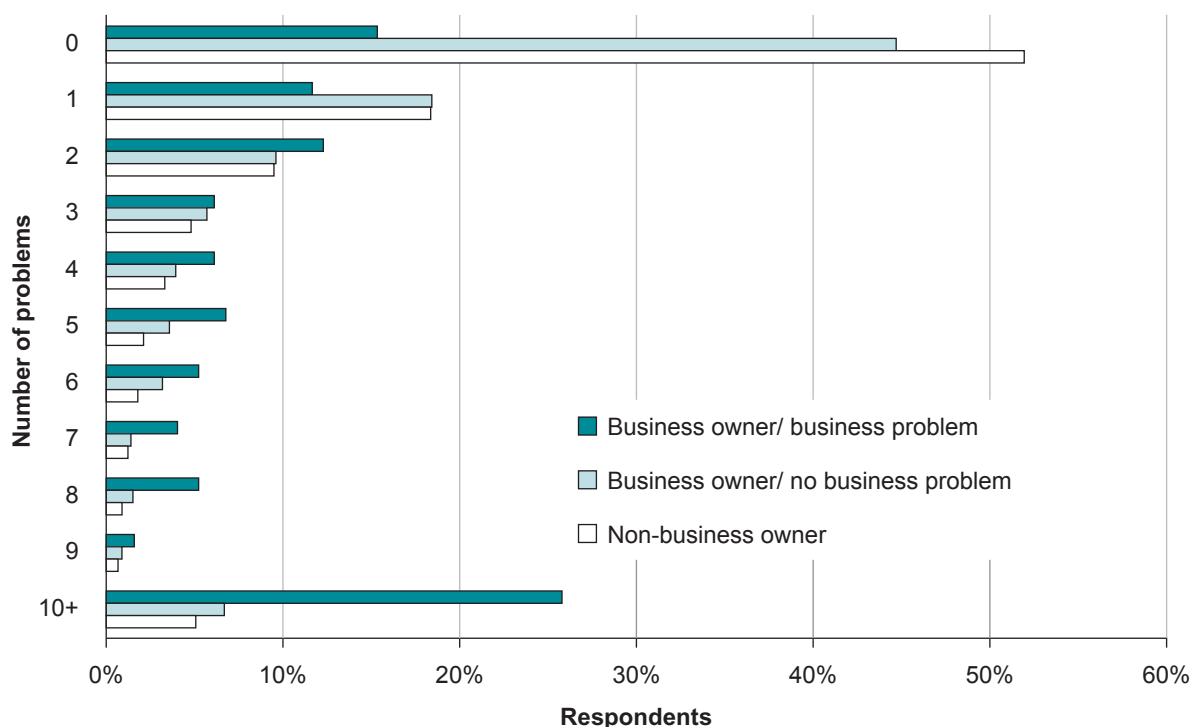
The second group accounted for 52 per cent of those who had experienced business-related legal problems. As is illustrated by Figure 6, for this group the probability of experiencing problems was higher across nearly all legal problem types. In fact, the likelihood of reporting legal problems concerning state/federal government, credit or debt, owned housing, wills and estates, and unfair police

TABLE 3: ASSOCIATION BETWEEN BUSINESS OWNERSHIP AND BUSINESS PROBLEM EXPERIENCE AND OTHER PROBLEM TYPES

Problem group	Business owner/ business problem (N=326)		Business owner/ no business problem (N=2,284)		Other (N=18,075)	
	N	%	N	%	N	%
Accidents	51	15.6	189	8.3	1,364	7.5
Goods	70	21.4	193	8.4	1,160	6.4
Services	170	52.0	525	23.0	2,794	15.5
Credit/debt	133	40.9	198	8.7	995	5.5
Crime offender	14	4.2	19	0.8	317	1.8
Crime victim	101	30.9	348	15.3	2,295	12.7
Employment	34	10.5	90	3.9	1,166	6.4
Children	32	9.7	90	3.9	592	3.3
Relationships	17	5.2	55	2.4	357	2.0
Fines	24	7.4	78	3.4	458	2.5
Government payments	13	3.9	46	2.0	425	2.4
Local government	53	16.4	192	8.4	736	4.1
State/federal government	55	16.8	89	3.9	409	2.3
Clinical negligence	16	4.9	56	2.5	388	2.1
Health services	11	3.3	21	0.9	183	1.0
Mental health	3	0.8	15	0.6	87	0.5
Neighbours	56	17.1	196	8.6	1,386	7.7
Owned housing	32	9.9	71	3.1	310	1.7
Rented housing	27	8.3	58	2.5	512	2.8
Other housing	0	0.0	1	0.0	17	0.1
Wills/estates	28	8.5	49	2.2	307	1.7
Personal injury	52	15.8	141	6.2	1,252	6.9
Discrimination	24	7.4	48	2.1	434	2.4
Education	27	8.1	62	2.7	416	2.3
Unfair police treatment	28	8.5	23	1.0	249	1.4
Other civil	2	0.6	13	0.6	11	0.1

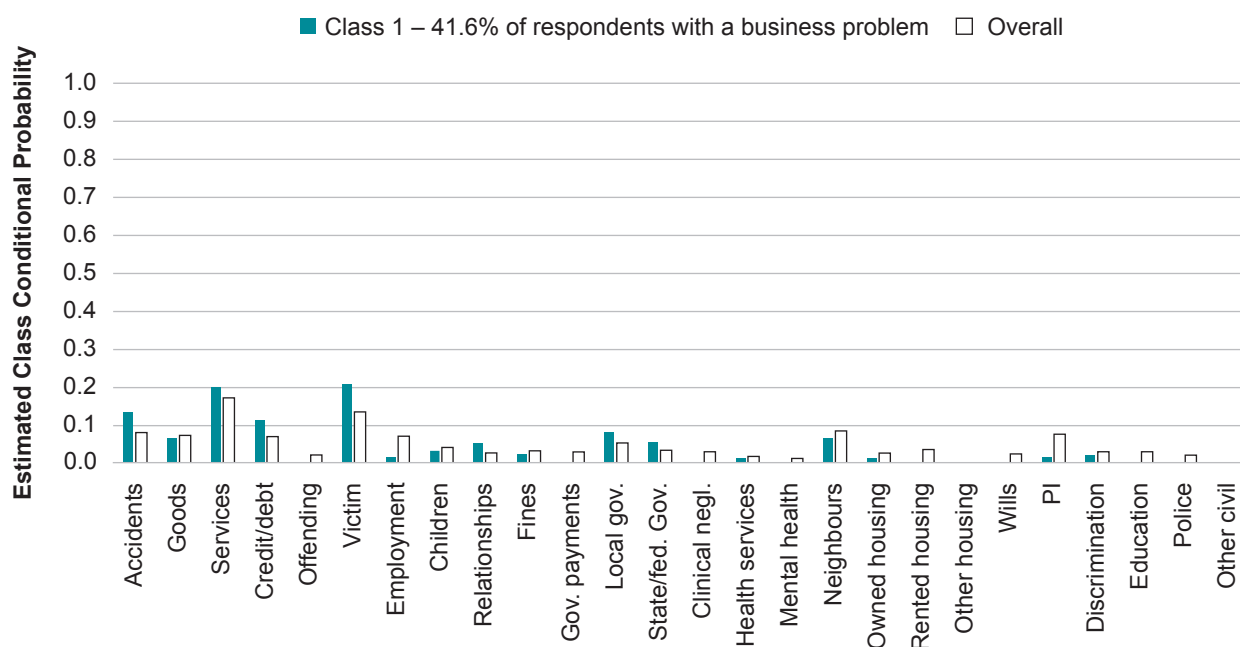
Note: N=20,685

FIGURE 4: NUMBER OF NON-BUSINESS-RELATED LEGAL PROBLEMS REPORTED BY BUSINESS OWNERSHIP AND BUSINESS-RELATED PROBLEM EXPERIENCE



Note: N=20,685, of which 326 were business owners with business-related legal problems, 2,284 business owners without business-related problems and 18,075 did not own a business.

FIGURE 5: FIRST GROUP OF BUSINESS OWNERS – ‘NORMAL’ PROBABILITY OF OTHER LEGAL PROBLEM TYPES



Note: ‘Overall’ represents the problem experience for all 20,716 survey respondents. 326 business owners with business-related problems were included in the ‘latent class’ statistical analysis, of whom 41.6 per cent (N=136) formed the first group of business owners with ‘normal’ probability of other problem types.

treatment was, in each case, more than five times higher than for other LAW Survey respondents.

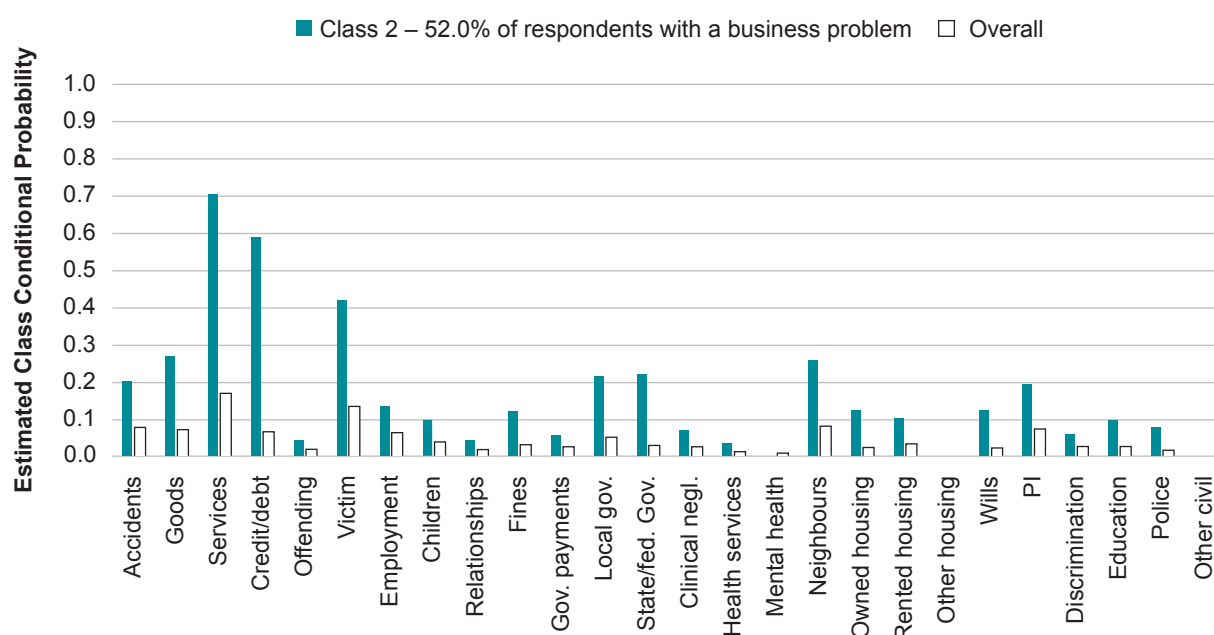
The third group accounted for just over six per cent of those with business-related problems. As is illustrated by Figure 7, for this group the probability of problem experience was dramatically higher across nearly all legal problem types, including mental health, relationships and offending. In fact, there was a more than 20-fold increase in the likelihood of reporting problems concerning mental health, offending, state and federal government, health services, discrimination, education, wills and unfair police treatment; though small numbers

respectively.²⁷ And the ‘extreme’ experience group was also associated with disproportionately high rates of lone parenthood, main language other than English and disadvantaged housing.²⁸ Also, two of just six Indigenous respondents who had faced business problems were in the ‘extreme’ experience group.

The impact of business-related legal problems

As with individuals, it is likely that the impact of business owners’ legal problems is a factor that acts to increase vulnerability to further legal problems – both business- and non-business-related. Sixty-five

FIGURE 6: SECOND GROUP OF BUSINESS OWNERS – ‘HIGHLY ELEVATED’ PROBABILITY OF OTHER LEGAL PROBLEM TYPES



Note: ‘Overall’ represents the problem experience for all 20,716 LAW Survey respondents. 326 business owners with business-related problems were included in the ‘latent class’ statistical analysis, of whom 52.0 per cent (N=170) formed the second group of business owners with ‘elevated’ probability of other problem types.

mean that particular examples should be treated with caution.

Looking at the profile of respondents in each of the three groups, although numbers were small, those in the ‘extreme’ experience group could be clearly differentiated from those in the ‘highly elevated’ and, particularly, ‘normal’ groups, in terms of indicators of disadvantage. For example, over half of the 19 respondents in the ‘extreme’ experience group had a disability, compared to 26 per cent (39 of 151) and 17 per cent (21 of 124) in the ‘highly elevated’ and ‘normal’ groups, respectively.²⁶ Likewise, around one-third of respondents in the ‘extreme’ experience group received their main income from government payments, compared to 13 per cent and 4 per cent in the ‘highly elevated’ and ‘normal’ groups,

per cent of business-related problems resulted in one or more adverse consequences (which included stress-related illness, physical ill health, relationship breakdown, having to move home and loss of income/financial strain)²⁹ – a notably higher percentage than that recorded for other problems (45%).³⁰

²⁷ $\chi^2 = 15.56$, $p < 0.01$

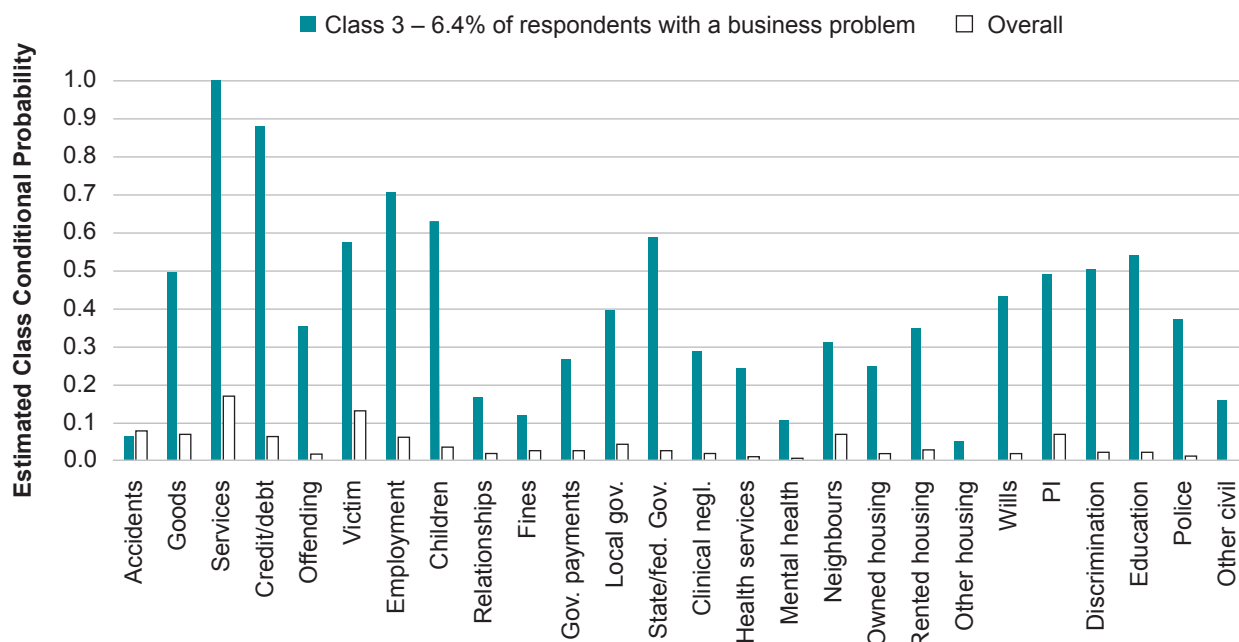
²⁸ For lone parenthood, the figures were 5 of 19 (26%) for the ‘extreme’ experience group, compared to 8 and 7 per cent for the normal and highly elevated groups, respectively ($\chi^2 = 9.11$, $p < 0.05$). For main language other than English, the figures were 4 of 19 (21%) for the ‘extreme’ experience group, compared to 2 and 1 per cent, respectively ($\chi^2 = 25.81$, $p < 0.01$). For disadvantaged housing, the figures were 4 of 19 (21 per cent) for the ‘extreme’ experience group, compared to 6 and 6 per cent, respectively ($\chi^2 = 6.52$, $p < 0.05$).

²⁹ Based on 149 of 230 business-related problems. Adverse consequences were covered in question A4 in the LAW Survey.

³⁰ In addition, 48 per cent of business-related legal problems were reported by respondents to have had a severe or moderate impact on everyday life. This percentage was comparable to

²⁶ $\chi^2 = 12.27$, $p < 0.01$

FIGURE 7: THIRD GROUP OF BUSINESS OWNERS – ‘EXTREME’ PROBABILITY OF OTHER LEGAL PROBLEM TYPES



Note: ‘Overall’ represents the problem experience for all 20,716 survey respondents. 326 business owners with business-related problems were included in the ‘latent class’ statistical analysis, of whom 6.4 per cent (N=21) formed the third group of business owners with ‘extreme’ probability of other problem types.

The higher rate of adverse consequences following on from business-related legal problems than from non-business-related legal problems was largely due to a substantial proportion of business-related problems resulting in loss of income or

... aside from loss of income and financial strain, a significant proportion of business-related problems led to stress-related illness and physical ill health

financial strain. Figure 8 illustrates the percentage of business-related and other legal problems that led to each type of adverse consequence. As can be seen, aside from loss of income and financial strain, a significant proportion of business-related problems led to stress-related illness and physical ill health. In fact, differences in the percentage of respondents reporting stress-related

illness were significantly different between the three groups in Figure 8, as a result of the higher percentage associated with business owner’s business-related legal problems.³¹

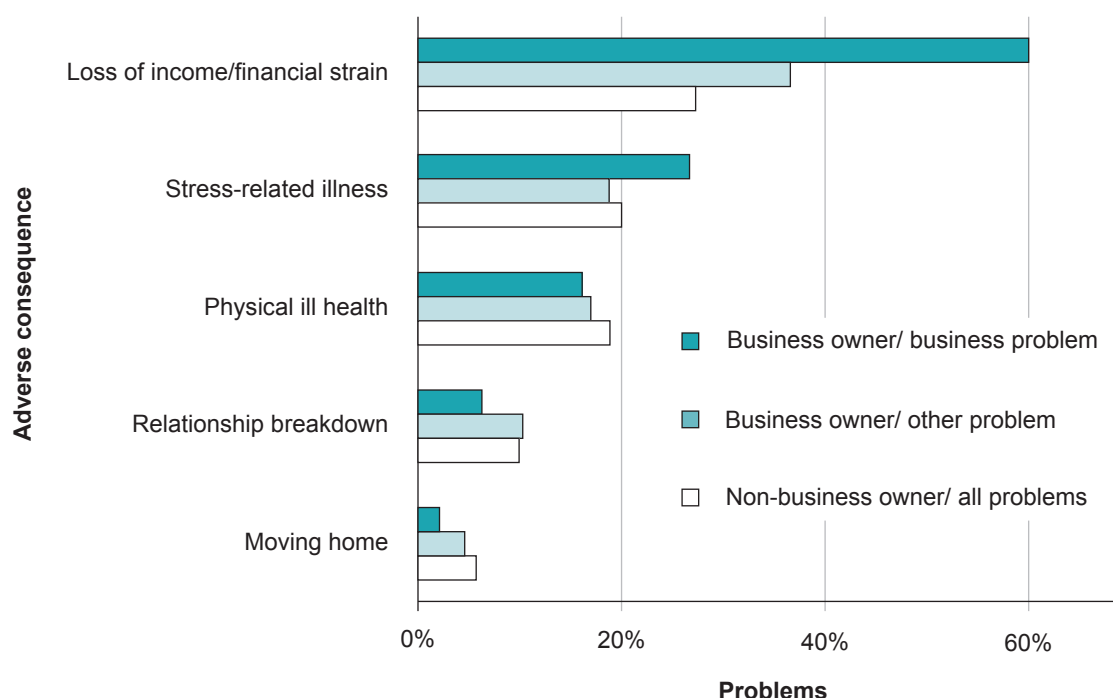
Summary and implications

The above findings from the LAW Survey demonstrate that, as with legal problems in general, the experience of business-related legal problems has an ‘additive’ effect (meaning that each problem experienced increases the likelihood of additional problems being experienced); with the distribution of such problems across business owners being far from uniform. Moreover, the findings point to strong associations between the experience of business-related legal problems and legal problems more generally. Those business owners who reported business-related legal problems reported other legal problems far more frequently than other business owners and other LAW Survey respondents; a pattern that held across the great majority of the 27 problem sub-categories included in the LAW Survey. Indeed, just 15 per cent of those business owners who reported business-related legal problems reported no other legal problems. Latent class analysis identified three groups of businesses, based on problem experience; those with ‘normal’ experience, those with ‘highly elevated’ experience and those with ‘extreme’ experience. Importantly, only a minority of business owners with business-related problems were in the ‘normal’ class, where the probability of other problems was comparable to that for other LAW Survey respondents (48% of business owners with business-related problems). The remainder had a greatly increased probability of reporting a broad range of legal problem types.

non-business-related problems concerning personal injury or local government.

³¹ Using a simple chi-squared test on the 3x2 contingency table; $\chi^2 = 9.28$, $p = 0.010$. The highest Pearson residual (of 2.3) indicated that the greatest lack of fit was associated with the business owner/business-related problem, stress-related illness cell. This indicated that the statistical significance was primarily a result of a high percentage of business owners with business-related problems reporting stress-related illness.

FIGURE 8. ADVERSE CONSEQUENCES FOLLOWING ON FROM BUSINESS AND NON-BUSINESS-RELATED-LEGAL PROBLEMS



Note: Number of problems where adverse consequences were reported (i.e. a yes or no answer was provided) varied very slightly by adverse consequence. For business owners' business-related problems, the number included in this analysis varied between 221 and 224. For business owners' other problems, numbers varied between 3,067 and 3,082. For others, numbers varied from 15,760 to 15,804.

While different classes were comparatively more likely to report problems of different types, this was not the key message to be taken from the analysis. Unlike previous analyses that have identified distinct 'problem clusters' for both individuals (Coumarelos et al. 2012; Pleasence et al. 2004) and small businesses (Pleasence & Balmer 2013), the main differences between the classes that grouped business owners was in the probability of experiencing a broad range of problem types (rather than different classes relating to different well-defined problem type clusters). Findings for the 'extreme' class should also be treated with some caution given the small number of respondents (and inferences regarding individual problem types should be avoided). Nonetheless, the findings indicate that a majority of business owners who face business-related legal problems also face a 'highly elevated' likelihood of many other problem types, and around one in 15 face 'extreme' increases in the probability of many other problem types.

Moreover, business-related legal problems appear to be more likely than other problems to lead to adverse consequences, with significant increases observed in relation to financial strain and stress-related illness compared to other problem types.

Our findings support those from elsewhere (e.g. Pleasence et al. 2012) that business-related legal problems can – through their negative consequences (such as diminished financial resources and health) – increase vulnerability to further legal problems and

reduce business owners' capability to ride storms of misfortune.

The impact of this on the Australian economy may be substantial. In England and Wales, the economic value of this impact has been suggested to amount to tens of billions of pounds per year (Blackburn et al. 2015; Pleasence & Balmer 2013). Thus, business-related legal problems can be argued to be a significant impediment to economic growth.

The demographic profile of those business owners who were in the 'extreme' experience group also points to a role that business-related legal problems – like non-business-related problems (e.g. Coumarelos et al. 2012; Pleasence et al. 2014) – may play in bringing about and compounding social disadvantage. Thus, from a broad policy perspective, legal problems faced by small businesses threaten both economic growth and individual/family welfare.

Thus, the above findings suggest that when business owners face legal problems they are likely to have multiple and varied support needs, and face risks relating to both their businesses and broader lives.

Reimagining the lessons of legal needs surveys

The relationship between the business and private lives of business owners draws attention to the need to support business owners to withstand the shocks that can spill over from one to the other (and

fuel further business and private life stresses). The relationship between business owners' business-related and non-business-related legal problems does likewise. This relationship also makes evident the relevance to business-related legal problems of the policy framework – focused on promoting and enabling services that 'mirror more the needs and behaviour of those who wish to use them' (Pleasence et al. 2004, p. 105) – that has evolved in relation to legal problems more generally (e.g. Pleasence et al. 2014). The framework is expounded through, for example, the Commonwealth Attorney-General's *Access to Justice Taskforce* (2009), the NSW Attorney General's *Review of the delivery of legal assistance services to the NSW community* (NSW Department of Attorney General and Justice 2012), the Productivity Commission *Inquiry into Access to Justice Arrangements* (Productivity Commission 2014) and the *National Partnership Agreement on Legal Assistance Services* (Council of Australian Governments 2015).

At the core of this framework is the idea that services should be 'targeted', 'joined-up', 'timely' and 'appropriate' (cf. Pleasence et al. 2014); clearly as relevant in the context of business-related legal problems as more broadly. In relation to targeting, the above findings point to those 6.4 per cent of business owners who had faced business-related legal problems who had 'extreme' probability of other types of legal problems. In relation to joined-up services, the above findings indicate that business-related legal problems do not exist in a vacuum. Likewise, legal services should not exist in a vacuum. In relation

to timeliness, as we have argued elsewhere, legal services have a potential role to play in both preventing the escalation and expansion of problems, and also in their efficient resolution. In relation to 'appropriate', legal services need to be suitable to both the needs and capability of users.

A range of legal services are available to businesses across Australia (including emerging and technologically innovative services such as LAWPATH), and public information is available from, for example, LawAccess NSW. Support for alternative dispute resolution is provided by the Australian Small Business and Family Enterprise Ombudsman. However, relatively little policy attention has been paid to the legal needs of Australian businesses to date. Internationally, attention is increasing, but understanding is still limited. The above findings suggest that this is an area worthy of significant future inquiry. While the LAW Survey provides some valuable insight into the legal needs of businesses, it was not a dedicated survey of businesses. As such, the findings we have set out above are limited in scope and detail. Given the potential impact of legal problems on Australian businesses, a future survey focused solely on the experience of businesses would be welcome.

Given the potential impact of legal problems on Australian businesses, a future survey focused solely on the experience of businesses would be welcome

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Appendix

The tables below present detailed statistical output modelling problem prevalence and number of problems for all problems and non-business-related legal problems.

TABLE A1: BINARY LOGISTIC REGRESSION RESULTS – PREVALENCE OF ANY TYPE OF LEGAL PROBLEM

<i>Demographic variable</i>	<i>Categories compared</i>	β	<i>SE</i>	<i>p</i>	<i>Odds ratio</i>	<i>(95% CI)</i>
Business owner^a	Business owner non-business owner	0.536	0.046	<0.001	1.71	(1.56–1.87)
Gender	Female male	-0.083	0.029	0.005	0.92	(0.87–0.98)
Age group	15–17 65+	0.750	0.084	<0.001	2.12	(1.80–2.49)
	18–24 65+	1.075	0.063	<0.001	2.93	(2.59–3.32)
	25–34 65+	1.018	0.058	<0.001	2.77	(2.47–3.10)
	35–44 65+	1.061	0.058	<0.001	2.89	(2.58–3.23)
	45–54 65+	0.848	0.057	<0.001	2.34	(2.09–2.61)
	55–64 65+	0.614	0.057	<0.001	1.85	(1.65–2.07)
Indigenous status	Indigenous other	0.017	0.117	0.888	1.02	(0.81–1.28)
Disability status	Disability no disability	0.821	0.040	<0.001	2.27	(2.10–2.46)
Education	<Year 12 post-school	-0.422	0.037	<0.001	0.66	(0.61–0.71)
	Year 12 post-school	-0.327	0.040	<0.001	0.72	(0.67–0.78)
Employment status	Unemployed other	0.505	0.052	<0.001	1.66	(1.50–1.83)
Family status	Single parent other	0.716	0.062	<0.001	2.05	(1.81–2.31)
Housing type	Disadvantaged other	0.357	0.065	<0.001	1.43	(1.26–1.62)
Main income	Government payment other	-0.039	0.042	0.354	0.96	(0.88–1.04)
Main language	Non-English English	-0.455	0.060	<0.001	0.63	(0.56–0.71)
Remoteness	Remote major city	-0.110	0.097	0.259	0.90	(0.74–1.08)
	Regional major city	-0.133	0.033	<0.001	0.88	(0.82–0.93)
Constant		-0.803	0.053	<0.001		

^a In a model containing only a constant and business ownership, business owner | non-business owner; $\beta = 0.519$ (SE = 0.043), $p < 0.001$, odds ratio = 1.68 (1.55–1.83).

TABLE A2: BINARY LOGISTIC REGRESSION RESULTS – PREVALENCE OF ANY TYPE OF NON-BUSINESS-RELATED LEGAL PROBLEM

Demographic variable	Categories compared	β	SE	p	Odds ratio	(95% CI)
Business owner^a	Business owner non-business owner	0.456	0.045	<0.001	1.58	(1.44–1.72)
Gender	Female male	–0.077	0.029	0.009	0.93	(0.87–0.98)
Age group	15–17 65+	0.751	0.084	<0.001	2.12	(1.80–2.50)
	18–24 65+	1.077	0.063	<0.001	2.94	(2.59–3.32)
	25–34 65+	1.026	0.058	<0.001	2.79	(2.49–3.13)
	35–44 65+	1.055	0.058	<0.001	2.87	(2.56–3.21)
	45–54 65+	0.845	0.057	<0.001	2.33	(2.08–2.60)
	55–64 65+	0.612	0.057	<0.001	1.84	(1.65–2.06)
Indigenous status	Indigenous other	0.025	0.117	0.830	1.03	(0.82–1.29)
Disability status	Disability no disability	0.820	0.040	<0.001	2.27	(2.10–2.46)
Education	<Year 12 post-school	–0.420	0.037	<0.001	0.66	(0.61–0.71)
	Year 12 post-school	–0.321	0.040	<0.001	0.73	(0.67–0.78)
Employment status	Unemployed other	0.508	0.052	<0.001	1.66	(1.50–1.84)
Family status	Single parent other	0.723	0.062	<0.001	2.06	(1.83–2.33)
Housing type	Disadvantaged other	0.347	0.065	<0.001	1.42	(1.25–1.61)
Main income	Government payment other	–0.032	0.042	0.438	0.97	(0.89–1.05)
Main language	Non-English English	–0.447	0.059	<0.001	0.64	(0.57–0.72)
Remoteness	Remote major city	–0.129	0.097	0.184	0.88	(0.73–1.06)
	Regional major city	–0.135	0.033	<0.001	0.87	(0.82–0.93)
Constant		–0.811	0.053	<0.001		

a In a model containing only a constant and business ownership, business owner | non-business owner; β = 0.440 (SE = 0.042), p < 0.001, odds ratio = 1.55 (1.43–1.69).

TABLE A3: POISSON REGRESSION RESULTS – NUMBER OF LEGAL PROBLEMS OF ANY TYPE

Demographic variable	Categories compared	β	SE	p	IRR	(95% CI)
Business owner^a	Business owner non-business owner	0.524	0.011	<0.001	1.69	(1.65–1.73)
Gender	Female male	–0.078	0.009	<0.001	0.93	(0.91–0.94)
Age group	15–17 65+	0.671	0.032	<0.001	1.96	(1.84–2.08)
	18–24 65+	0.835	0.024	<0.001	2.31	(2.20–2.41)
	25–34 65+	0.747	0.023	<0.001	2.11	(2.02–2.21)
	35–44 65+	0.811	0.022	<0.001	2.25	(2.15–2.35)
	45–54 65+	0.533	0.023	<0.001	1.71	(1.63–1.78)
	55–64 65+	0.410	0.024	<0.001	1.51	(1.44–1.58)
Indigenous status	Indigenous other	0.173	0.027	<0.001	1.19	(1.13–1.26)
Disability status	Disability no disability	0.422	0.010	<0.001	1.53	(1.50–1.56)
Education	<Year 12 post-school	–0.026	0.011	0.020	0.98	(0.95–1.00)
	Year 12 post-school	–0.160	0.013	<0.001	0.85	(0.83–0.87)
Employment status	Unemployed other	0.312	0.012	<0.001	1.37	(1.34–1.40)
Family status	Single parent other	0.348	0.013	<0.001	1.42	(1.38–1.45)
Housing type	Disadvantaged other	0.398	0.014	<0.001	1.49	(1.45–1.53)
Main income	Government payment other	0.157	0.012	<0.001	1.17	(1.14–1.20)
Main language	Non-English English	–0.034	0.019	0.076	0.97	(0.93–1.00)
Remoteness	Remote major city	–0.045	0.032	0.154	0.96	(0.90–1.02)
	Regional major city	0.097	0.010	<0.001	1.10	(1.08–1.12)
Constant		0.666	0.022	<0.001		

a In a model containing only a constant and business ownership, business owner | non-business owner; β = 0.428 (SE = 0.011), p < 0.001, IRR = 1.53 (1.50–1.57).

TABLE A4: POISSON REGRESSION RESULTS – NUMBER OF NON-BUSINESS-RELATED LEGAL PROBLEMS

<i>Demographic variable</i>	<i>Categories compared</i>	β	<i>SE</i>	<i>p</i>	<i>IRR</i>	<i>(95% CI)</i>
Business owner^a	Business owner non-business owner	0.466	0.012	<0.001	1.59	(1.56–1.63)
Gender	Female male	–0.069	0.009	<0.001	0.93	(0.92–0.95)
Age group	15–17 65+	0.658	0.032	<0.001	1.93	(1.81–2.05)
	18–24 65+	0.833	0.024	<0.001	2.30	(2.20–2.41)
	25–34 65+	0.735	0.023	<0.001	2.09	(2.00–2.18)
	35–44 65+	0.804	0.022	<0.001	2.24	(2.14–2.34)
	45–54 65+	0.523	0.023	<0.001	1.69	(1.61–1.77)
	55–64 65+	0.417	0.024	<0.001	1.52	(1.45–1.59)
Indigenous status	Indigenous other	0.175	0.027	<0.001	1.19	(1.13–1.26)
Disability status	Disability no disability	0.424	0.010	<0.001	1.53	(1.50–1.56)
Education	<Year 12 post-school	–0.013	0.011	0.257	0.99	(0.97–1.01)
	Year 12 post-school	–0.155	0.013	<0.001	0.86	(0.84–0.88)
Employment status	Unemployed other	0.313	0.012	<0.001	1.37	(1.34–1.40)
Family status	Single parent other	0.351	0.013	<0.001	1.42	(1.38–1.46)
Housing type	Disadvantaged other	0.405	0.014	<0.001	1.50	(1.46–1.54)
Main income	Government payment other	0.151	0.012	<0.001	1.16	(1.14–1.19)
Main language	Non-English English	–0.026	0.019	0.181	0.98	(0.94–1.01)
Remoteness	Remote major city	–0.018	0.032	0.577	0.98	(0.92–1.05)
	Regional major city	0.109	0.010	<0.001	1.12	(1.09–1.14)
Constant		0.658	0.022	<0.001		

a In a model containing only a constant and business ownership, business owner | non-business owner; β = 0.373 (SE = 0.011), p < 0.001, IRR = 1.45 (1.42–1.48).



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