

# Dispute Resolution Board Foundation

*Real time avoidance and resolution of disputes*

## Value Proposition for DABs in Australia



### Dispute Board Concept

- Dispute Boards or Dispute Avoidance Boards have been around in Australia since 1987.
- A Dispute Board (DB) is a Board (usually three persons) of impartial, experienced professionals formed at the beginning of the project to follow construction progress, encourage dispute avoidance by having issues raised and discussed and to assist in the resolution of disputes for the duration of the project.
- Dispute Boards are commonly referred to in Australia as a Dispute Avoidance Board (DAB) and, internationally, as a Dispute Resolution Board (DRB) or a Dispute Avoidance / Adjudication Board (DAAB) for FIDIC contracts.
- Although they may be referred to in different ways, their function is essentially the same, which is dispute avoidance and prevention, to avoid issues becoming disputes, to resolve any dispute in real time and to avoid costly and relationship-destroying arbitration or litigation.

### Successful Track Record of the Dispute Avoidance Board Process

- As at March 2024, there are 117 projects in Australia that currently have, or have had, a DAB, with total contract values in excess of AUD\$73 billion.
- All disputes on those projects to date have been resolved within the DAB process, without any dispute proceeding to an arbitral award or litigation judgment.

### Positive Attributes of DABs

- Productivity improvement on projects can be directly linked to a reduction in disputes. A DAB can positively contribute to improved productivity.
- The mere presence of a DAB modifies and improves the parties' behaviour, and a DAB can contribute to a positive project culture.
- A focus on "best for project" by a DAB with the project parties can deliver positive outcomes.
- Real time avoidance/escalation and real time decision-making provide certainty to both principal and contractor.
- The minimal cost of a DAB represents 'cheap' insurance against future expensive disputation. On a \$250 million project, the cost of a three-person DAB represents only 0.1% p.a. of the total project cost.
- A DAB helps build trust between the participants and improves the behaviour of all.
- A DAB encourages sensible discussion of potentially contentious issues. A DAB improves the governance processes for meetings and provides guidance for difficult issues.
- These benefits are greatly assisted by being held in an "in confidence" and "without prejudice" environment with appropriate protocols put in place.

### Who Benefits from Using DABs?

- Clients who have high value/high risk complex projects or projects with high "political profile".
- The benefits of a DAB also apply to one-off deliverers and clients operating in a new sector or clients with limited in-house capacity for major project delivery.

The DRBF offers resources for owners and contractors who want to avoid and resolve their disputes using this successful and cost-effective method. Resources include education and training in the effective use of the DAB process, and assistance in establishing and operating a DAB, including providing sample documents and best practice guidelines. In addition, the DRBF hosts conferences and meetings as a forum for discussion of advances in the development of the process. DRBF encourages the selection of dispute board members with diverse skills, backgrounds and attributes.

For more information, visit [www.drb.org](http://www.drb.org) or contact:  
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