



DISPUTE RESOLUTION BOARD AUSTRALASIA INC
 (ABN: 14 196 085 859)

Eighth Annual General Meeting: 29 November 2011

President's Report

DRBA Overview 2010-2011

Business plan

The DRBA business plan continues to focus on three main objectives:

- expansion of the understanding of the DRB concepts as an extremely cost effective and efficient process for, in the first instance, **dispute avoidance** on construction projects, and where that outcome proves impractical, timely and economic dispute resolution;
- promoting the use of DRBs as the preferred dispute prevention and resolution model for significant projects;
- providing assistance to parties within the industry for the establishment and application of DRBs, including the provision of general advice and suggestions for tailoring to suit particular needs.

As you will see below, the DRBA's focus on these objectives in 2010-2011 has been relatively successful.

DRBA Committee

The following were confirmed as elected at the AGM in September 2010

Name	Representation
Don Charrett	Victoria
James D Barrett	Member representing Australian Constructors Association
Raj Ratneser	Western Australia and South Australia
Alan McLennan	Queensland
Michael Weatherall	New Zealand
Tom Fenwick	Member representing Principals
Ron Finlay	New South Wales
Doug Jones	New South Wales
Dick Kell (alternate Nicola Grayson)	Member representing Consult Australia

In accordance with the amended Rules, the retiring President, Graeme Peck, continued as an ex officio member of the Committee as Immediate Past president.

At the DRBA Committee meeting following the AGM, the following executive positions were agreed:

President: Doug Jones
 Vice-President: Alan McLennan
 Past President:
 & DRBF Country Representative: Graeme Peck
 Secretary/Treasurer: Ron Finlay

Graham Easton continued in the second term of his appointed role as DRBF Country Representative Co-ordinator.

During the year, Raj Ratneser's personal circumstances changed and he relinquished the role of a DRBA Committee member representing Western Australia and South Australia. The DRBA Committee appointed Spencer Flay to fill the casual vacancy.

DRBA management procedures

Routine management is the responsibility of the Executive group.

Full committee meetings have been held at nominal three month intervals.

Regional subcommittees meet on an ad hoc basis to identify prospects and initiate follow up contacts within their geographical areas of responsibility.

Membership

Membership of DRBA now stands at 100.

Current, new and pending DRB Projects

The acceptance of DRBs for major projects has continued to grow, particularly in Queensland and New South Wales. The table following identifies those current, new and definite pending projects of which DRBA is presently aware.

AUSTRALIA									
DRBs comprised 3 Independent parties except where noted otherwise									
DRBA No	Project Name	Type	City	State	Start Year	Finish Year	Owner / Principal	Contractor	Contract Value nearest \$10mAUD\$
14	Adelaide Desalination Project (2 contracts)	DBOM, Plant	Adelaide	SA	Apr-09	Dec-11	SA Water Corporation	AdelaideAqua Consortium, Plant	\$1,824M combined value of plant & TPS
		D & C, Transfer Pipeline System						MDBE jv, Transfer Pipeline	
15	Townsville Waste Water Upgrade Program- stage 2	Competitive ECI, Construct only	Townsville	Qld	Sep-09	Dec-10	Townsville City Council	Baulderstone Pty Ltd	\$180m
17	Pacific Motorway Upgrade - Section B	Competitive ECI, D & C	Qld Gold Coast	Qld	Oct-09	Dec-11	Dept Transport & Main Roads	Bielby Hull Albern Joint Venture	\$200m
19	Digital Train Radio System	Design, supply, Install, Commission; ECI converted to Lump sum	NSW Electrified network	NSW	Jan-10	Oct-12	Rail Corporation of NSW	United Group Infrastructure Pty Ltd	\$180m

20	New Outer Suburban Rail Cars, Stage 3	Design, Build & Commission: Cost Reimbursable, Target price with pain share/ gain share arrangements	Sydney	NSW	Sep-09	Apr-12	Rail Corporation of NSW	United Group Rail Services Limited	\$320m
21	Liverpool Turnback Project	Management Contract, for main line extensions, new station works, new signalling system,	Sydney	NSW	Jun-10	TBA	Transport Infrastructure & Development Corporation	John Holland Constructions	\$75m
22	Douglas Arterial Duplication, Townsville (1-person DRB)**	D & C	Qld country	Qld	2010	2011	Dept of Transport & Main Roads	NK	\$60m
23	Legacy Way	D & C	Brisbane	Qld	2011	2014	Brisbane City Council	TransCity JV (BMD/Acciona/ Ghella)	\$650m
24	Bruce Highway - Cooroy to Curra Package 3	D & C	Qld country	Qld	2011	2012	Dept of Transport & Main Roads	Synergy JV (CMC/Probuild/ Downer EDI Works)	\$650m
25	Glenfield to Leppington Rail Line (South West Rail Line)	D & C	Sydney	NSW	2011	2015	TCA	John Holland Constructions	N/K
26	Townsville Port Inner Harbour Expansion**	D & C	Townsville	Qld	2011	2013	Port of Townsville Ltd	Seymour Whyte Smithbridge JV	\$110m
27	Auburn Train Stabling Yard	D & C	Sydney	NSW	2011	2014	TCA	Laing O'Rourke	\$70m (approx.)
28	Bruce Highway - Cardwell Range Crossing**	D & C	Qld country	Qld	2011	2012	Dept of Transport & Main Roads	Abigroup Ltd	\$90m
29	Bruce Highway - Cooroy to Curra Package 4**	D & C	Qld country	Qld	2011	2012	Dept of Transport & Main Roads	Abigroup Ltd	\$105m
** Single Person DRB, appointed at time of Contract signing									

PROSPECTIVE DRBs

NEW SOUTH WALES

Ausgrid

City East Cable Tunnel (3 person DRB), commencing January 2012.

Xstrata

Xstrata Coal Mine Upgrade (1 person DRB), commencing 2012 (probably 2 contracts)

QUEENSLAND

Brisbane Airport Corporation

New Parallel Runway Dredging Contract (3 person DRB, commencing mid-2012)

Abbott Point

Abbott Point Reclamation Project (3 person DRB, commencing early-2012)

Connors River

Connors River Dam/Pipeline (3 person DRB, commencing early-2012)

NEW ZEALAND DRBs

Project Name	Type	City	Country	Start Year	Finish Year	Owner/ Principal	Contract Value (NZ\$)
HVDC Link, North to South Islands	Design & Construct	Wellington	NZ	2009	2013	Transpower	\$400m

PROSPECTIVE DRBs

NEW ZEALAND

The NZ Government has decided to adopt FIDIC conditions of contract on major infrastructure projects. Transpower has indicated that it will be implementing DRBs in the future.

OTHER MARKETING & EDUCATIONAL ACTIVITIES

DRBA Legal Workshop, Brisbane 2011

All eminent Brisbane construction lawyers were invited to attend a workshop hosted by Minter Ellison. The workshop attracted over 25 lawyers and there was active participation. Committee members Alan McLennan and Ron Finlay presented.

DRB Client Workshop, Brisbane, 2010

Committee members Alan McLennan and Ron Finlay presented a workshop for Clients/Principals and attracted over 20 attendees.

Clayton Utz Seminar, 2011

Committee members Doug Jones and Ron Finlay presented to a client seminar with over 50 participants.

DRBA Legal Workshop, Melbourne 2011

DRB members, George Golvan QC, John Sharkey and Ron Finlay presented a legal workshop to over 25 eminent Melbourne Legal Practitioners in November 2011.

DRBA INTERNATIONAL ACTIVITIES

Participation in DRBF

DRBA is linked with the International Dispute Resolution Board Foundation Inc (**DRBF**), as its Australasian Chapter. DRBF has expanded rapidly in recent years and now has representatives, interest groups and promotional activities in over 30 countries.

Internationally, DRBF has established two regions for administrative purposes, with Region 1 being the USA and Canada and Region 2 covering the rest of the world. DRBA is a part of Region 2 and has continued to participate in monthly Region 2 Board meetings as an invited guest. We believe our own experience in establishing DRBA has been very useful as a guide to several of the other international groups considering formation under the Region 2 banner.

DRBA as Region 3

Following discussions over the past two years between representatives of DRBA and the DRBF Executive Board, DRBA has been invited to become Region 3 of the DRBF. This evolution of our structure makes good sense when one considers the continuing growth in DRBA's activities and our geographic remoteness within the Euro-centric Region 2.

The detailed proposal for the establishment of Region 3 will be a matter for the in-coming DRBA Committee to consider and negotiate with DRBF. A sub-committee of the DRBF Executive Board, which includes Graeme Peck and Graham Easton from DRBA, has already been formed to plan and manage the proposed transition during 2012.

The key features of the Region 3 proposal are:

1. DRBF will create a new Region 3, comprising of Australia and New Zealand. In addition, DRBA role will include fostering relationships with Singapore and Hong Kong.
2. DRBA will be invited to become the new Region 3 structure and Board, with representation on the DRBF Executive Board.
3. All DRBA members would become DRBF members and there would be transitional arrangements to transfer existing DRBA, non DRBF members to DRBF member status.
4. All membership fees from DRBA as Region 3 would be paid to DRBF.
5. DRBF, in consultation with DRBA as Region 3, would provide an annual budget for funding of DRBA's activities.
6. There may need to be some minor amendments to DRBA's Constitution, but the structure and objectives of DRBA will remain essentially unchanged.

Members will be kept fully informed as the Region 3 proposal moves forward. It is an important development which will provide DRBA with significantly greater funding, access to services and membership benefits as an integral part of DRBF worldwide.

AI Mathews Award

At the DRBF Annual Conference for Region 1, held in Seattle in September 2011, the DRBF Executive Board of Directors presented the prestigious 'AI Mathews Award for Excellence' to Graeme Peck for outstanding and valued service in the promotion of Dispute Boards in the construction industry. A copy of the DRBF Proclamation is attached to this Report.

The DRBA congratulates Graeme Peck on his continuing contribution and for receipt of the AI Mathews Award for Excellence – well deserved.

DRBF INTERNATIONAL CONFERENCE, SYDNEY, MAY 2012

DRBA has been awarded the hosting rights of the 12th International DRBF Conference in May 2012.

- *Subcommittee work*

A conference subcommittee was appointed by the DRBA Committee under the chairmanship of Graeme Peck. The members of the Subcommittee are:

- Graeme Peck (Chair);
- Graham Easton;
- Jim Barrett;
- John Sharkey;
- Tim Sullivan
- Alan McLennan; and
- Ron Finlay.

Subsequently the Committee has co-opted the services of Gianna Totaro.

- *Website*

The DRBA website has been amended to include a special link to the conference website (see www.drba.com.au/conference).

- *Financial Arrangements*

It was a term of the DRBA's Committee's acceptance of the hosting rights that its members not be exposed financially to the financial outcome of the Conference. Accordingly, the DRBF conference is wholly underwritten by DRBF.

- *Conference Programme*

The Conference programme is still in draft form, but the latest draft is attached to my Report.

- *Speakers*

Both international and Australian speakers and session Chairpersons have been identified by the Organising Committee and invitations have been issued.

DRBA FINANCIALS

You will see from the Financial Report provided with the AGM papers that the DRBA is in good financial health and utilises its funds primarily for the promotion of DRBA's core activities.

Doug Jones
President
DRBA – November 2011

Proclamation

of the Board of Directors of the
Dispute Resolution Board Foundation, Inc.

September 23, 2011,
the Board of Directors, on behalf of the
membership of the Dispute Resolution Board
Foundation, hereby recognizes

Graeme Maxwell Peck

as recipient of the 2011

Al Mathews Award for Excellence

for his outstanding and valued service in the promotion of Dispute Boards in the Construction Industry.

Graeme M. Peck has been a leader within the Australian construction community for more than four decades. Graeme served for 14 years as Engineering Director at Pearson Bridge Pty. Ltd. Graeme is a founding partner of the international engineering consultancy firm, Evans & Peck, and served as Managing Director and Chairman until his retirement. Graeme has contributed widely to the construction industry as a Visiting Fellow and Professor at the University of New South Wales; as a committee member and NSW President of the Australian Federation of Construction Contractors (now the Australian Constructors Association); and as the author of numerous papers on a variety of construction management topics. Graeme was recognized in 2004 by the Australian Constructors Association with the “*Outstanding Service to the Australian Construction Industry*” award.

Graeme has been an active and committed member of DRBF for many years and a driving force behind the establishment of the Australasian chapter (DRBA) in 2003. Graeme was the DRBA President from 2005 to 2009, serves on the DRBA Executive Committee as Past President and is Chair of the Organizing Committee for the 12th International Conference in Sydney in May 2012. In all his career roles, Graeme has promoted the DRB concepts of open and honest dealings, which are cornerstones of our DRB Foundation philosophy. We look forward to Graeme continuing his valuable participation and support towards the DRBF achieving its purposes and objectives.

The DRBF Board of Directors

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DRBF 12th INTERNATIONAL CONFERENCE 3 – 5 MAY 2012

Venue: Dockside Conference Centre, Cockle Bay, Sydney, NSW

DRAFT CONFERENCE PROGRAM

(Revised 8 October 2011)

DAY 1 – THURSDAY 3 MAY 2012

DRB Advanced Training Workshop: “Lessons learned – how can we do better?”

0900 – 0915 Registration, coffee

0915 – 0930 Introduction and Outline of Workshop Topics [Chairman: TBA]

0930 – 1230 Workshop Sessions 1 and 2 [Workshop Leaders: TBA]

1230 – 1330 Lunch

1330 – 1630 Workshop Sessions 3 and 4 [Workshop Leaders: TBA]

Registration / Welcome Cocktail Reception

1700 – 1930 (Venue: Star Room, Darling Harbour)

DAY 2 – FRIDAY 4 MAY 2012

0830 – 0900 Registration, Coffee

0900 – 0905 Introduction by DRBA President (**Doug Jones**), followed by
Welcome by DRBF President (**Volker Jurowich**).

0905 – 0910 Official Opening

0910 – 0930 Keynote Speaker: [**Mr. Nick Greiner**, Chairman, Infrastructure NSW]

0930 – 0935 Introduction by Principal Sponsor: [**ACA**]

0935 – 1050 **Session 1** – Chairman

Dispute Board Concepts Internationally - Divergence or Convergence?

Three Speakers

1. USA approach (DRB)
2. FIDIC /MDB approach (DAB)
3. Australasian approach (DB)

1050 – 1110 Morning Coffee Break

1110 – 1250 **Session 2** – Chairman

Dispute Avoidance – What does a Dispute Board offer?

Three Speakers

1. USA experience
2. Region 2 experience
3. Australasian experience

1250 – 1400 **Lunch**

1400 – 1530 **Session 3** – Chairman

Owners' Perspectives on Dispute Boards

Four Speakers

1. USA Owners
2. NSW TCA
3. Qld. TMR
4. Sydney Water

1530 – 1550 Afternoon Coffee Break

1550 – 1700 **Session 4** - Chairman

Future Opportunities for Dispute Boards

Three Speakers

1. Region 1 opportunities.
2. Insurance, London Olympics.
3. Defence, manufacturing, oil and gas.

Networking Cocktail Reception

1800 – 2030 (Venue – Clayton **Utz**, 1 Bligh Street).

DAY 3 – SATURDAY 5 MAY 2012

0900 – 0935 **Session 5** – Chairman

Dispute Boards in FIDIC Contracts

Keynote Speaker:
FIDIC developments:

0935 – 1050 **Session 6** – Chairman

Key Legal Issues for Dispute Boards

- Recommendations v Determinations

- DBs v Adjudication
- Overlap with Arbitration
- Enforcement of Decisions
- Privilege
- Other current legal issues

1050 – 1110 MORNING COFFEE BREAK

1110 – 1250 **Session 7** – Chairman

Recent Experiences with Dispute Boards

Four Speakers

1. Region 1 – North America
2. Region 2 - South Africa:
3. Region 2 - Europe:
4. Australasia:

1250 – 1400 **Lunch**

1400 – 1530 **Session 8** – Chairman

Future of Dispute Boards in the Asia / Pacific Region

Q&A / Panel / Discussion

1530 – 1600 **Session 9**

- Conference Chairman / DRBA President
- Announcements re future DRBF conferences
- Conference closing ceremony

1600 – 1630 Afternoon Coffee

Gala Dinner

1830 – 2200 (Venue: Art Gallery of NSW)

DAY 4 – SUNDAY 6 MAY 2012

0900 – 1200 DRBF Executive Board Meeting
DRBF Region 2 Board Meeting