

AS 4608—2004

Dispute management systems



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Australian Standard™

Dispute management systems

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PREFACE

This Standard was prepared by the Standards Australia Committee MB-003, Dispute Resolution to supersede AS 4608—1999, *Guide to the prevention, handling and resolution of disputes*.

The objective of this Standard is to provide a framework for the prevention, handling and resolution of disputes. The Standard is not a specification, but rather aims to encompass the best elements of such systems widely used both in Australia and overseas.

The revision incorporates the latest developments in dispute management, and includes a new focus on dispute resolution using risk management techniques. The Standard was revised in order to bring it up to date with industry practice, and to provide more detailed guidance on developing dispute management systems.

The term 'informative' has been used in this Standard to define the application of the appendix to which it applies. An 'informative' appendix is only for information and guidance.

CONTENTS

| | <i>Page</i> |
|---|-------------|
| FOREWORD..... | 5 |
| SECTION 1 SCOPE AND GENERAL | |
| 1.1 SCOPE | 6 |
| 1.2 OBJECTIVE..... | 6 |
| 1.3 REFERENCED DOCUMENTS | 6 |
| 1.4 DEFINITIONS | 6 |
| SECTION 2 ESSENTIAL ELEMENTS OF AN EFFECTIVE DISPUTE MANAGEMENT SYSTEM | |
| 2.1 GENERAL | 7 |
| 2.2 STRUCTURAL ELEMENTS..... | 7 |
| 2.3 OPERATIONAL ELEMENTS | 7 |
| 2.4 MAINTENANCE ELEMENTS..... | 8 |
| SECTION 3 GUIDANCE ON STRUCTURAL ELEMENTS | |
| 3.1 GENERAL | 9 |
| 3.2 COMMITMENT..... | 9 |
| 3.3 RESOURCES AND SKILLS..... | 9 |
| 3.4 MANAGEMENT RESPONSIBILITY | 9 |
| 3.5 DISPUTE MANAGEMENT POLICY..... | 10 |
| 3.6 CONTINUOUS IMPROVEMENT..... | 10 |
| SECTION 4 GUIDANCE ON OPERATIONAL ELEMENTS—DISPUTE PREVENTION STRATEGIES | |
| 4.1 GENERAL | 11 |
| 4.2 ISSUE IDENTIFICATION AND MANAGEMENT | 11 |
| 4.3 UNDERSTANDING RISKS | 11 |
| 4.4 TREATING RISKS | 13 |
| SECTION 5 GUIDANCE ON OPERATIONAL ELEMENTS—DISPUTE HANDLING PROCESS | |
| 5.1 GENERAL | 16 |
| 5.2 STAGE 1 | 16 |
| 5.3 STAGE 2 | 17 |
| 5.4 STAGE 3 | 18 |
| 5.5 DESIGNING THE SYSTEM..... | 18 |
| SECTION 6 GUIDANCE ON OPERATIONAL ELEMENTS—RECORD KEEPING AND ANALYSIS | |
| 6.1 GENERAL | 20 |
| 6.2 RECORD KEEPING | 20 |
| 6.3 ANALYSIS, IDENTIFICATION AND RECTIFICATION..... | 20 |
| 6.4 REPORTING OF SERIOUS AND SYSTEMIC ISSUES | 21 |

| | <i>Page</i> |
|---|-------------|
| SECTION 7 GUIDANCE ON MAINTENANCE ELEMENTS | |
| 7.1 GENERAL | 22 |
| 7.2 EDUCATION AND TRAINING | 22 |
| 7.3 VISIBILITY AND COMMUNICATION | 22 |
| 7.4 MONITORING AND ASSESSMENT | 22 |
| 7.5 REVIEW | 23 |
| 7.6 ACCOUNTABILITY | 23 |
| SECTION 8 PROCESSES FOR THE RESOLUTION OF DISPUTES | |
| 8.1 GENERAL | 24 |
| 8.2 DISPUTE RESOLUTION PROCESSES | 24 |
| 8.3 FACTORS THAT CAN INFLUENCE PROCESS CHOICE | 25 |
| 8.4 QUALITY OF DISPUTE RESOLUTION SERVICES | 26 |
| APPENDICES | |
| A DOCUMENTS AND SOURCES FOR ADDITIONAL INFORMATION | 27 |
| B GLOSSARY OF TERMS | 28 |
| C NEGOTIATING | 32 |
| D GUIDANCE FOR SMALL BUSINESS | 34 |

FOREWORD

This Standard provides a guide to the development and implementation of a dispute management system.

These processes have undergone rapid and extensive development around the world over the past twenty years. This Standard for dispute management will result in the development of appropriate and cost effective outcomes. Its benefits include:

- (a) *Improved communication*—More attention to dispute management may facilitate more open communication between stakeholders.
- (b) *Stronger relationships*—An emphasis on improved communication may help improve the relationship between the parties.
- (c) *Reduction of costs, risks and time*—Costs may be reduced if traditional court proceedings can be avoided. There may also be fewer distractions from business activities resulting in the saving of direct and indirect costs.
- (d) *Encouragement of appropriate solutions*—Problems and issues may be identified and dealt with appropriately to find the most satisfactory outcome.
- (e) *Choice and control of process*—The organization has greater choice of processes and greater control over dispute outcomes.
- (f) *Corporate culture*—The Standard encourages a flexible and solution-oriented corporate culture. Management and staff take the responsibility for dealing positively with problems.
- (g) *Addressing problems early*—Through the risk management and dispute prevention processes an organization can more readily identify issues that left untreated could develop into costly and time consuming disputes.
- (h) *Stakeholder confidence*—Consistent management of disputes will enhance stakeholder confidence and the reputation of the organization in the market.

The Standard also contains details on what alternative dispute resolution processes are available and the issues that need to be taken into account when selecting the most appropriate form of dispute resolution.

The Standard will be useful for a range of disputes commonly experienced by all sizes of organizations, including public and private sectors.

STANDARDS AUSTRALIA

Australian Standard
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SECTION 1 SCOPE AND GENERAL

1.1 SCOPE

This Standard provides a guide for the development and application of an effective dispute management system.

The elements described in this Standard may need to be adjusted to meet the needs of different types of organizations and organizational structures.

NOTE: There is guidance for small businesses in Appendix D.

1.2 OBJECTIVE

The purpose of this Standard is to assist organizations to better prevent, reduce, resolve and manage disputes through the setting up of effective dispute management systems and processes.

1.3 REFERENCED DOCUMENTS

The following documents are referred to in this Standard:

AS 4269 Complaints handling

HB 401 Applications of Corporate Governance

AS/NZS 4360 Risk management

AS 4269 sets out the essential elements for the management of complaints and provides guidelines for the implementation of a complaints handling process. AS 4269 may be used in conjunction with this Standard where disputes arise from outside the organization.

HB 401 explores the role of the Board in governance and the importance of Board support for the effective implementation of management systems.

AS/NZS 4360 sets out a generic process for managing risk and parts of this process have been incorporated in this Standard.

NOTE: Additional information may be sourced from the documents and organizations listed in Appendix A.

1.4 DEFINITIONS

For the purposes of this Standard the definitions given in Appendix B apply.