



Australian Government

**Department of Innovation
Industry, Science and Research**

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**Professor The Hon Murray Kellam
Chair
NADRAC Secretariat
3-5 National Circuit
BARTON ACT 2600**

By email: nadrac@ag.gov.au

Dear Professor Kellam

Response to NADRAC: Model Dispute Management Plan for Federal Agencies

Thank you for your letter of 8 February 2010 and for the opportunity to contribute towards the development of a model dispute management plan for all federal agencies.

Briefly, by way of background, this Department provides policy advice to its Ministers and the Government, administers legislation, manages programs, undertakes analysis, and provides services and advice to the business, science and research community.

The Department is structured into a number of divisions:

- AusIndustry
- Corporate
- e-Business
- Enterprise Connect
- Industry and Small Business
- Innovation
- Manufacturing
- The National Measurement Institute
- Questacon
- Research
- Science and Infrastructure

In addition, the Office of the Chief Scientist is also located within the Department.

The Innovation, Industry, Science and Research portfolio further comprises the following agencies:

- IP Australia
- The Anglo-Australian Telescope Board;
- The Australian Institute of Aboriginal and Torres Strait Islander Studies;
- The Australian Institute of Marine Science;
- The Australian Nuclear Science and Technology Organisation;
- The Australian Research Council; and
- The Commonwealth Scientific and Industrial Research Organisation.

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In order to provide this considered response, the Legal Services section has consulted with all divisions and agencies within the portfolio. After considering all of the views expressed during the consultation process, the following points are submitted by Legal Services on behalf of this Department:

- Stakeholders and organisations should continue to be consulted with a view to preparing a best practice model for managing disputes under various circumstances;
- Any model dispute management plan will need to empower officers within agencies to be pragmatic and responsive. To this end, each portfolio division or agency should have an identifiable contact person who is suitably trained to either provide an initial response to grievances or know the correct person to whom the grievance should be referred;
- Information relating to each dispute should be maintained and kept up-to-date. Consideration should be given as to what assistance experiences in prior disputes may provide to officers managing future disputes;
- To be truly effective, a model dispute management plan would need to be flexible, efficient and cost-effective to implement. NADRAC should ensure that any model dispute management plan will not prescribe a particular process but instead will be readily adapted for its own needs and flexible to be able to be adapted to a variety of disputes;
- The proposed plan should take into consideration the Government's policies on co-ordinated procurement and how it may impact on relationships between agencies and suppliers;
- A significant objective of any dispute management plan implemented by this Department will need to be devoted to ensuring preservation of good business relationships through settlement of disputes quickly and proportionately, with regard to the size of the issue in dispute;
- The proposed plan should promote best practice management of disputes, which will ensure that disputes can be dealt with consistently across all Commonwealth agencies;
- Where ADR processes are necessary, ensure that the option is a cost-effective and efficient option;
- On-going education of relevant staff with a view to increasing awareness of staff to appreciate and consider adopting alternative mechanisms to resolve disputes; and
- Regular evaluation of the plan implemented by the agency in question.

In this response the Department has considered the issues, which were raised at the Roundtable conference on 8 February 2010. If you wish to discuss the content of this response, please feel free to contact Amit Khanna on (02)6213 7792 or by email Amit.Khanna@innovation.gov.au.

Yours Sincerely,

Denise LeMesurier
A/g General Manager
Corporate Strategy Branch
Corporate Division

22 March 2010