



Australian Centre for International Commercial Arbitration
www.acica.org.au

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Landmark decision positions Australia as global disputes referee

The Australian government has appointed the Australian Centre for International Commercial Arbitration (ACICA) as the sole default appointing authority to resolve commercial disputes under the new *International Arbitration Act*.

The landmark action removes the requirement for parties to commence proceedings in one of the State or Territory Supreme Courts or in the Federal Court to have an arbitrator appointed under the Act.

In welcoming the decision, ACICA President and Clayton Utz Head of Major Projects and International Arbitration, Professor Doug Jones AM said: "Having a single, centralised body will substantially reduce cost and delay and ensure certainty of process and make the appointment procedures clearly known and understood by all stakeholders.

Under the previous court appointed system, parties had to decide which court - from a choice of nine - in which to commence proceedings.

"ACICA charges \$1000 to appoint an arbitrator while arbitrators appointed by the courts could cost maybe \$20,000 depending on whether a dispute is contested or not." Professor Jones said.

Commenting on the increasing importance of international commercial arbitration, he said: "It has emerged as the process of choice for international businesses in the global economy. Investors want to avoid the uncertainty of litigation in a foreign court system with the associated lack of familiarity over processes and uncertainty of enforcement outside local jurisdictions."

In 2008 a PricewaterhouseCoopers survey, *'International Arbitration: Corporate attitudes and practices'*, revealed 73% of corporations prefer to use international arbitration to resolve their cross-border disputes rather than transnational litigation and saw arbitration as a means to successfully preserve business relationships.

A board comprising representatives of the Attorney-General, the Chief Justices of the High Court and Federal Court, the President of the Australian Bar Association, the President of the Law Council of Australia and other industry representatives will oversee the appointment process.

ACICA is signatory to co-operation agreements with over 50 global arbitral institutes and boasts a panel of eminent local and international arbitrators drawn from a diverse range of professions and industries.

ACICA's appointment signals the final legislative reform along with the establishment of the Australian International Disputes Centre (www.disputescentre.com.au) to position Australia as an attractive neutral venue to resolve international commercial disputes.

"From a legal and business perspective, Australia is as desirable, if not more desirable, than anywhere else in our region," said Professor Jones.

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