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CONSULT AUSTRALIA
ASPAC LEADERS
CONFERENCE
SYDNEY, AUSTRALIA

21-22 February 2017
Sydney Luna Park
I have travelled to Italy, Vietnam, New Zealand and Switzerland for FIDIC in recent weeks.

It appears that market conditions are strengthening in many countries. This is despite the volatility of capital markets and the geopolitical uncertainty with which we are all confronted.

In Italy, the OICE Second International Forum on BIM was held in Rome and I joined a panel with government representatives to address the many issues arising with embracing the digital technologies in the consulting engineering sector.

In Hanoi, the Asia-Pacific Contract Users Conference was a great event. The subjects covered included the upcoming changes to FIDIC contracts, the risk allocation model, the experience of the contracts on projects in various Asian countries and the very important FIDIC Golden Principles, as well as addressing the critical subjects of roles, administration, contractual obligations, notifications, variations, time bars, claims, disputes, adjudication, and arbitration.

In New Zealand, the ACENZ Conference and the Annual Awards Dinner were terrific events. I think it is one of the best conferences around and it focuses on the business of consulting. Well done to Kieran Shaw and his ACENZ team. The Awards Dinner is a fantastic celebration of people and projects. It is evidence of the great contribution the consulting engineering industry makes to New Zealand, both to the economy and the community. I was very impressed with the talent of the New Zealand young professionals and that they made up half the audience at the conference. Young Professionals are the future and the focus on their development and taking opportunities in front of them with confidence will ensure the success of the industry moving forward.

Globally, the industry is very vibrant with the focus on infrastructure and urbanisation continuing to drive investment in the projects we love as engineers. Competition is increasing and the bar continues to be lifted in terms of value, technology and efficiency. What is developing is a sharp divide between those with adopting and developing the technology and those who are not. What remains consistently vital to the success of the firms is people and leadership.

The G20 Infrastructure Hub has made a global assessment of infrastructure. In one aspect of its work it has reviewed infrastructure governance, permitting, regulation, planning, procurement and delivery across the globe. The variations in performance in all of the areas and the drive to achieve best practice provides significant opportunity for improvement. The Hub’s website provides plenty of opportunity to drill down into the data behind the profiling and to identify those countries that are seen as best in class. We can all learn from them and I commend the website to you.

- Governance and Institutions - strength of legal and institutional environment
- Regulation - openness to investment and extent to which regulation and competition frameworks support infrastructure delivery
- Permits Licences and Land Acquisition - efficiency of planning, licensing procedures for the issuance of permits and acquisition of land
- Plan and Select - ability of government to plan, co-ordinate and select infrastructure projects
- Procurement - extent to which procurement processes and bid management frameworks are standardised, transparent and non-onerous to bidders
- Delivery - track record of delivery and quality of infrastructure assets

The G20 Infrastructure Hub has also estimated that between now and 2040, nearly USD 100 trillion will be spent on infrastructure, about half in Asia. This is not surprising given the concentration of populous nations in Asia and the fast pace of economic development.
Our next great event will be the FIDIC annual global infrastructure conference in Jakarta from 1 - 3 October 2017. I would invite and encourage you all to come. Our focus this year is on resilience of infrastructure and we are addressing both the human and societal importance of resilience as well as the oversight, selection, planning and delivery of infrastructure for our communities.

It is very clear to many in the world that resilience is becoming more and more important to protect both the health, well-being and economic stability of our communities.

Resilience is not only about the ability to withstand natural disasters but also to operate effectively under increasing demand and aging. We will hear from international organisations to understand the impact of poor infrastructure on health and welfare in our communities, multilateral development banks on needs in developing countries, government, academics and advisers on project planning, selection and execution. We will hear about infrastructure experiences from earthquakes in Japan, sea level rise and flooding in the USA and Indonesia. We will hear about urban planning strategies to adapt our infrastructure to be more resilient. We will discuss how resilience and sustainability can be mutually supportive. Lastly, we will hear about design to avoid and mitigate damage.

I look forward to seeing many of you in Jakarta.

Tony Barry
Board Member, FIDIC
A few weeks ago, I attended a stakeholder forum of major State and Territory Public Sector clients, along with the major contractors, convened by the Commonwealth, to discuss issues to do with procurement and the costs of bidding for major infrastructure projects in Australia.

Whilst initially the conversation centered around small efficiencies like streamlined documentation and central registers, there was clearly a bigger picture at play.

On one hand, there is no doubt our sector is an exciting place to work. We do interesting work on fascinating projects in service of a happier, more productive Australian community.

On the other hand, however, we have major challenges to overcome, particularly if we are to be an industry of first choice for young people choosing a career path. The building and construction sector makes a major contribution to the Australian economy, and yet we are currently the productivity laggard in relativity to other industries. It seems to me that we need to be thinking in a big way about how we supercharge significant innovation, and surely that disruption needs to begin at the very beginning of the process—with procurement.

To this end, I proposed a set of principles to re-set our thinking about the outcomes we desire (innovation, quality, value etc) rather than the inputs (procurement). Surely, as Einstein points out, if we desire a different outcome, we must begin with an altered paradigm.

Thus, my set of Principles for Procurement for the future are:

- Our current systems of procurement need disruption, not incremental change.
- We should focus on innovation, efficiency and sustainability, not costs.
- We should see the procurement process as the beginning of the project outcome, rather than merely a selection methodology.

Any truly innovative, disruptive industry will tell you that there are a number of key ingredients for innovation to occur—namely collaboration and calibration.

Indeed, in our sector we all appreciate how much collaboration (between what are very complex and siloed supply elements), can contribute to exceptional outcomes. Australia was at the forefront of relationship based contracting models such as Alliancing, and yet we tend to revert to traditional, more adversarial models because, on surface value, pitting the parties against each other gives a stronger perception of value for money.

Innovative businesses also practice the principles of failing fast and constantly re-calibrating their approach. In our sector these are called variations and we tend to be punished for them rather than rewarded!

It is clear then, that there is an ingredient mismatch in our current approach—if innovation requires flexibility and dynamism, a collaborative shared outcomes approach and a supportive, learning culture then our current procurement system, which instills a rigid, siloed and aggressive approach, simply does not prove fit for purpose.

Without doubt expertise and experience are critical for project success, but if these are the only pre-requisites for leadership in our sector I fear we will be forever destined to repeat the mistakes of the past in perpetuity. This “merit trap” will not only prevent us from attracting new thinkers into our businesses, but will see us fail to capture the benefits of their diverse thinking.

All of this leads me to think that we are at a point in time when we need a real shake up within our industry, and perhaps the answer is the influence of fresh thinking from other industries, from under-represented groups (like women and non-Anglo cultural and religious backgrounds), and from sectors of our society which are users rather than designers or constructors. Surely a different group of thinkers may come up with the kind of transformational re-design that is required to kick-start real productivity gains.

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success, but if these are the only pre-requisites for leadership in our sector I fear we will be forever destined to repeat the mistakes of the past in perpetuity. This “merit trap” will not only prevent us from attracting new thinkers into our businesses, but will see us fail to capture the benefits of their diverse thinking.

The correlation between diverse workforces (and leadership) and better business outcomes is undeniable. The research that has now been conducted around the globe (and a growing body of research and thought leadership by our own Male Champions of Change groups in conjunction with the Chief Executive Women in Australia) demonstrates an avalanche of evidence to support the case for more diversity is decision making.

One cannot help but hypothesise then, that bringing more diverse thinking by fast-tracking non-traditional participants in our industry will only bring us a step closer to more inclusive, collaborative and disruptive solutions to the inputs which will drive a more productive supply chain in the building and construction sector.

Given the workloads ahead of us in developing our Country and Region’s infrastructure and cities, we simply MUST move now to implement step-change. If we don’t we will fail to fulfil our fundamental purpose—to leave this industry to the next generation in a better shape than it is today.

Megan Motto
Consult Australia CEO

Consult Australia’s Leaders Conference
FIDIC ASPAC Members (Directors and Secretaries) will receive a complimentary pass, provided they are accompanied by a paying registrant from their membership. For more information contact Consult Australia Marketing Manager Mark Rock on +61 2 8252 6717 or via email mark@consultaustralia.com.au.

INTRODUCTION

The infrastructure sector is growing at a very high pace in India for the last 10-15 years. However the consulting engineering neighbourhood the entire engineering fraternity has not been able to meet the demands especially in new areas such as metro railways and now high speed rail. The engineering fraternity took up the gauntlet and demonstrated great resilience, to rise from a slow development path to one that could meet the nation’s needs. CEAI has been helping the consulting engineering fraternity to interact with each other and those in other countries and update their knowhow and capabilities. CEAI has also been pursuing with project owners that the Indian engineers be provided the opportunities to prove themselves. However, what really hampers the engineering fraternity is the absence of a legislation which would make it a legally recognised profession. CEAI has been steadfastly engaging the government on this matter so that the engineering fraternity also becomes a legally recognised profession such as Architects, Doctors, Lawyers, Chartered Accountants, Nurses, etc., in India. To overcome this CEAI thus decided to create a National Register of Consulting Engineers.

Major REASONS FOR STATUTORY RECOGNITION

The major reasons that necessitate requirement of statutory recognition of engineers in India are:

Only those with proper background, experience and demonstrated capability should start engineering consultancy practice.

Need a reciprocal appraisal and approval protocol with other countries for any foreign engineering consulting organisations or individuals who desire to start business in India. Currently this does not exist and any foreign consulting organisation or individual can start practice in India. However, Indian engineering consultants do not have reciprocal advantage in foreign countries. Each Indian company has to take approval from the local engineering bodies/ departments before starting business, which in some countries involves getting their individual engineers certified and registered.

To ensure that the designs, construction supervision, operations and maintenance are being done by experienced engineers and those with the necessary knowledge and capability so as to obviate unsafe and unsound structures/ systems/ plant & equipment. Major failures during construction and service life, disasters that have been occurring are mostly attributable to inadequate designs and/ or poor construction and/ or maintenance stemming from lack of appreciation of the issues involved.

To ensure that opinions and direction of qualified engineers is complied and respected by the society.

ALTERNATE TO LEGISLATION FOR Engineers

In order of overcome the constraint of not having a legal recognition for consulting engineers, the Consulting Engineers Association of India (CEAI) has started the process of creating National Register of Consulting Engineers. CEAI has formed a committee of experienced engineers who evaluate the applications of engineers before recommending their name for inclusion in the National Register. This process helps in identification of engineers having academic qualifications, capability and experience in their particular area. CEAI created the following categories of engineers for the National Register.
Due to administrative and legislative reasons, the statutory recognition of consultants has not happened in India. Few consultancy companies started unfair competition by charging unworkable fees and consequently poor quality of work.

**GUIDELINES FOR SELECTION OF CONSULTANTS AND PROFESSIONAL COMPENSATION STRUCTURE**

Over the last few years CEAI has prepared a document titled as “Guidelines For Selection of Consultants and Professional Compensation Structure”. This document was first prepared in 1980 and the latest revision has been issued in December 2016. The main purpose of this document is to promote use of proper procedures in engagement of consultants. It also contains recommendatory compensation structure for fees and CEAI expects that it would aid in arresting very low fee quoted by some consultants. Clients also need to be advised that a minimum fee structure should be adopted in order to get the requisite basic quality services from engineers. However, it is going to be a long parley as clients wish to pay minimum fee and there are consultants who due to their own constraints may oblige in order to secure the job. In such cases the bottom line remains that the quality of output, safety and soundness take a back seat.

**Professional Development**

In India training for development and enhancement of professional engineers needs a strong impetus so that they are up to date on developments in their area of work. Even young engineers are not trained properly before being assigned on a job. Sink or swim cannot be the adage for professional engineers.

CEAI has been conducting training courses which have been well received by its members as well as non-member participants. However, the lack of need for proper training by engineering companies is worrisome at times. In some countries the Government has made it compulsory for the personnel to be trained. Continuing Professional Development is essential for a professional – that’s the message that CEAI has been conveying to the organisations and the individuals and slowly it is dawning on them.

CEAI has been successfully conducting a number of training programmes on FIDIC Contract Conditions, Risk Management, Claim Management, Insurance, etc. Just a few months back a 2 days training workshop was held in Bangaluru and Chennai. The training was imparted by a FIDIC accredited trainer and was attended by about 40 – 50 persons at each location.
Conclusion

CEAI has been pushing forth its agenda for looking after the interests of the consulting engineers in particular and the engineering fraternity at large in spite of hurdles and pitfalls along the way. CEAI believes in the spirit of upholding the dignity of the profession.

**Views expressed in this article are personal and not of CEAI.**
Dear Colleagues,

We would like to cordially invite you to the next FIDIC International Infrastructure Conference in Jakarta, Indonesia from 1-3 October 2017.

This will be an exciting conference and a great opportunity for you to meet with peers working in the infrastructure sector worldwide.

The theme of the conference is "Resilient Infrastructure – Improving Life". We believe this theme will attract an increased number of companies and organisations working in the infrastructure sector to discuss about the way to improve our understanding of, and approaches to, the challenges we face in providing the appropriate levels of resilience to the infrastructure needs of clients and communities.

The FIDIC international conference will provide a platform to evaluate and discuss the understanding of what constitutes resilient infrastructure. In the wake of increasing natural disasters, urbanisation challenges and economic instability, infrastructure programmes are being implemented in some countries, but without properly understanding resilience. Predicting the effects of climate change is becoming more challenging. To ensure that our design and construction standards are robust enough, the ability to adapt is critical - from planning, design, and implementation, up to the maintenance phase.

Please note that the following documents are available online: conference flyer, preliminary programme, and the FIDIC sponsorship brochure which includes a set of interesting opportunities and benefits for your organisation and company, if interested. Online registration is available at www.fidic2017.org

We look forward to welcoming you in Indonesia!