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Ms Helen Silver
First Assistant Commissioner
Productivity Commission
LB2 Collins Street East
MELBOURNE VIC 8003

Dear Ms Silver

IMPROVING THE FUTURE PERFORMANCE OF BUILDINGS

The Institution of Engineers (IEAust) is a constituent member of the Australian Council of Building Design Professions (BDP) and has actively participated in the production of a submission from BDP to this Productivity Commission Study.

We understand the BDP submission has been forwarded to the Commission and we wish to record our full commitment and support for the comments put forward.

In addition we would like to add the following comments regarding *Fitness for purpose*:

Fitness for purpose is a concept, not a definition. Importantly, it is a concept which cannot be defined.

In this context it is important to understand the nature of engineering services. A "Service" is an act performed by one human being for another, usually upon payment of an agreed fee. As each person is different in ability, comprehension, physical attributes and diligence, each act of service is different.

Most importantly, the provider and the recipient of the service often have different expectations of *what the service should be*. For example, the application of the art of engineering to residential development is much more difficult than to major project development, because in the former there is usually insufficient funds available to deploy the resources which are really needed. The test of satisfaction with a service is inherently subjective which means it cannot accurately be defined and some compromise is inherent in specifying its scope. Thus, unless a client knows definitively what is required of an engineer at the outset, there is nothing against which to judge *fitness for purpose*.

The Institution also strongly supports the need for a much greater focus on the design aspect of building projects. It is at this point where investment in non sustainable features will pay off over the life of a building. "Fee bidding" for design consultants has been shown to increase the construction costs of a project, results in a "blow out" in the time of construction due to less than adequate documentation and inevitably results in poor 'whole of life' performance of building systems.

The Institution supports the introduction of Qualifications Based Selection (QBS) for the selection of design consultants and recommends the introduction and facilitation of Delivered Energy Services (DES) as one mechanism for improving the ESD performance of buildings.

Yours sincerely

John Boshier FIPENZ
Chief Executive
24 August 1999