

Ref: T08248 – 31 July 2008

Secretariat  
Review of Australian Higher Education  
Location 023  
GPO Box 9880  
Canberra ACT 2601

Dear Sir

**RE: Review of Higher Education In Australia**

The Australian Institute of Building (AIB), as the professional institute for building and construction professionals, takes this opportunity to forward comment to the Australian Government's review of higher education in Australia.

AIB was founded in 1951 (and granted a Royal Charter in 1969) for the specific purposes of improving the status of the building profession, promoting research into building science and fostering the development of university courses in building and construction management. AIB played the lead role in the establishment of Australia's first building and construction management courses which commenced at the University of Melbourne and the University of Adelaide in 1958, and the subsequent creation of all similar undergraduate programs in Australia, most recently at the University of Canberra.

Like many professional institutes, AIB serves as the accrediting body for undergraduate programs in our particular field of interest, this being building and construction management. AIB currently accredits fourteen undergraduate programs offered by twelve universities and two new programs are under consideration. Approximately one-third of AIB members are overseas, predominantly in the Asia-Pacific region, and the majority of these members were educated in Australian universities. AIB is thus in a unique position to view higher education in Australia from both a local and international perspectives.

From the perspective of Australia's building and construction industry, AIB is uniquely positioned to tender the following advice to the Australian Government's review of higher education in Australia.

**Strategic important of investing in building and construction courses**

At a national level the Australian building and construction industry will continue to enjoy high levels of demand. Although residential construction has softened due to interest rate increases and an uncertain economic outlook, this has been off-set due to a relatively strong commercial construction sector and an engineering sector which is at capacity, partly due to increased infrastructure expenditure by the Australian and state / territory governments.



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In the lead-up to the 2008-09 Australian Government budget, AIB advised the Australian Treasurer that capacity constraints within the sector would hamper the ability of all levels of government to deliver planned infrastructure projects in a timely fashion. Just as a shortage of skilled trades is adversely affecting the building and construction industry, so too is the shortage of tertiary-qualified building and construction professionals. This shortage is threatening the ability of the Australian and state / territory governments to delivery their infrastructure programs on-time and on-budget.

Recommendation: The Australian building and construction industry requires a funding model that allows it to respond in a timely fashion to skill shortages.

### **Accreditation of university programs**

As advised, AIB serves as the accrediting body for building and construction courses. The Institute first started accrediting university level building qualifications in 1975 with the purpose of the accreditation serving to verify that the outcomes are consistent with the needs of the building profession. Universities value this accreditation, reflected in the following statement on the website of the University of Technology Sydney:

*Accreditation is an achievement which demonstrates our engagement with industry and the value we place on appropriate professional recognition. It both informs and enhances our commitment to delivering high-quality business education that combines academic rigour with practice-based, industry relevant learning.*

UTS Website: [www.business.uts.edu.au/about/accreditation/](http://www.business.uts.edu.au/about/accreditation/)

Accreditation is granted by AIB following a review of a program to ensure that its students possess the professional attributes and competency required of a building graduate. Further information on AIB's accreditation process is available upon request.

Approximately two-thirds of the content of a building and construction management undergraduate degree is common to a degree in building surveying and quantity surveying. Given this commonality, AIB's accreditation of building and construction management degrees is undertaken in partnership with the Australian Institute of Building Surveyors (AIBS) which accredits building surveying undergraduate degrees and the Australian Institute of Quantity Surveyors (AIQS) which accredits quantity surveying / construction economics degrees. The three organisations have a formal agreement which seeks to harmonise their accreditation process, thus reducing the burden on academic staff.

Universities have expressed concern about the costs associated with accreditation and AIB continues to work with universities, the AIBS and AIQS to further refine the process.

Some universities are seeking accreditation from overseas professional Institutes in addition to Australian-based professional institutes, presumably seeking to enhance the university's international standing. Given that academic staff often remark that existing administrative and teaching loads leave them short of time, it is curious that universities will impose on its staff the added time and costs associated with accreditation of its academic programs by professional institutes based in Europe or North America.



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Many Australian professional institutes, such as AIB and AIQS, have bi-lateral or multi-lateral agreements with their overseas counterparts providing mutual recognition of their university accreditation systems. For example an undergraduate degree accredited by AIB will be recognised by the Singapore Institute of Building (SIB). In this environment, there is little need for Australian universities to unnecessarily deploy staff and financial resources in the quest to have its qualifications accredited by overseas professional institutes.

There are further multilateral agreements, such as the Washington Accord covering the accreditation and equivalency of qualifications in the engineering sector. AIB recommends that the Australian government support industry-sponsored initiatives to develop additional international agreements of this type.

Recommendation: That the Australian Government support initiatives to develop multi-lateral agreements for the accreditation and equivalency of qualifications where this is supported by the relevant industry stakeholder(s).

Recommendation: That no public funding be utilised in the process of seeking accreditation of qualifications by overseas professional institutes.

### **Keeping graduates in the university system**

Given the robust nature of Australia's building and construction industry, it is not surprising that graduates of building and construction management programs enjoy an employment rate upon graduation of nearly one hundred percent. Starting salaries for building and construction graduates are also higher than average, often exceeding \$75,000 per year in Queensland and Western Australia which have strong economies underpinned by the resources sector.

Strong employment prospects for building and construction graduates within the industry is having one negative impact – very few building and construction graduates are staying within university system. Indeed, a preliminary survey by AIB indicates that, at the current rate of attrition, there will be no building and construction graduates within the higher education system in fifteen years time.

The problem stems from the fact that building graduates are accepting lucrative jobs in the private sector rather than staying within the university sector to become lecturers. After four years study, a building graduate can expect a salary package approaching \$90,000 in the private sector, whereas to become a university lecturer they have to complete their doctorate and start on half that much.

Some universities have addressed this problem by revising their salary structures to allow for an "industry loading" and the University of Queensland articulates this policy as follows:

*The University is committed to attracting and retaining high quality staff and rewarding outstanding performance by staff. Flexible remuneration using loadings and / or bonuses may be justified to assist in achieving this goal. All academic staff, including research-only staff, are eligible for consideration for payment of a loading or bonus. The payment and renewal of such flexible remuneration is at the discretion of the relevant senior officers.*

UQ Website: [www.uq.edu.au/hupp/index.html?page=25232](http://www.uq.edu.au/hupp/index.html?page=25232)



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Most universities adopt the policy of the University of Queensland where the decision to apply an industry loading is “at the discretion of the relevant senior officers”. This often results in such loadings being infrequently applied, partly due to the need to contain expenditure but also because of the complex problems associated with inconsistent application of the decision to apply the loading. A better system needs to be developed.

The Australian Government already identifies which professions for which shortages exist for the purposes of the skilled migration program. For example, the profession of “construction project manager” is deemed to be in short supply and thus appears on the list of occupations for which Australia is seeking overseas skills. Once solution to retaining academic staff would be to use a reference such as the list of occupations in demand for determining whether or not to apply an “industry loading” to academic salaries across the entire system.

Recommendation: That a framework be provided that properly remunerates academics to encourage them to remain in the higher education system.

From the AIB’s perspective, the Australian higher education system is serving the building and construction industry well. The following recommendations are made so as to ensure that precious resources are properly deployed in the delivery of programs or undertaking research, they also ensure that a number of building and construction graduates will stay within the system:

- The Australian building and construction industry requires a funding model that allows it to respond in a timely fashion to skill shortages.
- That no public funding be utilised in the process if seeking accreditation of qualifications by overseas professional institutes.
- That a framework be provided that properly remunerates academics to encourage them to remain in the higher education system.

AIB looks forward to further engagement with the review and if your office needs further information or advice please contact me at your convenience.

Yours faithfully

Troy R Williams MAICD  
Chief Executive Officer