

Valued Guests, Colleagues, Students and Friends, I welcome you to our special event this afternoon here at the University of Limerick.

We are here for three very important reasons. Firstly, we are delighted and honoured to be **awarded** accreditation by the Chartered Institution of Building for our Construction Management + Engineering programme. Secondly, we wish to **celebrate** the fact that today is International Construction Management Day. And finally, we wish to **share** these important events with you: our friends, colleagues and students in the **context** of what we believe to be the important theme of “Entrepreneurship in Construction”.

Today’s construction industry is very different from that of Celtic Tiger days: indeed, it is almost unrecognisable. One need only look a short distance from this campus to see the scars of the recent boom in the derelict, incomplete construction sites which **promised so much, delivered so little, yet cost** our society so heavily.

This fact, from which we cannot escape, has presented us with what we believe are difficult, but surmountable, challenges.

The construction industry has become inextricably linked with cronyism, corruption and corporate greed. It has become synonymous with speculation, sloppy spending and syphoning of the public purse. To an extent, these links are sadly justified. However, we believe that it is necessary to separate the improper and reckless development from the important, and vital, role that construction plays in a developed society.

The construction industry has a long and honorable history in Ireland. This sector helped transform the State providing the critical infrastructure: housing, schools and hospitals, networks for transportation, electrification and telecommunications, clean water and sewerage. These are public assets, put in place by the state, to increase our standards of living and national wealth.

Unfortunately, today the construction industry is something of a *persona non grata* in political debate and particularly in discussions about public spending. This is understandable: the construction industry was the vehicle which property developers and banks used to facilitate their gambles. When it went bad, our political leaders used the language of common good to convert these private

responsibilities into public debt which Irish citizens must now repay. The developers and bankers have walked away. The vast majority of people in the construction industry did not collude with this process, nor did they benefit from it.

I am not suggesting that the industry bears no responsibility; clearly the industry with a simple profit motive took a very short term view. For example, many companies leveraged poorly trained and poorly managed workers to execute their projects: littering the country with structures that were poorly **conceived, poorly designed, and poorly constructed**. Few industry leaders stopped to ask why. There can be no doubt, the industry needs to restructure. But we cannot chastise an entire industry for the failings of a few.

Conservative estimates put the level of construction activity today at approximately a quarter of its 2007 peak. This is particularly evident in the private construction sector, which shed employees on a scale never before witnessed in the state. According to a recent report by DKM Economic Consultants, approximately 78,000 people lost their jobs, in construction, in 2009, this on top of the 90,000 construction jobs lost in 2008. That's the equivalent to 84 times the jobs lost at Dell: yet there was no national outcry, no special task force established, no special EU fund and no government minister really looking for ways to save jobs or create new opportunities for those affected.

Given the lack of public outcry over the gargantuan job losses in the industry, it appears that there is a national sense of "good enough for them". But this is a mistake. Construction is a vital component of a sustainable society. It is an industry that generates value-adding, long term assets that society needs and wants.

Construction will not stay at the current unsustainably **low** level of activity. The sector's growth fatally under-damped: it was under-damped as it over shot and peaked and it remains under damped as it over corrects to this low trough. Some sections such as residential construction will take a long time to recover: we have an overhang of empty house, lots of emigration and a shocked populace. But there are already tentative indications of recovery in the commercial sector (INDEX of Production in Building and Construction), and a growing understanding of the need to upgrade our water, energy and communications infrastructure. These sectors

can lead the industry and national resurgence. But, the industry must also regain its **credibility** and develop a set of core values. This is what our course and events like International Construction Management Day are all about.

We are firm in the conviction that, **education and certification** are vital components to the renewal process, and that institutions such as the University of Limerick and CIOB, will play a major role. Professional registration should not result from time served in an organisation, **but instead be competence-based**, and built upon accredited third level qualifications and demonstrable achievement of rigorous objectives.

Education programmes such as ours must deliver a fundamental grounding to our students. We are firm in our belief that construction management education is **much more than the delivery of knowledge or training in the use of tools and techniques**. The construction manager must have the cognitive ability to understand everything that is needed to successfully deliver a project and the acumen to procure and manage the specialists needed to deliver it. We believe, first and foremost, that education for construction management is about being able to **assess accurately, analyse clearly and act effectively**. We call this, **Value Based Thinking** and it is at the heart of our programme. It is about looking to the root of problems, analysing options, and offering solutions. Solutions which reduce cost, add benefit, and challenge the fundamental premises of the project. It's about having the confidence to stand up and ask the most basic, most powerful question of all: Why?

Many of our students will graduate shortly and enter an industry in transitions. It is incumbent upon us as faculty to encourage students to consider things as they actually are and look for ways that they can improve them. **There is a great need for people** with the skills to “**go it alone**”, and the confidence to “**try out something new**”. This is I am delighted to announce today that **we will incorporate an entrepreneurship stream** into our Construction Management + Engineering program starting next year. We want our students to take a leadership role in the national economic recovery by creating and delivering something new, and by challenging tried and tested ways of doing things, once more by asking the all-important question: Why?

But it is also vital to have our students imagine how things **might be, could be, should be**. Nothing is written in stone, and we can't know what the future holds. In fact, the one thing we do know is that it will not look like it does today. We need to ask our students to think beyond what they know, and to consider the unknown (even the unknown unknowns.) What our graduates will face in 20 years' time, we cannot conceive, but we must and we believe we do provide them with the strategies to adapt to whatever challenges are presented.

### **What can we say about the future?**

Well the employment landscape will be very different: the job for life will disappear. Future employment arrangements will be transient; both in terms of duration and location. This will require a more flexible approach that adjusts to ever changing problems, an ability to integrate technology and a willingness to work within a range of different cultures. Gone too will be the easy money and the construction projects that relied on it. Future projects when they happen, and they will happen, will need to demonstrate benefits and value, in addition to private profits. Future projects will need to address the major issues facing the world including climate change, energy scarcity, food and material shortages; the needs of an older population and mass migration of people.

Graduates of this programme will meet these challenges as future leaders of the construction industry. Let there be no mistake about this. Construction Management is a burgeoning discipline, and one which today's students are immersing themselves in at the right time. Not long ago, there were no engineers or surveyors in construction: just architects; now we can't image projects without these critical distinct professions. The professional Construction Manager is no different.

Our graduates leave this university, with management skills beyond most engineers, technological ability beyond most managers, and construction sustainability awareness beyond most scientists. It is a unique mix of skills, and one which we are particularly proud of, and which we believe fills an enormous gap in the industry.

## **Where does the CIOB fit in?**

The CIOB has in excess of 40,000 members worldwide, most of whom are not engineers, architects nor quantity surveyors. But they are **leading, managing and delivering** some of the largest construction projects on the planet.

Here at the University of Limerick, we cannot **overstate** what accreditation by the CIOB means to us. It not only opens up the world to our graduates but it **makes us part of an international community of Construction Management Professionals and delivers; the shared learnings and experiences; the global network; and the sense of belonging to something much bigger.**

The titles MCIOB and FCIOB are the hallmarks of construction professionalism the world over, and we hope that all our graduates will aspire to and attain these titles. In support of such a large membership, the CIOB has offices on every continent, and advocates for the profession at all levels within the industry and beyond. Not many professional bodies achieve what the CIOB achieves, particularly in this industry, **and we are truly proud to belong.**

We have every confidence in our students and graduates, we believe in their ability, we are committed to providing the best for them, we trust that the CIOB will advocate for them, and we know that our Construction Managers have a bright future as leaders of a new, renewed construction industry: a future which has the limitless possibilities that true education offers.

Thank you and enjoy the afternoon.