

Constructing Building Integrity: Raising Standards Through Professionalism

Industry Factsheet: Sources of Ethical Guidance

October 2024

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Overview

This fact sheet outlines eleven sources of ethical guidance that industry practitioners can draw on to inform their decision-making and raise professional standards in the construction industry. The sources were identified in the integrity system mapping approach used in the [Final Industry Report](#) for the project 'Constructing Building Integrity: Raising Standards through Professionalism'.

Sources of Ethical Guidance

Figure 1 outlines the main elements in the building industry integrity system from which industry practitioners can gain access to guidance documents, policies, training, enforceable rules and regulations, and additional sources of information that are aimed at raising the ethical and professional standards frameworks for their profession.

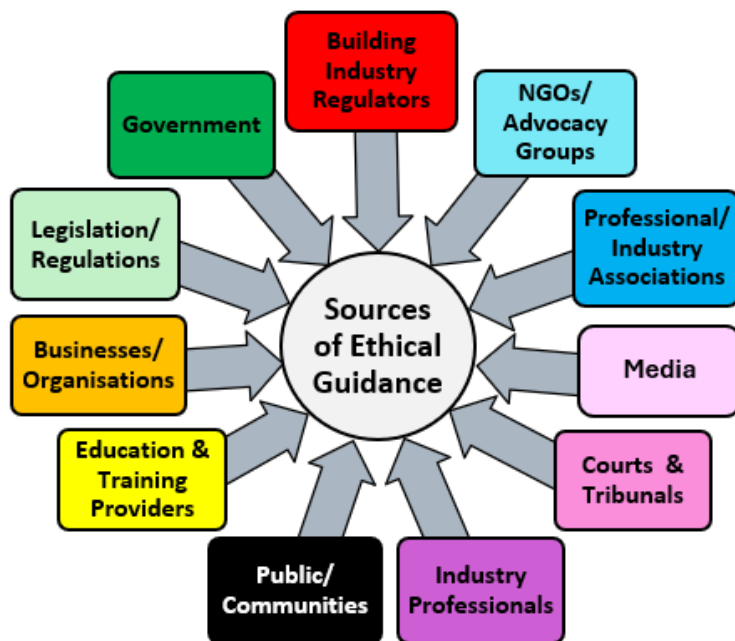


Figure 1: Sources of ethical guidance for the building industry

1) Industry Professionals

Interviewees from all ten examined professions spoke at length about the central role of their **personal values** and individual perceptions of professional standards in their ethical decision-making. While formal statements of value (such as codes of conduct) were also considered important, some interviewees noted that they are less influential in their day-to-day professional activities:

'They are there. Typically, they're not talked about much'. – Building designer

Personal values also frame how professionals perceive the efficacy and appropriateness of professional standards frameworks, organisational policies, legislative provisions and monitoring and compliance

mechanisms. Professionals evaluate these instruments from their own personal ethical position. Ethical tensions can arise when personal values clash, or are otherwise incompatible with, their profession's governance policies, processes and practices.

2) Education & Training Providers

Universities, TAFE and other **education and training institutes** are a key source of ethical guidance. They promote professionalism by providing resources on how to implement ethical decision-making in practice, and integrating ethics training into qualification, accreditation and registration processes. Training institutes also provide Continuing Professional Development (CPD) and other post-qualification courses.

The extent to which education and training providers can prepare graduates to maintain high ethical and professional standards in their careers depends on: (1) how professional ethics courses are incorporated into the curriculum – preferably incorporated in mainstream subjects rather than provided in a separate subject; (2) whether the degree is supported and/or accredited by peak professional bodies; and (3) if the practical implications of ethical decision-making on professional standards are fully acknowledged and explored in the training.

3) Professional & Industry Associations

As key representatives and advocates for their industry, **professional associations** are well placed to provide industry practitioners with tools and resources to improve and strengthen their professional standards in their work. Professional associations provide a range of benefits for members, which can include professional development (training, industry accreditation and CPD), networking opportunities, ethical advisers outside of the chain of command, awards for exemplary professionalism, and additional resources (policies, strategic plans) to apprise them of current and future developments in the industry.

Effective associations play a central role in professional standard-setting by outlining goals and values for the industry, developing guidance documents such as codes of ethics and conduct, and self-regulating the conduct of professionals via monitoring and compliance mechanisms and complaints processes. They can also act as 'regulatory agents' by collaborating with regulatory authorities to enforce legislative requirements, or calling for regulatory reform if these standards are deemed to be inadequate or redundant.

The research found that ethical challenges can arise when the governance frameworks of professional associations are not effectively aligned with the needs of members, and that when it comes to professional standards, proactive leadership was required to

'communicate them as strategic values and actually articulate them as underpinning everything we do'.

– Landscape architect and AILA representative

4) Businesses & Organisations

Businesses and organisations can play an important role in monitoring and guiding the ethical decision-making of employees by putting governance and other processes in place to improve professionalism. Unlike professional associations (where attaining membership is typically voluntary), companies and firms have a more direct role in facilitating, monitoring and enforcing professional standards of their employees, including imposing penalties for ethical misconduct.

One of the main barriers to the effective integration of professional standards in organisational contexts is a lack of a healthy organisational culture that prioritises the wellbeing of employees and independent contractors over commercial drivers and incentives. Unbalanced and inequitable power dynamics can create toxic workplace environments and give rise to serious ethical tensions including work overload, aggressive competition, exploitation and problematic culture:

'Structurally in large organisations or other big state departments, it's an us and them mentality'.

– Town planner

These issues can be further exacerbated when employees do not have access to confidential sources of ethical advice or independent complaints processes.

5) Building Industry Regulators

Regulatory authorities provide ethical guidance by developing and setting the legal rules, regulations and mandatory standards for professionals. Profession-specific Acts, Regulations and statutory codes of conduct prescribe specific types of ethical behaviour and impose statutory penalties for professional misconduct. For example, the Australian Building Codes Board (ABCB) sets national building standards under the National Construction Code (NCC), while industry watchdogs (such as the ACCC) provide monitoring, compliance and complaints processes to improve consumer outcomes. Independent statutory authorities such as the Professional Standards Councils (PSC) also enhance professionalism by encouraging professional associations to apply for Professional Standards Schemes, which limit civil liability for participating members if they improve their professional standards and implement risk management strategies (PSC, n.d).

Many professionals interviewed were dissatisfied with the regulatory frameworks for both their individual professions and the wider construction industry. Key challenges identified include regulation being: (1) not fit for purpose (e.g. by being out of date or failing to address key issues in the industry); (2) too onerous (e.g. too many legislative instruments to keep track of); and/or (3) contradictory or incompatible (e.g. especially between state and federal legislation):

'We have a National Construction Code and we have the Australian standards. Then you have the Queensland portion of the National Construction Code, but then we also have the Queensland Development Code – you can see how it starts to have multiple layers. They all intertwine and it is very tricky if you don't have somebody who's got their finger on the pulse for the legislation'.

– Building certifier

6) NGOs & Media

Non-Governmental Organisations (NGOs) and media outlets comprise additional sources of independent ethical guidance that can potentially add another layer of transparency and accountability for individual professionals, professions, associations and construction companies. NGOs can play a crucial role in identifying and raising awareness of key issues of ethical concern within the profession and the construction industry as a whole, while media outlets similarly draw

attention to areas where ethical and professional standards are low. Highlighting these issues can potentially lead to crucial industry reforms that raise professionalism (such as the recent NSW reforms under the *Design and Building Practitioners Act 2020*).

However, the tendency of the 24/7 news-cycle to focus primarily on negative developments (such as the recent scandals surrounding accounting firm Price Waterhouse Coopers and the Strata Management industry) can also have perverse effects by reducing public trust in professions and giving rise to the perception that unethical behaviour is endemic in the construction industry. Some interviewees voiced concerns that negative media coverage of professionals and individual firms had a detrimental effect on their entire industry, with one professional stating that real estate agents were

‘quite frustrated by the kind of compliance actions you see against them and [the] perception that is rightly or wrongly attached’ that the industry has low ethical standards ‘when the prosecution side of real estate is pretty kind of minimal and the actual prosecutions are very low’.

- Real estate association representative

Professional Associations and NGOs can both play an important role in addressing these stereotypes by advocating for improvements while also highlighting the positive steps that professions have taken to raise standards in their industry.

7) Public Sector Governance

The development of robust integrity systems requires professionals, professional associations, organisations and regulators to acknowledge that the ‘public good’ supersedes professional and/or client interests and that the **general public** and **communities** are recognised as key stakeholders. Effective public sector governance and leadership driven by **regulators** and **government** ensures that public interest considerations continue to be upheld in construction projects. **Professional associations and organisations** can also play a role in promoting the public good by incorporating public interest, accountability, and transparency provisions into their goals and values, strategic plans and codes of conduct.

The complex nature of public sector governance and public interest factors means that these goals are often

difficult to maintain due to a range of factors, including: (1) significant costs associated with completing construction projects, which often leads to cost-cutting, lower quality buildings and poor consumer outcomes, (2) a lack of continuity in governments leading to priority shifts, (3) professional associations and construction companies that prioritise industry and client interests over public interests, and (4) the profit-driven nature of the building industry that poses additional challenges for professionals to prioritise the public interest in a volatile construction industry and property market.

Raising professional standards and building public trust in the construction industry

The sources of ethical guidance outlined in this fact sheet all play important roles in raising ethical and professional standards in the construction industry. While each source provides a range of potential benefits, more can be done by **industry professionals, professional associations, regulators, NGOs, media outlets and government** to address and mitigate the identified ethical tensions and improve their efficacy.

The interviewees largely agreed that raising professional standards requires a multiple-pronged approach where all relevant stakeholders work together to improve the integrity systems for both their profession and the construction industry as a whole:

‘The reason why the profession is failing is because they’re not communicating effectively the value that they actually bring’.

– Building designer

‘I think there has been erosion of trust in what architects do. Isn’t it up to the architects to communicate what they actually do, the value that brings and what design is? So we have to get better at putting that knowledge out there and communicating better’.

– Landscape architect

This fact sheet supports the conclusion in the [Final Industry Report](#) that the building industry integrity system will not function effectively unless the core elements (and the sources of ethical guidance that underpin them) are strengthened to raise professional standards and improve public trust.

Pathways to Action

While these sources of ethical guidance all play important roles in improving professional standards in the construction industry, they can be further enhanced by taking the following suggested actions:

Source of Ethical Guidance	Pathways to Action
Industry Professionals	<p>Industry professionals can draw on their personal values as a source of ethical guidance to:</p> <ul style="list-style-type: none"> • encourage other professionals to maintain high professional standards • avoid collaborating with professionals engaging in unethical conduct • actively participate in ethical and professional standard-setting by joining professional associations and attaining professional accreditation • emphasise the public good to which the profession is centred and justified.
Education & Training Providers	<p>Education and training providers can enhance professionalism by:</p> <ul style="list-style-type: none"> • offering a wider range of compulsory courses/units on professional ethics • developing a curriculum that is approved and accredited by peak professional bodies • integrating ethics more effectively into training modules and professional accreditation processes.
Professional & Industry Associations	<p>Professional & Industry Associations can provide value for members as a source of ethical guidance by:</p> <ul style="list-style-type: none"> • incorporating professional ethics into training and CPD programs • developing more detailed codes of conduct that include practical advice on ethical decision-making in various contexts (e.g. case studies) • strengthening governance frameworks to improve accountability and transparency • implementing robust co-regulatory mechanisms to improve compliance • advocating for improved standards in their profession and/or industry • providing ethical advisers outside employing organisations' chain of command.
Businesses & Organisations	<p>Businesses and Organisations can enhance their role as a source of ethical guidance by:</p> <ul style="list-style-type: none"> • promoting a positive, inclusive organisational culture that appropriately prioritises the wellbeing of employees and contractors over commercial interests • providing access to independent sources of ethical advice (e.g. ethi-call) • improving communication and knowledge exchange and developing collaborative networks with employees to improve professional standards.
Building Industry Regulators & Government	<p>Industry Regulators and Government can improve legislative frameworks by:</p> <ul style="list-style-type: none"> • engaging with professions to develop legislative instruments that are fit for purpose and address contemporary industry challenges • drafting profession-specific acts, regulations and statutory codes of conduct that clarify professionals' roles and responsibilities • improving the 'teeth' of industry watchdogs to ensure that professional misconduct is penalised • providing professionals with additional avenues to report professional misconduct (e.g. whistleblowing protections).
NGOs & Media	<p>Non-governmental organisations and media outlets can improve ethical conduct by:</p> <ul style="list-style-type: none"> • raising awareness of key areas in the profession where standards are low • suggesting avenues for reform and lobbying governments and other relevant stakeholders to take action • raising professional standards by holding individuals, companies and the profession as a whole accountable for widespread, unaddressed misconduct.
Public Sector Governance	<p>Professions, professional associations, construction companies, regulators and governments can do more to protect the <i>public good</i> by:</p> <ul style="list-style-type: none"> • incorporating public interest considerations into policies, practices and processes (e.g. goals and values, mission statements, strategic plans, codes of conduct) • improving collaboration and handover processes on construction project to reduce building defects and improve consumer outcomes • developing policies that are commensurate with community needs and expectations.

FURTHER READING

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[08/Value%20of%20Contemporary%20Professional%20Associations.pdf](https://www.psc.gov.au/sites/default/files/2021-08/Value%20of%20Contemporary%20Professional%20Associations.pdf)

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PROJECT RESEARCH

Additional research arising from the project (including the Final Industry Report) can be found at:

<https://www.griffith.edu.au/law-futures-centre/institute-ethics-law-governance/our-research/construction-building-integrity>

CITATION

Cooper, K., Breakey, H. & Sampford, C. (2024) *Industry Fact Sheet: Sources of Ethical Guidance*. Griffith University, 2024.

