

## Comment – Heuldins Group Pty Ltd

### Comment

HEULDINS Group Pty Ltd provides independent quaternary-level advisory research services, positioned at the intersection of sovereign strategy, proprietary intellectual property, and industry innovation frameworks. HEULDINS recently landed a twelve-year Major Industry Project in Modern Housing, Infrastructure, and Energy reflects the value of this submission.

## HEULDINS Group Pty Ltd – Consultation Response

Construction Productivity Inquiry

**Submission Date and Time:** 28/08/2025 – 1447 Hours

**Submitted by:** Prof. JPK Marquis (Coded QPL-HEULDINS)

**Entity:** HEULDINS Group Pty Ltd

**Role:** MBA, Industry Professional, Global Services

**Submission Time:** 240 minutes

**Value:** AUD \$144,000.00 (In-kind, excl. GST)

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### 1. Submission References

HEULDINS Group Pty Ltd. (2025). Recommendations Submission: Construction Productivity Inquiry. Retrieved from: 2025082800\_QPL HEULDINS Consultation Paper.

- Queensland Productivity Commission (2025). Opportunities to Improve Productivity of the Construction Industry: Interim Report.

### 2. Construction Productivity Inquiry

#### a. The Issue

- Broad terms of reference covering housing, hospitals, schools, stadiums.
- Challenges: demographics, investment priorities, constrained supply chains, policy inefficiencies.
- Uniqueness: Multiple stress factors converging simultaneously, diminishing effectiveness of traditional policy responses.
- Consequence: Builders exiting the market, rising frustration, reduced productivity.

#### Queensland Productivity Commission (the Commission)

QPL HEULDINS – Consultation Services

Consultation Paper (Construction Productivity Inquiry 2025)

### 3. Problem Statement – Housing Continuum (Non-Market & Market Activity)

By applying a Program Manager across the housing continuum, from non-market to market activity, stakeholders can ensure aligned outcomes, efficient delivery, and long-term sustainability.

| Who                                     | Reported   | Needs   | Modern Housing Initiative delivering outcomes                                       | Outcome  |
|---|--|---|---|--|
| The Community (Non-Market → Market)     | Vacancy rate <2% (Domain). Tight supply, RBA hikes, migration → rising rents.    | Each new home must house 4 persons over 5 years to meet demand.   | Commitment to deliver 200 homes in 2025 with compounding growth.                    | Accessible housing, community resilience, knowledge sharing.     |
| The Developer (Market)                  | Developers take 40–60% return, debt-based risk model.                            | Pathways to ownership for Australians; better ROI for landowners. | Program management & outsourced infrastructure → reduced risk, improved efficiency. | Sustainable, low-risk project returns with scalable growth.      |
| Community Housing Provider (Non-Market) | 1200 clients in build-to-rent, but only 1–2 transitioned to ownership (2019–24). | Flexible service models enabling client interdependence & growth. | For-purpose transitional housing + portfolio diversification.                       | Long-term housing security, commercial value retention.          |
| Sole Trader (Market/Informal)           | \$3,700 tax collected (2016–23). Cash economy undermines formal market.          | Incubator support for compliance & competitive advantage.         | SME support programs with professional/business development.                        | Efficiency, quality, stronger pipeline of industry participants. |
| The Market (Private Buyers/Sellers)     | 4-bed/2-bath home at \$1.2m; debt-to-income                                      | Literacy, education, stewardship for                              | Financial literacy and entrepreneur-led stewardship programs.                       | Accountability, efficiency, improved affordability.              |

|                                   |   |   |   |  |
|-----------------------------------|---|---|---|--|
|                                   | ratios block affordability.   | wealth creation & access.   |   |  |
| The Industry (Market System)      | Productivity constrained by cost & admin inefficiencies.                    | Models that reduce admin, self-regulate, and contribute socially. | “Construction Services as Investment Model.”                    | Efficient, aligned business models.                          |
| The Workforce (Non-Market/Market) | Skills mismatch between employer demand and apprentice readiness.           | Integrated industry–training–student pipelines.                   | Program-led workforce innovation and apprenticeships.           | Increased completions, accountability, industry engagement.  |
| The Government (Regulatory)       | Affordable housing permits inflated land by \$30m → worsened affordability. | Diversification & coordinated governance to lower barriers.       | Program management + outsourced costs improve ROI & compliance. | Verified compliance, quality, timeliness, policy ROI uplift. |

#### 4. Statement of Facts & Feedback – Construction Productivity Inquiry

##### a. Statement of Facts: Land and House as Separate Asset Classes

- Land and house should be treated as distinct asset classes in project planning and investment.
- Land represents a finite, appreciating resource subject to planning, zoning, and infrastructure considerations.
- House (built form) is a depreciating asset requiring ongoing maintenance, renovation, and compliance to retain livability and value.
- Separating these asset classes allows for improved project selection and sequencing, greater clarity in financing structures, and more transparent valuation methods.
- This distinction provides opportunities to integrate equity-driven models, diversify investment, and increase resilience of housing supply chains.

##### b. Improving Project Selection & Sequencing

- Introduce a Private Public Partnership (PPP) model that aggregates productivity through sovereign-held technology for procurement and deployment.
- Standardise general procurement policies to streamline approvals and reduce administrative overhead.
- Prioritise ESG reporting and end-of-waste codes to align construction with sustainability benchmarks and community expectations.

##### c. Feedback from Stakeholders

- **Cross-Sector Gaps:** Industry professionals in business administration, accounting, and certification were not adequately consulted.
- **Payment Terms:** Accrual methods and cross-collateralisation of development sites create risks and inefficiencies.
- **Financing Models:** Traditional debt-based development models dominate, with limited use of equity-driven alternatives.
- **Builder Risk:** Builders often extend credit in labour, tools, and materials before receiving payments, transferring disproportionate risk.
- **Access to Finance:** Banks are reluctant to finance smaller “mum and dad” developments, discouraging gentle infill and innovation.
- **Cash Economy:** Non-compliance in financial ethics and accountability continues to fuel shadow market activity.
- **Tax Administration:** High compliance burdens increase non-billable hours for organisations.
- **Approvals & Certification:** Shortcuts undermine standards and trust.
- **Ethics & Education:** More emphasis is needed on governance, professional standards, and sector-wide literacy.
- **Investment Sovereignty:** A call for more Australian-owned, operated, and securitised investments in business, education, and infrastructure.
- **Homeowner Grants:** Recommended grants for maintenance and renovations to uplift the housing economy, improve safety, and align assets with streetscapes.

- **Landlord Obligations:** Annual maintenance reports by licensed authorities should be mandatory to ensure structural integrity and tenant safety.
- **SME Growth Support:** Proposal for Cat 1 & 2 SMEs to access a \$50,000 growth fund via banks, supporting digitalisation, compliance, and energy transitions.

#### d. Key Issues Identified (MHI+G Major Industry Project)

- Financial literacy gaps.
- Weak administrative value capture.
- Low technology literacy.
- Underdeveloped corporate structures and accountability.
- Variations in ethical and governance standards.
- Lack of operational specifications of excellence.
- Limited community-driven outcomes.
- Slow adoption of industry-leading change.
- Market perception challenges around modern construction and administrative design services.
- Cultural inhibitors and language barriers.
- Absence of a National Certification Process for design, engineering, and certification standards.
- Exploitation of foreign workers in labour markets.

#### 5. Secondary Recommendations

- Implement an Integrated Modern Housing, Infrastructure, and Energy Model providing scalable, technical solutions to hybrid workforce requirements and investments.
- Increase localised investments to secure Australian-owned and operated securities, strengthening resilience in resource markets and imports.
- Establish pathways for equity-driven development models, alongside PPP procurement structures, to reduce reliance on debt-heavy systems and redistribute risk more fairly.

## 6. Solution Recommendations

### Integrated Modern Housing, Infrastructure & Energy Model

- Localised investment in Australian-owned securities.
- Recognition of land and housing as separate asset classes.
- Improved project selection and sequencing.
- Public-Private Partnerships using sovereign technology for procurement.
- ESG and end-of-waste codes prioritisation.

### Program Management Across Four Levels – Applied to Housing Continuum

Implementing program management at the visionary, strategic, operational, and foundational levels ensures that both non-market and market activity along the housing continuum are aligned, scalable, and sustainable.

**Visionary Level** – Applies to Community, Government. Aligns projects with long-term national vision for housing security, resilience, and affordability.

**Strategic Level** – Applies to Developers, Industry, Community Housing Providers. Translates vision into measurable outcomes and targets.

**Operational Level** – Applies to Sole Traders, Market, Workforce. Coordinates project delivery, workflows, and compliance.

**Foundational Level** – Applies across the continuum. Builds governance, systems, pipelines, and digital infrastructure.

### Key Benefits:

- Managing Complexity: Unites non-market and market stakeholders under one governance framework.
- Driving Innovation: Aligns housing delivery with energy, infrastructure, and digital transitions.
- Scalable Growth: Creates repeatable models (Red Boxes, build-to-rent, SME incubators).
- Problem-Solving: Diagnoses and resolves productivity bottlenecks early.

## 7. Best Practice Conditions Suggested

- Contractual and procurement arrangements.
- Planning regulations, approval processes, zoning reforms.
- Building regulations, workplace health & safety.
- Labour market management.
- Financial regulations and incentives.
- Modern construction methods.
- Foreign investment tax reforms.
- Separate utility/civil agreements with councils.

### Queensland Productivity Commission (the Commission)

QPL HEULDINS – Consultation Services

Consultation Paper (Construction Productivity Inquiry 2025)

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