

Submission to the Inquiry into the Industrial Relations and Other Legislation Amendment Bill 2026

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MASTER BUILDERS QUEENSLAND

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Introduction

Master Builders welcomes the opportunity to provide this submission to the Parliamentary Inquiry into the Industrial Relations and Other Legislation Amendment Bill 2026.

Master Builders supports the Bill's overarching objective to promote workplace productivity and maintain a fair, balanced and sustainable workers' compensation scheme.

Master Builders participated in the Industrial Relations and Workers' Compensation scheme review and is encouraged to see that a number of our key issues were reflected in the final recommendations and are now being moved forward in the proposed legislation.

For the industrial relations elements of the Bill, we support the industrial relations reforms as they apply to construction with private sector employers. In particular, those amendments that will bring greater alignment with Federal legislation and greater protections against misbehaviour, such as the introduction of a fit and proper person assessment and enhancing protections for whistleblowers.

For the worker's compensation scheme, we recognise the emerging trends that require action, including increasing psychological injury claims, longer claim durations, lower return-to-work rates, inconsistencies in claims management and growing concerns regarding fraud. The building and construction industry has a strong interest in ensuring that:

- genuinely injured workers are appropriately supported and compensated
- psychological injury claims are managed effectively and consistently
- the long-term sustainability of the workers' compensation scheme is protected
- fraud and misuse of the scheme are appropriately identified and addressed
- regulatory settings recognise the practical realities facing small business employers.

About Master Builders

Master Builders is the peak representative body for Queensland's building and construction industry. Master Builders represents the interests of builders, trade contractors, consultants and other businesses operating across the residential and commercial construction.

Representing more than 11,000 member businesses across metropolitan, regional and remote Queensland, Master Builders provides a strong voice for an industry that employs tens of thousands of Queenslanders and makes a significant contribution to the State's economy, housing supply, infrastructure delivery and community development.

As the leading industry association, Master Builders advocates for policies and regulatory frameworks that support a productive, competitive and sustainable building and construction sector. Master Builders is committed to promoting fair commercial practices, lawful and productive workplace relations, and a safe, sustainable and highly skilled industry that delivers quality outcomes for Queensland communities.

Industrial Relations Act 2016

Master Builders supports reforms that strengthen the integrity, accountability and governance of registered organisations. In particular, measures aimed at addressing union violence and misconduct, including within the CFMEU. Enhancing protections for whistleblowers and ensuring union officials satisfy fit and proper person requirements are important steps towards restoring public confidence in the industrial relations system. These reforms are consistent with changes that Master Builders has long advocated for at the national level and represent a necessary strengthening of the regulatory framework in Queensland governing unions and their officials.

Representation (Clause 62)

Master Builders supports the reform aimed at reducing demarcation disputes and the government's recognition that organisational coverage should be clear, transparent and enforceable.

The Bill introduces a new prohibition on organisations falsely representing that they have the right to represent workers who are not eligible to be members of that organisation. It also clarifies that organisations may only represent workers whose interests fall within their eligibility rules.

Master Builders submits that:

- Demarcation disputes create unnecessary disruption, delay bargaining and generate avoidable costs.
- Workers should have certainty regarding which organisation may legitimately represent them.
- Employers should not be subjected to competing claims from multiple unions seeking to exercise rights beyond their lawful coverage.
- The reforms will improve industrial certainty and reduce conflict at construction sites.

While private sector employers will be covered by the *Fair Work Act 2009 (Cth),* the introduction of corresponding provisions in Queensland law will support the national requirements.

Whistleblower Protections (Clause 63)

Master Builders supports the introduction of whistleblower protections covering registered organisations. In particular the protections from reprisals, civil liability and criminal liability for individuals who make protected disclosures regarding misconduct within registered organisations.

Master Builders submits that:

- Workers and union members should be able to report misconduct without fear of victimisation.
- Greater transparency and accountability are critical to restoring confidence in workplace representation.
- The protections are particularly justified given the ongoing evidence presented to the Commission of Inquiry into the CFMEU and Misconduct in the Construction Industry, which

continues to identify concerns regarding governance and culture within parts of the organisation.
- Enhanced disclosure mechanisms will assist regulators in detecting unlawful conduct and improving organisational accountability.

The measures are in line with the protections provided under the *Fair Work Act 2009 (Cth).*

Fit and Proper Person Test (Clause 65)

Master Builders strongly supports the introduction of a fit and proper person test for authorised officers seeking right of entry powers as a reasonable and proportionate safeguard.

The Bill requires the Registrar to consider matters including:

- previous industrial law contraventions
- relevant criminal convictions
- prior suspension or revocation of permits
- associations with individuals who are not considered fit and proper persons
- disciplinary findings and conduct associated with the Construction and General Division of the CFMEU.

Master Builders submits that:

- Right of entry is a significant statutory power and should only be exercised by individuals who demonstrate integrity and compliance with the law.
- Evidence presented to Queensland Commission of Inquiry into the CFMEU and Misconduct in the Construction Industry continues to provide numerous examples of why a Fit and Proper Person Test is needed in the building and construction industry.
- Permit holders entering workplaces should meet high standards of character and conduct.
- The reforms will improve confidence among workers, employers and the community.
- Similar tests already operate successfully in other regulatory frameworks, including labour hire licensing.

The Queensland legislation will complement the existing Federal fit and proper test for those officials working with registered organisations registered under the *Fair Work Act 2009 (Cth).*

Workers' Compensation and Rehabilitation Act 2003

Master Builders supports the proposed reforms directed at addressing the increasing pressures identified in the independent review of Queensland's workers' compensation scheme and are aimed at strengthening the scheme's long-term sustainability.

A well-functioning workers' compensation framework should support recovery and return to work, promote consistent and evidence-based decision-making, maintain scheme integrity, and ensure compensation remains appropriately connected to workplace injuries.

Queensland's workers' compensation system has historically delivered strong outcomes for both injured workers and employers. Preserving those outcomes requires a balanced approach that ensures workers with genuine work-related injuries receive timely access to compensation, treatment and rehabilitation, while maintaining an affordable and financially sustainable scheme for employers.

The scheme is, however, under increasing pressure from the growth in psychological injury claims, longer claim durations, declining return-to-work outcomes, inconsistencies in decision-making, and increasing instances of fraud and misuse. These trends threaten both the effectiveness and sustainability of the system.

The reforms represent an important step in ensuring the scheme remains fair, effective and financially sustainable.

The proposed Queensland reforms follow similar reforms to the worker compensation systems brought into NSW and Victoria.

Connection of employment to psychological injury (Clause 121)

Master Builders supports the amendment to the definition of injury that requires employment to be the "major significant contributing factor" for a psychiatric or psychological injury to be compensable under the scheme. This reform strengthens the connection between employment and the injury for which compensation is sought and ensures that workers' compensation coverage remains appropriately focused on injuries that are principally work-related.

Master Builders notes that psychological injuries are often complex and may arise from a combination of workplace and non-workplace factors. Requiring employment to be the major significant contributing factor provides greater clarity and certainty for workers, employers and insurers, while maintaining access to compensation for genuinely work-related psychological injuries.

The amendment also improves consistency in decision-making and supports the long-term sustainability of the scheme by ensuring compensation is directed towards injuries with a clear and substantial connection to employment. Master Builders considers this an appropriate and balanced reform that preserves support for workers with a psychiatric or psychological injury while reinforcing the fundamental purpose of the workers' compensation scheme.

The Bill could be strengthened further by amending the test for employment to be the “major significant contributing factor” to apply for all injuries. Master Builders is aware of many examples where preexisting physical injuries flair up at work and become compensation claims.

The Bill also clarifies “reasonable management action” as not needing to be to be perfect, provided the management action is reasonable overall. Master Builders supports that even where minor missteps occur, “reasonableness” is still assessed as a whole. This will provide clarity and reduce disputes that turn on interpretations, supporting more consistent outcomes.

These amendments align Queensland with other jurisdictions such as New South Wales and Victoria, in their efforts to deal with the complex nature of psychological injuries.

Fraud Prevention and Scheme Integrity (Clauses 139, 142, 151 - 156, 179)

Master Builders supports the reforms that strengthen the scheme's ability to prevent, detect and respond to fraud and related offending. The independent review recognised increasing fraud risks as a threat to the integrity, sustainability and public confidence of Queensland's workers' compensation scheme.

Fraudulent claims impose unnecessary costs on employers, divert resources away from genuinely injured workers and undermine confidence in the operation of the scheme. Master Builders supports a strong compliance and enforcement framework that protects the interests of both workers and employers and ensures that compensation is available for those with legitimate entitlements.

Accordingly, Master Builders supports the measures contained in the Bill that enhance the ability of the regulator to investigate and respond to suspected fraud. This includes new powers to suspend lump sum compensation where there is a reasonable belief that fraudulent conduct has occurred, helping to minimise losses to the scheme while investigations are undertaken. Also important is the new power to be able to review ongoing compensation where new material information becomes available. Master Builders also supports the increase in penalties for workers' compensation fraud and related offences, bringing them more closely into line with comparable offences under the Queensland Criminal Code and reinforcing the seriousness of deliberately misleading or defrauding the scheme.

The proposed extension of limitation periods for fraud prosecutions is also welcomed, recognising that fraudulent conduct can be complex and may not be identified until well after it occurs. Providing regulators with a longer timeframe to investigate and prosecute offences will improve the effectiveness of enforcement and act as a stronger deterrent to wrongdoing.

In short, Master Builders supports measures that reinforce the consequences of workers' compensation fraud and send a clear message that misuse of the scheme will not be tolerated. This will support scheme integrity which is critical to ensuring Queensland's workers' compensation system remains fair, financially sustainable and capable of supporting workers with genuine work-related injuries.

Consistency and specialist medical expertise (Clauses 146, 147)

Master Builders welcomes the reforms aimed at strengthening access to appropriately qualified specialist medical expertise and improving the consistency of decision-making across Queensland's workers' compensation scheme.

The introduction of a centralised register of authorised independent medical examiners and permanent impairment assessors is a positive reform that will support stronger clinical governance, improve the quality and consistency of medical assessments, and provide greater confidence in the medical evidence relied upon in workers' compensation claims and disputes.

The Bill could be strengthened further by requiring all psychological injuries to be assessed by an appropriately qualified medical expert, rather than a general practitioner.

The independent review identified the need to improve the consistency and quality of insurer decision-making and claims management, particularly in relation to psychological injury claims, rehabilitation and return-to-work outcomes. Our members have also raised concerns regarding inconsistent work capacity assessments, differing interpretations of compensable injury requirements, and a lack of practical consideration of the suitable duties that may be available within a workplace to support an injured worker's recovery and return to work. Variability in medical assessments contributes to delays, disputes and uncertainty for both workers and employers, particularly in the management of complex psychological injury claims.

Master Builders supports the introduction of the new authorisation framework for medical examiners and assessors and considers that it will promote greater transparency, accountability and consistency in claims management. In particular, given the complexity and multifactorial nature of psychological injury claims, the application of consistent assessment standards is essential to maintaining confidence in the scheme and ensuring fair outcomes for all parties.

Claims Management and Decision-Making

Master Builders also calls for measures to strengthen the claims management practices across the workers' compensation scheme. Effective claims management is critical to ensuring injured workers receive timely support while maintaining a strong focus on recovery and return to work wherever reasonably practicable.

Feedback from Master Builders members has consistently highlighted concerns regarding delays in communication, inconsistent case management, difficulties accessing timely support, and uncertainty about rehabilitation expectations and return-to-work planning. These issues can create unnecessary frustration for workers and employers alike, contribute to prolonged claim durations, and undermine confidence in the operation of the scheme.

Master Builders therefore supports the development and implementation of a comprehensive Code of Practice for claims management that promotes consistent, transparent and accountable practices across the scheme. Such a framework should establish clear expectations for insurers, support strong communication between stakeholders, and encourage quality and meaningful rehabilitation planning that remains focused on achieving positive outcomes for workers.

In addition, Master Builders supports the initiatives to strengthen rehabilitation and return-to-work processes, provide practical guidance for employers supporting injured workers, and improve access to appropriately qualified specialist medical expertise. Greater consistency, independence and quality in medical examinations and assessments will assist insurers, employers and workers to make informed decisions and reduce unnecessary disputes.

Conclusion

Master Builders supports reforms that improve productivity and protect the long-term sustainability of Queensland's industrial relation system and workers' compensation scheme.

Master Builders recommends that the Committee support passage of the Bill in particular because it will:

1. Add Queensland coverage for important whistleblower and fit and proper protections.
2. Support a balanced and sustainable approach to psychological injury claims through clear eligibility tests, consistent decision-making and appropriate return-to-work outcomes.
3. Strengthen specialist medical involvement and clinical governance arrangements.
4. Support robust anti-fraud measures that protect scheme integrity without creating undue administrative burden.

The building and construction industry relies on industrial relations and workers' compensation frameworks that are fair to workers, affordable for employers and capable of adapting to emerging workplace challenges. The reforms contained in the Industrial Relations and Other Legislation Amendment Bill 2026 represent an important opportunity to improve the framework and scheme performance and sustainability.

Regards,

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