

HIA submission

Industrial Relations and Other Legislation Amendment Bill 2026

State Development, Infrastructure and Works Committee

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Introduction

The Housing Industry Association welcomes this opportunity to make a submission to the *Industrial Relations and Other Amendment Bill 2026* (the Bill) which proposes to implement a number of legislative recommendations arising from the 2026 industrial relations and workers' compensation scheme review (the Review).

HIA's submission is primarily concerned with the proposed amendments to the Workers' Compensation and Rehabilitation Act 2003 (the Act) and measures intended to preserve the integrity, sustainability and effectiveness of Queensland's workers' compensation scheme. While the Review found the Workers Compensation Scheme (the Scheme) remains one of the strongest performing in Australia, maintaining that position requires ongoing attention to emerging risks and pressures.

HIA is Australia's leading residential building industry association, representing members ranging from sole traders and small family-operated businesses through to large residential builders, developers, manufacturers and trade contractors. As employers who fund the scheme through premiums and play a central role in supporting injured workers to return to work, HIA and its members have a strong interest in ensuring the scheme remains fair, effective and sustainable for all participants.

The 2026 review identified a Scheme that continues to perform strongly by national standards but is facing a number of emerging pressures that, if left unaddressed, could challenge its long-term sustainability. HIA considers it important that these issues are addressed early to ensure Queensland retains a Scheme that delivers appropriate support for injured workers while remaining affordable and sustainable for employers who fund it.

HIA is particularly concerned about the growth in psychological injury claims and their disproportionate effect on costs, claim duration, dispute rates and return-to-work outcomes. Although these claims make up a relatively small share of total claims, the Review indicates that they are placing increasing pressure on the Scheme. Their often multifactorial nature also highlights the importance of clear criteria for determining when an injury is sufficiently connected to employment to attract compensation.

HIA acknowledges concerns expressed by some stakeholders that greater attention should be directed towards the prevention of psychological injury and the management of psychosocial risks in workplaces. These are important considerations. However, preventing psychological injury and determining entitlement to compensation are distinct policy questions. A sustainable workers' compensation scheme requires both effective prevention measures and clear, workable compensability settings. HIA therefore supports the Bill's proposed reinstatement of the requirement that employment be the major significant contributing factor to a compensable psychological injury.

The Review also identifies that scheme sustainability cannot be achieved through entitlement settings alone. Rehabilitation, return-to-work outcomes, insurer performance and claims management practices have a direct impact on worker outcomes, claim duration and overall scheme costs. For residential building businesses, particularly small and family-operated businesses, prolonged worker absences can have significant consequences for productivity, labour availability, project delivery and business viability. HIA therefore welcomes the Review's broader focus on rehabilitation, return to work, insurer accountability and claims management performance, and considers these issues will remain critical to the long-term success of the Scheme.

Equally important is maintaining confidence in the integrity of the Scheme. Employers fund the Scheme through premiums and are entitled to expect that compensation is directed towards workers with a genuine entitlement. HIA therefore supports the Bill's measures aimed at strengthening fraud prevention, improving insurer accountability and enhancing regulatory oversight. These reforms will assist in protecting scheme resources, improving confidence in scheme administration and supporting long-term sustainability.

HIA has consistently identified insurance costs as a significant concern for residential building businesses. Rising workers' compensation costs ultimately increase business costs, place additional pressure on small businesses and are passed through the construction supply chain, contributing to broader housing affordability pressures. For this reason, the issues identified by the Review must be addressed and the effectiveness of the proposed reforms carefully monitored.

However, the reforms should not be viewed as the end of the process. HIA supports the proposed future review of the operation and effectiveness of the reforms to ensure they are delivering measurable improvements in scheme performance, rehabilitation outcomes, return-to-work rates and overall scheme sustainability. Continued attention to these issues will be critical if Queensland is to maintain a fair, sustainable and high-performing workers' compensation scheme into the future.

Summary of HIA's position

HIA considers the Bill represents a measured and appropriate response to many of the challenges identified by the Review and supports its passage. HIA's key positions on the proposed reforms are summarised below.

1. HIA supports amendments to section 32 requiring employment to be the major contributing factor to a compensable psychological or psychiatric injury, as well as the reasonable management action amendments.

2. HIA supports the proposed alignment of the permanent impairment process for psychological and physical injuries.

3. HIA does not oppose the proposed increase in maximum penalties for offences relating to fraud and the provision of false or misleading information or documents.

4. HIA supports the proposed fraud measures, including powers to stay claims, suspend compensation and terminate compensation entitlements where there is a reasonable belief of fraud under new sub-sections 536 – 536D.

5. HIA supports amendments to sections 578 and 579 that strengthen the prosecution of workers' compensation offences, including the classification of serious offences as indictable offences and extended timeframes for commencing proceedings.

6. HIA supports the requirement for workers to provide periodic work notices.

7. HIA supports the Regulator being empowered to issue compliance notices and accept enforceable undertakings from insurers.

8. HIA does not oppose the establishment of a register of independent medical examiners but encourages measures to ensure it does not unnecessarily restrict practitioner availability or participation.

9. In principle, HIA supports removing the requirement for rehabilitation and return-to-work coordinators to be based in Queensland but considers measures to ensure interstate providers are adequately informed of Queensland's workers' compensation scheme, are appropriate.

10. HIA supports new sections 329C–329E establishing a formal authorisation framework for independent medical examiners and permanent impairment assessors.

11. HIA supports amendments allowing employers, with a worker's consent, to access a worker's claims history.

12. HIA supports the removal of section 46B, which requires employers to provide workers with a workers' compensation information statement upon commencement of employment.

Psychological Injuries

Clause 121 | Amendment of s 32 – Meaning of injury

Major significant contributing factor

HIA supports amendments to section 32 and the proposed requirement that employment be the major significant contributing factor to a compensable psychological or psychiatric injury.

Psychological injuries may arise from a combination of workplace, personal, social, financial and health-related factors. Workers' compensation schemes exist to compensate work-related injuries and illnesses. It is therefore appropriate that the legislation clearly identifies the degree of causal connection required between employment and injury before compensation becomes payable. Requiring employment to be the major significant contributing factor ensures compensation remains directed towards injuries principally caused by employment and maintains an appropriate nexus between employment and compensation.

HIA acknowledges the importance of initiatives aimed at preventing psychological injury. However, prevention and compensability are distinct policy questions. It is appropriate that the legislation clearly identifies the level of work-related causation required before compensation becomes payable.

However, clear guidance should accompany the reforms regarding the assessment of competing workplace and non-workplace factors and the circumstances in which employment will be regarded as the major significant contributing factor. In HIA's view, the proposed Code of Practice for Claims Management will be integral to the effective and consistent operation of these amendments.

Reasonable management action

The proposed amendments relating to reasonable management action are likewise supported. Employers must be able to investigate misconduct allegations, safety breaches, performance concerns and other workplace issues as part of the ordinary management of their businesses.

These amendments should improve certainty and promote greater consistency in decision-making by ensuring the focus remains on the overall reasonableness of the management action rather than isolated procedural imperfections. Their effectiveness will, however, depend upon employers having access to practical guidance regarding how the provisions are intended to operate in practice.

The majority of residential building businesses do not have dedicated human resources or legal teams and must navigate overlapping obligations arising under workplace relations, work health and safety, anti-discrimination and workers' compensation laws. Practical guidance and worked examples would assist employers in understanding how common workplace processes, including workplace investigations, disciplinary action and performance management processes, will be assessed for the purposes of the reasonable management action exclusion.

Clause 141 | Amendment of s 179 - Assessment of permanent impairment

HIA supports the proposed alignment of the permanent impairment assessment process for psychological and physical injuries.

The current framework creates a significantly longer and more complex assessment pathway for psychological injuries. The Review notes that obtaining a notice of assessment for a psychological injury can take nine months or more, compared to a significantly shorter process for physical injuries. These

delays create uncertainty for workers, employers and insurers, prolong claim durations and contribute to increased scheme costs.

The existing distinction between physical and psychological injuries is increasingly difficult to justify. Workers with physical injuries are initially assessed by a qualified assessor and retain access to review mechanisms where they disagree with the outcome. The Review found that these review pathways are effective, with the substantial majority of disputes resolved without requiring Tribunal determination. There is no compelling reason why workers with psychological injuries should continue to be subject to a fundamentally different and more time-consuming assessment process.

Aligning the assessment pathways will improve consistency across the scheme by providing workers with psychological injuries access to an assessment and review framework comparable to that applying to physical injuries. It is also likely to reduce avoidable delays associated with mandatory Tribunal referrals and contribute to earlier resolution of claims.

Importantly, the reform targets a recognised contributor to claim duration and scheme costs without altering a worker's substantive entitlement to compensation. HIA supports measures that improve the efficiency of the scheme, reduce unnecessary administrative processes and support more timely claim outcomes, while maintaining appropriate safeguards and review rights.

Fraud

Clauses 151 and 152 | Amendment of sections 533 and 544 – Offences involving fraud, and false or misleading information or documents

HIA does not oppose the proposed increase in maximum penalties for offences relating to fraud and the provision of false or misleading information or documents, which have been genuine issues for many years and contribute to considerable erosion of scheme funds and other resources to the detriment of those with legitimate claims.

Clause 154 | Insertion of new ss 536-536D - Fraud investigation and enforcement powers

HIA supports the proposed measures designed to strengthen the scheme's ability to respond to suspected fraud and minimise losses where there is credible evidence of offending. The Review's finding that fraud reporting has increased since 2013 supports more stringent measures to address fraud.

Fraudulent conduct undermines confidence in the scheme, increases costs and places unnecessary pressure on Queensland businesses and consumers by way of increased employer premiums (which are consequently passed down the chain to consumers).

Where there is credible evidence of fraud and a reasonable basis for further investigation or prosecution, it is appropriate that the Regulator is provided with powers to temporarily stay compensation, damages proceedings or lump sum payments pending the outcome of those processes. HIA supports the safeguards identified by the Review, including independent decision-making by authorised officers, appropriate review mechanisms and clear policies and procedures to promote transparent and fair decision-making. These measures will assist in ensuring that powers are exercised proportionately while maintaining confidence in the integrity and sustainability of the scheme.

More broadly, HIA considers that strong enforcement powers should be complemented by continued investment in proactive fraud detection, investigation capability and data-driven risk identification to ensure fraudulent conduct is identified and addressed as early as possible.

Clause 179 | Replacement of ss578 and 579 - Proceedings for fraud and indictable offences

HIA supports the proposed amendments to sections 578 and 579. While much of the Review's focus is directed towards improving the detection, investigation and prevention of fraudulent conduct, it is equally important that the legislative framework allows those offences to be effectively prosecuted once identified.

Fraudulent conduct often takes time to detect, investigate and substantiate. HIA therefore supports the proposed amendments to limitation periods, which will help ensure that prosecutions are not frustrated simply because offending is discovered after the expiry of a restrictive statutory timeframe.

HIA also supports the proposed prosecution framework for indictable offences. The amendments appropriately recognise the seriousness of fraud-related conduct while preserving important procedural safeguards for defendants. Allowing these matters to be dealt with summarily where appropriate is likely to improve the efficiency and timeliness of enforcement, while retaining the ability for more serious matters to proceed on indictment.

More broadly, the proposed amendments send an important message that workers' compensation fraud is not a minor regulatory breach but conduct that undermines the integrity, fairness and sustainability of the scheme. Strong enforcement mechanisms, supported by effective prosecution pathways and meaningful penalties, are an important component of maintaining confidence in the scheme and protecting Scheme resources for eligible workers.

Clause 138 | Section 136 – Periodic work notices by workers receiving compensation

HIA supports the introduction of periodic work notice requirements. Regular reporting will reinforce workers' disclosure obligations, improve compliance and assist in ensuring compensation remains directed towards workers with a genuine entitlement.

A recurring reporting process may also help distinguish deliberate non-disclosure from an inadvertent failure to understand reporting requirements. The process should be straightforward for workers to understand and comply with.

Insurer performance and compliance

Clauses 156 and 157 | Compliance notices and enforceable undertakings

Employers have a strong interest in ensuring claims are administered efficiently, rehabilitation obligations are met and workers are supported to return to work as early as safely possible. Where insurer performance falls short, the consequences are often borne by both workers and employers through increased premiums, prolonged claim durations, delayed return-to-work outcomes, greater uncertainty and increased scheme costs.

HIA supports measures that enable the Workers' Compensation Regulator to respond to systemic issues in claims management and insurer performance before those issues become entrenched and affect a larger number of workers and employers. In HIA's view, it is appropriate that the Regulator has access to effective

tools where there is evidence of recurring non-compliance or organisational practices that adversely affect claim outcomes.

Queensland employers have limited ability to influence insurer performance through market choice. Strong and effective regulatory oversight is therefore critical to ensuring insurers remain accountable for the quality of claims management and rehabilitation services they provide.

Governance of independent medical examiners and assessors

Clauses 145, 146 and 147 | Register of independent medical examiners

HIA does not oppose the establishment of a register of authorised independent medical examiners and assessors and recognises that independent medical examinations and permanent impairment assessments play a significant role in determining worker entitlements and resolving disputes. Accordingly, there is merit in ensuring practitioners undertaking these functions possess appropriate qualifications, experience and familiarity with the legislative framework.

However, HIA emphasises the importance of ensuring the authorisation framework does not unnecessarily restrict the availability of suitably qualified practitioners or contribute to increased delays in claim assessment and resolution. Particular consideration should be given to ensuring enough authorised practitioners are available, including in regional and remote areas, and that the administrative requirements associated with authorisation do not discourage practitioner participation in the scheme.

Clause 144 – Amendment of s 226 (Employer's obligation to appoint rehabilitation and return to work coordinator)

HIA supports, in principle, the proposed amendment removing the requirement that a rehabilitation and return-to-work coordinator be based in Queensland. Broadening access to skilled and experienced rehabilitation and return-to-work professionals may increase the available provider pool and improve service availability and responsiveness across the Scheme.

However, HIA is concerned that this reform may create new challenges if interstate providers do not have an adequate understanding of the Queensland framework and there is a risk that expanding this access to interstate providers may introduce inconsistencies in service quality and Scheme knowledge. To address this risk, consideration should be given to requiring interstate providers to complete an approved Queensland-based training course or a national unity of competency before providing services.

Clause 147 | Insertion of new section 329C - 329E Authorisation of Independent Medical Examiners and Assessors

HIA supports the establishment of a formal authorisation framework for independent medical examiners and permanent impairment assessors. Independent medical examinations and permanent impairment assessments play a critical role in determining worker entitlements and directly influence claim duration, dispute rates and scheme costs.

HIA notes the Review identified stakeholder concerns regarding variations in the quality and consistency of independent medical assessments and reports. A centralised authorisation framework administered by the Workers' Compensation Regulator has the potential to strengthen confidence in assessment outcomes by supporting minimum qualification, training and governance requirements across the scheme.

The success of the new model will, however, depend upon maintaining an adequate supply of appropriately qualified practitioners. Care should be taken to ensure that authorisation requirements do not unnecessarily restrict the availability of assessors or contribute to delays in obtaining examinations and assessments, particularly in specialist areas such as psychiatry where demand for services is already significant.

Review and appeal of insurer decisions

Clause 139 | New section 168A - Review of ongoing compensation based on material information.

HIA supports the introduction of new section 168A as an important scheme integrity measure. Employers fund the workers' compensation scheme through premiums and should be entitled to expect that compensation is paid only where a genuine entitlement exists.

The amendment appropriately balances the interests of all Scheme participants by permitting a review where significant new information emerges while including safeguards to ensure the power cannot be used to remedy inadequate investigations or simply revisit an accepted claim because a different opinion is later obtained.

Provision and collection of information

Clause 177 | Insertion of new ss 571D and 571E – Applying for claims history summary for prospective worker, and confidentiality of claims history information

HIA supports the proposed amendments permitting prospective employers to obtain a claims history summary with the written consent of a prospective worker.

The building industry is physically demanding and many roles involve routine manual handling, work at heights and other physically strenuous activities that require a certain level of physical capacity. A worker's claim history can provide the builder or contractor company with insight into pre-existing conditions and previous injuries that may impact on the worker's ability to carry out the requirements of the job or the builder's ability to provide a safe working environment. In some circumstances, if a builder is aware of this information, they may be able to alter the requirements of the job to better suit the worker and this will assist to avoid re-injury or exacerbation of ongoing conditions.

However, HIA considers that the proposal should be supported by practical guidance material for employers, particularly small businesses, regarding the lawful and appropriate use of claims history information. Employers must be able to distinguish legitimate consideration of a person's capacity to perform the inherent requirements of a role safely from unfavourable treatment because of a previous injury or claim. Clear guidance and examples would help employers use the information for safety purposes while reducing the risk of discriminatory decisions.

Clause 125 | Omission of section 46B – Employer must give worker information statement

HIA supports the omission of section 46B from the Act. Workers have access to extensive information regarding workers' compensation entitlements and processes through WorkCover Queensland and other readily available resources. This information is available as and when it is required and this is likely to be considerably more useful than an information statement provided at the beginning of employment.

In HIA's view, the requirement imposes an unnecessary administrative obligation on employers, in addition to the multitude of onboarding documents already provided to workers for a relatively low return in improved awareness. The value of a static information statement given at the beginning of employment diminishes over the course of a person's time in the workforce. For a scheme that is relatively well known and typically remains stable, raising awareness of key changes through more modern and dynamic means, such as social media campaigns run by the regulator, is likely to have greater impact than an information statement into the future.