2026 Review of the *Industrial Relations Act 2016* and *Workers' Compensation and Rehabilitation Act 2003*

Queensland

Georgia Holmes & Jordon Carlisle

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MASTER ELECTRICIANS AUSTRALIA

Master Electricians Australia (MEA) is a peak industry association representing electrical contractors across Australia, majority of which are small and medium sized businesses. We are recognised by industry, government and the community as a leading business partner, knowledge source and advocate. You can visit our website at www.masterelectricians.com.au

MEA welcomes the opportunity to provide this submission in response to the review of Queensland's industrial relations and workers' compensation frameworks, and commends the Queensland Government for promptly acting on the Queensland Productivity Commission's (QPC) recommendations.

MEA provided a response to the QPC consultation, raising a range of concerns relating to industrial relations – some of which we have reiterated in this submission. We note that MEA is generally supportive of the QPC's recommendations, commending its favour towards a balanced framework for employers and employees in the construction industry.

It is critical that the industrial relations framework strike the right balance between employee protections and employer rights, particularly ensuring that regulatory costs do not outweigh the benefits. Currently, the framework includes aspects that disproportionately favour employees and Health and Safety Representatives (HSRs), often at unnecessary cost to employers.

We also support a review of the Work Cover insurance scheme, noting concerns that it lacks sufficient rigour in oversight and enforcement, potentially exposing the system to fraudulent misuse and adversely impacting employers through disrupted operations and recovery processes. Employers are also increasingly exposed to liability for psychological injury claims, making it essential that safeguards are implemented to ensure liability does not arise where employers have taken all reasonable measures to prevent harm.

MEA looks forward to contributing constructively to reforms that strengthen fairness, consistency, and confidence across both frameworks.

Industrial Relations Act 2016

Consider requirements to ensure registered industrial organisations, their officials and employees operate in a way that supports productive and harmonious industrial relations and transparent and lawful conduct

Site Shut Down Procedures

Existing Powers - In our QPC submission, we raised concerns regarding the powers of Health and Safety Representatives (HSRs), particularly their ability to shut down a worksite and the risk of misuse, whether intentional or unintentional. We also noted that conferring such authority on an individual may create undue pressure to make decisions influenced by workers or employers or employee organisations.

MEA is aware of anonymous reports alleging misuse of these powers, including full worksite shutdowns in response to risks that do not present a serious an imminent risk, or situations where identified risk could have been reasonably confined to a specific area, allowing the remainder of the site to continue operating.

While MEA supports a framework that enables worker representatives to respond to genuine safety risks, it is critical to strike an appropriate balance, ensuring legitimate concerns are addressed while protecting employers from vexatious claims or misuse of power.

MEA notes the QPC's recommendation 8, which proposes that the Office of Industrial Relations support the sharing of data on WHS outcomes, stoppages and related matters where appropriate.[1] MEA considers that improved transparency of this nature would assist in better understanding the frequency, context, and application of stop-work powers, and would strengthen the evidence base for assessing whether existing provisions are operating as intended.

Proposed Solutions - To address this, MEA continues to propose restricting the power to shut down worksites to WHS Inspectors, with HSRs continuing to raise concerns

[1] Queensland Productivity Commission "OPPORTUNITIES TO IMPROVE PRODUCTIVITY OF THE CONSTRUCTION INDUSTRY Final Report" *Queensland Government* [October 2025], page 126 < [Final Report - Opportunities to Improve the Productivity of the Queensland Construction Industry]>

with the PCBU, who may agree to cease all or part of work. We acknowledge this would require a departure from the model WHS legislation in Queensland.

As an alternative, MEA proposes introducing an additional legislative safeguard requiring prompt confirmation by a WHS Inspector (e.g. within one hour) where an HSR determines a substantial portion of a worksite should be shut down and the PCBU does not agree. This confirmation could occur in person or via video or phone. The Inspector's role would be limited to assessing, on a prima facie basis, whether the HSR's use of power is reasonable. Where it is not, the shutdown would not proceed. While this may increase inspector workload, it is a necessary safeguard given the significant consequences of these decisions.

While existing safeguards do exist, MEA notes that in practice challenging a shutdown decision is difficult where it is initiated by an HSR rather than a union, and pursuing legal remedies can impose significant cost and administrative burden on PCBUs.

QPC Response - MEA notes the following observations made by the QPC in its recommendations report:[2] –

> While there are concerns about the potential misuse of WHS provisions (including HSR stop work powers) on larger construction sites, any potential changes to these provisions require careful consideration, to ensure they do not undermine legitimate safety concerns or discourage employees from taking necessary action on safety matters.
>
> In addition, these powers (which have been a feature of the national Model WHS Laws since their inception) apply across all industries, not just construction, so any flow on impact would also need to be assessed.
>
> The shifting of powers and responsibility to WHS inspectors or regulators to decide on matters such as whether to stop work, as suggested by some stakeholders, could also introduce new administrative burdens and potentially move away from the collaborative approach modern WHS laws are designed to foster.

MEA acknowledges the QPC's concerns regarding safety outcomes. MEA does not seek to undermine legitimate safety interventions or impose unnecessary burdens; however, considers it necessary to appropriately balance productivity and cost considerations with safety outcomes. Measures would remain in place to enable site shutdowns where it is reasonable and necessary to do so.

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[2] Queensland Productivity Commission "OPPORTUNITIES TO IMPROVE PRODUCTIVITY OF THE CONSTRUCTION INDUSTRY Final Report" *Queensland Government* [October 2025], page 118 < Final Report - Opportunities to Improve the Productivity of the Queensland Construction Industry>

While recognising the need to consider industry-wide impacts, MEA considers that targeted and narrowly defined safeguards can be appropriately applied in high-risk sectors such as construction, without requiring broader changes to the WHS framework that would affect all industries.

Further, MEA does not propose shifting routine WHS decision-making away from the collaborative model. Rather, the proposed safeguard is limited to a time-bound dispute-resolution mechanism between an HSR and PCBU in relation to substantial work stoppages, while still allowing for agreement between these parties for a shutdown. MEA considers this would enhance consistency and confidence in the WHS system without undermining its collaborative intent.

MEA considers that the measures outlined above appropriately balance strong WHS protections with the need for proportionate and consistent use of stop-work powers, while maintaining the collaborative intent of the framework. MEA urges the Queensland Government to review these matters as a priority, given their implications for construction productivity, efficient delivery of works, and the broader objective of supporting transparent and harmonious industrial relations.

Best Practice Industry Conditions (BPIC)

MEA supports the Queensland Government's permanent removal of BPIC. MEA is instead supportive of procurement settings that are transparent, competition-neutral, and enable small businesses to compete fairly for major projects.

BPIC requirements have caused embedded industrial relations outcomes within procurement processes, including through the indirect extension of Enterprise Bargaining Agreement (EBA) type conditions across supply chains. This increases compliance obligations for subcontractors without clear evidence of corresponding productivity benefits.

The overinflating of conditions in BPIC based EBAs have also distorted labour allocation across the construction sector, drawing workers toward large government projects and contributing to skills shortages in residential, small commercial, and light industrial segments. This in turn places upward pressure on costs and can delay project delivery across the broader sector.

For subcontractors operating across both public and private work, BPIC settings create operational complexity by requiring different conditions for different projects, or alternatively necessitating the standardisation of higher cost structures across their business, impacting long-term viability.

MEA has recently provided a written response to the Queensland Government on the Queensland Code of Practice for the Building and Construction Industry (the Code), supporting its implementation as a mechanism to address gaps arising from the removal of BPIC.

Consider measures to ensure Queensland workers have adequate protections and fair conditions in their employment and are paid competitively

MEA members are typically covered by the *Fair Work Act 2009* and therefore not directly impacted by issues raised in this question. However, it is worth noting that Queensland should have regard to relevant federal frameworks and approaches, particularly where the Fair Work Commission considers certain policies and standards to be appropriate and important.

In this context, Queensland should generally seek to align with the national framework. Any deviation by the Queensland Industrial Relations Commission should occur only where there is a clear, demonstrable, and legitimate state-based purpose for doing so.

Consider good faith bargaining, and the interactions of the State Wage Case, Public Sector Wages Policy, and collective bargaining provisions of the Act noting the IR Act's jurisdiction for these matters is almost exclusively contained to employees and employers in the Queensland state public and local government sector

Good Faith Bargaining

It is important that payment and worksite conditions are genuinely negotiated between the parties, do not provide for conditions to be automatically applied to subcontractors and that they do not contain provisions that reduce flexibility, competition or enable unnecessary or disproportionate productivity-reducing practices.

MEA has previously highlighted concerns in our QPC submission regarding the flow-on effects of public sector enterprise agreements. In mid-2024, the Electrical Trades Union (ETU) and Energy Queensland (EQL) finalised an enterprise agreement that expanded the categories of workers required to be paid EQL EBA rates when undertaking "contestable work". These changes were introduced without broader industry consultation and resulted in subcontractors needing to rapidly adjust pricing, compliance systems, and contractual arrangements to remain eligible for work.

Our members have also disclosed that demonstrating compliance with EQL aggregate rate requirements has increased administrative complexity, and in some cases led to structural adjustments such as the creation of separate entities to manage engagement on EQL sites.

While MEA acknowledges EQL's subsequent engagement to assist with compliance, the absence of early consultation prevented mitigation of the most disruptive impacts. Passing EBA conditions to subcontractors without their input undermines productivity and constitutes an overreach into private contractual arrangements.

The Queensland Productivity Commission's Recommendation 61 directly addresses this issue – [3]

[3] Queensland Productivity Commission "OPPORTUNITIES TO IMPROVE PRODUCTIVITY OF THE CONSTRUCTION INDUSTRY Final Report" *Queensland Government* [October 2025], page 67 < Final Report - Opportunities to Improve the Productivity of the Queensland Construction Industry>

Recommendation 61 AVOID EQL EBA RATES OF PAY REQUIREMENTS ON CONTRACTORS AND SUBCONTRACTORS

To avoid restrictions on competition, the Energy Queensland (EQL) Union Collective Agreement rates of pay and conditions should not be imposed on:

- contractors and subcontractors, except where required under law
- developers and others involved with assets that will become part of the EQL network, including work in subdivisions, public lighting work and major customer work.

The Queensland Government should consider options to facilitate or support this change as soon as practicable.

MEA considers Recommendation 61 to be a critical and well-targeted reform to restore appropriate limits on the reach of enterprise bargaining outcomes. Extending EQL collective agreement rates and conditions to contractors, subcontractors, and third parties creates unintended distortions in competition and imposes obligations on entities outside the bargaining process. Implementation of this recommendation would materially improve bargaining integrity, reduce downstream compliance burden, and support a more competitive and sustainable contracting environment.

Support the implementation of recommendations from the QPC inquiry into the construction sector and the CFMEU Commission of Inquiry in considering the above

MEA supports the implementation of the relevant recommendations arising from the QPC inquiry into the construction sector (namely Recommendations 1-9 and Recommendation 61).

Many of these matters have been addressed in greater detail throughout this submission (refer above). In principle, MEA considers these recommendations to provide a strong framework for reinforcing fair and transparent industrial relations practices across the construction sector and improving productivity.

In particular, MEA supports Recommendation 8 regarding improved dialogue and collaboration between parties on large construction sites. However, MEA considers that the effectiveness of such collaboration is contingent on clearly defined participation outcomes and strengthened safeguards around the practical operation of Health and Safety Representative (HSR) powers, including clearer parameters around site shutdown mechanisms to ensure they are exercised proportionately and consistently with productivity objectives.

MEA also supports Recommendation 3 and acknowledges recent reforms to right of entry provisions. However, MEA considers that the effectiveness of these reforms depends on their practical enforcement, resourcing, and transparency. In particular, there is a need to ensure that mechanisms addressing the misuse of HSR powers are accessible, well understood, and supported by appropriate compliance and dispute resolution pathways, including protections for PCBUs raising genuine concerns in good faith.

Any other matters the Reviewers deem relevant.

Preventing Transferred Union Misconduct

While a review of CFMEU conduct is warranted and supported in light of recently identified misconduct, it is critical that the Queensland Government also confront the broader systemic risks that have allowed similar issues to persist within parts of the industrial relations system over time.

In particular, greater scrutiny must be applied to organisational change and union amalgamations, which can, if not properly governed, function as a mechanism for deferring, dispersing, or effectively transferring entrenched misconduct into successor organisations or kindred organisations without resolving the underlying behaviours. The industry has previously observed this dynamic, following the deregistering of the Builders Labourers Federation (BLF) which saw many BLF members and officials were split and redistributed across other unions. Since many former BLF members had already moved into those unions, they indirectly became part of the CFMEU when it was created, where serious cultural and behavioural concerns were not fully extinguished which is essentially being witnessed today through the CFMEU's conduct. While these matters have been subject to review and intervention over time, the outcomes demonstrate that existing mechanisms have not been sufficient to prevent recurrence.

Accordingly, MEA considers that incremental reform is no longer adequate. The Queensland Government should implement a strengthened and preventative regulatory framework across the industrial relations system, including materially enhanced oversight and compliance powers, transparent accountability mechanisms, and enforceable early intervention tools capable of addressing emerging misconduct before it becomes embedded or institutionalised.

This approach is necessary to ensure that identified risks are not merely shifted between organisations through structural change, but are actively addressed at their source to better protect industry.

Workers' Compensation and Rehabilitation Act 2003

Emerging issues impacting the operation of Queensland's workers' compensation scheme, in particular:

- the growth of primary and secondary psychological claims and its impact on injured workers, employers and the scheme

    - *Safeguards Needed Against the Eggshell Principle* - Safeguards need to be implemented to ensure employers are protected where they have taken reasonable management against psychological health hazard, even if the risk eventuates. These safeguards are particularly necessary against the "eggshell skull" principle, which holds a party liable for causing injury to another person, even where the injured individual had a pre-existing vulnerability or susceptibility that made them more prone to that harm than an average person, and even if a similar injury may have occurred due to that vulnerability regardless of the defendant's actions.

      Tippins v Tetris Group Pty Ltd demonstrates the "egg shell skull" principle, where an employer was found liable for psychological injury despite having no knowledge of the employee's pre-existing psychological vulnerabilities. The employee, who had undisclosed childhood trauma and borderline personality disorder (amongst other conditions), perceived his manager's conduct as aggressive, although there was limited evidence and witness accounts did not support claims of bullying. The decision found that the employee's heightened sensitivity meant his perception of workplace interactions aggravated his condition, and this perception (rather than objective conduct) was sufficient to establish liability, even without employer intent or the employment being the sole contributing factor.[4]

The 'egg shell' principle highlights a significant risk that should not be allowed to extend unchecked. While appropriate protections for genuinely injured workers are critical, there must also be clear and balanced safeguards to ensure employers are not held liable where there is no intent, no knowledge of pre-existing conditions, and limited objective evidence of unreasonable conduct - particularly where employers have implemented reasonable and proactive measures to prevent psychological injury, even if an injury ultimately occurs.

Without such measures, there is a real risk of overreach (as demonstrated in *Tippins*) where subjective perceptions, rather than demonstrable workplace behaviour, become the primary basis for liability. This creates uncertainty for employers and undermines confidence in the system.

Introduce a Legislative Threshold Test - There is a growing concern that the practical threshold for assessing psychological injury claims has been progressively lowered over time (see above eggshell principle as an example). MEA asserts it is necessary to implement a legislative test based on "objectively unreasonable management action" for determining a successful claim as opposed to whether an employer's conduct was simply less than perfect or not ideal given the individuals' subjective circumstances. A clearer safeguard is needed to ensure that employers are not found liable where they have acted reasonably and, where appropriate, implemented adjustments, including in

[4] "'Egg Shell Skull'" Exposes Cracks in Workplace Procedures *Rankin Ellioson Lawyers* < "Egg Shell Skull" Exposes Cracks In Workplace Procedures - Rankin Ellison Lawyers>

circumstances where an employee is still required to perform the inherent requirements of their role.

MEA further submits that the mere existence of psychosocial hazards, such as high work pace or demanding workloads, should not in and of itself constitute unreasonable management action taken in an unreasonable way. Many industries and workplaces, including law firms, hospitals, emergency call centres, and trade-based industries, inherently involve periods of high work intensity and operational pressure. The existence of these hazards alone should not automatically render any resulting psychiatric injury compensable.

Rather, where a worker believes a psychosocial hazard is causing, or is likely to cause, an acute or chronic psychological injury, the worker should be required to raise the issue with the employer, supported where appropriate by relevant medical information. Liability should arise only where an employer subsequently fails to take reasonable steps to respond, ignores the issue, or unreasonably refuses to implement appropriate mitigation or adjustments.

MEA emphasises that psychosocial hazards, like all workplace hazards, are required to be reduced so far as is reasonably practicable, but cannot always be eliminated entirely. The legislative framework should recognise this practical reality and avoid creating an unworkable standard whereby the unavoidable

- *Employers Challenging Outcomes -* Employers face significant financial and administrative barriers in challenging adverse claim decisions. This can result in questionable decisions going unchallenged, contributing to a de facto precedent that may further lower assessment thresholds over time.

- *Long Term Impact -* Psychological claims often involve longer recovery periods and extended time away from work, increasing costs for the scheme and disruption for employers. This reinforces the importance of ensuring that threshold tests are applied consistently and appropriately from the outset.

The effectiveness of the existing offence of fraud and similar offences (e.g. providing false and misleading information) to ensure these remain fit-for-purpose

- *Oversight and Enforcement -*There are concerns that Work Cover does not take proactive action in auditing random claims and/or investigative action against seemingly fraudulent claims. While it is acknowledged that regulators may undertake targeted investigations to ensure due diligence and protect the integrity of the workers' compensation scheme behind-the-scenes, there appears to be limited external visibility of enforcement activity.

  MEA argues perception of oversight is just as important as the action itself. Greater Transparency and a more proactive compliance approach would strengthen confidence in the system, including clear signalling that claims are subject to audit and investigation where appropriate. This would help reinforce that obligations are actively enforced in practice, not just in principle, and ensure all parties are aware that non-compliance will be identified and addressed.

- The effectiveness of the scheme's management of fraudulent claims (or suspected fraudulent claims), including its preventative, detective, compliance and enforcement measures to manage fraudulent conduct within the workers' compensation scheme and

- *Stronger Enforcement Needed -* The above-mentioned concerns regarding the lack of investigative audits of claims (whether targeted or random) create a perception that some individuals are getting away with fraudulent or misleading claims. This perception is supported by anecdotal evidence from members.

Stronger enforcement is required, with clearer and more consistent consequences for fraudulent claims to improve deterrence and reinforce system integrity. This is particularly important given that employers have very limited capacity to investigate suspected false claims themselves and must rely on the regulator to undertake effective compliance and enforcement activity.

Consider measures to ensure Queensland's workers' compensation scheme is fair, sustainable, and protected, delivering confidence for workers, employers and taxpayers.

- *Workplace Environment* - There is a need for clearer safeguards around the extent of coverage when workers are working from home, particularly where injuries arise from risks unrelated to employment (for example, household maintenance issues such a leaky pipe causing a slippery surface). The scope of "workplace" should not be extended unreasonably to the point where employers are required to assume liability for multiple uncontrolled environments for risks beyond a typical workplace environment. Greater emphasis should also be placed on reasonable employer policies (such as work health and safety and appropriate work practices) in assessing compensability.

- *Compliance Mechanisms* - Stronger compliance mechanisms are also required, including enhanced powers for Workers' Compensation authorities to suspend or review payments where workers fail to comply with scheme obligations, employer directions, or rehabilitation and suitable duties plans. Compliance with return-to-work and recovery obligations should be actively enforced to ensure system integrity.

- *Employer Communication -* There is a need for improved communication and transparency from Work Cover to employers regarding claim progress, review timeframes, and treatment status. Employers currently receive limited updates, making it difficult to manage workplace planning and return-to-work obligations effectively. An explicit obligation under the legislation to provide regular, meaningful updates would address this gap.

- *Employer Dispute -* There is insufficient guidance for employers in responding to disputed or questionable claims, particularly where the mechanism of injury is unclear or potentially unrelated to work. Providing standardised templates, forms, and clear procedural guidance would improve consistency, support due process, and assist employers in properly engaging with the claims process.

- *Claim Management and Medical Oversight -* There is a need for improved claim management processes to ensure injured workers receive timely access to appropriate specialist medical assessment and treatment. Delays in specialist referrals, inconsistent decision-making, and pressure to progress claim closures before recovery is complete can prolong injuries, increase psychological distress, and delay return-to-work outcomes. Consideration should be given to stronger clinical oversight requirements, earlier intervention pathways for complex injuries, and clearer obligations on Work Cover to facilitate appropriate specialist treatment where recommended by treating practitioners. MEA has received reports of instances where WorkCover Queensland resisted or delayed approval for necessary orthopaedic specialist appointments. Concerns were raised that these delays may have prolonged the worker's recovery process and return-to-work outcomes.

Conclusion

MEA considers that meaningful reform is now required to ensure Queensland's industrial relations and workers' compensation frameworks operate as intended in practice, not just in principle. While strong protections for workers remain essential, the current settings increasingly risk imbalance through expanded liability exposure, costs outweighing benefits, and insufficient oversight and enforcement mechanisms.

A recalibration is needed to restore clear and objective thresholds, strengthen compliance and investigative functions, and ensure employers are not subject to disproportionate or unintended burdens where they have acted reasonably and in good faith. Enhancing transparency, consistency, and accountability across both systems will be critical to maintaining confidence and ensuring the frameworks remain fair, sustainable, and fit-for-purpose.

MEA urges the Queensland Government to prioritise targeted reforms that address these structural issues and reinforce a balanced approach that supports both worker protection and productive, viable industry outcomes.