



18 September, 2019

The General Manager  
Fair Work Commission  
Level 10, Terrace Tower  
80 William Street  
East Sydney NSW 2011

Dear General Manager,

Re: Alterations of Rules of the AMWU.

Please find attached, a notice of particulars of alterations to the Rules of the "Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the Australian Manufacturing Workers' Union (AMWU).

If you have any questions or comments in relation to the attached notice of particulars, please do not hesitate to contact the AMWU's National Office on (02) 8868 1524.

Yours faithfully,

PAUL BASTIAN  
NATIONAL SECRETARY

Australian Manufacturing  
Workers' Union  
Registered as AFMEPKIU  
**National Office**  
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Granville NSW 2142  
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*Fair Work Act 2009*  
*s159(1) – Fair Work (Registered Organisations) Act 2009*  
*Reg. 126 Fair Work (Registered Organisations) Regulations 2009*

**NOTICE OF PARTICULARS OF ALTERATIONS OF RULES**

I, Paul Bastian, of 133 Parramatta Road, Granville, in the State of New South Wales, Union Official, give notice of the following matters in relation to the alterations of the Rules of the "Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the Australian Manufacturing Workers' Union (AMWU).

1. I am the National Secretary of the AMWU, an organisation of employees registered under the *Fair Work Act 2009* (the Act).
2. I am authorised to give this notice of particulars of alterations to the Rules of the AMWU and to make declaration required by subregulation 126(2) of the Fair Work (Registered Organisations) Regulations 2009.
3. The particulars of the alterations are attached in the documents marked "Schedule A".
4. I declare that the alterations were made in accordance with the Rules of the AMWU. The actions taken under the Rules to make the alterations were as follows:
  - (a) On 18 June, 2019 a majority of members of National Council endorsed the alterations attached and resolved to refer the alterations to National Conference for determination.
  - (b) On 29 August, 2019, a proposed alteration was put to the in-session meeting of National Conference, where a majority of members of the National Conference endorsed the alteration. I note that National Conference has the power to amend the Rules of the Union pursuant to Rule 5A2(h) of the Union's Rules.
  - (c) The relevant extracts from the National Conference resolution endorsing the alteration is attached in the document marked "Schedule B".
5. I declare that the particulars of the alterations set out in this notice are true and correct to the best of my knowledge and belief.

DATED: 18 September, 2019



PAUL BASTIAN  
NATIONAL SECRETARY

## SCHEDULE A

1. By deleting the existing subrules 5B2 7 to 10 and replace with the following:
7. *The National Council shall develop and approve each year a National Budget and State Budgets.*

*The Budgets shall be based on clear and consistent criteria to ensure an equitable distribution of resources amongst States. They shall have as their guiding principle that allocations be in proportion to membership revenue of each State having regard to the need for effective national operations of the Union and subsidies at agreed levels for the operations of smaller States.*

8. *Only National Conference shall have the power and authority to authorise expenditure on any matter where such expenditure exceeds, will exceed, or is otherwise inconsistent with the relevant Budget.*

*Otherwise, the National Union and each State shall operate within their Budget and shall be responsible for the expenditure of funds in accordance with the Budget and consistent with National Conference and National Council policy governing the administration and finances of the Union. They shall not otherwise expend money.*

9. *Each ordinary meeting of the National Council shall review the income and expenditure levels of the Union. Following each review the National Council may give such directions and make such decisions as in its opinion are necessary to ensure that future income and expenditure for the Union more closely correspond to the income and expenditure budget targets as determined.*

*In any directions or decisions given and made under this sub-rule and/or all other parts of this rule National Council shall have regard to and act consistently with the following principles:*

- (a) *States are resourced in proportion to their membership revenue and expenditure;*
- (b) *National operations of the Union must be appropriately supported and underpinned;*
- (c) *Subsidies are provided at agreed levels for the operations of the smaller States; and*
- (d) *Subject to paragraphs (b) and (c) herein, any inequitable and/or disproportionate distributions of resources amongst the States should be reduced.*

10. *The National Budget and State Budgets shall be determined by means of the following processes:*

- (a) **“Asset Income”**. *The asset income of the Union shall include the following sources of income as reported in the audited accounts of the Union in the previous year:*

- (i) Interest;
  - (ii) Dividends;
  - (iii) Rent paid by third parties for use of the Union's premises and other properties.
- (b) Prior to any allocation of asset income to the Union's budget, the following amounts shall be deducted and retained as part of the Union's accumulated assets:
  - (i) An amount equivalent to ten percent of the amount calculated pursuant to sub-paragraph (a) above to maintain the Union's asset base; and
  - (ii) An additional amount equivalent to any increase in the Union's liabilities for the annual leave and long service leave entitlements of its employees as reported in the audited accounts.
- (c) Projections of membership, membership income and expenditure shall be determined for the Union and for each State consistent with procedure adopted by the National Council.
- (d) The level of expenditure required to support each of the national functions of the Union as determined by the National Conference shall also be projected.
- (e) The balance of asset income determined consistent with sub-paragraphs (a) and (b) above shall be allocated to the National Budget to support the national functions of the Union.
- (f) The amount required to support any balance of the national functions of the Union as determined in sub-paragraph (d) above after the allocation of asset income in sub-paragraph (e) above shall be allocated from the projected membership income determined in sub-paragraph (c) above.
- (g) The allocation of projected membership income required in sub-paragraph (f) above shall be deducted proportionally from the membership income projected for each State in proportion to the membership income projected for that State compared with the overall membership income projected for the Union.
- (h) An appropriate level of support for smaller States as determined by the National Conference shall be provided from the projected membership income of the larger States.
- (i) The balance of projected membership income for each State shall be allocated to the Budget of that State.
- (j) Where the projected expenditure for a State exceeds the projected membership income (and any allocation to support a small State) allocated to that State's State Budget under paragraph (i) above, steps must be taken to balance the budget for that State prior to the commencement of the budget year.
- (k) At the end of each year, budgeted income from membership dues, asset income and budgeted expenditure will be reconciled.
  - (i) If, at the end of a budget year, the National Budget or a particular State Budget is left with a deficit, then that deficit must be repaid over a period to be determined by the National Council.

- (ii) *If, at the end of a budget year, the National Budget or a particular State Budget is left with a surplus , then that surplus is retained for the use of that State for purposes determined by the National Council upon advice from the relevant State provided that the first use of any surplus must be the repayment of any deficits attributable to that State.*

**11. Expenditure of the Union's Accumulated Assets**

*The National Conference may resolve to allocate funds from the accumulated assets of the Union for operational purposes.*

2. Consequential Amendment:

Renumber existing Rule 5B3.11 as 5B3.12

## SCHEDULE B

### EXTRACT FROM THE MINUTES OF THE 2019 NATIONAL CONFERENCE

National Conference notes that the following New Union Budget Rule proposal arises from earlier proposals endorsed by the March 2018 Special National Conference and the National Council.

Specifically, the New Union Budget Rule proposal:

- Encompasses the whole of the Union's expenditure including national functions which were previously 'off budget' such as the Help Desk and asset management;
- Utilises the Union's income from investment and external rent to support the operations of the National Union therefore reducing the National share of membership income drawn from the States;
- Allocates resources in proportion to where income is earned while providing assistance to smaller areas of the Union and/or areas facing specific challenges

National Conference notes that for the 2019/2020 budget two budgets have been prepared as part of the transition to the New Union Budget model: the first based on the current budget rule and the second on the proposed New Union Budget rule.

National Conference endorses the following amendments to the Union's Rules and authorises the National Secretary to take such steps as are required to have the Rules of the Union amended accordingly.

Conference further refers the finalisation of the 2019/2020 budget to the National Steering Committee in September.

#### **Proposed New Union Budget Rule**

**Delete existing Sub Rules 5B2 7 to 10 and replace with the following:**

7. *The National Council shall develop and approve each year a National Budget and State Budgets.*

*The Budgets shall be based on clear and consistent criteria to ensure an equitable distribution of resources amongst States. They shall have as their guiding principle that allocations be in proportion to membership revenue of each State having regard to the need for effective national operations of the Union and subsidies at agreed levels for the operations of smaller States.*

8. *Only National Conference shall have the power and authority to authorise expenditure on any matter where such expenditure exceeds, will exceed, or is otherwise inconsistent with the relevant Budget.*

*Otherwise, the National Union and each State shall operate within their Budget and shall be responsible for the expenditure of funds in accordance with the Budget and consistent with National Conference and National Council policy governing the administration and finances of the Union. They shall not otherwise expend money.*

9. *Each ordinary meeting of the National Council shall review the income and expenditure levels of the Union. Following each review the National Council may give such directions and make such decisions as in its opinion are necessary to ensure that future income and expenditure for the Union more closely correspond to the income and expenditure budget targets as determined.*

*In any directions or decisions given and made under this sub-rule and/or all other parts of this rule National Council shall have regard to and act consistently with the following principles:*

- (a) States are resourced in proportion to their membership revenue and expenditure;*
- (b) National operations of the Union must be appropriately supported and underpinned;*
- (c) Subsidies are provided at agreed levels for the operations of the smaller States; and*
- (d) Subject to paragraphs (b) and (c) herein, any inequitable and/or disproportionate distributions of resources amongst the States should be reduced.*

10. *The National Budget and State Budgets shall be determined by means of the following processes:*

- (k) **“Asset Income”**. The asset income of the Union shall include the following sources of income as reported in the audited accounts of the Union in the previous year:
  - (j) Interest;*
  - (ii) Dividends;*
  - (iii) Rent paid by third parties for use of the Union’s premises and other properties.**
- (l) Prior to any allocation of asset income to the Union’s budget, the following amounts shall be deducted and retained as part of the Union’s accumulated assets:
  - (j) An amount equivalent to ten percent of the amount calculated pursuant to sub-paragraph (a) above to maintain the Union’s asset base; and*
  - (ii) An additional amount equivalent to any increase in the Union’s liabilities for the annual leave and long service leave entitlements of its employees as reported in the audited accounts.**
- (m) Projections of membership, membership income and expenditure shall be determined for the Union and for each State consistent with procedure adopted by the National Council.*

- (n) *The level of expenditure required to support each of the national functions of the Union as determined by the National Conference shall also be projected.*
- (o) *The balance of asset income determined consistent with sub-paragraphs (a) and (b) above shall be allocated to the National Budget to support the national functions of the Union.*
- (p) *The amount required to support any balance of the national functions of the Union as determined in sub-paragraph (d) above after the allocation of asset income in sub-paragraph (e) above shall be allocated from the projected membership income determined in sub-paragraph (c) above.*
- (q) *The allocation of projected membership income required in sub-paragraph (f) above shall be deducted proportionally from the membership income projected for each State in proportion to the membership income projected for that State compared with the overall membership income projected for the Union.*
- (r) *An appropriate level of support for smaller States as determined by the National Conference shall be provided from the projected membership income of the larger States.*
- (s) *The balance of projected membership income for each State shall be allocated to the Budget of that State.*
- (t) *Where the projected expenditure for a State exceeds the projected membership income (and any allocation to support a small State) allocated to that State's State Budget under paragraph (i) above, steps must be taken to balance the budget for that State prior to the commencement of the budget year.*
- (k) *At the end of each year, budgeted income from membership dues, asset income and budgeted expenditure will be reconciled.*
  - (ii) *If, at the end of a budget year, the National Budget or a particular State Budget is left with a deficit, then that deficit must be repaid over a period to be determined by the National Council.*
  - (ii) *If, at the end of a budget year, the National Budget or a particular State Budget is left with a surplus, then that surplus is retained for the use of that State for purposes determined by the National Council upon advice from the relevant State provided that the first use of any surplus must be the repayment of any deficits attributable to that State.*

## **11. Expenditure of the Union's Accumulated Assets**

*The National Conference may resolve to allocate funds from the accumulated assets of the Union for operational purposes.*