

**Statement of Public Interest**Tabled by... *Mr. Graham**Steffell*

for Clerk of the Parliaments

16 / 10 / 2025

INDUSTRIAL RELATIONS AMENDMENT (DE-AMALGAMATION) BILL 2025**STATEMENT OF PUBLIC INTEREST****Need: Why is the policy needed based on factual evidence and stakeholder input?**

Following recent structural change in the federally registered Construction Forestry Maritime Employees Union (CFMEU), the NSW Government has been working with the NSW administrator of the Construction and General Division and representatives of the Forestry, Furnishing, Building Products and Manufacturing Division and the Mining and Energy Division who support the proposed Bill.

The reforms are necessary as there is currently no mechanism in the *Industrial Relations Act 1996 (IR Act)* for registered organisations to de-amalgamate in a similar process that has occurred as permitted under the *Fair Work (Registered Organisations) Act 2009 (Cth)*.

The reforms have been informed by consultation with key stakeholders, and the experience of the federal jurisdiction where similar reforms have been enacted.

Objectives: What is the policy's objective in terms of the public interest?

The main objective of the Bill is to enable branches that have de-amalgamated or voted on de-amalgamation to undertake a similar process in NSW by providing the Industrial Court with the ability, upon application, to make Orders for the Forestry, Furnishing, Building Products and Manufacturing Division and the Mining and Energy Division to withdraw from the Construction Forestry Mining and Energy Union NSW (CFMEU NSW). This would provide certainty and clarity for members and office holders of the CFMEU NSW.

The Bill does not interfere with the significant role and functions that unions perform as democratic organisations and ensures that the structures of the union properly reflect the wishes of members and their elected officials.

Importantly, the Industrial Court has the authority to issue orders aimed at safeguarding members, officers, branches, and divisions of the new State organisation or the CFMEU NSW body from any actions or conduct associated with the withdrawal.

Options: What alternative policies and mechanisms were considered in advance of the bill?

There are limited options available to address de-amalgamation of the CFMEU NSW. A key objective is to extend the successful de-amalgamation process at the federal level to the State registered branch. As no legislative mechanism currently exists under the IR Act to enable this, Government assistance is required.

Other unions will not have the ability to de-amalgamate as the proposed amendments to the IR Act are specific to the CFMEU NSW.

Analysis: What were the pros/cons and benefits/costs of each option considered?

All options were considered to determine effectiveness and unintended consequences. While there is an option to do nothing, and not enable de-amalgamation at the state level,



the altered federal structure would lead to uncertainty and confusion for the CFMEU NSW and its members.

It is also an advantage to have the independent Industrial Court to oversee the process, with the power to consider stakeholder views, make orders and issue penalties.

Pathway: What are the timetable and steps for the policy's rollout and who will administer it?

The Forestry, Furnishing, Building Products and Manufacturing Division and the Mining and Energy Division would be able to make an application to the Industrial Court to withdraw from the CFMEU NSW following the commencement of proposed legislation.

The bill establishes a simple and efficient process for members transferring to the new State organisation. On the withdrawal date, members of a withdrawing division will automatically become members of the new State organisation, without payment of a fee. Members will be appropriately notified about the change.

The bill also recognises that eligibility rules and the division of an organisation can be complex, particularly for the manufacturing industry. Therefore, the bill ensures that there can be no changes to eligibility rules that would result in overlap between the CFMEU NSW and the Timber, Furnishing and Textiles Union of New South Wales for a period of 10 years from the withdrawal date.

To initiate a withdrawal, the relevant divisions must apply to the Industrial Court within two years, prior to the automatic repeal of the proposed amendments.

Consultation: Were the views of affected stakeholders sought and considered in making the policy?

Yes, the Government has been working with the administrator of the Construction and General Division and representatives of the Forestry, Furnishing, Building Products and Manufacturing Division and the Mining and Energy Division of the CFMEU NSW to enable de-amalgamation and has ensured that where possible, their views were adopted.