

Redundancy

Redundancy happens when an employer either:

- doesn't need an employee's job to be done by anyone, or
- becomes insolvent or bankrupt.

Redundancy can happen when the business:

- introduces new technology (eg. the job can be done by a machine)
- slows down due to lower sales or production
- closes down
- relocates interstate or overseas
- restructures or reorganises because a merger or takeover happens.

What's a genuine redundancy?

A genuine redundancy is when:

- the person's job doesn't need to be done by anyone
- the employer followed any consultation requirements in the award, enterprise agreement or other registered agreement (www.fairwork.gov.au/Dictionary.aspx?TermID=2034) .

When an employee's dismissal is a genuine redundancy the employee isn't able to make an unfair dismissal claim.

A dismissal is not a genuine redundancy if the employer:

- still needs the employee's job to be done by someone (eg. hires someone else to do the job)
- has not followed relevant requirements to consult with the employees about the redundancy under an award or registered agreement or
- could have reasonably, in the circumstances, given the employee another job within the employer's business or an associated entity.


Consulting with employees about major workplace changes

All awards and registered agreements have a consultation process for when there are major changes to the workplace, such as redundancies.

The consultation process sets out the things the employer needs to do when they decide to make changes to the business that are likely to result in redundancies. This has to be done as soon as possible after the decision has been made to make these changes.

Consultation requirements include:

- notifying the employees who may be affected by the proposed changes
- providing the employees with information about these changes and their expected effects
- discussing steps taken to avoid and minimise negative effects on the employees
- considering employees ideas or suggestions about the changes.

Source reference: [Fair Work Act 2009 s.119, 139, 388, 389](http://www.comlaw.gov.au/Series/C2009A00028)  (<http://www.comlaw.gov.au/Series/C2009A00028>)

Best practice tip

Our [Termination of employment letter – redundancy template \(DOCX 48.6KB\)](http://www.fairwork.gov.au/ArticleDocuments/766/Termination-of-employment-letter-template-redundancy.docx.aspx) (www.fairwork.gov.au/ArticleDocuments/766/Termination-of-employment-letter-template-redundancy.docx.aspx) includes a step by step guide to handling the redundancy process.

Think a mistake might have been made?

For employees:

If you've lost your job, contact the Fair Work Commission (the Commission) first if you think you were sacked because of:

- [discrimination \(www.fairwork.gov.au/Employee-entitlements/Protections-at-work/protections-from-discrimination-at-work\)](http://www.fairwork.gov.au/Employee-entitlements/Protections-at-work/protections-from-discrimination-at-work)
- a reason that is harsh, unjust or unreasonable
- another protected right.

You have 21 days starting from the day after you were dismissed to lodge an application with the Fair Work Commission. Check the information at the Commission website to find out if you can apply for:

- [unfair dismissal](https://www.fwc.gov.au/termination-of-employment/unfair-dismissal) [☞] (<https://www.fwc.gov.au/termination-of-employment/unfair-dismissal>) (not available if you lost your job because of a genuine Redundancy (www.fairwork.gov.au/Ending-employment/Redundancy/default))
- [a general protections dismissal](https://www.fwc.gov.au/termination-employment/general-protections-dismissal) [☞] (<https://www.fwc.gov.au/termination-employment/general-protections-dismissal>)
- [unlawful termination](https://www.fwc.gov.au/termination-employment/unlawful-termination) [☞] (<https://www.fwc.gov.au/termination-employment/unlawful-termination>) .

If you think you haven't been paid everything you're owed:

- read about [Notice and final pay \(www.fairwork.gov.au/Ending-employment/notice-and-final-pay/default\)](http://www.fairwork.gov.au/Ending-employment/notice-and-final-pay/default) to find out what you should get
- see our [Help resolving workplace issues \(www.fairwork.gov.au/How-we-will-help/How-we-help-you/Help-resolving-workplace-issues/default\)](http://www.fairwork.gov.au/How-we-will-help/How-we-help-you/Help-resolving-workplace-issues/default) section for practical advice on:
 - talking to your employer about fixing your notice and final pay if it's wrong
 - getting help from us if you can't resolve it.

For employers:

- check that the right [Notice and final pay \(www.fairwork.gov.au/Ending-employment/notice-and-final-pay/default\)](http://www.fairwork.gov.au/Ending-employment/notice-and-final-pay/default) has been given
- read our [Help resolving workplace issues \(www.fairwork.gov.au/How-we-will-help/How-we-help-you/Help-resolving-workplace-issues/default\)](http://www.fairwork.gov.au/How-we-will-help/How-we-help-you/Help-resolving-workplace-issues/default) section for practical advice on:
 - talking to fix any problems
 - getting help from us if you still can't resolve it.

What to do next

- Use our [Notice and Redundancy Calculator \(http://calculate.fairwork.gov.au/EndingEmployment\)](http://calculate.fairwork.gov.au/EndingEmployment) to check termination and redundancy entitlements
- Check your [Award or agreement \(www.fairwork.gov.au/awards-and-agreements/default\)](http://www.fairwork.gov.au/awards-and-agreements/default) to find more information about consultation requirements
- Find out about [Redundancy pay and entitlements \(www.fairwork.gov.au/Ending-employment/Redundancy/redundancy-pay-and-entitlements/default\)](http://www.fairwork.gov.au/Ending-employment/Redundancy/redundancy-pay-and-entitlements/default)
- Learn about [Bankruptcy and Liquidation \(www.fairwork.gov.au/Ending-employment/bankruptcy-and-liquidation\)](http://www.fairwork.gov.au/Ending-employment/bankruptcy-and-liquidation)
- Find out more about [Unfair dismissal \(www.fairwork.gov.au/ending-employment/unfair-dismissal\)](http://www.fairwork.gov.au/ending-employment/unfair-dismissal)
- See what support is available in the [Department of Jobs and Small Business Redundancy Information Statement \(https://what-next.employment.gov.au/support-retrenched-workers\)](https://what-next.employment.gov.au/support-retrenched-workers) [☞]
- Go to the [Department of Human Services website \(http://www.humanservices.gov.au/customer/enablers/waiting-periods\)](http://www.humanservices.gov.au/customer/enablers/waiting-periods) [☞] for information about waiting periods that may apply before receiving income support payments.

Help for small business

- Use the [Small Business Fair Dismissal Code and checklist \(DOCX 25.5KB\) \(https://www.fairwork.gov.au/ArticleDocuments/715/Small-Business-Fair-Dismissal-Code-2011.docx.aspx\)](https://www.fairwork.gov.au/ArticleDocuments/715/Small-Business-Fair-Dismissal-Code-2011.docx.aspx) (PDF 220.4KB) (<https://www.fairwork.gov.au/ArticleDocuments/715/Small-Business-Fair-Dismissal-Code-2011.pdf.aspx>) to make sure that a dismissal is fair
- Find tools, resources and information you might need on our [Small business page \(www.fairwork.gov.au/Find-help-for/Small-business/default\)](http://www.fairwork.gov.au/Find-help-for/Small-business/default) .

You might also be interested in

- [Notice and final pay \(www.fairwork.gov.au/Ending-employment/notice-and-final-pay/default\)](http://www.fairwork.gov.au/Ending-employment/notice-and-final-pay/default)
- [Final pay \(www.fairwork.gov.au/Ending-employment/notice-and-final-pay/final-pay\)](http://www.fairwork.gov.au/Ending-employment/notice-and-final-pay/final-pay)
- [Notice of termination and redundancy pay fact sheet \(www.fairwork.gov.au/how-we-will-help/templates-and-guides/fact-sheets/minimum-workplace-entitlements/notice-of-termination-and-redundancy-pay\)](http://www.fairwork.gov.au/how-we-will-help/templates-and-guides/fact-sheets/minimum-workplace-entitlements/notice-of-termination-and-redundancy-pay)

Contact us

Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

Need language help?

Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

Speak & Listen: 1300 555 727. Ask for the Fair Work Infoline 13 13 94

The Fair Work Ombudsman is committed to providing advice that you can rely on. The information contained on this website is general in nature. If you are unsure about how it applies to your situation you can call our Infoline on 13 13 94 or speak with a union, industry association or workplace relations professional. Visitors are warned that this site may inadvertently contain names or pictures of Aboriginal and Torres Strait Islander people who have recently died.