

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.

Redundancy

Find out what happens when employment ends because of a genuine redundancy, including what consultation needs to happen, notice requirements and what payments need to be made.

On this page:

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When does redundancy happen?

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 (for example, 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 \(www.fairwork.gov.au/Dictionary.aspx?TermID=2034\)](http://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 (for example, 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 given the employee another job within the employer's business or an associated entity in the circumstances.

Consulting with employees about major workplace changes

All awards and registered agreements include a consultation process to be followed 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

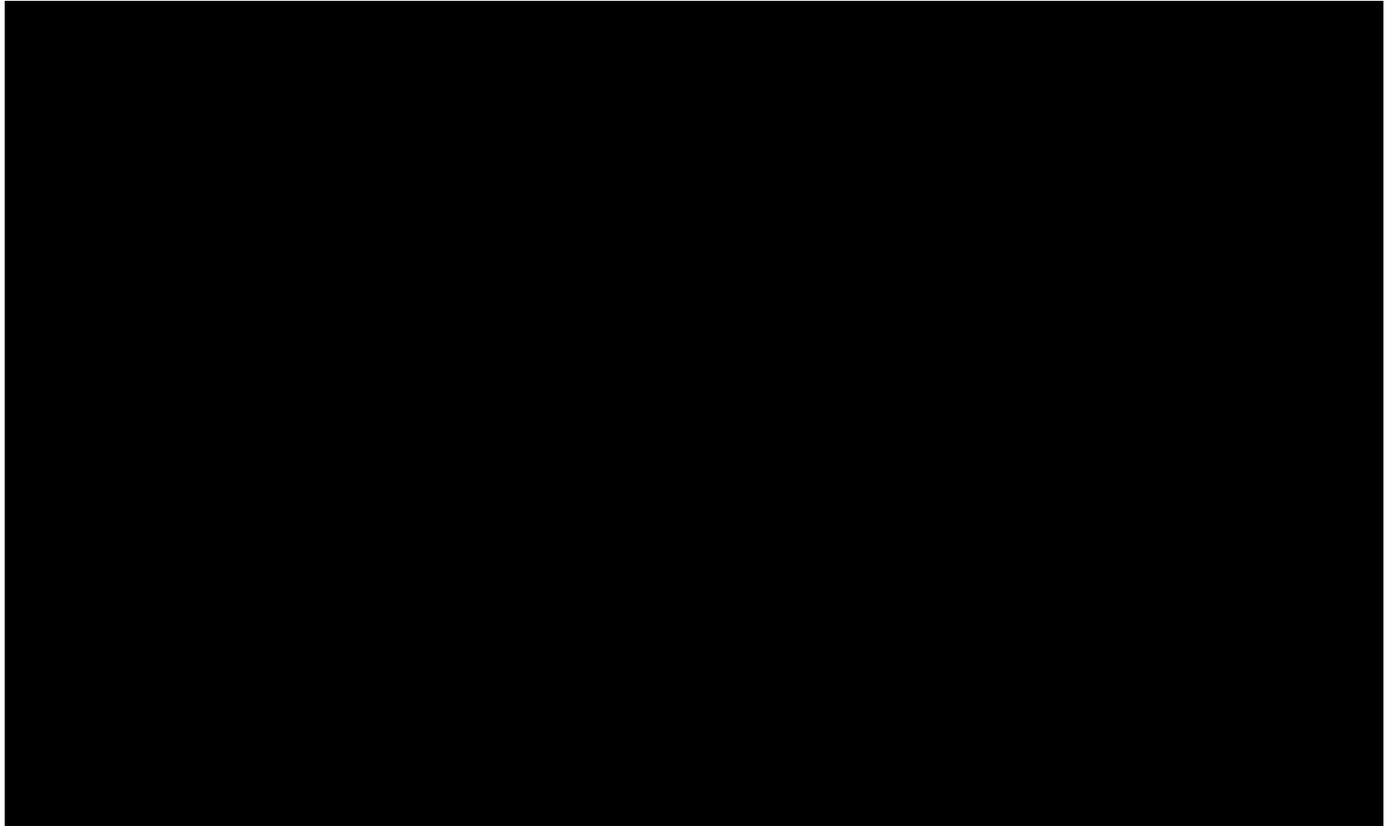
[Our Termination of employment letter – redundancy template \(PDF 371.9KB\) \(www.fairwork.gov.au/ArticleDocuments/766/Termination_of_employment_letter_-_redundancy_template_\(PDF_371.9KB\)\)](http://www.fairwork.gov.au/ArticleDocuments/766/Termination_of_employment_letter_-_redundancy_template_(PDF_371.9KB))

[nation-of-employment-letter-template.pdf.aspx](#) (DOCX 37.6KB) (www.fairwork.gov.au/ArticleDocuments/766/Termination-of-employment-letter-template.docx.aspx) includes a step by step guide to handling the redundancy process.

If an employer is considering redundancy of 15 or more employees, they need to give written notification to Services Australia of the proposed dismissals. More information, and a notification template, can be found on the [Services Australia website](https://www.servicesaustralia.gov.au/organisations/business/services/centrelink/redundancy-information-employers) (<https://www.servicesaustralia.gov.au/organisations/business/services/centrelink/redundancy-information-employers>) [↗](#).

Source reference: [Fair Work Act 2009 s.530](http://www.comlaw.gov.au/Series/C2009A00028) (<http://www.comlaw.gov.au/Series/C2009A00028>) [↗](#)

For a quick overview of what redundancy is, watch our short video to understand when redundancy occurs and who is eligible.



Tools and resources

- [Notice and Redundancy Calculator](http://calculate.fairwork.gov.au/EndingEmployment) (<http://calculate.fairwork.gov.au/EndingEmployment>)
- [Notice of termination and redundancy pay fact sheet](http://www.fairwork.gov.au/tools-and-resources/fact-sheets/minimum-workplace-entitlements/notice-of-termination-and-redundancy-pay) (www.fairwork.gov.au/tools-and-resources/fact-sheets/minimum-workplace-entitlements/notice-of-termination-and-redundancy-pay)

Related information

- [Bankruptcy and liquidation](http://www.fairwork.gov.au/ending-employment/bankruptcy-and-liquidation) (www.fairwork.gov.au/ending-employment/bankruptcy-and-liquidation)
- [Notice and final pay](http://www.fairwork.gov.au/ending-employment/notice-and-final-pay/default) (www.fairwork.gov.au/ending-employment/notice-and-final-pay/default)
- [Redundancy pay and entitlements](http://www.fairwork.gov.au/ending-employment/redundancy/redundancy-pay-and-entitlements/default) (www.fairwork.gov.au/ending-employment/redundancy/redundancy-pay-and-entitlements/default)
- [Unfair dismissal](http://www.fairwork.gov.au/ending-employment/unfair-dismissal) (www.fairwork.gov.au/ending-employment/unfair-dismissal)
- [Department of Education, Skills and Employment Redundancy Information Statement](https://whatsnext.employment.gov.au/support-retrenched-workers) (<https://whatsnext.employment.gov.au/support-retrenched-workers>) [↗](#)
- [Services Australia website](https://www.servicesaustralia.gov.au/individuals/topics/waiting-periods/29031) (<https://www.servicesaustralia.gov.au/individuals/topics/waiting-periods/29031>) [↗](#)

Help for small business

- Use the [Small Business Fair Dismissal Code and checklist \(DOCX 25.5KB\)](http://www.fairwork.gov.au/ArticleDocuments/715/Small-Business-Fair-Dismissal-Code-2011.docx.aspx) (www.fairwork.gov.au/ArticleDocuments/715/Small-Business-Fair-Dismissal-Code-2011.docx.aspx) (PDF 220.4KB) (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 showcase](http://www.fairwork.gov.au/small-business-showcase/default) (www.fairwork.gov.au/small-business-showcase/default) .

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