Checklist: Managing Redundancies the Right Way

Redundancy isn't just a decision. It's a process that every business must follow, no matter how small or large.

This checklist provides a clear, high-level guide to help employers manage redundancies fairly, lawfully, and with care.

**Note: Some steps may vary depending on your business size, Award, or Agreement obligations.*

BEFORE YOU START

1: Plan and Review

- [ ] Clearly identify which roles are affected and why.
- [ ] Ensure there's a genuine operational reason fro the change (not performance-related).
- [ ] Document your business rationale; financial, structural, or technological.

2: Check your obligations

- [ ] Review the applicable Modern Award, Enterprise Agreement, and employment contracts.
- [ ] Confirm whether your business qualifies as a small business employer (<15 employees)
- [ ] Identify consultation of obligations and redundancy pay entitlements under the Fair Work Act 2009 (Cth) and National Employment Standards.

3: Consider alternatives

- [ ] Explore redeployment options for affected employees, including other locations, departments, or associated entities.
- [ ] Review contractor-held roles to determine if any work could reasonably be reassigned internally (per *Helensburgh Coal Pty Ltd v Bartley [2025]*)
- [ ] Assess other cost-saving or structural changes that might avoid redundancy.

4: Map your process

- [ ] Outline the consultation timeline (usually over several meetings).
- [ ] Decide who will lead discussions and communicate outcomes.
- [ ] Prepare templates for meeting invitations, outcome letters, and talking points.

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CONSULTATION STAGE

1: Initial Meeting - Notification of Potential Redundancy

- [ ] Provide a written invitation to each affected employee explaining the proposed change and the reasons behind it.
- [ ] At the meeting, outline the situation clearly and transparently.
- [ ] Invite feedback, questions, or alternative suggestions.
- [ ] Be open to genuine discussion. Consultation means *considering* employee input before making final decisions.

2: Between Meetings

- [ ] Allow at least 24–48 hours between meetings to consider employee feedback.
- [ ] Explore any viable alternatives raised, such as role changes, reduced hours, or redeployment options.
- [ ] Keep written notes of all discussions and decisions.

DECISION AND OUTCOME

1: Outcome Meeting - Communicate the Final Decision

- [ ] Meet with the employee to explain the outcome and the reasons for it.
- [ ] Confirm notice period, redundancy pay (if applicable), and final entitlements.
- [ ] Offer support services such as EAP, career coaching, or outplacement.
- [ ] Follow up with a **formal redundancy letter** confirming all details in writing.

2: Finalise Payments

- [ ] Pay notice (or payment in lieu), accrued leave, and redundancy pay where applicable.
- [ ] Continue superannuation on ordinary time earnings up to the last day of employment.
- [ ] Provide a payslip and separation certificate if requested.

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AFTER THE REDUNDANCY

1: Communication and Administration

- [ ] Notify other team members sensitively and appropriately.
- [ ] Update payroll and HR systems to reflect termination.
- [ ] Retain documentation of all meetings and decisions for your compliance records.

2: Reflect and Support

- [ ] Check in with remaining staff, as change can cause uncertainty or low morale.
- [ ] Review what worked well and what could be improved for future change processes.

Best practice reminders

- Always act with empathy and fairness. People remember how redundancy was handled.
- Avoid rushing decisions, plan ahead wherever possible.
- Keep communication open and honest.
- Seek professional HR or legal advice if unsure about compliance.

Partner with Now Actually

Managing redundancies can be complex, but you don't have to navigate it alone.

Now Actually can help you with:
- Tailored redundancy plans and consultation scripts
- Legally compliant letters and checklists
- Guidance through each stage of the process
- Advice that aligns with your business values and supports your people

Contact our team before you act. We'll help you get it right from the very start.

Contact Us