

RESTRUCTURING AND REDUNDANCY

1. In order to justify restructuring (including termination or redundancy), employers must both have genuine reasons for change and follow a fair process.
2. As a starting point, employers need to look at the individual employment agreements, collective agreements and organisational policies, as these documents set out the basis of the employment relationship and the foundation for the restructuring process. Specific clauses to consider are notice period, compensation and any other provisions relating to the restructuring process.

Genuine business reason

3. Employers have the right to make changes to their business. However, employers must have genuine business reasons when proposing changes to employees' roles and must consult employees before making a decision. Additionally, employers should be able to produce appropriate evidence of the need for change. For example, if financial reasons are outlined, source documents must accurately reflect those.

Fair process

4. Employers must follow a fair process including consulting affected employees regarding the proposed change before reaching and communicating a final decision.
5. In a nutshell, fair process generally involves:
 - 5.1 developing a written proposal that outlines what is proposed, and why, with supporting documentation; and
 - 5.2 meeting with affected employees to provide the proposal and explain the process.
6. The process includes:
 - 6.1 receiving employee feedback;
 - 6.2 genuinely considering and responding to the feedback; and
 - 6.3 reaching a decision regarding the proposal and communicating this to affected employees.
7. Employers must also consider redeployment options for affected employees, and use selection criteria when reducing multiple roles.

Message for employers

8. The restructuring process can be tricky to manage, and getting it right mitigates the risk of claim. Given the complexity involved in the law, we recommend seeking advice before embarking on this kind of change.

Our team of specialist workplace lawyers throughout the country are always happy to answer your questions, [contact us here](#)

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