

## Summary | Redundancy Pay Benchmarking

Redundancy pay is an entitlement provided for as part of the 10 National Employment Standards in the Fair Work Act 2009 (Cth), at [section 119](#). It provides, as a lawful minimum entitlement:

	<b>Employee's period of <u>continuous service</u> with the <u>employer</u> on termination</b>	<b>Redundancy pay period</b>
1	At least 1 year but less than 2 years	4 weeks
2	At least 2 years but less than 3 years	6 weeks
3	At least 3 years but less than 4 years	7 weeks
4	At least 4 years but less than 5 years	8 weeks
5	At least 5 years but less than 6 years	10 weeks
6	At least 6 years but less than 7 years	11 weeks
7	At least 7 years but less than 8 years	13 weeks
8	At least 8 years but less than 9 years	14 weeks
9	At least 9 years but less than 10 years	16 weeks
10	At least 10 years	12 weeks

The reason it drops down after 10 years is that across all states of Australia a person is paid out their long service leave after 10 years.

### Redundancy Benchmarking

49 Agreement reviewed and analyzed.

- 20% of those had an uncapped limit on number of weeks paid (8 agreements)
- All of these had formulas for 2-4 weeks' pay per year of service.

Boeing formula is 6 weeks per year (first 15 years); 4 weeks per year for next 5 years; 3 weeks per year thereafter.

Boeing provides a maximum cap of 140 weeks (excluding notice periods)

- None of the agreements provided a cap this high.
- Next highest caps:
  - 124 weeks (4 weeks per year of service)– Saputo Dairy – grandfathered in 2015
  - 52 - 104 weeks (4 weeks per year of service) – Liberty Steel – current
  - 100 weeks (4 weeks per year of service) – Saputo Dairy – current
  - 90 weeks (4 weeks per year of service) – General Motors Australia – current
  - 80 weeks (5 weeks per year, first 5 years; 3 weeks per year thereafter) – CSL pharmaceuticals – current

The average cap in the industry, anecdotally, is around 52 weeks.

# Redundancy Benchmarking

## Enterprise Agreements for Manufacturers in Victoria

Approved from 21 May 2019 to 20 May 2020

Agreement ID	Title	Employees Covered	States	Unions	Suburb	Product type	Redundancy	Grandfathered/Sunset clause maximum	Maximum entitlement (all others/current)	Certified
AE502941	Liberty Steel Laverton Steel Mill Enterprise Agreement 2018	250	Vic	AWU	Laverton	Steel products	Different calculations for voluntary vs compulsory and caps vary depending on the greater amount. Amount is determined by using total salary or base wage Greater entitlement - 4 wks per year of service, capped at 52 wks or 104 wks, depending on how amount is calculated (total salary or base wage - the greater amount is used) LSL pro-rata after 5 years Sick leave balance paid out		Variable caps 52 to 104 weeks	15/04/2019
AE502227	PMP Print, Distribution and Digital Enterprise Agreement 2018	1160	NSW, Qld, SA, Vic, WA	CEPU, AMWU	Clayton	Printing	4 wks per year of service UNCAPPED 5 wks notice Shift loadings or 17.5% A/L loading 17.5% Pro rata LSL at 7 yrs or per legislation > 1 year service - 4 wks for each year Ees over 50 yrs receive 1 wk additional per year of service after their 50th bday <b>OR</b> Ees with 20 yrs of more service paid an additional 4 wks LSL after 5 years service Unused sick leave paid out - no cap specified A/L loading		Uncapped	12/03/2019
AE506578	Orora Fibre Packaging National Enterprise Agreement 2019	939	NSW, Qld, SA, Tas, Vic, WA	CEPU, AMWU		Packaging	6 wks severance pay + 3 yrs or less service - 3wks per year >3 yrs service - 4 wks per year, LSL pro-rata paid No cap specified All accrued sick leave paid out Additional notice provisions based on age - up to 8 weeks additional notice		Uncapped	20/12/2019
AE504063	Nestle Australia Limited Victorian Confectionery Agreement 2018-2021	516	Vic	CEPU, AMWU		Food	Voluntary - 3 wks + 4 wks for each year of service, capped at 52 wks Compulsory - 3 wks + 4 wks for each year of service, no specified cap Unused sick leave paid out LSL after 5 years of service		Uncapped	24/06/2019
AE505618	McCain Foods (Aust) Pty Ltd Ballarat Production Enterprise Agreement 2019	500	Vic	AMWU		Food	3 wks per year of service		Uncapped	28/06/2019
AE504201	The Chelgrave Contracting Australia Pty Ltd BlueScope Steel Westernport Site Maintenance Agreement 2019	55	Vic	-	Tullamarine	Labour hire	NES, however, an additional of 2 wks per year of service after completion of 10 years		Uncapped	4/02/2019
AE501579	Waterside Engineering Enterprise Agreement 2018	22	Vic	AMWU	Brooklyn	Shipbuilding	Two wks per year of service, except where NES is greater		Uncapped	13/09/2019
AE505276	United Pumps Australia Enterprise Agreement 2019	14	Vic	AMWU	Sunshine	Heavy industrial	4 wks for each year of service, plus 10% age loading for Ees over 45 years of age Unused sick leave paid out in % based on yrd of service, capped at 800 hours \$4000 retention payment, subject to terms	124 weeks (empoyed before 23 Mar 2015)	100 weeks	26/09/2019
AE505485	Saputo Dairy Australia Pty Ltd (Victorian Sites) National Union of Workers Enterprise Agreement 2018	653	Vic	NUW	Laverton North	Food	4 wks per year (capped at 90 weeks) + 1 wk per year uncapped Unused sick leave (capped at 8 wks)		90 weeks	21/08/2019
AE504958	GM Australia Engineering Operations Enterprise Agreement 2018	248	Vic	AMWU, APESMA	Port Melbourne	Vehicles	5 wks for each year up to 5 yrs service 3 wks per year after 5 yrs of service Minimum 4 wks Maximum 80 wks LSL paid at pro-rata - not specified service amount required Plus significant notice period		80 weeks	8/02/2019
AE501686	CSL Agreement 2018	700	NSW, SA, Vic	CPSU, AMWU		Pharmaceuticals	Voluntary Separation Package: Two options - whichever is greater: 1. 3.1 wks per year of <b>continuous service</b> + 4 wks notice - capped at 75 wks (excluding notice). 2. 2 wks per year of service and 4 wks notice - uncapped		75 weeks	30/10/2019
AE505650	Ford Australia Enterprise Agreement 2019 (Vehicle Membership)	252	Vic	AMWU	Geelong	Vehicles	1 year < 2 yrs service - NES > 2 yrs continuous service - 3.5 wks per year - capped at 75 wks A/L loading on unused AL 17.5% Unused sick leave (no cap) LSL - pro rata after 5 yrs service		75 weeks	4/04/2019
AE502736	ASSA ABLOY Australia Pty Limited Manufacturing Agreement 2018	157	Vic	NUW, AMWU, AWU	Oakleigh	Locks, doors, gates	4 wks for each year up to 5 yrs service 3 wks per year after 5 yrs of service Minimum 8 wks Maximum 71 wks >12 mths service - LSL paid at pro-rata Plus significant notice period		71 weeks	4/10/2019
AE505587	Thales Australia Limited Trading as Australian Munitions Benalla and Mulwala Enterprise Agreement 2018-2022	645	NSW, Vic	NUW, CEPU, AMWU, APESMA, AWU		Defense	>1 year - 4wks per year for first 5 yrs, 3 wks per year after 5 yrs, capped at 71 weeks Minimum payment 8 wks plus notice >1 year - pro rata LSL entitlement		71 weeks	23/10/2019
AE505843	Thales Australia Explosive Ordnance Services Enterprise Agreement 2019	239	NSW, NT, Qld, SA, Tas, Vic, WA	NUW		Technology & Security (aerospace, defence)	3.5 wks per year - capped at 63 weeks		63 weeks	31/05/2019
AE503714	IVECO Trucks Australia Limited and AMWU and NUW Enterprise Agreement 2018 - 2021	107	Vic	AMWU	Campbellfield	Italian truck manufacturer	Ees employed after EA commencement - After 5 yrs of service, two week increments for each year of service - 20 weeks at 10 years or more, capped at 52 weeks. After 10 yrs, 2 wks per year of service, capped at 52 wks. Over age 45 with less than 10 years - 4 wks extra Ees employed at EA commencement - 3 wks per year of service. Except > 1 year < 2 years - 4 wks as per NES.		52 weeks	21/06/2019

Agreement ID	Title	Employees Covered	States	Unions	Suburb	Product type	Redundancy	Grandfathered/Sunset clause maximum	Maximum entitlement (all others/current)	Certified
AE504557	BOC Limited (CES) Enterprise Agreement 2019	24	ACT, NSW, Qld, SA, Tas, Vic	AMWU, AWU	Altona?	Industrial chemicals and gas	6 weeks + 3wks for each year of service, capped at 52 weeks Age loading applied to Ees over 45 years old, between 5%-25% (45+ -49+)	52 weeks		12/08/2019
AE502020	ARC/THE AUSTRALIAN REINFORCING COMPANY VICTORIANENTERPRISE AGREEMENT 2018	140	Vic	AWU	Bayswater	Steel products	3 wks per year of service, capped at 52 weeks LSL pro-rat with 5 years or more service	52 weeks		27/02/2019
AE501642	VOLGREN AUSTRALIA PTY LTD DANDENONG ENTERPRISE AGREEMENT 2018	153	Vic	AMWU	Dandenong	Vehicles	3 wks for each year - capped at 46 wks. < 2yrs service - receive pro-rata Unused sick leave (capped at 10 days) Notice < 2yrs - 2wks, > 2yrs - 4 wks 1 yr service - 4wks	46 weeks		6/02/2019
AE505915	Third Zeton Pty Ltd Trading as Tieman Tankers / AMWU Victorian Collective Workplace Agreement 2019	74	Vic	AMWU	Campbellfield	Road tankers	2-4 yrs - 3.5 wks per year > 5 yrs - 3 wks per year (capped at 46 wks) LSL - pro rata after 5 yrs service - 0.8667 wks per year of service	46 weeks		29/10/2019
AE506024	MaxiTRANS Australia Pty. Ltd. Enterprise Agreement - Ballarat 2019	242	Vic	AMWU	Ballarat	Semi-trailers & tankers	4 wks for 1st year of service + 3 wks per year thereafter - capped at 45 weeks A/L loading on unused AL 17.5% Unused sick leave (capped at 10 days)	45 weeks		7/11/2019
AE506370	MaxiTRANS Australia Pty Ltd Enterprise Agreement - Hallam Panels 2019	24	Vic	AMWU	Derrimut	Semi-trailers & tankers	4 wks for 1st year of service + 3 wks per year thereafter - capped at 45 weeks, increased to 52 wks if total closure of site occurs Sick leave paid out, capped at 10 days	45 weeks - increased to 52 wks if total closure of site occurs		5/12/2019
AE501702	FOODMACH PTY LTD COLLECTIVE AGREEMENT 2018	50	Vic	CEPU, AMWU	Bundoora	Industrial machinery	1st year - 4wks 2 wks per year for subsequent years, capped at 36 wks A/L loading on unused A/L	36 wks		8/02/2019
AE505124	Backwell IXL Pty Ltd Multi Enterprise Union Collective Agreement 2019	51	Vic	AMWU	Geelong	Metal products	0-5 years - more generous than NES. Following 5 yrs - 12 wks + 2.5 wks for each year, capped at 32 weeks LSL paid out at 5 years Sick leave paid out	32 weeks		3/09/2019
AE505838	Baxters Foods Australia Enterprise Agreement 2019	34	Vic	AMWU	Campbellfield	Foods	Increments of 2 weeks per each year of service - 20 wks at 10 years, capped at 28 weeks for 14 years and over of service Sick Leave paid out	28 weeks		23/10/2019
AE502701	Steel Frame Solutions Pty Ltd Enterprise Agreement 2018-2021	51	Vic	AMWU	Oakleigh East	Steel frames	NES, however, additional 4 wks for service over 10 yrs	20 weeks		3/04/2019
AE501853	Hazeldenes Chicken Farm Pty Ltd Processing Enterprise Agreement 2018-2021	532	Vic	NUW		Food	NES - however, at 10 years or over service, NES drops to 12 weeks, EA states 20 weeks	20 weeks		18/02/2019
AE501531	FPC Food Plastics Campbellfield Collective Bargaining Workshop Agreement 2017	35	Vic	AMWU	Campbellfield	Plastics	NES, but 18 wks at 10 years of service	18 weeks		31/01/2019
AE504304	Ausfresh Pty Limited Enterprise Agreement 2019	95	Vic	AMWU	Broadmeadows	Food	NES	16 weeks		4/07/2019
AE501991	Cummins South Pacific Pty Ltd - Laverton Enterprise Agreement 2018	72	Vic	AMWU	Laverton	Engines and generators	As per Manufacturing and Associated Industries & Occupations Award - NES	16 weeks		25/02/2019
AE502197	JBS AUSTRALIA PTY LIMITED - BROOKLYN MAINTENANCEENTERPRISE AGREEMENT 2018	47	Vic	AMWU	Brooklyn	Food	National Employment Standards	16 weeks		7/03/2019
AE504021	Pipemakers Australia Pty Ltd Enterprise Agreement 2019 (Deer Park)	40	Vic	AMWU	Deer Park	PVC Piping	National Employment Standards	16 weeks		19/06/2019
AE506539	Roo & Oz Sheetmetal Pty Ltd Sunshine West Enterprise Agreement 2019	24	Vic	AMWU	Sunshine West	Sheetmetal	NES, however, at 10 years - 16 weeks specified	16 weeks		19/12/2019
AE503361	Prestige Foods Australia Pty Ltd Agreement 2019	20	Vic	AMWU	Brooklyn	Food	NES	16 weeks		9/05/2019
AE504070	Scania Australia Pty Ltd and the Australian Manufacturing Workers Union (AMWU) Campbellfield Warehouse Enterprise Agreement 2019	12	Vic	AMWU	Campbellfield	International, Trucks	Ees prior to 12.8.16 - 3 wks per year of service, capped at 52 wks NES - for Ees after 12.8.16 Sick leave paid out 20% of unused balance Leave loading	52 weeks (employed prior to Aug 2016)	16 weeks	21/06/2019
AE505841	VIP Packaging Laverton North Enterprise Agreement 2019	74	Vic	NUW, AMWU	Laverton North	Paper products	2 wks + 3.5 wks for each year of service, capped at 78 wks ONLY to Ees that commence after EA certification date 85% of sick leave paid 17.5% A/L or shift loading paid LSL - pro rata after 5 yrs	Uncapped (employed prior to 24 Oct 2019)	78 weeks	24/10/2019
AE504971	AMWU and RMD Industries Pty Ltd, trading as Downee (Vic.) Collective Bargaining Agreement 2018-2021	27	Vic	AMWU	Laverton North	Gate automation	Dependant on employment dates: 1. 4 wks for each year, capped at 17.5 years 2. 4 wks for each year, capped at 12 years or NES (whichever is higher) Sick leave paid out, capped at 304 hours A/L loading paid out One off payment (\$750) 1 year < 2 years - 4 wks > 2 yrs - 3 wks per year (capped at 52 wks). Employees with start date after 18/4/17, capped at 26 weeks LSL after 5 yrs Unused sick leave - capped at 50 days A/L loading 17.5% on unused A/L	70 weeks (grandfathered);	48 weeks	21/08/2019
AE506035	Austral Lock Enterprise Agreement 2019	53	Vic	AMWU	Brooklyn/Blackburn	Door locks	26 weeks LSL after 5 yrs Unused sick leave - capped at 50 days A/L loading 17.5% on unused A/L	52 weeks (employed prior to 18 Apr 2017);	26 weeks	8/11/2019

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AE502647	APV Safety Products Pty Ltd Enterprise Agreement 2018	21	Vic	AMWU	Campbellfield	Seat belts	4 wks per year of service, capped at 80 wks for Ees employed prior to 1/1/14 4 wks for first year of service, 3 wks per year after capped at 16 wks for Ees employed after 1/1/14 < 6 mths - two wks Sick leave paid out - 100% on leave balance above 150 hours, 50% on leave balance below 150 hours	80 weeks (employed prior to 2014)	16 weeks	1/04/2019

## Enterprise Agreements - Airline or Aircraft Industries

Agreement ID	Title	Employees Covered	States	Unions	Product type	Redundancy	Maximum entitlement
AE429005	QANTAS AIRWAYS LIMITED (AWU, AMWU, CEPU) BRISBANE BASE MAINTENANCE AGREEMENT 5 2018		QLD	AWU, AMWU, C Aircraft maintenance	Engineering and Maintenance	Additional grandfathering arrangements prior to 12/96 Significant notice provisions (i.e 12 wks for 10 yrs and above) A/L loading paid out <u>LSL pro-rata after 12 mths of service</u> 1 week ahead of NES until 6 years of service	95 weeks
AE503458	SIKORSKY AIRCRAFT AUSTRALIA LIMITED ENTERPRISE AGREEMENT 2018			AMWU	Aircraft maintenance	Engineering and Maintenance Over 6 years of service 2 wks ahead of NES <u>Over 8 years of service 3 wks ahead of NES</u> 1 week ahead of NES until 6 years of service	19 weeks
AE415430	OASIS SINGLE-ENTERPRISE AGREEMENT 2015			AMWU		3 wks for each year of service, capped at 60 wks Minimum 6 wks <u>LSL pro-rata after 12 mths of service</u>	60 weeks
AE504905	BAE SYSTEMS AUSTRALIA INTEGRATED SYSTEMS ENTERPRISE AGREEMENT 2019-2021			AMWU		3 wks for each year + 1 wk for each completed 4 calendar mths thereafter Capped at 75 weeks for some Ees and 52 wks for others (after an EA 2016-2018 was certified)	75 weeks (employer prior to 2016); 52 wks for all others
AE506724	BAE SYSTEMS AUSTRALIA LIMITED AVIATION TECHNICAL TRAINING ENTERPRISE AGREEMENT 2019			AMWU		3 wks for each year + 1 wk for each completed 4 calendar mths thereafter Capped at 52 wks	52 weeks
AE425982	BAE SYSTEMS AUSTRALIA LIMITED (HENDERSON) COLLECTIVE AGREEMENT 2017 - 2020			AMWU		3 wks for each year + 1 wk for each completed 4 calendar mths thereafter Capped at 52 wks for Ees commencing after 09/14 <u>LSL pro-rata after 5 yrs</u> Unused sick leave - 70% paid out into superannuation	54 weeks
AE503010	BAE SYSTEMS AUSTRALIA MANUFACTURING (EDINBURGH PARKS), ENTERPRISE AGREEMENT 2018-2021			AMWU		3 wks for each year + 1 wk for each completed 4 calendar mths thereafter Capped at 75 wks	75 weeks
AE503367	BAE SYSTEMS AUSTRALIA LIMITED (BAE SYSTEMS) (NOWRA) ENTERPRISE AGREEMENT 2019			AMWU		3 wks for each year + 1 wk for each completed 4 calendar mths thereafter Capped at 52 wks for Ees commencing 06/15	52 weeks
<a href="#">AE429013</a>	BOEING DEFENCE AUSTRALIA LIMITED AVIATION TRADES ENTERPRISE AGREEMENT 2018 TO 2020		QLD	AWU		4 wks per year (first 4 years of service); 3 weeks per year of service thereafter. Capped at 48 weeks.	48 weeks

\*As at 5 Feb 2021 - BDA advise negotiations do not contemplate any changes to the redundancy entitlements in the next agreement.