**Checklist: Issuing a Fixed-Term Contract of Employment**

**Use this checklist to determine if a fixed-term contract is appropriate and in line with** [[**Fair Work**](https://www.fairwork.gov.au/starting-employment/types-of-employees/fixed-term-contract-employees#:~:text=From%201%20July%202023%2C%20it,the%20contract%20in%20that%20year)](https://www.fairwork.gov.au/starting-employment/types-of-employees/fixed-term-contract-employees) **requirements.**

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| --- | --- | --- | --- | --- |
| **Relevant limitations to be considered** | | | | |
| **Step 1** | The contract is for more than two (2) years | **YES** | **Will lead to permanency** | |
| **NO** | **Move to Step 2 a)** | **↙** |
| **Step 2** | 1. Has an option to extend/renew, resulting in greater than two (2) years employment | **YES** | **Will lead to permanency** | |
| **NO** | **Move to Step 2 b)** | **↙** |
| 1. Has an option to extend/renew more than once | **YES** | **Will lead to permanency** | |
| **NO** | **Move to Step 3** | **↙** |
| **Step 3** | 1. The employee’s previous contract was also fixed-term; **and** 2. The last contract and this one will be for mainly the same work; **and** 3. There is substantial continuity in employment between previous and new contract; **and** 4. One or more of the following applies:   *There has been an initial contract (before the previous one) that:*  *Was for a fixed-term  Was for same/similar work and there was substantial continuity of employment* | **YES for a), b) and c) and at least one YES in d)** | **Will lead to permanency** | |
| **NO for any of a), b), c), and at least one NO in d)** | **Contract end date can be effectively applied** | |

*NB: These rules apply to new contracts entered into after 6 December 2023. However, fixed-term contracts entered into before 6 December 2023 do have to be considered when considering applying the consecutive contracts limitation for a new fixed-term contract entered into on or after 6 December 2023.*

**Situations where there are no limitations on the use of fixed-term contracts**

The rules do not apply to **all employees** on fixed-term contracts. Relevant exemptions to the limitations include:

* **An employee earning more than the** [**high-income threshold**](https://www.fairwork.gov.au/starting-employment/types-of-employees/fixed-term-contract-employees#exceptions-to-the-limitations)
  + *From 1 July 2023, it is $167,500.*
* **Specialised skills for a specific task** 
  + *Work only on a specific task that requires specific, specialised skills.*
* **Emergency circumstances or temporary replacement of an employee** 
  + *Working in emergency circumstances, or if the person is required to replace someone who is temporarily away (e.g. maternity leave cover).*
* **Peak demand periods**
  + *Where essential work is carried out.*
* **Training agreements**
  + *Including an apprenticeship or traineeship*
* **Positions subject to government funding** 
  + *Where the employee’s position is funded by government funding (completely or in part), the funding is for more than two (2) years, and the funding is unlikely to be renewed afterwards.*
* **Governance position**
  + *Where there is a time limit under the governing rules of a corporation or association of persons.*
* **Specific award exemptions**
  + *The SCHCADS Award* ***does not*** *fit this category.*

Please note, all new employees entering into a fixed-term contract must be provided with a [Fixed-Term Contract Information Sheet.](https://www.fairwork.gov.au/employment-conditions/information-statements/fixed-term-contract-information-statement#fixed-term-contract-information-statement)