

## Snapshot: Limitations on using fixed term contracts

From 6 December 2023, there are rules (called limitations) about using fixed term contracts. There are 3 rules and all of them need to be followed:



### Time limitations

A fixed term contract can't be for longer than 2 years, including extensions and renewals.



### Renewal limitations

A fixed term contract can't have an option to:

- ✓ extend or renew the contract so that employment period (including the extension or renewal period) is longer than 2 years, or
- ✓ extend or renew the contract more than once.



### Consecutive contract limitations

An employer can't employ someone on a new fixed term contract if:

- ✓ the contract is for mainly the same work as a previous fixed term contract, and
- ✓ there isn't a substantial break in the employment relationship between the previous and new contracts, and
- ✓ any of the following apply:



the total period of employment for the previous contract and the new fixed term contract is more than 2 years, or



the new fixed term contract can be renewed or extended, or



the previous fixed term contract was extended, or



there was an initial fixed term contract in place (before the previous contract) that:

- was for mainly the same work, and
- there was continuity of the employment relationship from the period of time (if any) between the initial contract and the previous contract.

For more information and details about these changes, including transitional arrangements, visit [fairwork.gov.au/ftc-changes](https://fairwork.gov.au/ftc-changes). The information contained in this resource 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 a workplace relations professional.