

Fixed Term Employment Contracts

22 September 2015

A fixed term position is legal and is recognised in section 386(2)(a) of the *Fair Work Act 2009*. A person has not been dismissed if "the person was employed under a contract of employment for a specified period of time, for a specified task, or for the duration of a specified season, and the employment has terminated at the end of the period, on completion of the task, or at the end of the season".¹

However, prior and during the fixed term of employment it is important that:

- The offer of employment for the fixed term is to genuinely meet the company's operational needs during the fixed term.
- The company has not entered the arrangement to avoid the NES notice and redundancy provisions.²
- No promise has or will be made to the employee that his or her employment with the company will or is likely to continue, be extended or renewed after the expiry of the fixed term.
- You seek further legal advice before any decision is made about the employee continuing his or her employment with the company beyond the fixed period.

If you do decide to offer a position for a fixed term, then I recommend you seek legal advice from an employment law expert and instruct them to draft a comprehensive and up-to-date fixed term employment contract.

¹ See also section 123(1)(a) of the *Fair Work Act 2009*.

² Section 123(2) of the *Fair Work Act 2009*.

Important Notice

This publication does not constitute legal advice. Your access of this publication does not constitute a retainer with Phillip Gray Barrister to perform legal work or provide any advice. You should seek legal advice for any legal issues raised in your own affairs.