Beware the contract trap



At recent meetings of the AEU National Principals' Committee, the subject of contracts was raised with some rather chilling information coming forward. Where employers propose and introduce contracts there seems to be three stages.

Stage One: A contract is offered with salary higher than previously and may include other benefits such as mobile phone costs or a car leasing agreement. It has a set length: five years is popular, with a review for possible renewal or placement in another position. A four week notice of termination is included, but "that would not happen to me".

This all looks positive: better money; benefits with only a few additional tasks and renewal.

Stage Two: In the second round there can be some adjustment; the benefits added may not be included "due to budget issues"; additional roles are added. Principals are on a four weeks' notice of termination clause. Principals learn not to raise sensitive issues at regional or other forums to ensure contract renewal.

Stage Three: Conditions and salary remain similar but there is a change in the end of contract clause. If it is not renewed and there is no position to go to within the system, potential unemployment follows. The four weeks' notice clause also remains.

In states/territories where this is the case, few questions are asked at regional or department forums by principals, or difficult matters raised. Contract renewal is always at the back of everyone's mind.

With the new redundancy rules being introduced, a contracted leader not renewed in WA would simply become a new unemployment statistic.

Locally the Catholic Education model has been seen as positive, but guess what? They are moving into "stage three" too - the stage where unemployment mid-career is a real possibility.

Contracts always are sold as tempting in the first round to get people in. The next step round invariably involves a gradual reduction of benefits – especially in times of budget constraints. Contracts are a trap.

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