



CHIEF EXECUTIVE OFFICER'S REPORT
ANNUAL GENERAL MEETING OF MEMBERS
FRIDAY, 13 OCTOBER 2023

This time last year, I wrote that the enterprise bargaining round that had begun in October 2019 was finally concluding. This was a reference to the last of the major agreements heading to ballot in October. The ballot log jam was primarily driven by a desire to 'beat' the Caretaker period prior to last year's state election and resulted in significant implementation challenges.

Some of the agreements that went to ballot at this time were 'on time' and both the negotiations and the drafting had proceeded in an efficient, cooperative manner. This includes the agreements applying to Doctors in Training and Medical Specialists.

Some other agreements, however, were the result of a protracted bargaining processes. We see these prolonged periods of bargaining as one of our primary challenges. Members and employees alike are entitled to expect bargaining to be timely and efficient.

This requires reform to the bargaining process.

We have been pleased to see some significant process for our community health members, with some negotiations requiring only a handful of agreements before agreement in principle has been reached. The shift to a more pragmatic and efficient bargaining process has been welcome.

The other standout feature of the past twelve months has been the challenges experienced by members in implementation. That was, in part, exacerbated by the high volume of agreements approved late last year, but the issue is bigger than that. There were delays, also, in implementing terms from enterprise agreements that had come into effect much earlier.

This issue has become quite pronounced and is multifaceted.

In the last round of bargaining, the number of claims being bargained dramatically increased. In some instances, bargaining parties increased the number of claims five-fold. However, the capacity to implement – both from a human resource and a technological point of view – has either not increased or not increased to the same extent.

Whilst additional resources and better technological are part of the answer, reform to the bargaining process is essential.

We have raised these issues with stakeholders but there is not yet the necessary support.

Accordingly, we have also sought to articulate these issues more publicly. In August, our article 'Why Enterprise Bargaining Has Failed (And How to Fix It)' was published in 'The Health Advocate'. Also in August, we published a revised version of our 'Enterprise Bargaining Framework' for public health sector members and a position paper regarding a reduction in the number of agreements as a necessary step to reduce complexity arising from enterprise

bargaining. That position paper highlights the significant equity impact of the current highly-segregated industrial arrangements.

As we head into a new round of bargaining, we will continue to make the case for reform.

The coming round of bargaining will present a range of challenges – some of which can be predicted, some of which will, doubtless, come as a surprise. But we look forward to close engagement with members throughout that process.

I wish to thank members for their participation and insight throughout the past year. I also wish to record my thanks to the VHIA team for their efforts and commitment to continuing to improve the bargaining process.

Lastly, I wish to thank our current President, Peter Falkner, and his predecessor, Dale Fraser, both of whom are leaving the Board. They have devoted countless hours to our organisation and it is a better organisation as a result. Both have provided me with great support and the benefit of their insight and wisdom. In addition to their terms as President, both were Board members for more than a decade. To lose one President may be regarded as misfortune, to lose two looks like carelessness. But I thank them both for their contribution.

A handwritten signature in black ink, appearing to read "Stuart McCullough". The signature is fluid and cursive, with a large initial 'S' and 'M'.

Stuart McCullough
Chief Executive Officer