



PRESIDENTS REPORT

Annual General Meeting of Members Friday, 7 December 2007

The 2006-07 year has been positive for VHIA on a number of fronts.

The enterprise bargaining activities on behalf of members and clients have been handled in a positive and collaborative manner with the Department of Human Services that has enabled our voice to be effective and relevant on the key issues. In addition VHIA has worked to improve member consultation and to improve the quantification of Enterprise bargaining bids.

The funding regime for industrial outcomes under the wages policy of the State Government has been tightened so that health services are increasingly challenged to identify and pursue measurable productivity savings. For how much longer this remains a viable core element of wages policy requires careful consideration and evaluation in the near future, given the increasingly serious recruitment/retention challenges in this industry, coupled with service demand growth. A central consideration regarding these challenges must be whether the enterprise bargaining processes are the only or appropriate vehicle for the achievement of either micro or macro workforce reform. It is essential that VHIA develops a carefully considered position on these core questions in the months ahead.

In last year's Report I made reference to the various stages of the development of the other VHIA related enterprises, including Health Legal and Health Financial. During the 2006/07 reporting period, VHIA and Health Legal formalised our ongoing commercial arrangements, and I would like to thank Natalie Franks, Principal Health Legal and Ig Oostermeyer VHIA, for their role in this successful outcome. Health Financial, led by David Wenban, has also grown significantly.

I can report that both these organisations are, each in their own way, success stories that have added real strength and diversity to the service base for VHIA members and clients. Since then we have established Health Communications and taken a 50% interest in a small industrial law firm called Workplace Legal which has also relocated to VHIA. These entities operate in a competitive commercial environment and their success is testament to the strong leadership they each enjoy. Profit margins are small in this industry which means there is constant pressure to refine, enhance and renew service offerings.

The Board of VHIA experiences gradual turnover of Directors and we welcome new board members from time to time. I wish to make particular mention of the contribution of Merlyn Pritchard, the CEO of Mt Alexander Hospital, Castlemaine, who has retired from VHIA and Mt Alexander. Merlyn has been a VHIA Board member for 10 years and was a member of the Health Legal Advisory Committee and the Board Audit and Risk Committee. Merlyn's contribution has always been one characterized by wisdom, prudence and a forthrightness that was both refreshing and valuable and on behalf of the Board I express my deep appreciation.

The VHIA Board has worked in a most harmonious and open fashion which has materially benefited the members' interest and has enabled management and staff to fulfil its charter in a manner appreciated by all.

Finally I would like to thank the staff of the VHIA and Alec Djoneff, the CEO, for his support and leadership.

John Stanway
President
Victorian Hospitals Industrial Association