
CHIEF EXECUTIVE OFFICER'S REPORT

Annual General Meeting of Members Friday, 21 October 2011

In last years' Report mention was made of the development of the VHIA Strategic Plan, the consolidation of a stronger financial position and the preparatory work for the EBA bargaining round in the latter half of 2011. This year has seen the further development of these matters in a manner that has borne fruit in a number of ways. The year has also seen a change of State Government with the laudable intention of developing a 10-year Health Reform Plan. The new government has essentially maintained the previous governments' wages policy framework that underpins the EBA negotiations in the Victorian public sector. The new government is faced with public sector wide EBA challenges in its first year of office in an environment of significant budgetary strain which will, inevitably, generate considerable industrial tensions in the latter part of 2011.

VHIA has devoted considerable energy and resources to the development of an EBA strategy that focuses essentially on workforce flexibility and workplace reform. This has meant an enhanced level of engagement with members, diverse consultative groupings and the Department of Health and the Ministers office. This has led to strengthened collaboration with the Department in the development of enterprise bargaining agendas and the associated industrial strategies. This has been particularly important in the context of a new government whose industrial dispositions are not as well understood as those of the previous state government notwithstanding the adoption of the former governments wages policy. It remains to be seen whether the workforce and workplace reforms aspired to by VHIA and its members attract the same sense of priority from the government having regard to its wider macro priorities associated with the state budget. The latter stages of 2011 will be revelatory in a number of ways.

As previously stated in last years report, the EBA processes in the past decade or more have been a poor vehicle for prosecuting labour reform agendas on even the most modest of scales and members are entitled to feel apprehensive about whether this next round of EBA negotiations are going to yield appreciably better results, given the high likelihood of protected industrial action and the inevitable pressures to find a point of settlement that often has little do with the intrinsic merits of the employers needs in fulfilling their service obligations into the future. Arbitration of these matters remains an option but the path to arbitration is neither simple, easy or risk free.

The implementation of the VHIA Strategy Plan is well in hand with enhanced capacity within VHIA such as the appointment of Phillip Murphy to the position of Manager, Industrial Services. The complete redesign and redevelopment of the VHIA website with the MyIR feature has been widely lauded and represents a real enhancement of our connectivity to our members. This, together with our calls logging and response monitoring system, has substantially improved our responsiveness and awareness of membership concerns and needs.

The appointment of a Membership Liaison Manager, Siusan McKenzie has proved to be a successful initiative as we now have the capacity to visit every member in a structured manner enabling us to have a service dialogue that previously was not possible.

Our service development initiatives have seen considerable growth in Training and HR Consulting offerings, which are being increasingly embraced by members. These service areas of VHIA are experiencing growing demand which we will continue to monitor and meet.

The financial position of VHIA remains strong based on continued membership growth, undiminished demand for consulting services, improved dividends from our associated entities and sound expenditure controls whilst maintaining membership subscriptions at below CPI. Our associated entities, Workplace Legal, Health Legal and Health Financial are all trading profitably whilst maintaining discounted fees for VHIA members. The trading result for VHIA for 2010/11 is a most satisfactory one with a surplus of \$402,112 against a budget target of \$171,330.

The year has been a strong one for VHIA and I express my appreciation to the Board and staff of VHIA for their support and contribution in bringing about such a pleasing result. The work undertaken this year has laid the groundwork for a strengthened VHIA that will meet all of our members expectations into the future.



Alec Djoneff
Chief Executive Officer
Victorian Hospitals' Industrial Association