
CHIEF EXECUTIVE OFFICER'S REPORT

Annual General Meeting of Members Wednesday, 8 October 2014

Just on twenty years ago I commenced my role as the CEO of the newly created VHIA. How time has flown! It was a bit of a leap into unknown territory but twenty years on I realise I should not have been so anxious!

The President's Report briefly recounts the origins of VHIA and I do not need to dwell on that time other than as an aid to reflecting on the last twenty years. This period obviously coincides with the commencement and evolution of the enterprise bargaining system under the federal jurisdiction to which the Victorian Government ceded its industrial regulatory powers in the mid-1990s.

The early/mid 90s was a period of fertile reform and change in both the public health sector and the industrial relations environment more generally. Unions successfully sought refuge in the federal industrial system in the face of controversial industrial reform initiatives of the Kennett Government. Centralised wage fixing in the federal system was rapidly giving way to a system of enterprise bargaining that attracted broad support from all political quarters. Much debate ensued at that time about the scope and desirability for such bargaining processes in areas of essential services, such as public hospitals, but it transpired that no special provisions were enacted to respond to these concerns.

Consequently the health unions, VHIA and the state government, represented by the Department of Health, have cyclically been embroiled in enterprise bargaining as regulated by federal legislation. The substance of the system has not materially changed over these 20 years and state government industrial and funding policy frameworks have remained largely unchanged over that period. A glaring and inescapable truism is that enterprise bargaining has yielded few significant productivity or labour reform outcomes over this period. The reasons for this can be found in the complex and nuanced intersections between funding/budget parameters, political imperatives, relative appetites for reform, a highly unionised professional workforce, strong, profession based unions and an absence of a major crisis that might trigger a more collaborative long term commitment to reforms that are in the interests of all stakeholders.

It goes without saying that preparations have commenced for the next round of bargaining in 2015/16 and it is likely that we will replicate both the bargaining agendas and the bargaining processes of previous bargaining rounds. The Presidents under whom I have served - Ian Wolstencroft, Malcolm Kinloch, the late Rick Smith, John Stanway and now Brendan Murphy - have all brought to the role perspectives and priorities highly relevant to the times and have shown a sense of selfless service and commitment that has attracted constant and unstinting support from their respective Boards.

This level of cohesiveness certainly simplifies the environment in which management has to prosecute its agenda and has been a key ingredient in the stability of VHIA over these twenty years.

VHIA is well positioned to assist its members in initiating local workforce reform initiatives within the parameters of the relevant industrial instruments. We have had considerable success in securing outcomes at the Fair Work Commission that confirm the employer's right to implement reforms that are demonstrably aligned with the public interest. It should not be overlooked that the employers in the public health sector are the front line custodians of the public interest and it is they that particularly bear significant public accountabilities in ensuring that the quality and sustainability of these services meets their communities and governments expectations. In my view this is a mantra that needs to be pressed consistently by health services and their representatives, if the prospects of even modest reforms are to receive a better than even chance of taking root.

The past year has seen some internal restructuring which positions VHIA to better fulfil its service charter and we are on track to add to our industrial relations resources well before the demands of enterprise bargaining descend upon us in 2015. The relocation of VHIA to its new premises has proceeded smoothly - and within budget - thanks to the particular efforts of Simon Chant, Lisa Iacobucci and Robert Bell.

The 2013/14 year has not had some of the industrial drama of a major EBA campaign but there have been positive developments that position us well for the coming year or two. My thanks to the Board of VHIA and in particular Brendan Murphy's advocacy and enthusiasm for workforce reform - it instils a sense of purpose and confidence in the role we fulfil. My special thanks to all the staff of VHIA and the small but potent management team for their wisdom, good humour and professionalism.



Alec Djoneff
Chief Executive Officer
Victorian Hospitals' Industrial Association