

## **PRESIDENT'S REPORT**

### ***Annual General Meeting of Members Friday, 19 October 2012***

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The 2011/12-year, from a Board and governance perspective, has been a most encouraging one.

The year has seen a continued consolidation and strengthening of the financial position of VHIA. We have again been able to report a surplus exceeding our budget target and this is a tangible expression of ongoing major commitment that the Board made to members. We have now had four years of continued financial growth, resulting in a strong balance sheet reflecting the strength of services across the spectrum of activities under taken by VHIA. The Sub Committees of the Board have worked closely with management, which, among other things, has resulted in a revised Strategic Plan and recasting of particular priorities within it in recognition of changing needs of the industrial cycle for which the VHIA is particularly responsible. It is evident that VHIA has connected to its members in a particularly focussed and constructive manner over more than a year now, in the context of enterprise bargaining, and this has undoubtedly enhanced its standing in the eyes of members, the Department of Health and, indeed, the Minister for Health with whom we have established a very sound working relationship.

The enterprise bargaining processes have sorely tested the resources and the capacities of the industrial relations team at VHIA but it appears to be commonly accepted that the outcomes for this enterprise bargaining cycle have been the best of all the enterprise bargaining cycles for more than a decade and this has been a very pleasing result, not only for the members but for VHIA as the preeminent industrial provider of services in this industry.

It is evident that strengthening of our industrial resources in the coming year will be required and, in this regard, there is budget capacity for an additional senior industrial person to be engaged which will enable us to connect to our membership even more so.

The Strategic Plan, which has been the subject of development work by the Strategy Sub Committee, Chaired by Ms Ann Clark, has continued to develop our Strategic Plan for the next three years or so and the finalisation of the Plan will, among other things, incorporate a Member Survey which will be conducted in October 2012 which will provide further indication of members' aspirations and needs and where services might be improved in order to meet our objectives.

The Board has operated in a coherent and constructive manner throughout this financial year and the members that we welcomed last year have made a strong contribution, both at the Board and by virtue of their membership in sub-committees of the Board. We expect to fill some vacancies in the near future that have existed on the Board for some time.

A key issue for the Board of VHIA in this financial year has been decisions to divest its minority shareholdings in Health Legal and Health Financial. It is apparent that the principals of those two entities, Ms Natalie Franks and Mr David Wenban, are highly desirous of acquiring our minority shareholding and the Board has concluded that it is now prudent to divest our shareholdings and devote the resources from such a sale to enabling VHIA and its core services to be enhanced. This will give the Board some choices as to how those proceeds are best devoted to the interests of VHIA members.

We look forward to having those matters essentially resolved by the end of 2012 or early 2013 and this will then remove from the Board a significant distraction from the core business of driving VHIA and its services to its core membership.

I want to acknowledge the particularly strong commitment to service delivery by the CEO and his team in this EBA year. It has been the most intense effort by our very small team in conducting these enterprise bargaining processes for more than twelve months in the most industrially and politically contentious environments with an outcome that has widely been acknowledged as being the best of the EBA outcomes since the mid 1990s. For that I strongly congratulate the IR Team, lead by Alec Djoneff and express my very strong appreciation for the Board members who so strongly supported this, and, in particular, our members, who in various consultative forums contributed so strongly and so influentially to both the development of the employer positions but the prosecution of the claims and the contributions to the final outcome.

The coming 2-3 years will see a greater focus on providing industrial support for the industry in initiatives to drive workplace and workforce reforms.

**John Stanway**  
**President**  
**Victorian Hospitals' Industrial Association**