

CHIEF EXECUTIVE OFFICER'S REPORT

***Annual General Meeting of Members
Friday, 9 October 2015***

The 2014-15 year is operationally best summarised as a preparatory year for enterprise bargaining, an introspection year for examining and enhancing VHIA services and capacities and an adjustment year to a new political setting. As is often said *the health industry is many things but it is never dull*.

The continued consolidation of the financial health of VHIA has enabled us to substantially increase our industrial firepower with the recruitment of several new staff, partly to replace the loss of Phillip Murphy and Peter Clarke. The arrival of Michele Salmon, Tim Nagle, Kelly Mayne and Emily Thornton in early 2015 has made a discernible difference to our capacity and has been well received by members.

Enterprise bargaining preparation has dominated these last 12 months with a substantial focus on eliciting the views and aspirations of members and establishing enterprise bargaining reference groups. In 2015, going into 2016 a number of significant enterprise agreements are expiring. Nurses, Mental Health, Health Professionals and Allied Health/ Admin/ Managers agreements are up for renegotiation requiring a lengthy lead time of member consultation and claims development. The contribution and commitment exhibited by so many of our members in this work is greatly appreciated.

The new Andrews Labour Government wages policy settings are not appreciably different from those of previous years but there is an emphasis on achieving *service and performance improvements* through a more overt collaborative process with the relevant health unions. Whether this bears fruit remains to be seen! However, it is also clear that the unions have a heightened level of expectation about acceptable wages and conditions outcomes. Reconciling this with the funding base of health services will be an industrial challenge of some order and the seeds of industrial tension are already discernible. VHIA members are again pushed into the cost offsets bargaining space in an environment where there is not an abundance of bargaining leverage.

VHIA has also initiated discussions with the unions to redraft existing EBAs so that there is a common structure, a common language and a better alignment of clauses that are not occupation specific eg. there should be a stock standard Dispute Settling Procedure in all the EBAs. The unions have agreed that is a worthwhile objective and those discussions will proceed concurrently with the formal agreement negotiations which are unlikely to be concluded in 2015.

VHIA has also been intimately involved in the drafting consultations regarding the government's proposed nurse patient ratio legislation. VHIA has sought to ensure that the legislation does not create new provisions relating to ratios or the manner of their application or capacity to propose variations. The legislation will of necessity require the removal of ratios from the EBA, thus taking ratios out of the realm of industrial negotiations and ultimately place them in the hands of the legislature. Whilst the legislation retains the concept of CWMA, [current workload management arrangement] it nevertheless requires small health services to staff up to the level of ratios within twelve months of the proclamation of the legislation. The practical out-workings of this provision will be closely monitored.

VHIA has over the last two years oriented its resources and priorities to what is commonly called core services. Further, the Board triggered a comprehensive reappraisal of service offerings and performance, capacity analysis and membership engagement evaluation. Members provided valuable commentary and responses identifying opportunities for change, improvement and closer mutual engagement between VHIA and members. VHIA will progressively act on all of these matters which will strengthen services and bring VHIA closer to its members on an ongoing basis.

VHIA has a continuing interest in workforce reform opportunities. It is apparent, and perhaps understandable, that the appetite for workforce reform initiatives is distinctly variable across the membership spectrum. This issue will be the subject of considerable discussion by the VHIA Board as part of its development of a set of strategic objectives over the coming few years.

The VHIA team is focussed and cohesive and looks forward to contributing and delivering on the key objectives set by the Board. Again, my thanks to the Board and our President, Dr Brendan Murphy, for their sustained commitment to VHIA and its members and their ongoing, unflagging support of the VHIA team - it is much appreciated. We look forward to the industrial challenges and opportunities in 2015/16 and beyond.



Alec Djoneff
Chief Executive Officer
Victorian Hospitals' Industrial Association