

## CHIEF EXECUTIVE OFFICER'S REPORT

### *Annual General Meeting of Members Friday, 14 October 2016*

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This is the last Report I will be making as CEO of VHIA. It is of course well known that I have resigned as CEO after 22 years. I am now entering that strange state of *transition to retirement* in a part time role of Consultant Advisor to the CEO and Board for the next two years. For the avoidance of doubt, I am most content and positive about these new arrangements, particularly as the Board has selected a VHIA stalwart, Stuart McCullough, as my successor. Needless to say, I have reflected at length on the history of VHIA, which inescapably reflects my own professional history since the creation of VHIA in 1994. However, I will not be indulging myself with a lengthy review of the highlights of this 22 year journey.

The 2015-16 year from a service delivery standpoint was largely dominated by enterprise bargaining for most of the major occupational groupings in the public health sector. This cycle will not conclude until about April 2017, when we hope to finalise agreements with the AMA in relation to Doctors-In -Training and employed Specialists. At the time of writing, agreements in-principle have been reached with ANMF re Nurses and Midwives, VAHPA re Health Professionals, ANMF and HACSU re Mental Health and HWU re Allied Health. Bargaining is currently under way in respect of HSU No 4, covering Medical Scientists, Psychologists, Pharmacists and related professions.

Clearly, the current enterprise bargaining environment is, and will remain, discernibly different from previous cycles. This is attributable principally to the Government's industrial relations framework and the nature of the relationship between unions and government. VHIA rapidly adapted to this environment and it is most pleasing that agreements have been reached without the corrosive effect of protracted industrial action over a wide front. Importantly, an essential element of all agreements is the establishment of Service Delivery Partnership Plans. Despite some initial reservations about these, it is apparent that they are likely to be the ongoing vehicle for modest and incremental improvements in workforce arrangements across the health sector. Inherent in such arrangements is the imperative for highly collaborative initiatives and effort between employers represented by VHIA and the respective health unions. I do not need to canvass the details of all these bargaining processes and outcomes as they have been subject of frequent communication to members throughout the year.

VHIA's modest resources continue to be sorely tested in this bargaining round given the concurrency of several bargaining agreements and the elevated intensity of the bargaining process. Happily, the capacity and expertise of the VHIA team met all challenges and timelines in an atmosphere that can genuinely be described as focussed, cooperative and mature. This was supported by the DHHS representatives led by Ms Silvana Sgro, with whom we developed a positive and mutually respectful working relationship.

During this period, VHIA agreed to second Simon Chant to DHHS in an arrangement that was highly beneficial to both VHIA and DHHS. I wish to record my great appreciation and gratitude to Simon for the significant contribution he has made to VHIA and its members during his employment with VHIA. His depth and breadth of industrial expertise and knowledge in this sector is largely unparalleled, which combined with his intimate knowledge of the government relations requirements, is something that will be sorely missed. We wish him every success in the future.

The other significant “*industrial event*” in 2015 was the enactment of the Safe Patient Care Act in December 2015. This was the culmination of the political undertaking given by the state government to put nurse/midwife staffing ratios under state legislation, thus removing them as matters to be subject of industrial relations bargaining in the future. VHIA, together with ANMF, was intimately involved in the development of the legislation, together with the senior officials of DHHS. The legislation reflects the ratios of the prevailing EBA and makes provision for transition to full compliance by December 2016. This also necessitated the negotiation of the necessary variation to the existing enterprise agreement that embodied the ratios provisions. This was achieved collaboratively within a tight timeframe. Of course, this meant that the bargaining for a new agreement with ANMF in 2016 was not concerned with or complicated by issues associated with ratios.

The coming few years will require considerable effort by VHIA, and its members, to implement the processes and opportunities the new agreements provide. This will require the retention of our EBA Reference Groups+which have been an invaluable and indispensable part of our capacity to negotiate agreements that are constructive, balanced and expressed with a greater degree of clarity and consistency. A major objective of the organisation is to maximise engagement with our members in respect of the full spectrum of industrial needs and concerns. A range of initiatives are being developed by Stuart for rollout imminently. These will materially strengthen VHIA's communication capacity and facilitate an enhanced capacity for members to connect to VHIA via new modalities. Stuart will be reporting on all these initiatives to the Board and members imminently.

The VHIA journey since 1994 has never been dull. The full gamut of political, industrial, operational and financial challenges has been experienced in these past twenty two years. Our imminent demise was reported on a couple of occasions, somewhat prematurely! We have experienced governments of various political persuasions, none of whom felt impelled to marginalise or close down the role of hospitals and community health services as individual employers. These Victorian public health governance arrangements are widely accepted as being the model to emulate (notwithstanding the stresses and strains we know exist). This arrangement is at the cornerstone of VHIA's legitimate role and existence and guides the manner in which VHIA carries out its service charter. VHIA has always adopted a pragmatic employer representative role with a strong commitment and capacity to find solutions to problems, rather than the perpetuation of conflict. The industry is profoundly reliant on its diverse workforce to deliver on its service obligations and the recognition of this must continue to be a central tenet of how we go about our business.

Closer to home, VHIA is little more than the individual and collective expertise and service commitment of its staff from CEO down. Our resources have always been modest but we have given our all for the members we serve. I will not single out anyone for special mention over this year let alone over the past twenty two years but suffice to say I could not have remained in this role without the unstinting and exceptional support of the VHIA staff over this journey. My heartfelt thanks to you all.

In conclusion, I want to express my appreciation to the VHIA Board in its various manifestations over more than two decades. I have enjoyed a level of support, tolerance, autonomy, forbearance that, I suspect, is unusual for a CEO to enjoy. The five Presidents of the Board over this time have all brought their own style to the role, but the constancy of support (with the occasional quizzical look!) I found most sustaining in any number of critical moments when a tough call needed to be made. Thank you to you all.

I wish the Board, Stuart, the VHIA team and all our members every success in the future.



**Alec Djoneff**  
**Chief Executive Officer (1994-2016)**  
**Victorian Hospitals' Industrial Association**