



PRESIDENT'S REPORT

Annual General Meeting of Members Friday, 22 October 2010

The 2009/10 year has been a year of consolidation and strengthening of the financial and industrial standing of VHIA. The development of a new Strategic Plan, significantly improved financial position and tangible service improvements characterise the year's efforts and commitments. The strengthened governance arrangements have discernibly impacted on the overall performance of the organisation with the Board and its sub-committees operating in a cohesive and constructive manner.

Financial Report

In 2009/09 VHIA reported a "*solid financial surplus of \$121K, which exceeded the budget target by a modest margin*". I am pleased to report that this trend has continued with an audited annual surplus for 2009/10 of \$472K, against a budget target of \$230K. The impact on the VHIA Balance Sheet is audited Net Equity of \$768,310, which provides a financially stable base for the organisation.

This level of financial stability and certainty enables the organisation to proceed with its strategic objectives with confidence, in particular strengthening our industrial relations resources and therefore service. This is important as we move into a new round of EBA negotiations over the next twelve months.

Strategic Plan

The Board established a Strategy Sub-committee early in 2010, Chaired by Ann Clark, CEO Royal Victorian Eye and Ear Hospital. An immediate imperative was to develop a Strategic Plan for the organisation for the next 3-5 years.

The Board engaged an experienced Consultant to work with VHIA to develop the Plan and this has now been finalised. Central to the Strategic Plan is the commitment to relationship building with all stakeholders, establishing a superior member service ethos and service and product development within a sustainable business model.

The Strategy Sub-Committee is also focussed on the development of sustainable enterprise bargaining policies that ensure that the relationships with government, via the Department of Health, are managed in a manner that enables the VHIA voice of influence to be maximised. It is also apparent that the department wishes to strengthen its relationship with VHIA in the context of the major EBA challenges in 2011.

The 2011 EBA round potentially represents a watershed in the shape and nature of EBA negotiations in the health sector for the future. Importantly, the question of whether labour reform can be achieved via the enterprise bargaining processes will require considerable discussion.

Board Membership

The composition of the Board, with one exception, is unaltered from the 2008/09 Report. After 11 years, Gary Templeton, the CEO of Gippsland Southern Health Services, ceases to be a Board member representing Division 3 members. He is to be replaced by Kathy Huett, the CEO of East Wimmera Health Service. Gary has, in his 11 years, made a very strong contribution to the growth and standing of VHIA. Gary brought to the role particular business acumen and clarity of thinking to the challenges and opportunities that VHIA faced over that time.

We wish him continued success in his position at Gippsland Southern Health Services and thank him for his outstanding contribution to the VHIA Board.

VHIA Staff

The results for 2009/10 are largely attributable to the hard work and commitment of the management and staff of VHIA. On behalf of the Board, I wish to record my strong appreciation to Alec Djoneff and his team.

John Stanway
President
Victorian Hospitals Industrial Association