

PRESIDENT'S REPORT

Annual General Meeting of Members Wednesday, 8 October 2014

I have pleasure in presenting the President's Report for 2013/14. The year ending 2014 has been noteworthy in several ways. 2014 marks the 20th anniversary of the establishment of the VHIA operations, under the founding chairmanship of Mr Ian Wolstencroft who was the driving force for the creation of the VHIA at a time when significant changes in the health sector and the Victorian industrial relations landscape were afoot. The introduction of Casemix funding, the notion of a purchaser/provider system of funding and governance, the initiation of the system of enterprise bargaining in the context of a shift from state to federal industrial jurisdiction, and the need for employer industrial representation were all significant factors in the establishment of the VHIA. This was achieved in a relatively seamless manner, aided by an initial seeding grant from the then Department of Health & Community Services.

At that time, the VHIA's Board selected Mr Alec Djoneff as its CEO; Alec having occupied the position of Director, Industrial Relations at the Health Department for several years to that point. Alec has held the role of CEO ever since and has been the core of the organisation for all of its existence. This is an extraordinary record of service and we should acknowledge his personal 20 year anniversary along with that of the organisation itself.

It is also noteworthy that our current Vice President, Mr John Smith, was an original member of the VHIA Board and indeed was a board member of the Victorian Healthcare Association which initiated the creation of the VHIA as a registered organisation under federal legislation.

Since 1994, the VHIA has been involved in all enterprise bargaining rounds, working closely with the Department of Health throughout this period. The nature of the enterprise bargaining system, as formulated under State Government policy frameworks, has generally not been conducive to achieving significant workforce reforms. Accordingly, these challenges still largely remain ahead of us in an environment of burgeoning demand for services, ageing population and ageing health workforce and tight budgetary frameworks. It is in this context that the current VHIA Board has highlighted and continues to focus on these challenges as particular priorities regardless of the political complexion of the state government in office. The VHIA Board is very mindful of the industrial and political complexities and the nuances associated with workforce reform initiatives, but is of the view that these matters must be pressed to avoid the emerging and undeniable risks to service sustainability over the coming decade or more.

As the industrial representative of all public health services in Victoria, the VHIA has always recognised the significance of its relationship with government and I am confident that this sound relationship will continue in the same manner into the future.

A further noteworthy point is that the VHIA again resides in its own premises after more than a decade of operating out of leased premises which has not been the most financially efficient arrangement. This move was facilitated by the sale of the VHIA's original premises in Albert Road, South Melbourne which it outgrew quite some time ago. The VHIA's return to a new home has coincided with an internal restructuring giving greater emphasis on core services and a prioritisation of workforce reform initiatives. Most associated entities of the VHIA have now been divested and it is expected that this program of divestment will have been finalised by the end of 2014. All proceeds from these initiatives have been injected into improved service capacity and we expect to strengthen our industrial capacity further before we enter into the 2015 and 2016 enterprise bargaining cycles

The financial results for the year just gone are as expected by the Board . sound, modest and reflective of the necessary restructuring and relocation costs. The expected outcome for the coming year is once again a modest surplus.

I express my appreciation to all the VHIA Board members who have given of their time and energy in a most collaborative and constructive manner and made my leadership task that much more rewarding and pleasing. Many thanks go to Alec Djoneff and his team for their commitment and work throughout this year and indeed for the last 20 years.

The VHIA Board and management will continue to closely engage with its membership base to ensure the concerns and expectations of members are fully identified and responded to in a manner that will ensure that a further twenty years of service can be confidently predicted.

Dr Brendan Murphy
President
Victorian Hospitals' Industrial Association