

PRESIDENT'S REPORT

Annual General Meeting of Members Friday, 23 October 2009

Key Challenges

In my 2007-08 Report, I made reference to several key challenges being addressed by the Board and CEO of VHIA. These principally related to the material deficit of \$590K for the year, the improvements to governance arrangements, the resolution of issues associated with the Related Entities of VHIA and strategic/operational planning.

Financial Report

I am very pleased to report that the 2008-09 year has resulted in a solid financial surplus of \$121K, which exceeded the budget target by a modest margin. This represents a year on year turnaround of over \$700K for which the CEO and staff of VHIA should be congratulated. This turnaround also exemplifies the commitment, support and guidance rendered by a strengthened VHIA Board and Board Finance Sub-Committee. Importantly, this work had laid a solid foundation for a significantly improved financial position for VHIA as we move forward.

The improvements to the internal governance arrangements, the strengthening of metropolitan health service representation and the acquisition of a strong Finance Manager are all now bearing fruit and the organisation is moving forward with renewed confidence and financial stability. In this regard, I wish to particularly acknowledge the strong contribution of the Treasurer of VHIA, John Krygger, who has steered the Finance Committee efforts to the abovementioned result.

VHIA Related Entities

As reported last year, VHIA has shareholdings and directorships in three related entities, Health Legal, Health Financial and Workplace Legal.

These arrangements have settled into strong working relationships, yielding modest but growing financial dividends and also providing VHIA members with serious alternatives to the bigger commercial law firms, salary packaging providers and management consulting services.

The principals of each firm, Natalie Franks (Health Legal), David Wenban (Health Financial) and Stuart McCullough (Workplace Legal) – remain committed to a collaborative working relationship with VHIA into the future.

Strategic Plan

As part of the improved governance arrangements, the Board is turning its attention again to crystallising and refining its strategic and operational plans. This will be given further impetus when the new Board takes office in November 2009 with a priority being a comprehensive discussion regarding the degree of autonomy of employers in the context of the relationship with the state government. In this regard, it is noted that 2010 represents a good opportunity for this discussion as it is not an EBA year and thus gives more time to fully reflect on the representational challenges in the near future.

Board Membership

In 2008-09, the Board gained the services of several new Board members. Anne Clark, CEO, Royal Victorian Eye and Ear Hospital was nominated by the metropolitan health services with Chris Doidge, Finance Director, St Vincent's Health, Fiona Prestedge, Executive Director Human resources, Southern Health and Mark Quirk, Human Resources Director, Alfred Health. This has visibly strengthened metropolitan representation and we are fortunate that they will remain in office for the 2009-10 year and hopefully beyond.

Regrettably, we have received resignations from Penny Newsome, Eastern Health, Lis Wilson, Northeast Health Wangaratta and John Krygger, Southwest Health, who has served on the Board of VHIA for the past 10 years of which seven were as Vice President and Treasurer and made a most significant contribution in those roles.

I wish each of our departing Board members every success for the future and on behalf of the Board and VHIA members record my thanks. At the time of writing, we have gained some new faces on the Board for 2009-10. They are Ted Rayment, CEO Swan Hill & District Health, Wayne Sullivan, CEO Bairnsdale Regional Health Service and Glenis Beaumont, CEO Rochester and Elmore District Health Service.

VHIA Staff

As mentioned earlier, the management of VHIA have, with strong Board support, achieved a profound financial turnaround and Alec and his team are to be congratulated.

The Board, as part of its 3-year planning process, will now also review the senior structure of VHIA to ensure that we have in place the full spectrum of expertise to fully deliver on the evolving objectives and priorities of the organisation, particularly bearing in mind that 2010-11 will be a particularly challenging EBA year.

John Stanway
President
Victorian Hospitals Industrial Association