

Staff Message from the Chairman

As you know, the VMIA has been the subject of a number of allegations that have been recently reported in the media.

The Board is concerned about the nature of these allegations and the impact on the VMIA's reputation. We also understand that their public airing has not been easy for many of you but you need to be aware that there may be ongoing media commentary.

We have decided that whilst the allegations are anonymous, it is important that we provide current and former staff with the opportunity to respond and to provide any relevant information that will help us determine what response is required. To this end we have appointed Insync Surveys to undertake an inquiry into the allegations and provide a comprehensive report to the Board.

The Board's Remuneration and Capability Committee will have oversight of the inquiry. The process will commence immediately and we expect that it will be completed by the end of March, noting of course that the time constraints are challenging.

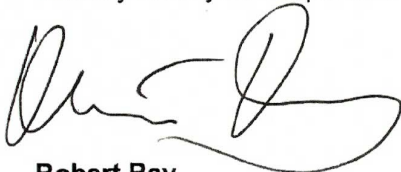
The inquiry will involve interviews with a number of people including employees and former employees of the VMIA.

I want to assure you that the Board appreciates your ongoing efforts as do our clients. As an organisation the VMIA has achieved some outstanding results during what has been a challenging period for many Victorians. You have constantly delivered above expectations and we encourage you to keep up the good work.

A staff meeting will be held on Thursday 17 February at 3.00pm and the Insync Surveys project team representatives will attend and make a presentation to you. If you have any concerns or questions, you will be able to raise these at the staff meeting or subsequently with the Insync Survey staff.

Your participation is critical to ensure that the Review is comprehensive and representative. Your individual contribution will be confidential unless you indicate otherwise.

Thank you for your cooperation and we will keep you informed of ongoing developments.



Robert Ray
Chairman

15 February 2011