



Report

President's Report to Members
For period 1st July 2005 to 30th June, 2006



I am pleased to present the annual report for the Australian Organisation for Quality for 2005-2006.

This has been a year of major effort and success for the Organisation.

Councillors for 2005-06: Mario Pennisi – President (06-2005 to 06-2007)
Mike Harris President Elect (06-2004 to 06-2006)
Sharyn Nilsen – Honorary Secretary (06-2004 to 06-2006)
Len Mahon – Chairman (06 2004 to 06 2006)
Mr Pat Killoran – Honorary Treasurer (06-2005 to 06-2007)
Mr Fred Travis (06-2005 to 06-2007)
Peter Lewis-Hughes (06-2004 to 06-2006)
Kevin Mulholland/Dale Armstrong (representing the Aerospace Division)
Richard Long (06-2005 to 06-2007)
John DeMetre (06 2005 to 06 2007)
George Hatzis (06 2004 to 06 2006)

Council Meetings Council meetings were held after each of the Members and Friends Evenings. The concept of a Chairman and a President where the Chairman controls the Council and the President is the face of the Organisation continues to operate effectively.

Financial Position: We finished the year with \$56,419.12 in the bank (unaudited). The surplus for the year was \$ 31,915.70 (including \$19,776.16 from Qualcon 2005) before tax.

Membership: Membership growth stalled in 2005-2006 but this was not reflected in the financial surplus.

June 2004			June 2005		
Personal	Corporate	Total	Personal	Corporate	Total
100	30	130	92	33	125

Not included in these numbers are the 30 Honorary Memberships provided as prizes to University students for Project work in a quality or related field.

Advertising and marketing cost \$19,011.45 of which \$11, 994.72 was for the Gold Award program.

Each member and friends of the organisation are emailed at least monthly and members are personally telephoned monthly to remind them of activities and to determine needs.

Divisions The Aerospace Division continues to grow. The current committee is Dale Armstrong as Chairman, Kevin Mulholland as past-Chairman with Art Makar, Mike Whipps and John Hall as committee members.

AOQ-QLD ISO 9001:2000 Certified

Australian Organisation for Quality – Queensland Inc (Organisation No IA16979)

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The Aged Care Division is being championed by Devi Ranasinghe.

The Six Sigma Division is being championed by Roger Hilton.

Each of these Divisions was offered a stream at Qualcon 2006 and each has a web page for their use at www.aq.org.au.

Administration AOQ-QLD operates with a part-time book keeper, part-time administrative services and contract event management. The cost of this activity was \$10,824.00 in 05/06 compared to \$11,303.43 for 2004/05.

Member Meetings A Member meeting has been held each month except for December and January. Attendances have averaged 18 per month, slightly down on last year. We believe this is due to the quality of the speakers as well as the intense customer relationship work conducted. Compare this to an average of 9 two years ago:

2005

- * **20th July, Joint Meeting with Aerospace Division: American Aviation (Industry) Standard AS9100 'Fact or Fable**, Kevin D Mulholland, Chairman Aerospace Division
- * **24th August, Quality Assurance at The Tigerlily**, Nicole Mair, Director The Tigerlily
- * **21st September, Presentation of/by Best University of Queensland 1st Semester 2005 MBA Project Incorporating a Quality Component.**
- * **26th September, Gold Award for Quality Gala Dinner and Presentations**
- * **19th October, Issues Influencing Innovation Implementation**, Karl Matthews, Principal Consultant, CBD Consultancy
- * **30th October to 3rd November, Qualcon 2005**
- * **16th November, AGM and Christmas Break-up**

2006

- * **22nd February, Joanne Sorenson - Procedures don't have to be hard to understand**
- * **22nd March, Flavio Ceolho, Lead Auditor - DNV Brisbane (ANZ), Sustainability Performance Evaluation: Management Systems Model for Individual Organisations and Supply Chains**
- * **19th April, Narelle Stratford and Dennis McMahon, Leadership and Consciousness**
- * **17th May, Bruce Johnston, Quality as an Element of Risk Management Not Vice Versa.**
- **21st June, Vicky Campbell, Effective Document Numbering Improves Efficiency**

Training: For the first time for many years no courses were cancelled this year. Training courses in Auditing were conducted in July, September and November, 2005 as well as March/April and June 2006.

The partnership arrangements put in place last year are working. We are slowly convincing our market that we should be the preferred provider of training.

University Collaboration The Australian Organisation for Quality Queensland Inc provides up to five free personal memberships to the team who conducted and reported the best MBA project with a quality input in each semester. This arrangement is in place with The University of Queensland and Griffith University. We also provided 20 free memberships as prizes to the Griffith University Challenge.

AOQ provided a lecturer for the MBA class at The University of Queensland and to the Environmental Engineering class at Griffith University in semester 1 to discuss quality.

Specialist speakers were also provided in a number of management disciplines.

3rd Party Certification: AOQ-QLD received 3rd Party Certification in June 2003 and has survived a re-certification in August 2004 and September 2005. I recommend the process to all States. The cost of the process has been negotiated as a contra for a sponsorship of the Gold Awards for Quality with BVQI.

Strategic Plan: This had been put on hold while we explored the concept of receiving input from the wider community. We developed the Peak Industry Advisory Council consisting of our Patron, the Hon Mike Ahern as Chair, Director Generals of relevant Government Departments, Deans of Business Schools at Universities, Senior members of the business community as well as JAS-ANZ, Standards Australia, Certifying bodies and Compliance bodies. The first meeting was held on 7th September 2005 and was a great success. Mike Harris is working up a draft strategic plan for the Council to consider. As part of this we undertook an online based survey of members in 2006. We received 17.8% responses compared to about 1% in previous years for a paper survey.

Rules The Organisation's rules were further reviewed in April to include the ability to provide Honorary Corporate memberships and temporary personal memberships to members of AOQ in other states attending functions organised by AOQ-QLD.

Web Site The Web was kept up to date most times. It is a very good marketing tool and is the source of gaining memberships, consulting as well as training work.

We have added a new page "Careers" in which we advertise AOQ-QLD positions or those of advertisers in QA.

Consulting and Auditing Consulting work is coming our way at the rate of about 1.5 requests for quotations per week. We win about half of these. Consultants on the Consultants register are employed to undertake this work on behalf of the organisation.

Gold Award for Business Excellence The Gold Award for Business Excellence is still the only 3rd Party Certified Awards programme in Australia.

The 2005 awards were launched in late May, 2005. In 2004 the Awards went National for the first time due in no small part on the generous sponsorship of JAS-ANZ and the many State Sponsors, including Sci-Qual International, Benchmark Certification, Mercer Management, BVQI, Quality Australia-*The Business Improvement Journal* and World Conference Systems. In 2005/06 the Gold Award programme made a net loss of \$13,000.00.

Queensland Gold Winners were:

Small Organisations for Profit – Hatzis Lawyers
Medium Organisations For Profit: Equity Transport
Large Organisations Not for Profit- QHPSS
Large Organisations for Profit-RACQ

Queensland Silver Winners were:

Medium Organisations For Profit: Ai Scientific

Victoria Gold Winners were:

Micro Organisations for Profit-Orica's Emergency Response Service
Small Organisations for Profit-Paradigm Software
Large Organisations Public-Rural Ambulance Victoria

National Gold Winners were:

Micro Organisations for Profit-Orica's Emergency Response Service
Small Organisations for Profit-Paradigm Software
Medium Organisations No for Profit: Equity Transport
Large Organisations Public-Rural Ambulance Victoria
Large Organisations Not for Profit- QHPSS
Large Organisations for Profit-RACQ

Communication with Other States

At the AGM of the Australian Organisation for Quality Inc in October 2005, Mario Pennisi moved to the position of National Chairman. This was a major boost for Queensland and has assisted in greatly improving interstate relationships.

Sharing of Resources AOQ National Council needs to proactively encourage the sharing of resources between member associations such as details of special interest groups etc.

Qualcon 2005

Qualcon 2005 that was held at Surfers Paradise was a major success. It was co-hosted with the Human Development and Leadership Division of the American Society for Quality. The theme for Qualcon 2005 was Leadership Quality Excellence.

247 delegates registered for Qualcon 2005. This was a little disappointing, as we had hoped for about 300.

A specific use web site was developed for Qualcon 2005 with online registration fully available.

Sponsorship was difficult to obtain but we were happy with the 12 trade exhibitors and 65 presenters. The social programme was well attended and enjoyed.

Supporters included:

- New Zealand Organisation for Quality
- Melbourne University
- University of Western Sydney
- Royal Melbourne Institute of Technology
- Quality Australia-The Business Improvement Journal
- World Conference Systems

Thank you

I wish to express my thanks to the members of the Australian organisation for Quality for electing me to the Council and for the Council Members for electing me President. During my time as President our Council has asked members on five occasions to alter the Rules so that we could move forward and align ourselves better to business practices. On all occasions members have backed our suggestions.

I also want to thank the loyal and effective team at the Australian Organisation for Quality-Queensland Inc known collectively as the Council. The past twelve months have been very difficult for me and this team has backed and supported me well beyond what could be expected and covered up for me when my work was occasionally defective.

I would especially single out Len Mahon, who has been Chairman for the past three years that I have been President. Len has acted as my muse and my mentor all this time and kept me out of trouble. He was a great inspiration and assistance as I embarked on the National Presidency and National Chairmanship and his counsel on the many changes that we

embarked on at National Council over those two years was always accurate and effective. Thank you Len.

I ask you to back the incoming President Mike Harris even more than you backed me. Although he is younger than I am, he will still require your full support if AOQ-QLD is to continue to provide the leadership in quality management that Queensland requires and our members demand.

When I took on the AOQ-QLD Presidency three years ago AOQ-QLD was in a parlous state due to a few years of major difficulties. Membership was down to 61 and we had a debt of about \$15,000.00. We now have 125 paid members and some 30 Honorary Members and over \$56,000.00 in the bank. There is no way this could have been achieved without the assistance of the dedicated Council Members over that period and I thank them from the bottom of my heart.

I move that the report be received.



Mario S Pennisi
President

Activities since 30th June 2005

Member Evenings

- * 19th July, Joint Meeting with Aerospace Division, Greg Mason, Engineering Manager/Senior Design Engineer and John Hall (OAM), Quality Manager and Health Safety and Environment Adviser with the Engines Business Unit located at Royal Australian Airforce Base (RAAF), **Condition Monitoring and the RAAF TF30 RAM program**
- * 30th August, 2006, Vicky Campbell , **Effective Document Numbering Improves Efficiency**
- * 20th September, 2006, U of Q Best Project with a quality component in MBA Program, Carola Awdo Maeda, Vivian Wang, Nick Boswell, Matthew Harrison and Justin Sanderson, **Operational Improvements Using Diagnostic Service - Quality Tools: Metals recycling case-company**
- * 25th October, 2006, Happy Clients and Business Benefits , Peter Thirkettle, Quality, Clinical and Statewide Services, Queensland Health, **Improving Your Leaders - Happy Staff**

The National Gold Awards 2006

- * These were launched in April, 2006. About 1500 organisations from the JAS-ANZ register of certified companies were contacted by at least two emails and two telephone calls. 12 organisations applied.
- * The State awards were presented in South Australia (30 attendees), Queensland (67), New South Wales (30) and Victoria (43) at gala evenings.
- * The National Awards were presented at Qualcon 2006 in Sydney. This was not to the Gold Awards' benefit and the AOQ-QLD Council has decided that the Gold Awards will be presented at a stand-alone function in future.
- * The full assessor sponsorships were as follows:
 - Sci-Qual International in Queensland
 - BVQI in New South Wales
 - Benchmark Certification in Victoria
 - JAS-ANZ in South Australia
 - Mercer Management in West Australia
- * 2006 winners were:
 - South Australia**
 - Small Organisations - Not for Profit**
 - Gold: Heta Incorporated
 - Queensland**
 - Medium Organisations-Private for Profit**
 - Gold: KoBold Group

Large Organisations – Public Sector

Gold: Gold Coast City Council-Engineering Services Directorate

Very Large Organisations – Public Sector

Gold: Queensland Health Pathology and Scientific Services (QPHSS)

Large Organisations – Private for Profit

Gold: Maunsell Australia Pty Ltd

Large Organisations – Public Sector

Gold: The Royal Automobile Club of Queensland Limited (RACQ)

New South Wales

Medium Organisations – Private for Profit

Gold: Equity Transport Group Pty Ltd

Large Organisations – Public Sector

Gold: Hunter Area Pathology Service

Australian Capital Territory

Large Organisations – Public Sector

Gold: IP Australia

Victoria

Micro Organisations – Private for Profit

Gold: Orica Emergency Response Service

Small Organisations – Private for Profit

Gold: Paradigm Software Pty Ltd

Large Organisations - Public Sector

Gold: Metropolitan Fire and Emergency Services Board (MFB)

Hall of Fame

Hatzis Lawyers – for 2003, 2004, 2005

Queensland Health Pathology and Scientific Services (QPHSS) for 2003, 2004, 2005, 2006.

National:

Micro Organisations – Private for Profit Gold:

Orica Emergency Response Service

Small Organisations – Private for Profit Gold:

Paradigm Software Pty Ltd

Small Organisations - Not for Profit Gold:

Heta Incorporated

Medium Organisations – Private for Profit Gold:

Equity Transport Group Pty Ltd

Silver:

KoBold Group

Large Organisations - Private for Profit Gold:

Maunsell Australia Pty Ltd

Large Organisations – Public Sector Gold:

Hunter Area Pathology Services

Silver:

IP Australia

Commendation:

Gold Coast City Council-Engineering Services Directorate

Large Organisations-Not for Profit Sector Gold:

The Royal Automobile Club of Queensland Limited (RACQ)

Very Large Organisations – Public Sector Gold:

Metropolitan Fire and Emergency Services Board (MFB)

Mega Organisations – Public Sector Gold:

Queensland Health Pathology and Scientific Services (QPHSS)

Hall of Fame

Queensland Health Pathology and Scientific Services (QPHSS) for 2004, 2005, 2006.

- * We have developed a list of about 500 potential Gold Award nominees in each of Queensland, New South Wales and Victoria, South Australia and Western Australia as well as about 150 Tasmanians... A marketing plan will be developed to gain 25 nominations per State.
- * We have a commitment from JAS-ANZ to continue as a National Sponsor. We have mailed a proposal to the Queensland Government for marketing sponsorship.
- * We would like each of the States to individually approach their relevant State Government Body for State sponsorship.
- * Independent Review of the Gold Award 2006 Process:
This was undertaken by Narelle Stratford, a non-member of AOQ-QLD and a non-member of the Gold Award committees.
 - o Recommendations:

- Review JAS-ANZ Procedure 25 specifically:
- Consulting prior to evaluation
- Evaluation Report.
- Improve training of assessors
- Do not make changes to the process during the program
- Improve the application brochure
- Define the categories eg Private for profit, Not for profit, etc
- Conclusions:
 - *"It appears that on the whole, the Gold Award Committee has carried out their duties well, with only a few areas for improvement that are noted in the Recommendation sections of this report.*
 - *I understand that Procedure 25 has been taken either in part or in whole from JAS-ANZ, so it may be necessary to bring to their attention, the areas that became problematic during Gold Award 2006."*

Other partnerships

We have signed up 5 strategic partners for our training programmes and a large number of auditors and consultants.

Regional Groups

Work is advanced on re-establishing the Regional Groups during the next twelve months particularly Gold Coast, Sunshine Coast, North Queensland, Wide Bay, Capricornia, and Darling Downs.

Divisions: Special Interest Groups

Work is under way to develop a series of Divisions. Discussions are under way for:

- * Local Government
- * Universities
- * Drugs and Pharmaceuticals
- * IT

Plans are underway for Conferences as follows:

- * Six Sigma, June 2007
- * Aged Care, July 2007

Professional Conference Organiser

Acclaim Special Events & Meeting Management have been appointed as our PCO's for the near future. They replace the retired World Conference Systems who had assisted AOQ-QLD since 1996.

Partnering with Universities

- * The Australian Organisation for Quality Queensland Inc provides up to five free personal memberships to the team who conducted and reported the best MBA project with a quality input in each semester. The first of these were presented on 20th September, 2006, to MBA Program students, Carola Awdo Maeda, Vivian Wang, Nick Boswell, Matthew Harrison and Justin Sanderson, for their winning project ***Operational Improvements Using Diagnostic Service - Quality Tools: Metals recycling case-company*** when they presented their findings to a Member's Evening.
- * The Australian Organisation for Quality-Queensland Inc is a sponsor for the Griffith University Challenge that has a prize pool of \$40,000.00 this year. The project is the development of a Business Plan for a commercially viable product. Aside from prizes of ten free memberships AOQ has provided four mentors to assist students in their projects.
- * Plans to develop a training course for auditors are under way. The first step is to develop a set of competencies and the underpinning knowledge base. This is being progressed with The University of Queensland, Griffith University and the input of JAS-ANZ and AOQ-QLD.



Mario S Pennisi
President