



# ANNUAL REPORT 2013 / 14



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## ANNUAL GENERAL MEETING

Please remember that the Annual General Meeting of the Association will be held on Thursday October 23rd (Mudjimba Room) at the 2014 Trade & Training Event at the Novotel Twin Waters, Sunshine Coast Queensland.

The meeting will start at 6pm.

# NOVOTEL TWIN WATERS 2014 CONFERENCE & TRAINING EVENT

Please join us on the Sunshine Coast on **October 24 & 25** for the major event on the MLA calendar, the 2014 Conference and Training Event.

The Conference is a great opportunity for our industry to come together to learn, share knowledge, socialise and enjoy each others company over the two day event.

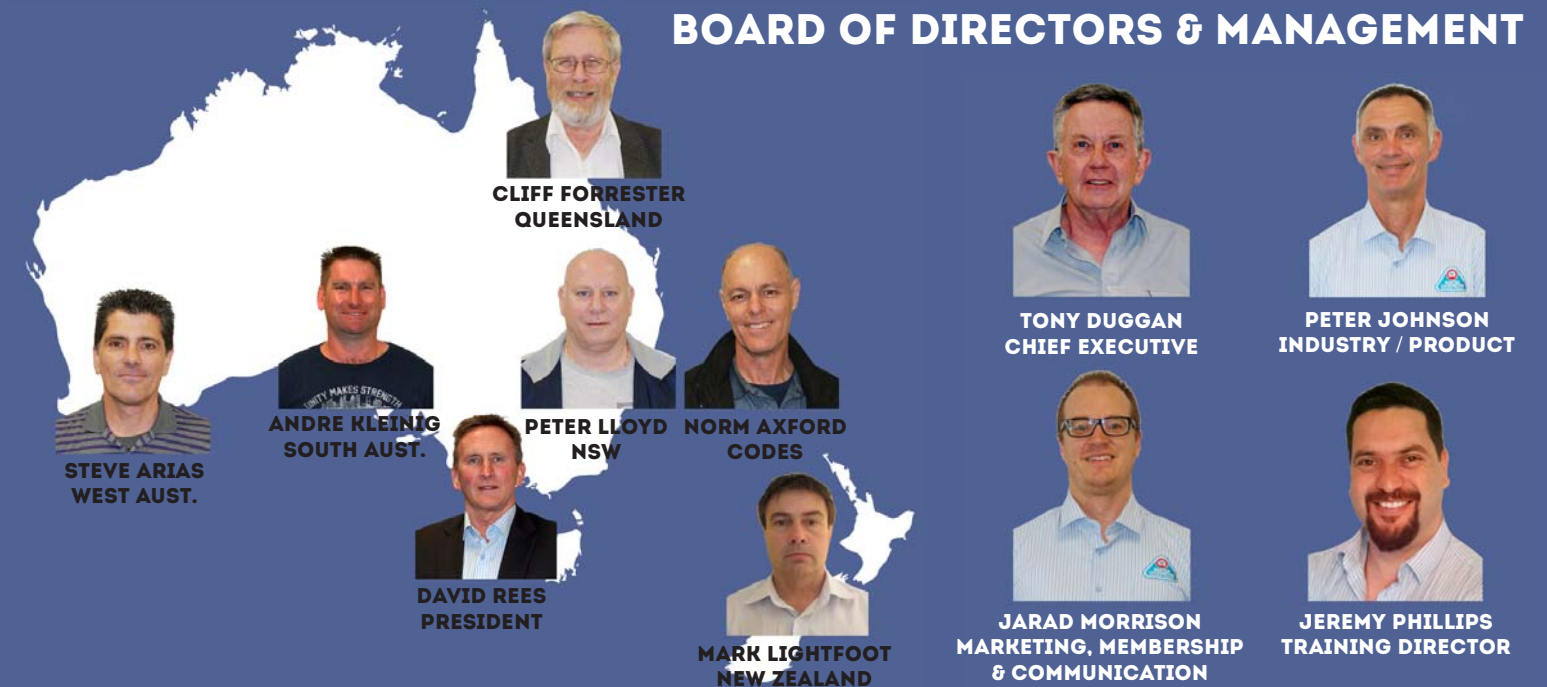
We are pleased to announce the return to a full trade exhibition with new and long-standing suppliers on hand to show their wares and introduce the latest products to the wider locksmithing industry.

Training-wise, there will be a focus on Business Training, providing owners, managing directors and managers with specific training to assist in the day-to-day running of your businesses.

The Gala Dinner & Awards evening returns and we have a special guest performance which you can't afford to miss.

For further information, please visit [www.masterlocksmiths.com.au/mlaa-conference.php](http://www.masterlocksmiths.com.au/mlaa-conference.php)

## BOARD OF DIRECTORS & MANAGEMENT



### PRODUCTS

55,000	LSGP blanks purchased
43,769	DC-1 blanks purchased
110,000	BP blanks purchased
77,000	J blanks purchased



### APPRENTICES

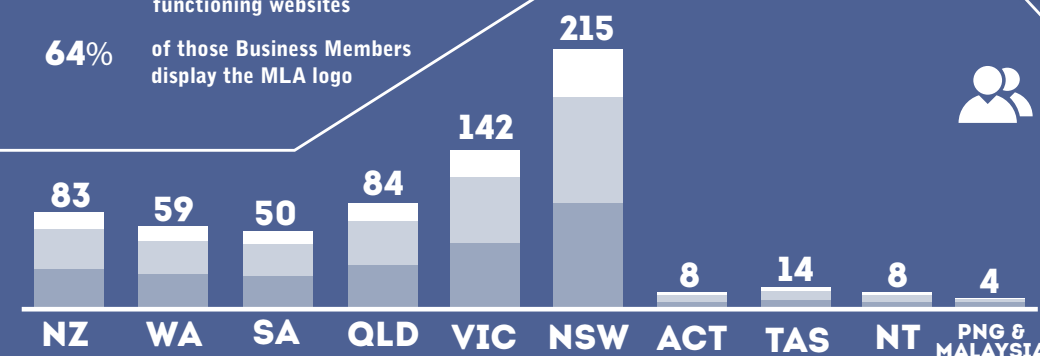
TAFE College apprentice numbers are healthy.

NSW	QLD	VIC
134	114	115
WA	NZ	
85	34	



### WEB STATISTICS

37,644	unique visits to the MLA website (public)
115,082	pageviews
7,984	visits on a mobile device
76%	new visitors to the site
62%	of Business Members have functioning websites
64%	of those Business Members display the MLA logo

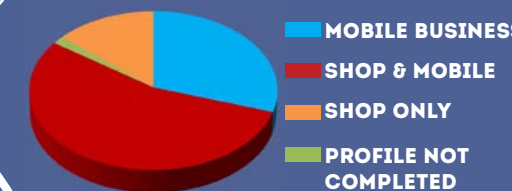


### SOCIAL MEDIA

f	210 friends	MASTER LOCKSMITHS	198 likes
in	212 followers	t	44 followers



### BUSINESS TYPE



### MEMBER TYPES



### BUSINESS MEMBER BREAKDOWN

570 Individual businesses account for 59% of the MLA's total membership. Adding additional branches /franchises or shopfronts results in grand total of 667 business members. The number of Businesses are relative to population figures in each State or Territory.



# A MESSAGE FROM THE PRESIDENT & CHIEF EXECUTIVE

**Wow ! What a busy year for the MLA. We continued to stretch our limited resources to find that magical answer to our question : “What do members want?”.**

2013/14 saw a complete year of LockTrain. After changing the style of our Expo/Conference for Adelaide in 2012 to allow for changing demand and the potential loss of east-coast members attending the event, the roadshow commenced. Taking training and industry on the road directly to members met with a mixed response from attendees and suppliers; BUT, what it did do was reinforce the impression that our business members don't generally release their locksmiths from work for upskilling and training.

As an Association made up of some 700 businesses we felt compelled to honour this decision made by members voting with their feet. As a result we directed the Board's and Management's focus to the future.

Before discussing the work of the Board researching members' needs, it is especially worthy of note that during the 12 month circuit the MLA held events in Perth (3), Adelaide (2), Alice Springs (1), Darwin (1), Melbourne (2), Sydney (2), Brisbane (2), Auckland (1), Wellington (1), and of course our very successful AGM, Annual Expo & Training event was held in Rotorua, NZ. In addition, the MLA took up an opportunity to display our products at the National ASIAL Expo in Melbourne's "Jeff's Shed".

Interspersed with these 17 stops of the LockTrain, our Training Director, Jeremy Phillips took Association training to the very south of New Zealand's South Island, across to Perth, and is scheduled to undertake a North Queensland tour in August 2014. I would encourage members to contact Jeremy through Head Office with a view to utilising his unique knowledge at your workplace. Provided he gets the numbers, Jeremy is always keen to put a training tour on-the-road.

During the 2013 Annual General Meeting in Rotorua we undertook for a new restricted in-line profile to be released within the Association Year with an initial launch, in New Zealand. We are very proud to announce that this was accomplished with an agreement entered into with Levco Agencies as the distributor of NZ profile. This new keyway will fill an evident gap in the New Zealand market, with a design registration through till 2023; and we hope it will also be available in Australia in the near future.

**In mentioning Design Registration may we take this opportunity to remind all locksmiths that our mutual “Code” requires that we don't cut/copy another locksmiths' system keys regardless of the design end-date.**

Mid-year 2013 also saw the launch of LOKtouch™. This electro-mechanical system provides an opportunity for all business members to enter the world of electronic locks without huge investment. As electronic master-keying, LOKtouch™ also takes us into the 21st Century, especially when you consider its access control and audit features. Our congratulations to LOKtouch™ Ltd, the Sieper Group and MLA management on their efforts in bringing this exciting new product to the attention of members. We would also like to thank members who have committed to this great product.

A most pleasing initiative during this year was the appointment of Peter Johnson as our Manager, Industry & Product. After 14 years at LSC, and before that 11 years at Assa Abloy (Lockwood), Peter brings a wealth of knowledge to the MLA, and he has already shown himself to be a great resource for members, and the trade alike. Our headquarters office takes great pride with Peter, Jarad Morrison and Megan Kittelty (P/T) being able to satisfactorily handle enquiries from members and the public.

Our website's 'Find a Locksmith' feature provides the public with up-to-date contact details for them to reach members quickly, and according to data received from our Search Engine Optimisers it is the first place of call for the public in need. Statistics also display that members are utilising the industry information available online, as well as our new Events Calendar which attempts to keep all aware of upcoming events, MLA or other.

The Board met on 4 occasions during the year, and apart from management and governance much of our deliberation was directed toward the future. Over this period we researched and constructed a plan for where members would like to see the Association, and by default the industry, in 2020. Our findings and phases of introduction are displayed elsewhere in this Year Book, but in a general sense it was agreed that our training focus would be on offering business skills to members.

The Association's logo highlights our “Professional Guarantee” and there was concern that we are less confident assuring this to your customers and potential clients. As a consequence Vision 2020 was designed as a means and opportunity to “raise the bar”. With MLA businesses we will reinforce that MLA members have the best skills, customer service, and products. Customers will have confidence in MLA members.

An interesting side issue from our research has been the inadequate insurance coverage of many members. We received responses to questions about Public Liability like : “it's part of our home insurance policy” and “the wife looks after that, I think”. Recently a critical break-through has been achieved (after decades of trying), your Association has sourced and contracted to a Professional Indemnity insurance policy for our business members. The cost will be absorbed in annual membership fees, and will no longer necessitate businesses purchasing separate Public Liability cover.

This Liability and Indemnity insurance will become a prerequisite of membership, enabling all to again confidently say **“Yes, your security and our work is so important, we give a Professional Guarantee”.**

The perennial matter of security licensing has continued to test the industry throughout the year. The Association continues to support the concept that locksmiths be licensed; however, we continue to share your frustration with the anomalies that exist in both legislation and interpretation of regulations. We also contend that the costs be contained and give value, and that authorities focus on policing those outside the profession rather than dotting i's and crossing t's of those holding licences.

To this end, the MLA is determined to have a far greater influence in security licensing by 2020. While we accept and understand that this may be a mission impossible, we are confident that by displaying to government/s our ability to self-regulate our industry we can and will improve our own practice standards, and other stakeholders' perception of our great profession.



**DAVID REES  
PRESIDENT**



**TONY DUGGAN  
CHIEF EXECUTIVE**

# THE YEAR IN LOCKSMITHING

2013/14 was another busy year for the Association and our ever changing industry. We saw the launch of the MLA's newest product LOKtouch™, took training around the Country with the LockTrain, held our Annual Conference & Expo (our major event) in New Zealand for the first time in a number of years and continued to provide improved services and advice to our member base. The delivery of Branch Meetings was rationalised, with topical subject presented to members, an example was our series of Building Code meetings. Our membership also grew, particularly with more locksmiths going out on their own, establishing new mobile-only businesses. 2014/15 shapes as another busy period for the MLA with a number of new initiatives being introduced, including a new-look John Andrew Apprentice of the Year competition, new Trade Competency Assessment, launch of the new profile in New Zealand and many more initiatives.



ROTORUA 2013	WELLINGTON 2014	LOCKTRAIN	LIFE MEMBERS	AOY 2013	BRANCH MEETINGS	MARKETING	LOKtouch™
<p>The MLA's major event was held in Rotorua, New Zealand. The Annual Conference was well attended, building upon the smaller T &amp; T shows held at the same venue over the previous years.</p> <p>Record numbers attended the event, with many of the 20 training sessions on offer at or close to capacity &amp; exhibitor staff kept busy right throughout the Saturday trade-show.</p> <p>The MLA Board &amp; Management was most impressed with the camaraderie shown amongst Kiwi locksmiths.</p>	<p>It was a short turnaround before the MLA's next visit to New Zealand. The InterContinental Hotel in Wellington played host to the Trade &amp; Training weekend.</p> <p>This smaller event held in March provided another opportunity for locksmiths to engage with suppliers &amp; exhibitors and to learn something new in the various hands-on, technical, product orientated &amp; business training sessions.</p>	<p>A new initiative implemented to provide greater opportunities and access to training for locksmiths was introduced - the LockTrain.</p> <p>Melbourne, Sydney, Brisbane &amp; Perth held 'smaller' T &amp; T events, combining training and trade shows with mixed success.</p> <p>Immotech's highly successful Port Macquarie Auto training also became a stop on the LockTrain.</p>	<p>Three of the Association's finest were awarded Life Membership in 2013/14.</p> <p>Tony Douglas (NSW), Jim Beveridge (NZ) &amp; Fraser Burns (NZ) were recognised for their long &amp; distinguished careers and significant contributions made to both the Association and the locksmithing industry.</p> <p>We congratulate Tony, Jim and Fraser on this wonderful achievement.</p>	<p>Daniel Kolosi (pictured above) of Corporate Locksmiths is Victoria was crowned Apprentice of the Year. In a small field, Daniel was the standout apprentice in the competition, his ability to perform the test under pressure coming as no surprise to boss Andy Meekin.</p> <p>In 2014, apprentices participating in the Award will sit a revamped exam that will certainly be a true test of an apprentice's skills across all locksmith disciplines.</p>	<p>An invigoration of Branch Meetings was required to assist the MLA engage with it's members. Branch Meetings took on a different feel, with key topic presentations in a relaxed format the lure to attract members.</p> <p>Information on Building Codes &amp; Apprentices (Open Forum &amp; presentations from the Institutions &amp; Apprenticeship Orgnaistions) proving to be popular amongst the MLA membership.</p> <p>Tony Duggan and/or Peter Johnson attended virtually all branch meetings.</p>	<p>A focus on promoting the MLA brand, it's products and the services offered by our members has been implented, as opposed to the historic promotion of the Association membership and its benefits to locksmiths.</p> <p>The MLA exhibited at the 2014 Security Exhibition &amp; Conference in Melbourne, showcasing MLA products &amp; services our members offer.</p> <p>New forms of marketing have been embraced, including the use of social media and video, meduims that will continue over the upcoming years.</p>	<p>The MLA's newest product LOKtouch™ was launched. LOKtouch™ is a Master Key System that utilises stand-alone electronic cylinders and electronic keys, instead of traditional mechanical cylinders &amp; keys, or fully-wired electronic systems.</p> <p>LOKtouch is an exciting product, allowing locksmiths of all shapes and sizes to add electronic security to their list of services. Please visit <a href="http://www.loktouch.com.au">www.loktouch.com.au</a> or <a href="http://www.loktouch.co.nz">www.loktouch.co.nz</a> for more information.</p>



# 2020 VISION

In December 2013, Master Locksmiths Association Chief Executive Tony Duggan began formulating a new strategic direction for the Association. The primary question driving the need for this strategy: ***just what did the Association want to look like in the Year 2020?*** Lockey Smith caught up with the Chief Executive to discuss the MLA's 2020 VISION.

*"We are at important phase in the history of the Association. The locksmithing industry itself is undergoing significant change and the environment in which our members operate is constantly on the move. As an organisation established to services its members, do we as an Association sit idle and continue down the same path or be bold and re-energise and reorganise the way in which we do things? The last time the MLA formulated a directional strategy was in 2008, we feel its time to set a new course and create a framework that best suits the MLA, its members and industry".*

Tony suggests that much will change as we head towards 2020, but one thing that won't change is the need for keys or locksmith services.

*"The humble key has withstood the test of time as has the Locksmithing profession itself, so there will always be a need for a locksmith to provide service or advice. Whether that be a simple key cut or more advanced services befitting the technological society we now live in".*

Despite the best efforts of the Association, government legislation and in some cases lack of a legal framework, the unique status of the 'locksmith' has been lessened by allowing any old handyman to tamper with locks and security, not requiring a credible organisation to certify competence, and authorities being more concerned with probity rather than ability.

According to Tony, a significant focus of the 2020 VISION strategy will be about ensuring we have capable, vetted and engaged members.

*"Successful organisations like the MLA are built-on and underpinned by sound foundations. Similarly our business (members) live and die on the quality of their foundations, its employees, locksmiths & technicians and by extension the level and currency of their competence. It's important that we get this balance right within our membership.*

*Much of the Strategy revolves around improving the quality of our most valuable asset, our members. If that means becoming stricter with membership eligibility criteria, requiring all locksmiths to be qualified or trade tested or demand that businesses maintain a minimum set of standards, then collectively, our members will stand out from the pack".*



Tony Duggan also acknowledges that there needs to be an incentive for members to 'buy-in'.

*"We are looking at a number of incentives and different ideas around engaging our members more effectively, better promoting locksmiths and our brand to the public and improving business standards across the membership.*

*A new membership criteria will include the need for businesses to have adequate and appropriate liability and indemnity insurance; plus a requirement to be inspected for best work practices including Master Keying procedures. Some of the related benefits we are considering include printed identification cards, on-site training, access to new programs & partnerships, improved competency assessment testing and redevelopment of the member best practice folder.*

***Ultimately, the 2020 VISION will be implemented to deliver the promise to the public that the words 'Professional Guarantee' in our logo claims".***

Becoming more influential in Security Licensing and the subsequent self-regulation of our industry is another bold aim for the Association.

*"Impossible some might say, but in aspiring to have National and State/Territory governments recognise and trust the MLA to self-regulate our industry and not be messed in with manpower security issues, we will be the better for trying. We need to be ready, willing and able to undertake this task especially when licensing becomes more of a federal responsibility".*

*"Our UK counterpart uses the phrase 'Vetted, Inspected & Qualified' to promote its membership base to the public and I think this is the way we need to promote our locksmith businesses moving forward".*

# MLA INSURANCE PROGRAM

The MLA is pleased to announce, that after decades of looking - we’ve found it, a Professional Liability (Errors & Omissions) Insurance policy for our business members. Together with Whitbread Insurance, the MLA can now provide you with something you cannot buy and something you certainly can’t do without in these litigious times.

### What is E&O insurance?

Errors and Omssions (E&O) is the insurance that covers your company, or you individually, in the event that a client holds you responsible for a service you provided, or failed to provide, that did not have the expected or promised results.

### Do I need it?

The question and subsequent answer to whether our trade requires this form of insurance cover is simple - we are in the business of providing a service and/or advice to clients for a fee, therefore have an E&O exposure. As a security professional, your advice is just as much a part of your service as installing the lock or the design of a security system; and you do charge for that advice when you contract to provide the package.

Most E&O policies cover judgments, settlements and defense costs. Even if the allegations are found to be groundless, thousands of dollars may be needed to defend the lawsuit. They can bankrupt a smaller company or individual and have a lasting effect on the bottom line of larger companies.

The MLA’s E&O policy for business members will provide you with protection up to one million dollars; and more when a client demands; plus \$20 million Public Liability cover, and much more.

### Mistruths about E&O Insurance

It is important to also dispel some inaccuracies about this form of insurance:

- Professional Liability (E&O) is not part of your Public Liability Insurance
- Professional Liability (E&O) is not covered by your Home & Contents Insurance
- Working from home does not lower your E&O risk

### How it works

The MLA has contracted to purchase this policy at a cost of hundreds of thousands of dollars. This outlay will be recouped through your fees from 1 January 2015. Our investigations indicate that you will be paying around the same amount you have for Public Liability but now receive the bonus of E&O. Stay tuned for more details.



Whitbread Insurance Brokers has been the trusted advisor to commercial and family businesses since 1978. As a second generation family business, the company today embodies those same values on which it was founded.

It is these values and a commitment to empowering people, businesses and communities to thrive that has enabled Whitbread to grow to become one of the most respected, independently owned Australian insurance brokers.

Today, Whitbread employs over 80 people, across three states.

We believe that insurance isn’t just about protecting the ‘now’. It’s also about encouraging our clients to see what’s possible, so they can think ahead, plan with certainty and dare to dream.

To plan for tomorrow, you need to be certain that your insurance broker can deliver insurance and risk solutions that align perfectly with your vision. Whitbread provides insurance solutions for:

- Business Insurance
- Life Insurance
- Personal Insurance
- Strata insurance

For further information, please contact Adam Luscombe at Whitbread on 1300 792 706.

# FINANCIAL SUMMARY

## PROFIT & LOSS STATEMENT

### INCOME

	<i>For the fiscal year ending June 30, 2014</i>	<b>2013/2014</b>	<b>2012/2013</b>
Sales		6,140	4,559
Royalties		262,611	221,402
Annual Membership Fees		318,392	299,111
Expos & Training		82,508	218,497
Interest & Miscellaneous Income		27,734	54,044
<b>Gross Income</b>		<b>697,385</b>	<b>797,613</b>
less Cost of Goods Sold		3,448	15,801
<b>GROSS PROFIT</b>		<b>693,937</b>	<b>781,812</b>

### EXPENSES

Accounting and Audit	13,255	32,066
Awards and Prizes	2,107	1,318
Communications	17,403	21,312
Depreciation (& extraordinary Write-Offs)	-	4,041
Bank Fees & Insurance	10,105	6,593
Leasehold & Occupancy	28,145	21,737
Office Equipment & Supplies	15,771	14,957
Product Development	8,370	7,425
Sundry Expenses	197	384
Training Operations (incl Branch Expenses)	211,828	151,075
Less: transfer from Training Reserves	(80,000)	-
Meetings & Governance	44,771	13,990
Management & Salaries	328,953	314,536
Expo Expenses	89,558	151,102
<b>Total Expenses</b>	<b>690,463</b>	<b>740,536</b>
<b>NET SURPLUS (Deficit)</b>	<b>3,474</b>	<b>41,276</b>

## STATEMENT OF FINANCIAL POSITION

### ASSETS

<b>Current assets</b>	<b>2013/2014</b>	<b>2012/2013</b>
Cash and cash equivalents	796,426	913,896
Trade and Other receivables	64,402	32,525
Inventories	8,609	8,855
Other assets	-	3,309
<b>TOTAL ASSETS</b>	<b>869,436</b>	<b>958,585</b>

### LIABILITIES

<b>Current liabilities</b>		
Trade and Other payables	27,605	56,134
Employee Benefits	34,042	20,148
<b>TOTAL LIABILITIES</b>	<b>61,647</b>	<b>76,282</b>

### EQUITY

Training & Development Reserve	420,000	500,000
Property Acquisition Reserve	200,000	200,000
Retained earnings	187,789	182,303
<b>TOTAL EQUITY</b>	<b>807,789</b>	<b>882,303</b>





## **MASTER LOCKSMITHS ASSOCIATION OF AUSTRALASIA LIMITED**

To learn more about the MLA, what services and benefits are available to members or to become a member, visit

**[MASTERLOCKSMITHS.COM.AU](http://MASTERLOCKSMITHS.COM.AU)**

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