

HAIRDRESSERS REGISTRATION BOARD

OF

WESTERN AUSTRALIA

ANNUAL REPORT

and

FINANCIAL STATEMENTS

2010

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STATEMENT OF COMPLIANCE

**TO THE HONOURABLE SIMON O'BRIEN MLC, MINISTER FOR FINANCE;
COMMERCE; SMALL BUSINESS.**

Dear Minister

In accordance with Section 14C of the *Hairdressers Registration Act 1946*, I hereby submit for your information and presentation to Parliament the Annual Report and Financial Statements of the Hairdressers Registration Board of Western Australia for the year ending 31 December 2010.

David Hillyard
The Administrator



Dated this 23rd day of March 2011

SECTION ONE

Overview of Agency

The Board's aim was to protect consumers, hairdressing qualifications, and to maintain acceptable minimum hairdressing industry standards.

EXECUTIVE SUMMARY – Report from the Administrator

I am pleased to present the Hairdressers Registration Board of Western Australia's Annual Report for the year ending 31 December 2010.

The Board is an independent; industry funded statutory authority established under the *Hairdressers Registration Act 1946*, and is responsible to the Minister for Commerce. The Board, when required, provides advice to the Minister, including making recommendations and submitting proposals regarding amendments to the *Hairdressers Registration Act 1946* and *Hairdressers Registration Regulations 1965* administering the registration of hairdressers and providing advisory services to consumers and industry participants.

Throughout the year, the Board continued to monitor the hairdressing industry to ensure that hairdressers operated within regulatory requirements.

In 2010 there was an increase of 109 registered hairdressers which represents an increase of approximately 1.6 percent, bringing the total number of hairdressers registered in WA to 6988.

ABOLITION OF THE HAIRDRESSERS REGISTRATION BOARD

In April 2009 the Minister for Commerce announced a proposal to abolish the Hairdressers Registration Board and deregulate the hairdressing industry. The proposal aimed to support small business by:

- reducing unnecessary red tape;
- reducing compliance costs, such as registration fees, which would no longer apply under the proposal; and
- addressing skills shortages.

The proposal outlined that since the *Hairdressers Registration Act 1946* was introduced, a range of consumer protection, education, training and occupational safety and health laws have been enacted to provide sufficient regulation of the hairdressing industry.

Cabinet approved the proposal on 28 April 2009

Laws were passed by Parliament in August 2010 to abolish the Hairdressers Registration Board. Amendments to section 5 of the *Hairdressers Registration Act 1946* provided for the appointment of a person to administer the affairs and perform the functions of the Board during the wind up process.

On 1 November 2010 the current Chair, David Hillyard, was appointed as the Administrator.



David Hillyard

ADMINISTRATOR

OPERATIONAL STRUCTURE

Enabling Legislation

The Board was established under the *Hairdressers Registration Act 1946*.

Board Auditors

Lyons Waddell Pty. Ltd.
Level 9, 231 Adelaide Terrace
PERTH WA 6000

Responsible Minister

The Honourable Simon O'Brien MLC, Minister for Finance; Commerce; Small Business

Functions of the Board

The Hairdressers Registration Board of Western Australia is an independent statutory authority established to regulate the hairdressing industry.

The functions of the Board as set out in Section 7 of the Act include:

1. To hold examinations and submit to the Minister a panel of persons for appointment as examiners;
2. To issue or cancel certificates of registration;
3. To take proceedings for offences against the Act;
4. Generally, to do any other act, or exercise any other power or perform any other duty necessary for carrying the provisions of the Act into effect;
5. To recommend to the Commissioner for Public Health, standards of hygiene and sanitation to be observed in premises where hairdressing is practiced; and
6. To appoint a Registrar and such other officers as necessary.

Section 11 of the Act requires the Board to keep a register of hairdressers indicating their qualifications and the class or classes in which they are registered.

Section 21 of the Act provides for the making of regulations to:-

1. Regulate Board proceedings;
2. Prescribe classes of hairdressing;

3. Prescribe the fees to be paid to members and deputies of the Board;
4. Issue certificates and badges of registration and the conditions of admission to the register;
5. Prescribe the course of training for persons to be registered;
6. Admit to the register of persons who were at the commencement of the Act already engaged in the practice of hairdressing;
7. Regulate and supervise the conduct of examinations of the several prescribed classes of hairdressing and the remuneration of examiners;
8. Prescribe the fees to be paid for examinations, certificates and registrations; and
9. Prescribe standards of safety to be observed in premises where hairdressing is practiced.

Area of Jurisdiction

The *Hairdressers Registration Act 1946* applies to the South West Land Division, which stretches from Kalbarri in the North to Hopetoun in the South and East to just beyond Merredin. The Act also applies to an area within 5 miles (8 kilometres) of the Post Office in Kalgoorlie.

Shared Responsibilities with Other Agencies

The Hairdressers Registration Board did not have shared responsibilities with any other Agency.

Board Structure

Appointments to the Board under Section 5 of the *Hairdressers Registration Act 1946* sets the criteria against which the nominees were selected.

- The Governor appointed the Chairperson, who has no pecuniary interest in hairdressing.
- The Governor appointed four other persons who had at least three years experience either as a principal or as an employee (other than an apprentice) in any business in the practice of hairdressing.

Board Members

Mr David HILLYARD **(to 1 November 2010)**
Chairperson

Mr. Barry BERGER **(to 1 November 2010)**
Member nominated by the Master Ladies Hairdressers Association of WA.

Ms. Maureen ADLAM **(to 1 November 2010)**
Member nominated by the Master Ladies Hairdressers Association of WA.

Mr. Terry CLARK **(to 1 November 2010)**

Ms. Pamela HUNTER **(to 24 August 2010)**

Deputy Members

Mr Terry BRIGHT **(to 1 November 2010)**
Deputy Chairperson

Mr Ernest Grady **(to 1 November 2010)**
Deputy to Mr Barry Berger

Ms Gloria Ridolfo **(to 1 November 2010)**
Deputy to Ms Maureen Adlam

Ms Juliana Cavoli **(to 24 August 2010)**
Deputy to Mr Terry Clark

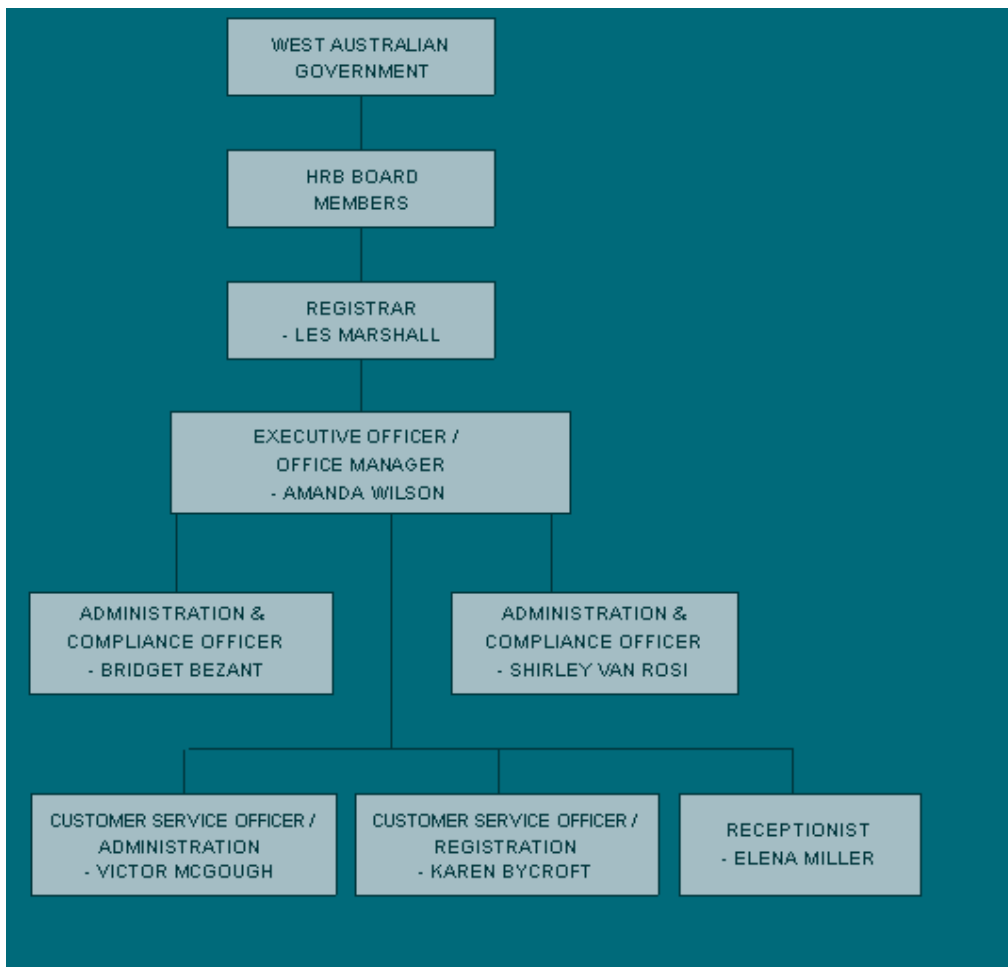
Ms Lea Di Filippo **(to 1 November 2010)**
Deputy to Ms Pamela Hunter

On 1 November 2010 the Board appointments ceased and an Administrator was appointed to wind-up the Board.

Board Meetings & Other Proceedings

- The Board met on 10 occasions in 2010.
- The Board commenced 4 legal proceedings against hairdressers in the Magistrates Court.

Board Staff Organisational Chart



PERFORMANCE MANAGEMENT FRAMEWORK

Contribution to Government Objectives

Better Planning: Better Futures – A Framework for the Strategic Management of the Western Australian Public Sector provides the framework for the management of the public sector, its people and resources in achieving the long-term goals of Government. The Board acknowledges and supports the framework and manages its service delivery to meet the needs of the community.

Improved Services

Objectives:

- To ensure the highest possible standards of hairdressing for consumers by examination of hairdressing qualifications.

The Board realised these objectives by carrying out its statutory functions, which includes determining the level of training for a hairdresser to be registered, maintaining a register of registered hairdressers and issuing certificates of registration.

Employment

In 2010, due to the commencement of the wind-up of the Board, 4 staff members accepted an offer of voluntary redundancy and the remaining 3 staff will be redeployed under the provisions of the *Public Sector Management Act 1994*.

Economic Development

The Board contributes to the economic development of the hairdressing industry by being an effective regulatory and decision-making body that encouraged quality workmanship and the protection of consumers.

The Board ensured that those undertaking hairdressing within its area of jurisdiction complied with the provisions of the *Hairdressers Registration Act 1946*.

Regional Compliance

The Board ensures that regional areas of Western Australia within its jurisdiction comply with the requirements of the *Hairdressers Registration Act 1946*.

Objectives of the Board

The Board's objectives are to protect consumers; promote hairdressing qualifications; and to maintain acceptable minimum hairdressing industry standards.

SECTION TWO

Agency Performance

REPORT ON OPERATIONS

Register of Hairdressers

The register of hairdressers was maintained and updated on a daily basis. As at 31 December 2010 there were 6988 registered practicing hairdressers, 804 hairdressers in voluntary suspension and 2023 hairdressers in compulsory suspension.

Board Decisions

The Board officers received and assessed applications for registration and referred them to the Board for determination. The Board processed 697 applications for registration in 2010.

Inspections

Compliance Officers carried out 1557 inspections of hairdressing establishments during 2010.

Examinations

When an applicant for registration did not have a like-form of training to that of a Western Australian apprentice, the Board assessed the qualifications of the applicant to determine if they should undertake an examination of their skills prior to registration. In 2010, 115 metropolitan and 3 country applicants undertook the Board's theory examination and 168 metropolitan and 7 country applicants undertook the Board's practical examination.

Consumer Complaints

During the period 1st January 2010 to 31 December 2010, 184 consumer complaints were received by telephone and 42 of these complainants lodged a written complaint in relation to the provision of hairdressing services. Of these, 34 complaints were resolved. 3 complaints were taken to the Magistrates Court by the complainant. 2 complainants did not want further action taken by the Board and 3 were referred to Consumer Protection at the Department of Commerce.

Prosecutions

In 2010 the Board prosecuted 4 hairdressers for breaches to the *Hairdressers Registration Act 1946* and *Hairdressers Registration Regulations 1965*.

SECTION THREE

Disclosure & Legal Compliance

KEY PERFORMANCE INDICATORS

Register of Hairdressers

As at 31 December 2010 there was 6988 hairdressers registered with the Board. This was an increase of 109 on the previous year.

Hairdressers were registered in the following classes:

	PRINICIPAL	EMPLOYEE
Men's Limited	91	36
Men's Inclusive	109	41
Ladies' Limited	10	4
Ladies' Inclusive	1142	379
Ladies' Limited/ Men's Limited	24	8
Men's Inclusive/ Ladies' Limited	33	8
Ladies' Inclusive/ Men's Limited	517	121
Combined Hairdresser	<u>3600</u>	<u>865</u>
	5526	1462

TOTAL 6988

Board Decisions in 2010

Application Type	Approved	Declined	App'ship	Theory And Practical Exam	Refresher Course	Independent Assessment	Refund
WA Apprentice 1	378	1		5		2	
WA Apprentice 2	41			17			
Interstate Application	21			7			
New Zealand Application	9			6			
Overseas Application	23			140			
Board Ruling	14	6	1	23	2		1
Board A	1			5			
Add A Class	23					1	
Voluntary Suspension	134						
Cancellation	30						

*WA Apprentice 1 – an apprentice who has completed their training within the last 12 months.
WA Apprentice 2 – an apprentice who has completed their training more than 12 months ago.*

Inspections

The role of Inspectors (Compliance Officers) also included providing advisory support to hairdressers in the areas of occupational safety and health regulations.

In 2010 the Hairdressers Registration Board conducted 1557 inspections of establishments where hairdressing services were performed.

Metropolitan	1227
Country	330

Consisting of:

Salons	948
Barbers	42
Beauty Therapy Salons	3
Hair Care Products	16
Home Based Salons	265
Mobile Hairdressers	108
Suburban Market	10
Hairdressing Colleges	12
Hospitals	2
Lodges	10
Nursing Homes	36
Retirement Villages	41
Community Centres	13
Hostels	11
Aged Care Facilities	40
TOTAL	1557

Board Examinations

Regulation 12 of the *Hairdressers Registration Regulations 1965* provides that - for the purpose of satisfying itself as to the qualifications of any applicant for registration, the Board may require an applicant to undertake a theoretical, practical or oral examination in any class or classes of hairdressing.

During 2010, 115 metropolitan and 3 country applicants undertook the Board's theory assessment.

During 2010, 168 metropolitan and 7 country applicants undertook the Board's practical assessment.

Fee Structure for Exams

Assessment	Fee (inc GST)
<i>Theory</i>	\$70.50
<i>Practical</i>	\$204.00

The fee for conducting the Board's assessment offsets the costs associated with employing the Board's examiners and venue hire.

Prosecutions

DATE	RESPONDENT	ALLEGATION	DECISION	FINES/LEGAL COSTS IMPOSED
4/5/2010	Ella Stratton Glam Hair-Forever Hair Extensions	Section 15	Guilty	\$616.70
30/7/2010	Gemma Picker	Section 15	Guilty	\$890
13/9/2010	Lisa Grincerì Skatt Aenda	Section 25	Guilty	\$571.70
15/10/2010	Tendai Chikiwa	Section 15	Guilty	\$3,250

SIGNIFICANT ISSUES IMPACTING THE BOARD

In April 2009 the Minister announced a proposal to abolish the Hairdressers Registration Board and deregulate the hairdressing industry. Cabinet approved the proposal on 28 April 2009.

Laws were passed by Parliament in August 2010 to abolish the Hairdressers Registration Board. Amendments to section 5 of the *Hairdressers Registration Act 1946* provided for the appointment of a person to administer the affairs and perform the functions of the Board during the wind up process.

On 1 November 2010 the current Chair, David Hillyard, was appointed as the Administrator to wind-up the Hairdressers Registration Board.

FINANCIAL STATEMENTS

In accordance with Section 14 of the *Hairdressers Registration Act 1946* a copy of the audited Financial Statements is attached at Annexure 1.

OTHER LEGAL REQUIREMENTS

Advertising

(Section 175ze of the *Electoral Act 1907*)

In accordance with section 175ZE of the *Electoral Act 1907*, the Board is required to report on expenditure incurred using the following types of bodies to promote or market its services:

- | | |
|-------------------------------------|-----|
| a) Advertising agencies | Nil |
| b) Market research organisations | Nil |
| c) Polling organisations | Nil |
| d) Direct mail organisations | Nil |
| e) Media advertising organisations. | Nil |

Disability Access and Inclusion Plan Outcomes

(Section 29 of the *Disability Services Act 1993*)

In 2010 the Board continued to work within the constraints of the present premises located at Level 1, 46 Salvado Road, Wembley.

Board services are provided where possible to cater for persons with disabilities.

Applicants for registration whose first language is not English are given access to the services of interpreters.

Compliance with Public Sector Standards and Ethical Codes

(Section 31(1) of the *Public Sector Management Act 1994*)

COMPLIANCE ISSUES	
Public Sector Standards (PSS)	
* Nil breach claims	Electronic Version supplied to all Staff
WA Code of Ethics	
* Nil reports of non compliance with WA Code of Ethics	Electronic Version supplied to all Staff
Agency Code of Conduct	
* Agency Code of Conduct implemented in 2007	

Recordkeeping Plans (Section 61 of the *State Records Act 2000* and State Records Commission Standards, Standard 2, Principle 6)

The management of the Hairdressers Registration Board corporate documents and information is conducted within the framework of the *State Records Act 2000* and the State Records Commission of Western Australia's Principles and Standards 2002 (incorporating Standard 2, Principle 6). Those record and document management standards were maintained throughout 2010.

New and existing staff were trained in the correct procedure for document management and record keeping.

MINISTERIAL DIRECTIVES

No Ministerial directives were received by the Board.

GOVERNMENT POLICY REQUIREMENTS

Occupational Safety & Health

(Premiers Circular 2007/12: Code of Practice: Occupational Safety & Health in the Western Australian Public Sector)

In accordance with Premier's Circular 2007/12 the Board's Occupational Safety and Health Policy, Procedure and Guidelines are made available to staff on the Board's intranet and provided to new employees at their induction.

In 2010 the Board had no fatalities or lost time due to injury/diseases.

Number of fatalities = 0

Lost time injury/diseases incidence rate = 0

Lost time injury severity rate = 0

Return to work rate = n/a

Percentage of managers trained in OSH and injury management = 0%.

Annexure 1

THE HAIRDRESSERS REGISTRATION BOARD OF WA

REGISTERED HAIRDRESSERS FOR THE YEAR ENDED 31st DECEMBER 2010

Annexure 1

Registered

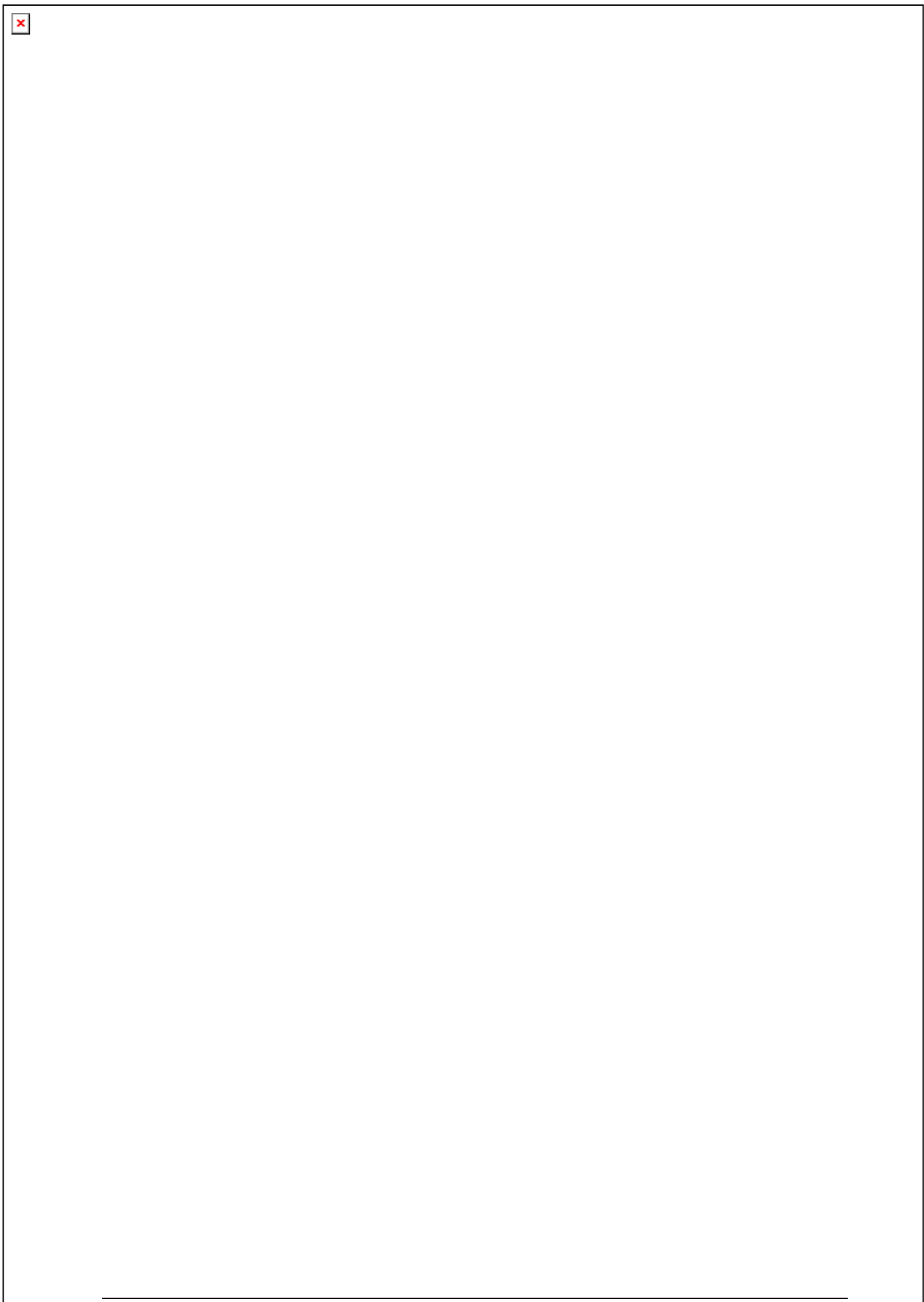
Hairdressers 2010

Class	Principals					Employees					Yearly Totals				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
Men's Limited	48	55	66	85	91	29	29	32	32	36	77	84	98	117	127
Men's Inclusive	149	112	113	117	109	76	50	49	44	41	225	162	162	161	150
Ladies' Limited	0	11	13	13	10	8	8	6	7	4	8	19	19	20	14
Ladies' Inclusive	1559	1285	1247	1226	1142	702	462	431	407	379	2261	1747	1678	1633	1521
Ladies' Limited and Men's Limited	5	8	14	21	24	2	3	8	6	8	7	11	22	27	32
Men's Inclusive and Ladies' Limited	38	39	35	33	33	9	8	9	10	8	47	47	44	43	41
Ladies' Inclusive and Men's Limited	652	583	554	536	517	186	142	131	129	121	838	725	685	665	638
Combined (Men's Inclusive & Ladies' Inclusive)	2362	2472	2846	3315	3600	1115	897	900	898	865	3477	3369	3746	4213	4465
Total	4813	4565	4888	5346	5526	2127	1599	1566	1533	1462	6940	6164	6454	6879	6988

Annexure 2

THE HAIRDRESSERS REGISTRATION BOARD OF WA

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010



THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2,010	2,009
		\$	\$
COST OF SERVICES			
Revenue			
Revenues from ordinary activities	2	762,499	761,487
		<u>762,499</u>	<u>761,487</u>
Expenses			
Employee expenses	1(f)(ii), 4	591,906	467,085
Depreciation and amortisation expenses	3	15,763	17,661
Assets written off	3	5,257	
Assets transferred	3	3,259	
Other expenses from ordinary activities	1(f)(ii)	218,344	207,646
		<u>834,529</u>	<u>692,392</u>
		<u>(72,030)</u>	<u>69,095</u>
SURPLUS/(DEFICIT) FOR THE PERIOD			
		<u>(72,030)</u>	<u>69,095</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
		<u>(72,030)</u>	<u>69,095</u>

THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

**STATEMENT OF FINANCIAL
POSITION**

AS AT 31 DECEMBER 2010

	Note	2,010	2,009
		\$	\$
CURRENT ASSETS			
Cash assets	12	772,571	831,401
Other cash assets	12	46	229
Other assets	5	23,723	9,530
Equipment held for sale	6, 7(a)	21,052	0
TOTAL CURRENT ASSETS		<u>817,392</u>	<u>841,160</u>
NON CURRENT ASSETS			
Plant and equipment	7(b)	0	45,331
TOTAL NON-CURRENT ASSETS		<u>0</u>	<u>45,331</u>
TOTAL ASSETS		<u>817,392</u>	<u>886,491</u>
CURRENT LIABILITIES			
Payables	8	11,256	8,336
Provisions	9	101,806	101,795
TOTAL CURRENT LIABILITIES		<u>113,062</u>	<u>110,131</u>
NON-CURRENT LIABILITIES			
Provisions	9	0	0
TOTAL NON-CURRENT LIABILITIES		<u>0</u>	<u>0</u>
TOTAL LIABILITIES		<u>113,062</u>	<u>110,131</u>
NET ASSETS		<u>704,330</u>	<u>776,360</u>
EQUITY			
Retained profits	10	776,360	642,197
Prior period adjustment	10	0	65,068
Current year earnings		(72,030)	69,095
TOTAL EQUITY		<u>704,330</u>	<u>776,360</u>

THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2,010	2,009
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments to suppliers		(792,040)	(663,971)
Receipts			
Receipts from operations		738,612	758,885
Interest received		23,887	11,902
Net cash provided by/(used in) operating activities	12(b)	<u>(29,541)</u>	<u>106,816</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets	7(b)	<u>0</u>	<u>(9,145)</u>
Net cash provided by/(used in) investing activities		<u>0</u>	<u>(9,145)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
		<u>(29,472)</u>	<u>(3,540)</u>
Net cash provided by/(used in) financing activities		<u>(29,472)</u>	<u>(3,540)</u>
Net increase/(decrease) in cash and cash equivalents		(59,013)	94,131
Cash and cash equivalents at beginning of the period		<u>831,630</u>	<u>737,499</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	12(a)	<u>772,617</u>	<u>831,630</u>

THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Note 1: Summary of Significant Accounting Policies

i) The financial statements constitute a general purpose financial statement which has been prepared in accordance with Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers the Hairdressers Registration Board, a body constituted under the Hairdressers Registration Act of 1946 and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

ii) Change in Accounting Policies.

The accounting policies adopted by the Board in the preparation of the financial report are consistent with those in the previous year.

The following is a summary of the material accounting policies adopted by the Board in the preparation of the financial statements.

a) Income Tax

The board is exempt from income tax under the provisions of the Income Tax Assessment Act (1997).

b) Property, Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amount.

c) Depreciation

The depreciable amount of all fixed assets are depreciated over their useful lives of the assets to the Board commencing from the time the asset is held ready to use. Leasehold improvements are depreciated over shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

- Office Equipment 15.00%
- Motor Vehicles 22.50%
- Computer Equipment 40.00%
- Leasehold Improvements Over the period of the lease

THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Note 1: Statement of Significant Accounting Policies (Cont.)

d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Board, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over the estimated useful lives where it is likely that the association will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

e) Revenue

Revenue from the registration of hairdressers is recognised upon the receipt of funds.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

f) Employee Entitlements

(i) Provision is made for the Board's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Long service leave is vesting to employees after seven years service.

Contributions are made by the Board to employee superannuation fund and are charged as expense when incurred.

(ii) Prior year adjustment

2009 Provisions have been reduced to remove sick leave from those provisions.

An increase has been made to the 2009 "Employee expenses" to allow for superannuation which was previously included in "Other expenses from ordinary activities". "Other expenses from ordinary activities" has been adjusted accordingly.

g) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, measured net of bank overdrafts.

THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

	2,010
	\$
<u>Note 2: Revenue</u>	
Operating activities:	
- Hairdresser's registrations	731,592
- Interest received from other persons	23,887
- Government vehicle scheme	7,020
- Prior year audit adjustments	_____
	<u>762,499</u>
Non-Operating activities:	
- Provision for employee entitlements	_____
	<u>0</u>
Total Revenue	<u><u>762,499</u></u>

Note 3: Loss from ordinary activities

Loss from ordinary activities has been determined after:

Expenses:

Depreciation of plant and equipment	15,763
Write off of equipment	5,257
Transfer of equipment	3,259
Remuneration of auditor:	
- Audit or review services	5,985
Rental on operating leases:	
- Minimum lease payments rent	52,938
- Minimum lease payments cars	31,141

Note 4: Employee Expenses

Salaries and Wages (a) (b)	458,490
Superannuation (b)	34,998
Redundancy Payments	_____
	<u>98,418</u>
	<u><u>591,906</u></u>

An adjustment has been made to the prior year's Employee expenses in the "Statement of Comprehensive Income" to take into account superannuation which was previously included in "Other expenses from ordinary activities".

Note 5: Other Assets

Fringe Benefits tax PAYG Instalments	5,286
GST Net December 10 quarter	3,880
Pre paid superannuation	14,497
Payroll deductions payable	_____
	<u>60</u>
	<u><u>23,723</u></u>

THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

	2,010	2,009
	\$	\$
	<u> </u>	<u> </u>
<u>Note 6: Property, Plant and Equipment</u>		
Plant and Equipment		
At cost	133,212	133,212
Accumulated depreciation	(103,644)	(87,881)
Written off	(5,257)	0
Transferred to state government	(3,259)	0
	<u>21,052</u>	<u>45,331</u>
	<u> </u>	<u> </u>
<u>Note 7: Office Equipment Held for Sale</u>		
a) Laws were passed by Parliament in August 2010 to abolish the Hairdressers Registration Board. As a result the assets of the Board are to be sent for auction in early 2011 and have therefore been reclassified as "Held for Sale" pursuant to AASB5	21,052	0
	<u>21,052</u>	<u>0</u>
	<u> </u>	<u> </u>
b) Reconciliation of carrying amounts		
Reconciliation of the carrying amounts of plant & equipment at the beginning and end of the reporting period are set out below.		
Carrying amount at the start of the year	45,331	53,847
Additions		9,145
Reclassified as "Held for Sale" - AASB5	(21,052)	
Depreciation	(15,763)	(17,661)
Written off	(5,257)	
Transferred	(3,259)	
	<u>0</u>	<u>45,331</u>
	<u> </u>	<u> </u>

THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

	2,010	2,009
	\$	\$
<u>Note 8: Payables</u>		
Current		
Trade creditors	1,209	1,783
Other liability	7,851	949
PAYG withholding	2,196	5,604
	<u>11,256</u>	<u>8,336</u>

Note 9: Provisions

Current

Employee entitlements	<u>101,806</u>	<u>101,795</u>
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Non-Current

Employee entitlements	<u>0</u>	<u>0</u>
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	<u>101,806</u>	<u>101,795</u>
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The 2009 employee entitlements have been reduced by \$65,068 from \$166,863 to \$101,795 as the amount in the 2009 annual report included \$65,068 personal leave entitlements. Personal leave entitlements in the public service are an accumulating non-vesting entitlement so that when an employee leaves the public service they are not entitled to a payment for the unused entitlement. Therefore no liability or expense is recognised until the time of absence.

Number of full-time employees at year end	<u>3</u>	<u>7</u>
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Note 10: Retained profits

Retained profits at beginning of the financial year	776,360	642,197
Prior period adjustment		65,068
Net profit/(loss) attributable to the Board	<u>(72,030)</u>	<u>69,095</u>
Retained profits at the end of the financial year	<u>704,330</u>	<u>776,360</u>

Note 11: Capital and Leasing Commitments

Operating Lease Commitments

Cancellable operating leases contracted for but not capitalised in the financial statements

Payable:-

- not later than one year	0	19,259
- later than one year but not longer than five years	<u>0</u>	<u>18,298</u>
	<u>0</u>	<u>37,557</u>

THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

NOTES FOR THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

	2,010	2,009
	\$	\$
Note 12: Notes to the Statement of Cash Flows		
(a) <u>Reconciliation of Cash</u>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement		
Cash on hand	46	229
Cash at bank	772,571	831,401
	<u>772,617</u>	<u>831,630</u>
(b) <u>Reconciliation of Cash Flow from operations with surplus/(deficit) for the period</u>		
Surplus/(Deficit) for the period	(72,030)	69,095
Non-cash items	16,437	0
Prior year adjustment		(700)
Depreciation & Amortisation	15,763	17,661
Write offs	5,257	
Transfers	3,259	
Changes to provisions	11	16,826
Fringe Benefits Tax	1,762	3,934
Net cash provided by/(used) in operating activities	<u>(29,541)</u>	<u>106,816</u>

THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 13: Financial Instrument Disclosure

(a) Interest Rate Exposure

The exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest assets and financial liabilities is as follows:

	Weighted Avg Effective Interest Rate		Fixed Interest Rate Maturing				Non-Interest Bearing	
	%	%	Within Year		1 to 5 Years		\$	\$
			\$	\$	\$	\$		
	2,010	2,009	2,010	2,009	2,010	2,009	2,010	2,009
Cash	2.71	1.71	772,571	831,401	-	-	-	-
Receivables			-	-	-	-	-	-
Total Financial Assets			772,571	831,401	-	-	-	-
Payables			-	-	-	-	11,256	8,336
Borrowings			-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-	11,256	8,336

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial statements.

(c)

Net Fair Values

The net fair value of financial assets and financial liabilities approximate the values disclosed in the statement of financial position and in the notes to the financial statements.

THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

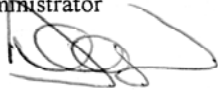
STATEMENT BY THE ADMINISTRATOR

In the opinion of the Administrator the financial statements:

1. Presents fairly the financial position of the Hairdressers Registration Board as at 31 December 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that the Hairdresser's Registration Board will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the Board by:

The Administrator



Dated this 23 day of March 2011

THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

OPERATING STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	2,010	2,009
	\$	\$
Operating Revenues		
Registration fees – Principals	432,893	417,214
Registration fees – Employees	76,730	83,460
Assessment fees	30,280	39,203
Certificate fees	102,157	103,075
Suspension fees/fines	6,360	6,941
Transfer fees	1,684	2,005
Reinstatement fees	9,777	5,951
Interest received	23,882	11,902
Application fee	71,710	94,016
Government vehicle scheme	7,020	7,020
Other income	700	700
	<u>762,493</u>	<u>771,487</u>
Operating Expenses		
Accounting fees	635	300
Advertising	0	-
Audit fees	5,350	5,240
Bank fees	7,833	7,818
Board members fees	5,510	14,482
Cleaning	2,040	1,624
Courier charges	124	153
Depreciation	15,763	17,661
Assets written off	5,257	
Transfers to State Gov	3,259	
Document management	2,886	841
Dues and subscriptions	1,002	162
Electricity	4,214	3,492
Examination expenses	4,230	6,285
Fringe benefit tax	7,049	3,934
General expenses	520	150
Insurance	4,828	4,195
Internet expenses	924	1,271
Legal fees	15,100	16,470
Maintenance	917	1,214
Meeting expenses	644	680
Motor vehicle expenses	2,982	3,911
Motor vehicle fleet management	10,466	16,329
Office equipment/expenses	532	518
Petty cash expenditure	1,222	1,424
Postage	7,795	8,867
Printing and stationery	40,632	35,329
Provision for employee entitlements	11	16,826
Rent, outgoings and taxes	52,938	52,720
Redundancy payments	98,418	-
Salaries	452,969	400,617
Software development	5,823	6,089
Staff amenities/training	973	1,334
Staff uniforms	701	701
Superannuation	34,998	35,160
Telephone	11,686	11,012
Travel and entertainment/mileage	4,318	4,421
Loss on sale of assets	0	-
Motor vehicle lease payments	<u>20,675</u>	<u>21,162</u>
Total Cost of Services	<u>834,523</u>	<u>702,392</u>
Total Comprehensive Income for the Period	<u>(72,030)</u>	<u>69,095</u>