
National Accreditation Authority for Translators and Interpreters Ltd

The Key to Language Diversity

The National Accreditation Authority for Translators and Interpreters Ltd (NAATI):

- sets the standards for translating and interpreting in Australia, and
- accredits translators and interpreters against those standards.

Accreditation can be obtained by:

- successfully completing a NAATI accreditation test
- completing an Australian NAATI-approved course at the standard required by NAATI, or
- NAATI recognition of a qualification obtained overseas.

In support of its core objective of maintaining a high quality national accreditation system, NAATI engages in raising awareness of the use of accredited translators and interpreters, conducts research to validate and improve its processes, works with the profession on related matters, oversees a revalidation system for accreditations and provides advisory and consultancy services in relation to accreditation, translating and interpreting.

NAATI is a company owned jointly by the Commonwealth, state and territory governments. It is incorporated in Australia under the *Corporations Act 2001* and governed by a board of directors who are appointed by the owners.

The national office is in Canberra and there are offices in each state and territory.

Further information on this report is available from +61 2 6260 3035 or info@naati.com.au



ANNUAL REPORT 2007-2008

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National Accreditation Authority for Translators and Interpreters Ltd

ACN 008 596 996

29th Annual Report (Financial Year 2007-2008)

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FROM THE CHAIR OF THE BOARD

I am pleased to present this annual report on behalf of the board of directors of the National Accreditation Authority for Translators and Interpreters Ltd (NAATI).

As detailed in the report, it has been another productive year for NAATI in addressing the requirements of its members and working with the profession and the sector. Some highlights of the year include 1441 new accreditations, significant advances in the implementation of testing for new and emerging languages, establishment of the (Commonwealth) 'New Interpreters Project', approval of more Australian tertiary programs leading to NAATI accreditation, continuing uptake of NAATI's on-line test-preparation programs and some further implementation of the recommendations from the Cook report. NAATI also worked closely with the profession to refine the requirements for revalidation and is developing mechanisms to continue this work. The rate at which practitioners have chosen to opt in to the revalidation system at this early stage is very encouraging.

Celebration of the 30th anniversary of NAATI's establishment continued in this period, with functions to mark this significant milestone being held in the Northern Territory, Tasmania, Victoria and Queensland. It was a great pleasure for the board to meet so many people who have been part of NAATI's achievements and to be able to recognise their contributions. The board has taken the opportunity of the 30th anniversary to reflect on NAATI's position and has initiated a new strategic planning process. The year concluded with the significant involvement of the members' representatives in reviewing NAATI's future directions and the board looks forward to an agreed strategic plan being developed early in the coming period.

This year saw the appointment of Dr Lindsay Heywood as CEO of NAATI. The board is looking forward to working with him as we move together into the next phase of NAATI's development. I was delighted that

AUSIT invited Dr Heywood to present the 2007 Jill Blewett Memorial Lecture in which he was able to outline some of the ways he hopes that NAATI will be able to work more closely with the profession.

As always, NAATI has operated in a complex environment and I would like to acknowledge the contributions and commitment of all in the NAATI community in making this a successful year including:

- the members of NAATI and their dedicated representatives who provide guidance and support to the board
- my fellow board members who work tirelessly to promote NAATI's aims
- the members of the Regional Advisory Committees who keep NAATI in touch with the sector and the wider community across Australia
- the members of the Qualifications and Assessment Advisory Committee who provide invaluable expert professional and academic advice to the board
- hundreds of dedicated and professional examiners who are the backbone of the accreditation system
- the professional bodies, particularly AUSIT and ASLIA, who have worked closely with NAATI in the interests of standards and the profession
- individual practitioners who contribute to NAATI's work in many ways, and
- NAATI's enthusiastic and dedicated staff who manage and improve NAATI's systems nationally and provide service to NAATI's clients throughout all of the states and territories.

The outlook for the coming period is discussed elsewhere in this report. I look forward to working with all of you in what promises to be another challenging and productive year.

Susan Bures AM
 Chair
 NAATI Board of Directors



FROM THE CHIEF EXECUTIVE OFFICER

This year saw the departure of NAATI's long-serving Chief Executive Officer and former Executive Director, Ms Sherrill Bell, who retired on 31 July 2007. Sherrill was kind enough to assist NAATI subsequently with some administrative oversight during the finalisation of my appointment and to provide me with a thorough handover when I was appointed, for which I was very grateful.

This period has provided an opportunity to reflect on NAATI's position, prompted in part by feedback from various stakeholders associated with NAATI's 30th anniversary. I am pleased that the board has decided to revisit NAATI's strategic direction at this time and has initiated a new strategic planning process, with input from the NAATI community and other stakeholders. By the close of the reporting period the board was involved in detailed strategic discussions with NAATI's owners. That process will continue into the coming year and I look forward to working with the board and staff to bring this initiative to fruition.

I would like to take this opportunity to thank the staff who delivered NAATI's achievements for the year through the state and territory offices and in the national office, including the successful transition to new premises in Canberra. NAATI was sorry to lose two long-serving staff from the NSW office, Mr Alan Raisbeck (State Manager NSW) and NSW Testing Officer Ms Dea Perini. We wish them well for the future.

I am grateful to the members' representatives, the directors and the many stakeholders of NAATI who have welcomed me to this role and assisted me in a variety of ways during the year. It has also been a pleasure to work with the respective presidents of the national professional bodies, particularly of AUSIT and ASLIA.

One of the personal highlights of the year for me has been getting to know many members of the profession

and to experience the enthusiasm and commitment of the individuals who are striving to build a strong profession, and who wish to work closely with NAATI where we have mutual interests. It has also been helpful to hear a variety of views about the future of the profession and I hope to be able to find improved ways to elicit such views in future.

The coming year presents many challenges. These include finalising and implementing the new strategic plan, achieving a sustainable funding base, management of cyclic variations in demand for testing, building on NAATI's critical quality-assurance role with NAATI-approved courses, implementation of business process improvements as recommended by the Cook report and others, further work on the revalidation system, and further strengthening NAATI's relationships with the profession.

I look forward to working with the board, the profession, our committees and the staff of NAATI in meeting those challenges.

Dr Lindsay Heywood
Chief Executive Officer

MEMBERS AND DIRECTORS

THE MEMBERS OF THE COMPANY AND THEIR REPRESENTATIVES

The members of the company are the nine ministers who are responsible for multicultural and/or ethnic affairs in the Commonwealth, state and territory governments. Members may appoint a representative to exercise any of their powers in relation to the company and all have done so.

As at 30 June, 2008 the members of the company and their representatives were:

Jurisdiction	Member	Title	Representative	Title
Commonwealth	Senator the Hon. Chris Evans	Leader of the Government in the Senate, Minister for Immigration and Citizenship	Ms Kate Pope	First Assistant Secretary - Citizenship, Settlement and Multicultural Affairs
Commonwealth	Mr Laurie Ferguson MP	Parliamentary Secretary for Multicultural Affairs and Settlement Services		
ACT	Minister John Hargreaves MLA	Minister for Territory and Municipal Services, Minister for Housing, Minister for Multicultural Affairs	Mr Nic Manikis	Director Department of Disability, Housing and Community Services – Office of Multicultural and Aboriginal and Torres Strait Islander Affairs
NSW	The Hon. Morris Iemma MP	Premier Minister for Citizenship	Dr Stepan Kerkyasharian AM	Chairman – Community Relations Commission for a Multicultural NSW
NT	The Hon. Rob Knight MLA	Minister for Local Government, Minister of Housing, Minister for Central Australia, Minister for Corporate and Information Services, Minister for Communications, Minister assisting the Chief Minister on Indigenous Policy	Ms Trish Angus	Executive Director – Policy and Coordination Division Department of Local Government, Housing and Sport
QLD	The Hon. Lindy Nelson-Carr MP	Minister for Communities, Disability Services, Aboriginal and Torres Strait Islander Partnerships, Multicultural Affairs, Seniors and Youth	Mr Garry Page	Executive Director – Multicultural Affairs Queensland
SA	The Hon. Michael Atkinson MP	Attorney General and Minister for Multicultural Affairs	Mr Simon Forrest	Director Multicultural SA
TAS	The Hon. Michelle O’Byrne MP	Minister for Community Development	Ms Janet Ong	Manager – Multicultural Tasmania
VIC	The Hon. James Merlino MP	Minister Assisting the Premier on Multicultural Affairs	Mr George Lekakis	Chair – Victorian Multicultural Commission
WA	The Hon. Ljiljana Ravlich MLC	Minister for Local Government Racing and Gaming Multicultural Interests and Citizenship Government Enterprises Minister Assisting the Minister for Planning and Infrastructure Goldfields Esperance Youth	Mr Ellis Griffiths	A/Executive Director – Office of Multicultural Interests



Susan Bures



Vicki Mitsos



Dr Maximilian Brandle

THE NAATI BOARD OF DIRECTORS

Ms Susan Bures AM (Chair)

Susan Bures is the Administrator of The Great Synagogue, Sydney. Currently a director of NAATI, she is also secretary of the Waverley Action for Youth Services (a Sydney youth centre). Trained as a historian, she spent many years as a newspaper editor. She is a former Deputy Chair of the (then) NSW Ethnic Affairs Commission, former Chair of the NSW Arts Advisory Council, board member of Carnivale and former Councillor to the NSW Geographical Names Board. She was a member of the Olympic Co-ordinating Authority Names Committee and the Ethnic Schools Board. She has several times been a judge for the NSW Premier's literary and history awards and was a contributor to *The Making of a Multicultural Australia*, which recorded Australian public policy on multiculturalism.

Ms Vicki Mitsos (Deputy Chair)

Vicki Mitsos is currently the Manager of the Multicultural Education Centre at Goulburn Ovens Institute of TAFE. In this role she has initiated many worthwhile projects for which she is recognised. Many are now being replicated in other areas of Victoria. Vicki was appointed by Minister Lynn Kosky to the Adult Community and Further Education (ACFE) Board, as the first regional Victorian member.

In addition to her position as Manager for the Multicultural Education Centre Goulburn Ovens Institute of TAFE, she is a council member of the Goulburn Ovens Murray Regional Council of Adult, Community and Further Education, President of the Shepparton and District Ethnic Council and a Commissioner for the Victorian Multicultural Commission. She has the distinction of being inducted to the Centenary of Federation 2001 Women Shaping the Nation Honour Roll, the Business Professionals Women of the Year, the North Eastern Woman of the Year and has been presented with the Hellenic Distinction for Victoria and the Centenary Medal for contributions to migrant education in country and regional areas.

Dr Maximilian Brandle OAM MA PhD

Dr Brandle was born in Switzerland and came to Australia in December 1959. He completed two research degrees at the University of Queensland and became the Director of the University's Institute of Modern Languages (IML) from 1970.

Dr Brandle retired from the University of Queensland as Associate Professor holding the joint academic position of Director, IML and Deputy Director of the Centre for Language Teaching and Research (CLTR) (postgraduate studies in applied linguistics). He is currently a Visiting Fellow, School of Languages and Linguistics, Griffith University; a board member on the Australian Council for Europe (Qld) and Vice-President of the Ethnic Communities' Council of Queensland. He has written/edited 12 books and has received several awards including an Australian Centenary Medal and a Queensland Migrant Service Award.



Mr John Kiosoglous MBE KSA AE SM

Mr Kiosoglous is the former Chairman of the South Australian Multicultural and Ethnic Affairs Commission and formerly a senior member of the Commonwealth Administrative Appeals Tribunal. His association with NAATI extends over 14 years, during which he served on several boards as a director and as chairman from 1992-95. Mr Kiosoglous, a recipient of several honorary awards and medals, has extensive experience in the multicultural area having served as the Deputy Chairman of the South Australian Multicultural and Ethnic Affairs Commission, Chairman of the Ethnic Schools Board of South Australia, member of the Executive Board of the University of Adelaide Heritage Foundation, Executive Member of the Greek Orthodox Archdiocese and Church of Australia, Honorary Chairman of the Council of the Greek Orthodox Communities and Parishes of South Australia, Deputy Chairman of St Basil's Greek Orthodox Homes for the Aged and Chairman of the Australian Hellenic Museum (SA). He is also currently an Auxiliary Stipendiary Magistrate, a member of the board of Alzheimers Australia (South Australia) and Chairman of the Committee of the International Conference on Greek Research (Flinders University South Australia).

Mr Abeselom Nega

Mr Nega was the General Manager, Adult Multicultural Education Services Employment for several years until the end of 2006 and has served as board member of the National Employment Services Association (NESA).

He is the Chairperson of the Federation of African Communities Council, and a member of the Australian Partnership of Ethnic and Religious Organisations. He has served as a member of several boards and advisory committees over many years.

Mr Nega is an Associate Fellow of the Australian Institute of Management, a Chartered Member of the Australian Human Resources Institute and the Australian Institute of Project Management.

Currently, Mr Nega is serving as a member of a national steering committee for the Australian Human Rights and Equal Opportunity Commission and a board member of the Cabramatta Community Centre. He is the Chief Executive Officer of iEmpower Pty Ltd a private consultancy and training services (RTO) company that operates in Sydney and Melbourne.

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THE YEAR IN REVIEW

ACCREDITATION

The financial year 2007-2008 was a year of continuing productivity and change for NAATI in the accreditation area.

THE HIGHLIGHTS INCLUDED:

- **New test formats introduced**

New format Professional Interpreter tests commenced from 1 March 2008.

Planning and development work for new format Auslan Professional Interpreter tests have been completed.

In association with the introduction of the new test formats, new test preparation materials were produced to assist candidates.

- **Review and refinement of revalidation**

In consultation with the profession the Professional Development Logbook was reviewed and refined to provide greater clarity and coverage of possible activities.

Further work was commenced to establish a process for systematic review of the revalidation process in the future.

- **Broadening opportunities for Indigenous language interpreter accreditation**

In association with the Queensland government a scoping project was undertaken looking towards the provision of greater accessibility to accreditation in Indigenous languages for Queensland communities.

- **Monitoring of Independent marking of translator testing**

Implementation of independent marking was finalised with ongoing quality assurance of test marking undertaken, involving feedback to examiner panels.

SPECIAL PROJECTS

- A review of the overseas qualification assessment process was initiated, looking at benchmarking NAATI's process against other qualification-assessment processes in Australia.

OUTLOOK FOR THE FUTURE

The outlook is one of further change including:

- Introduction of Paraprofessional accreditation testing for four African languages (Dinka, Swahili, Nuer and Oromo).
- Review of testing technology and how it may impact on interpreter accreditation testing.

STATES/TERRITORIES

The state and territory offices of NAATI continued to provide regional access to NAATI's services throughout the year, as well as supporting a variety of significant initiatives undertaken by their Regional Advisory Committees (RACs). The major activities of the state and territory offices are in offering accreditation testing (annual-program tests and special on-demand tests), providing preparatory workshops for candidates, distribution of test-related products, offering advice to candidates and building relationships with the T&I profession and related stakeholders in the region.

Following on from a successful national NAATI pilot to enhance interpreting in emerging languages, NAATI has been commissioned by the Commonwealth to manage a new project ('New Interpreters Project') with similar goals, which will be delivered through state and territory offices in all capital cities and in some regional locations. Many improvements to client services were implemented by the state and territory offices as part of NAATI's overall commitment to improved products and services. An indicative selection from many highlights of regional activity follows.

AUSTRALIAN CAPITAL TERRITORY

- The "Medical Gatekeepers" project reached the stage of meetings of medical centre staff organised by Dr C. Phillips of the RAC and ANU Medical School to identify possible problems and settle procedural issues. A report is expected early in the coming period.
- The first schedule of volunteer interpreters in the ACT and contiguous area of NSW was completed and was ready for distribution to local emergency management authorities. Issues of copyright, scope of distribution, and protocols for use in the field have yet to be settled and will occupy the RAC convenor and secretary in the new financial year.
- Prepared and conducted an Interpreting Test Preparation Workshop with NTITS and practitioner Bun Teo as co-facilitators.
- Organised and conducted Annual Interpreter and Translator tests in Darwin.
- Represented NAATI at the ITSNT 20 year celebration and award ceremony.
- Liaised with community coordinators from MCNT and the Melaleuca Refugee Centre about the Commonwealth 'New Interpreters Project'.

QUEENSLAND

NEW SOUTH WALES

- Liaised with TAFE, Universities, T&I agencies, industry stakeholders and associations about NAATI revalidation and Professional Development opportunities.
- Held regional testing in Coffs Harbour and Newcastle.
- Participated in the 'Diversity in Health '08' conference including a display and liaison with delegates and participants in the health sector to promote NAATI accreditation.
- Participation in discussion, planning and the NSW launch of the Commonwealth 'New Interpreters Project'.
- Held a well-attended farewell event for retiring NAATI NSW State Manager, Mr Alan Raisbeck.
- Worked with State and local government to raise awareness of the T&I profession in Queensland.
- Initiated the Commonwealth 'New Interpreters Project' in Queensland.
- Worked with Queensland Health to assist with the implementation of the newly established Queensland Health Interpreter Service.
- Worked with the Regional Advisory Committee to evaluate and isolate the major factors that impact on the T&I industry in Queensland, with the aim of clarifying and prioritising steps toward the removal of impediments to the profession.
- Worked with the National Office and the Queensland Department of Justice and the Attorney General to scope the possibility of accreditation testing for indigenous languages in Aurukun in Far North Queensland.
- Represented NAATI at the Queensland Multicultural Festival, which was attended by approximately 50,000 people.
- Worked with the Regional Advisory Committee to facilitate the inaugural Queensland T&I Industry Forum.
- Hosted celebrations for the NAATI 30th Anniversary and Award Ceremony.

NORTHERN TERRITORY

- Hosted celebrations for the 30th Anniversary and Awards Event at Speaker's Corner, Parliament House, Darwin.
- Conducted a half-day Translation Test Preparation Workshop.

SOUTH AUSTRALIA

- Promoted the Annual Testing Program and special on-demand tests to ethnic community organisations, refugee organisations, universities and TAFE institutions and prospective candidates.
- Promoted NAATI at Shelter SA Multicultural Information Day.
- Spoke to various groups of students about NAATI accreditation.
- Conducted test preparation workshops prior to the annual program translation and interpreting tests.
- Conducted four workshops on ethics.
- Submissions for the NAATI Strategic Planning Process were submitted by the State Office and the SA RAC.
- RAC efforts focussed on organising another Translators and Interpreters Awareness Day (TIAD) titled 'A Call to Action in Your Language' – to raise awareness of access to Emergency Services for people from culturally and linguistically diverse communities and encourage agencies to develop Emergency Action Plans and consider the challenges of language diversity in emergencies.
- Held community engagement strategy and community information sessions promoting the Commonwealth funded 'New Interpreters Project'.
- Participated in the Melbourne T&I Competencies Forum.

TASMANIA

- Hosted celebrations for NAATI's 30th Anniversary.
- Second state newsletter produced in December 2007 which publicised the Tasmanian practitioner who received an AUSIT award for translation.
- Active throughout the year in assisting with enquiries regarding accreditation, translation and interpreting training and the profession.
- Use of sample tests increased through the year.
- Recognised two candidates who sat the IELTS test following the early 2007 MELP.
- Mock tests were again offered prior to the translation test preparatory workshop.
- The first Tasmanian student enrolled in the online '*Behaving Ethically*' course.
- Continued to offer paid 'one-on-one' test preparatory briefings.

WESTERN AUSTRALIA

- Developed and revised the Commonwealth funded 'New Interpreters Project' workshop manual.
- NAATI WA presented information to Centrelink's Multicultural Forum, and has since been invited to become a member of the Forum.
- Attended a breakfast networking event titled "Cultural Mediation: An Italian Experience" with guest speaker Dr Lorena Cavaliere.
- Held two professional development workshops, titled "Vicarious Trauma for Interpreters" and "Editing & Proof-reading" and developed course material.
- Attended ASLIA Awards night as MC and presented the Award sponsored by NAATI.
- Attended consultation forum for national training package project.

VICTORIA

- 'Working with Interpreters' training delivered locally for DIAC staff.
- Participated in the ASLIA Excellence Awards Organising Committee to publicly recognise the important contributions made by Auslan interpreters, interpreting agencies and employers to improve communication access for deaf people and the wider community.
- Participated at Adult Learners Week Expo which was an opportunity for organisations that offer any form of adult learning activity to present a special promotional activity.
- Hosted NAATI 30th anniversary celebrations with an exhibition highlighting the translating and interpreting profession and its evolution and achievements since the early years of migration to Australia. The day's festivities concluded with a formal event at the Immigration Museum where the Victorian Accolade of Excellence was awarded to Adolfo Gentile.

ADMINISTRATION AND BUSINESS DEVELOPMENT

This year was again a challenging time for the corporate administration and finance areas of NAATI.

Some of the more significant developments were:

- completion of the new national and ACT offices in Deakin ACT
- relocation to the new premises completed successfully in December 2007, with minimal disruption to business
- upgrade of all computing equipment with a smooth roll out nationwide in August 2007.

SYSTEM FOR ACCREDITATION MANAGEMENT (SAM) DATABASE

New testing procedures brought about the need for additional enhancements to SAM. These were significant changes, which were designed, tested and implemented progressively throughout the period. There were also modifications to give greater functionality to meet growing business needs and addition of extra security identification modules to enable all states to verify an individual's identity by means of scanning photos and signatures directly into the system. This enhancement will also enable a smoother transition to digitally created identification products.

ONLINE DIRECTORY OF ACCREDITED AND RECOGNISED TRANSLATORS AND INTERPRETERS

The directory listed 5506 accreditations at 30 June 2008. Planning for improving the look and accessibility of the directory to its users and, possibly, providing practitioners who are listed with a facility to update their information by way of secure log in has commenced.

OUTLOOK FOR THE FUTURE

The 2008-2009 year promises a number of new challenges including:

- continuing review of the organisation's functions and capabilities
- review and update of the NAATI website
- further development of an intranet facility
- development and piloting of online business capabilities.



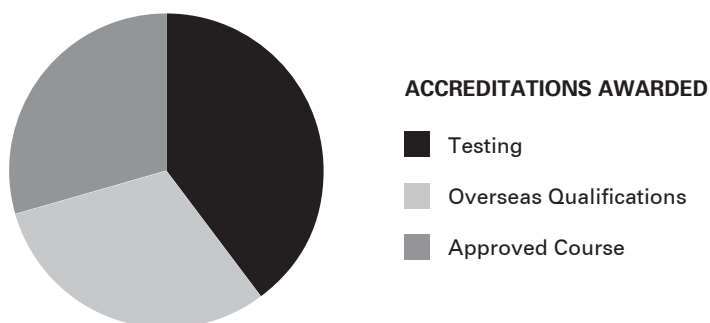
BUSINESS PERFORMANCE

TESTING AND ACCREDITATION

During the year, NAATI delivered the following accreditation services.

ACCREDITATION

- Awarded a total of 1441 accreditations.
- 576 accreditations were awarded as a result of tests.
- Assessment of 498 overseas qualifications leading to 442 accreditations.
- Assessment of approved Australian course graduate applications leading to 423 accreditations.



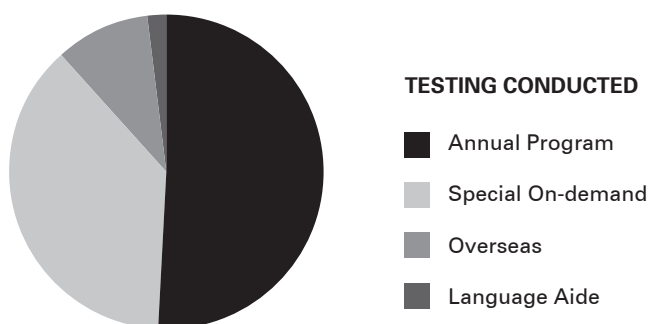
- Awarded two Conference Interpreter accreditations.

OTHER CREDENTIALS AWARDED

- Assessment of Recognition applications leading to 55 recognitions being awarded across 19 languages.
- Awarding of 21 Language Aide credentials.

TESTING

- A total of 2499 tests were sat.



SCOPE OF LANGUAGES

- Credentials for the period encompassed 70 languages.

TEST PREPARATION ACTIVITIES

- Delivery of 150 workshops to assist candidates to prepare for accreditation testing.
- Completion and release of the new Professional Translator sample tests.
- Development and release of another on-line course 'Behaving Ethically'.

EXAMINER ACTIVITIES

- Independent marking introduced across all languages for Professional Translator tests.
- Examiners' Quarterly Newsletter to facilitate communications and promote consistency.
- Delivery of familiarisation training programs for newly appointed examiners in four capital cities.
- Review of the Examiner's Manual completed and a new version released to examiners in January 2008.
- New Professional Interpreter test format introduced from 1 March 2008.

ACTIVITIES ASSOCIATED WITH NAATI-APPROVED COURSES

- There were 11 submissions for various approvals that were considered during the period, 10 of which were successful, encompassing 5 institutions.
- NAATI currently oversees and monitors 30 approved courses at 17 institutions.
- Participation in the Steering Committee for the development of T & I competency units for courses within the VET sector.
- Monitoring approved courses to ensure the exit standards of graduates meet NAATI's requirements and standards.

RESEARCH AND DEVELOPMENT

- Continuation of Phase 2 of the external Rater-Reliability Study.
- Implementation of the 'Review of Linguistic Standards in English and Language other than English'.

INDUSTRY/COMMUNITY ACTIVITIES

- Delivery of 55 workshops to enhance community and employer understanding of the NAATI accreditation system and the benefits of using accredited practitioners.
- Production of the annual edition of the National Directory of Accredited and Recognised Practitioners of Translation and Interpreting, made freely available on the NAATI web site to clients.
- Continuation of training and testing in rural and regional areas and for emerging languages.

FINANCIAL PERFORMANCE

The reporting period was the second year of NAATI's current three-year funding agreement with its funding parties.

The year saw a significant decrease in total revenue of 8% (\$282,691) which was partly offset by a reduction in expenses of 2%. Government revenue represented 33% of total income, a rise from 28% in the previous period.

The net result for the period was an operating loss of \$581,627 which was funded from accumulated reserves. This operating result represents an increase of \$221,961 in operating deficit from the previous year.

The operating deficit reflects a significant downturn in applicants of 25% in general and a reduced uptake of special-on-demand tests in particular, resulting in a decline in test-related revenue relative to the previous period. While testing activity has historically shown marked cyclical variations, the changes in this period were more significant than previously encountered. The board has identified a number of contributory factors including changes to immigration policies, increased uptake of NAATI-approved programs, changes in the demography and language profiles of immigrant communities and insufficient resourcing to establish testing for as many 'new and emerging' languages as would be desirable. The impact of these factors is being explored in detail with the members with a view to revision of the funding base for the coming period.

The board also agreed to fund some additional activities from reserves for which specific additional funding was not provided by the funding parties:

- continuation of the independent marking system for translation testing that was implemented in the previous period (as recommended by the Cook report)
- further development of the architecture of a revalidation system implemented at the request of the members' representatives in the previous period
- implementing a revised interpreter test format with corresponding new sample test materials, and
- commencing system-wide improvements to further enhance the quality and reliability of test marking processes.

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ABOUT NAATI

NAATI AND THE COMPANY

NAATI is a registered business name of the National Accreditation Authority for Translators and Interpreters Limited, a company limited by guarantee incorporated in Australia under the *Corporations Act 2001*. The company is owned jointly by the Commonwealth, state and territory governments.

MISSION

The mission of NAATI is to set and maintain high national standards in translating and interpreting to enable the existence of a pool of accredited translators and interpreters responsive to the changing needs and demography of the Australian culturally and linguistically diverse society.

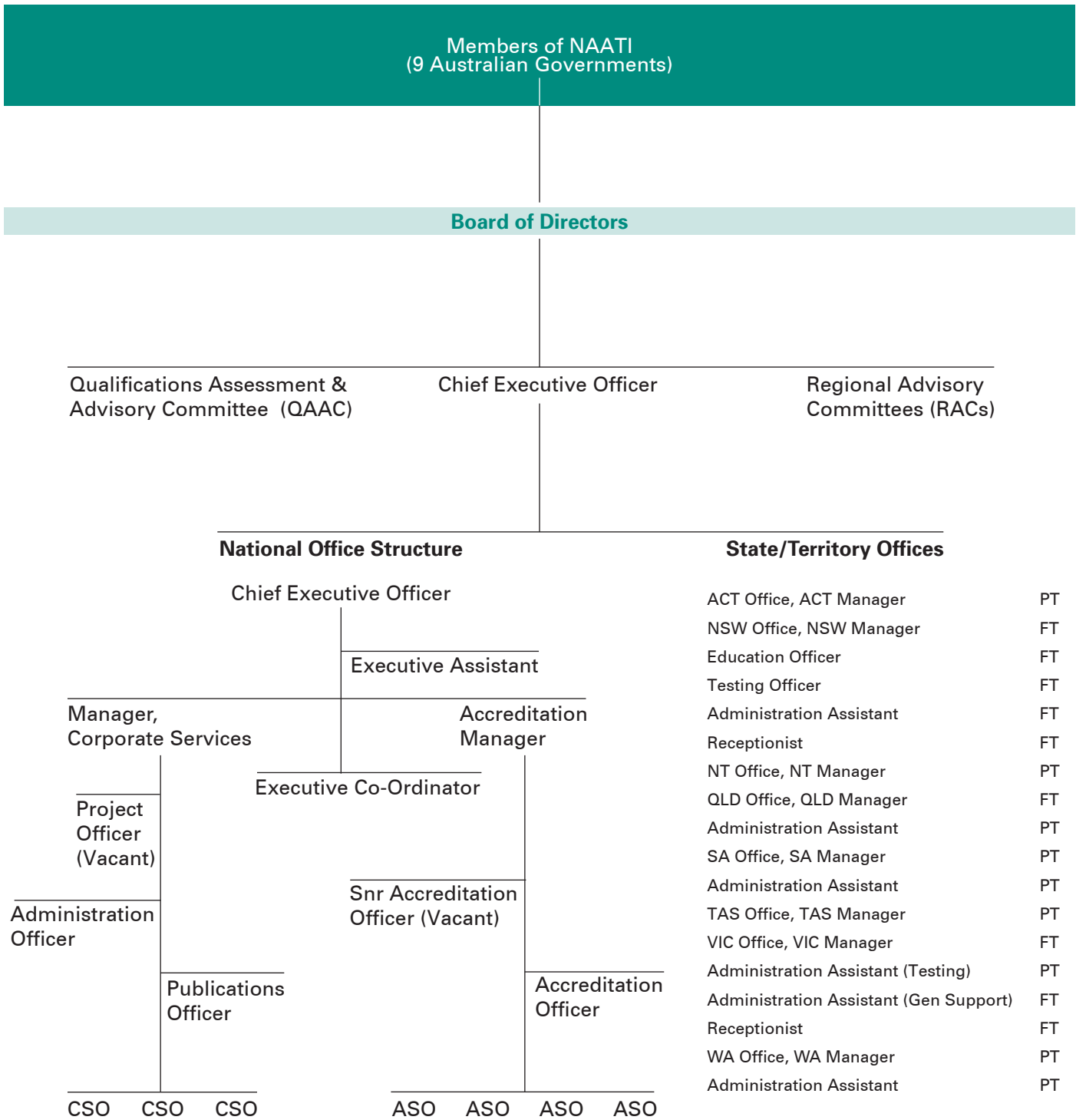
OBJECTIVES

The broad objectives for which the Company is established are to:

- set and maintain high national standards in translating and interpreting
- maintain and enhance a nationally recognised accreditation system that is responsive to the changing needs of the Australian community and accreditation applicants
- raise community awareness of the value and appropriate use of accredited translators and interpreters
- establish accreditation processes that are accountable and externally validated through suitably recognised and independent institutions
- provide opportunities for accredited translators and interpreters to re-validate/upgrade their accreditation level
- provide advisory and consultancy services in relation to translating and interpreting.

ORGANISATIONAL STRUCTURE

NAATI's national office is in Canberra and there are also offices in each state and territory. As at 30 June 2008, NAATI employed 35 staff (25.6 effective full time equivalent positions) as shown below.



NAATI COMMITTEES AND PANELS

NAATI has established a series of committees to assist with its work, all of which are appointed by the board.

QUALIFICATIONS ASSESSMENT AND ADVISORY COMMITTEE: 2007 - 2008

The Qualifications Assessment and Advisory Committee (QAAC) provides expert professional and academic advice to the board concerning standards, assessment, course approvals and a variety of related matters. The board gratefully acknowledges the high-quality expert advice it receives from the Committee.

The Committee is responsible for advice on the following:

- approval of tertiary courses in interpreting and translation
- development and revision of the Guidelines for the Approval of Courses
- assessment of overseas qualifications emanating from institutions not previously assessed
- assessment of qualifications for accreditation at the Advanced (Senior) levels on the basis of experience
- development of eligibility criteria for accreditation at the various levels
- consideration of serious appeal cases
- development of policies relating to accreditation and testing
- participation in reviews relating to accreditation and testing
- consideration of general policy issues relating to the standards of the profession.

The Committee makes recommendations on the above issues for consideration by the board.

From 1 July 2007 to 30 June 2008 the membership of the Committee was:

Member	Background
Chair Ms Anna Grassi BA	T & I Educator (curriculum); representative of paraprofessional courses in Australia.
Mr Ari Pappas Grad Dip Health Science Management Dip T & I Dip Welfare Studies	Manager of a key service provider agency, Education Liaison Officer and member of Project for Schools Commission Program. He is a NAATI-accredited Interpreter and Translator.
Ms Amalia Milman Dip Teaching, Assoc Dip Interpreting and Translation	Practitioner at Advanced Translator and Interpreter levels, T & I educator, experience with service provision. She is a NAATI-accredited Advanced Translator and an Interpreter and Translator at the professional level.
Dr Jemina Napier BA, MA, PhD, MEd in Professional & Higher Education	Educator, researcher, practitioner (Auslan), representative of courses at the professional and graduate level. She is a NAATI-accredited Interpreter.
Ms Helen Slatyer BA, RSADipTEFL, MAppLing	Translator, Lecturer, Department of Linguistics, Macquarie University, research expertise in language testing. She is a NAATI-accredited Translator and Interpreter.
Adolfo Gentile BA, Dip Tert. Ed, M Ed Admin	Member Refugee and Migration Review Tribunals; Adjunct Professor, Interpreting and Translating, University of Queensland; part-time teaching staff Monash University. Former Head of School of Languages, Interpreting and Translating at Deakin University and the Director of the University's Centre for Research and Development in Interpreting and Translating. He has written extensively and consulted on the training and practice of T&I. He is a NAATI-accredited Advanced Translator.
Ms Yuki Sayeg MA, M.Lit.St. BA Hons Graduate Certificate in Conference Interpreter Training (Geneva), AIIC member	T&I educator, representative of postgraduate conference interpreter/advanced translator programs, freelance conference interpreter and translator. She is a NAATI-accredited Conference Interpreter, Advanced Translator and an Interpreter and Translator at the professional level.

PANELS OF EXAMINERS

NAATI maintains language-based panels of trained examiners under the guidance of a panel chair to assess the performance of candidates in NAATI tests. Panels are established, developed and discontinued from time to time to reflect demand for testing and shifts in the demographics of the Australian population. NAATI gratefully acknowledges the critical wealth of expertise that the examiners contribute to NAATI and to maintenance of the standards of the profession.

As at 30 June 2008 panels were established for the following languages:

Albanian	English	Macedonian	Somali
Amharic	Filipino	Malay	Spanish
Arabic	Finnish	Maltese	Tamil
Assyrian	French	Mandarin	Tetum
Auslan	German	Persian(Farsi)	Thai
Bangla	Greek	Polish	Tigrinya
Bosnian	Hindi	Portuguese	Tongan
Bulgarian	Hungarian	Punjabi	Turkish
Burmese	Indonesian	Pushto	Ukrainian
Cantonese	Italian	Romanian	Urdu
Croatian	Japanese	Russian	Vietnamese
Czech	Khmer	Samoan	
Dari	Korean	Serbian	
Dutch	Lao	Sinhalese	

REGIONAL ADVISORY COMMITTEES

Regional Advisory Committees (RACs) have been established in all states and territories. The purpose of the RACs is to assist NAATI to remain in touch with and receive advice from the sector, the profession and the community across Australia on a regular basis. Each RAC is supported by the relevant state/territory manager. The major roles of the regional advisory committees are:

- advising the NAATI Board on matters including:
 - T & I standards issues in the state or territory
 - the specific T & I needs of the state or territory and any particular regional variations
 - T & I professional issues in the state or territory, and
 - other issues identified by the NAATI Board
- advising the NAATI Board about proposed developments or policy changes being considered by the board
- assisting NAATI in the promotion of general community awareness of the NAATI accreditation system and the value and appropriate use of accredited practitioners
- facilitating the exchange of information among the State or Territory networks of practising professionals, T & I educators, and providers of language services about developments in the T & I industry
- assisting the NAATI Board in its periodic consultations with industry stakeholders.

NAATI gratefully acknowledges the following people who contributed in many ways to RAC activity during the period by offering their advice and expertise.

ACT

Ms K O'Sullivan (Convenor)
 Miss M Adcock
 Ms C Aubury
 Ms C Crane
 Mr N Manikis
 Ms M Mau-Oldfield
 Ms Y Margarejo
 Mr M Palic
 Dr C Phillips
 Ms A Stensletten
 Ms G McKergow (State Office Manager)

NSW

Ms A Grassi (Convenor)
 Ms N Arrage
 Mr S Campisi
 Mr T Cantwell
 Mr M Doerfler
 Ms V Dragoje
 Mr D Evanian-Thomas
 Ms D Goswell
 Ms A Groth
 Mr M Leneham
 Ms T Markos
 Mr C Moon
 Ms F Mueller
 Mr U Priester
 Mr P Sinclair
 Ms M Taibi
 Ms M Tilche
 Ms B Vukojevic
 Ms C Webster
 Mr S Zjakic
 Mr A Raisbeck (SOM to 30/11/07)
 Ms M Bizimis (State Office Manager)
 Mr Abeselom Nega (NAATI Director *Ex-Officio*)
 Ms S Bures (Chair, NAATI *Ex-Officio*)

NT

Dr P Black (Convenor)
 Ms F Abbott
 Ms A Gasteen
 Ms J Guy
 Ms L Kohaupt
 Mr T McMahan
 Ms A Quinn
 Ms B Teo
 Ms U Vorst
 Ms J Ventic
 Ms A Wait
 Ms Stephanie Wall (State Office Manager)

QLD

Ms P Avila (Convenor)
 Ms S Berner
 Mr L Burness
 Ms E Hawes
 Ms L Henniker
 Ms I Ko
 Dr L Ko
 Ms V Larach
 Mr I Muil
 Ms N Parisi
 Ms Y Sayeg
 Ms I Szymanska

Mr T Tran
Mr T Tri
Mr Jim Duncan (State Office Manager)
Dr M Brandle (NAATI Director *Ex-Officio*)

SA

Mr M Armiento (Convenor)
Ms C Ait-Touati
Mr M Ciekowski
Mr M Cronshaw
Mr J De Candia
Mr M De Rohan
Ms Marj Ellis
Mr M Gostich
Dr I Harmstorf
Mr P Hellander
Mr N Marovich
Dr B Saaid
Ms M Schirru
Ms M Slatter
Ms C Voelkel-Hutchinson
Ms C Appellkamp (State Office Manager)
Mr J Kiosoglous (NAATI Director *Ex-Officio*)

TAS

Insp. C Waterhouse (Convenor)
Ms M Abbott
Ms A Allen
Ms P Allen
Mr G Duarte
Ms J Ong
Mr M Pathik
Mr B Smith
Ms S Wickham
Mr K Zegeye
Ms M Nolan (State Office Manager)

VIC

Ms M Maggio De Leo (Convenor)
Mr A Abate
Mr I Akinci
Mr I Ayzit
Mr A Bevez
Ms L Bongiovanni
Ms M Bridge
Ms G Castellan
Ms S Koutes
Ms F Lo Schiavo
Ms B Murphy
Ms L Nichles
Mr B Paez
Mr A Pappas
Ms S Richardson

Ms P Tissera
Dr B Turner
Ms S Van Fondern
Dr R Wilson
Ms C Toffoli-Zupan (State Office Manager)
Ms V Mitsos (NAATI Director *Ex-Officio*)

WA

Mrs T Nicholls (Convenor)
Ms M Clavenzani-Wilkins
Mr M Delahoy
Dr W Frick
Ms M Gurgone
Mrs M Gruszka
Mrs H Murphy
Ms R Perino
Ms K Sprigg
Mrs R Tsapazi
Ms D Ward
Ms G Zhang
Ms V van Loggerenberg (State Office Manager)

FINANCIAL STATEMENTS

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2008

The NAATI Board of Directors present their report on the company for the financial year ended 30 June 2008.

Board of Directors

The names of the Directors in office at any time during or since the end of the financial year and details of their qualifications are as follows:

Name of Director	Qualifications	Shares in NAATI	Contracts with NAATI	
Ms Susan Bures AM (Chair)	Administrator Great Synagogue of Sydney, Secretary, Management Committee of the Waverley Action for Youth Services Former Deputy Chair, NSW Ethnic Affairs Commission Former Chair NSW Arts Advisory Council Former board member of Carnivale, NSW Ethnic Schools Board	N/A	Nil	Appointed 1/09/2002
Ms Vicki Mitsos (Deputy Chair)	Centre Manager Multi Cultural Education Centre Goulburn Ovens Institute of TAFE, Manager & Administrator for Language Policy & Multiculturalism in regional & rural Victoria, Commissioner for Victorian Multicultural Commission	N/A	Nil	Appointed 1/09/2002
Dr Maximilian Brandle OAM	Applied Linguist, Consultant on Multiculturalism and Languages, Vice-Chair, ECC QLD; Visiting Fellow, School of Languages and Linguistics, Griffith University; Board Member on the Australian Council for Europe (QLD)	N/A	Nil	Appointed 1/09/2002
Mr John Kiosoglous MBE KSA AE SM	Auxiliary Magistrate, Chair – Ethnic Schools Board (SA); Former Chair South Australian Multicultural and Ethnic Affairs Commission, Executive Member of Adelaide University Heritage Foundation and Chairman of the International Conference on Greek Research (Flinders University)	N/A	Nil	Appointed 30/8/2003
Mr Abeselom Nega	Management Consultant in strategic planning, business development, employment services and performance management and Chair, Federation of African Communities Councils	N/A	Nil	Appointed 31/8/2005

The directors are in office at the date of this report unless otherwise stated.

DIRECTORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

Principal Activities

The principal activities of NAATI are to provide and maintain national standards for translators and interpreters, and to promote, encourage and develop competence and skills in translating and interpreting from one language to another.

There have been no significant changes in the nature of the principal activities of NAATI during the financial year.

Operating Results

The net loss of NAATI for the financial year ended 30 June 2008 was \$581,627 (30 June 2007: loss \$359,666).

Review of Operations

The net operating loss for NAATI for the financial year ended 30 June 2008 was \$581,627, down an additional \$221,961 on 2007. While government revenue was up \$76K and other revenues were up \$25K, testing revenue was down \$383K mainly due to on demand testing which was down \$312K. The loss of test revenue was partially offset by a reduction in marking costs for on demand tests of \$110K. Operating expenditure was up \$66K with the most significant contributors being fit out and lease interest of \$33K and an increase in property rental of \$52K and an increase in IT and SAM expenses up \$126K.

Dividends Paid or Proposed

The Constitution prohibits the payment of dividends to the Members of NAATI.

Significant Changes in the State of Affairs

NAATI has incurred accounting losses of \$359,666 in 2007 and \$581,627 in 2008 leaving it with retained earnings of \$1,243,590. These losses have basically been funded from NAATI's cash reserves that have been reduced from \$2,246,068 in 2006 to \$1,443,686 in June 2008.

The directors are conscious of the need to maintain sufficient working capital to meet the day to day operational cash flows of NAATI. Traditionally the directors have viewed four months operational expenditure (excluding the testing program) as a minimum level of reserves. With current operational expenditure totalling approximately \$3.2 million the level of reserves required would be approximately \$1.06 million. If NAATI incurs a further loss in 2009 equivalent to the current year the reserves would fall below the level the directors believe is a prudent level and they would be forced to reassess the future scope of NAATI's operations.

DIRECTORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

After Balance Date Events

During 2008 the Commonwealth, on behalf of the members, commissioned Walter Turnbull (the 'consultant') to conduct an independent review of NAATI with a view to recommending a sustainable funding model. The consultant reported to the members in May 2008 and a further environmental scan and costing report was issued in July 2008. In the July report current total costs by activity have been assessed at \$4.2 million. The May report highlighted that since 2005 there has been a 6.7% decline in revenue and a 23.2% increase in costs. This report has recommended that the board and CEO of NAATI develop a strategic plan with appropriate consultation with the members and other stakeholders and as a part of the development of the strategic and business plans NAATI should undertake a detailed costing of its functions in order to determine its costs between variable, semi-variable and fixed as well as by State, Territory and National offices. It has also been recommended that NAATI cost the delivery of its core activities to assist in determining the appropriate funding base for NAATI.

Depending on the outcome of the further studies to be completed by the end of September 2008 the board and members will reassess the operational model for NAATI for the future.

Future Developments and Results

Except for the outcomes of the reviews, referred to above, which at this stage are unknown, the directors believe that there are no likely developments that will significantly adversely affect NAATI in the coming year.

Directors' Benefits

No Director has received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract between NAATI or a related body corporate with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors and shown in NAATI's accounts or the fixed salary of a full-time employee of NAATI, controlled entity or related body corporate.

Indemnifying Officers or Auditor

NAATI has not during or since the financial year in respect of any person who is or has been a Director, employee or auditor of NAATI or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings; with the exception of the following matters.

DIRECTORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

Indemnifying Officers or Auditor (Cont'd)

During the financial year NAATI has paid insurance premiums to insure each of the persons listed below against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of NAATI, other than conduct involving a wilful breach of duty in relation to NAATI.

Officers insured include:

Ms Susan Bures	Ms Sherrill Bell
Ms Vicki Mitsos	Mr Abeselom Nega
Dr Maximilian Brandle	Dr Lindsay Heywood
Mr John Kiosoglous	

Meetings of Directors

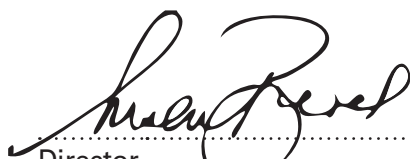
During the financial year, five meetings of the Board of Directors were held. Attendances were:

	No. of meetings eligible to attend	No. of meetings attended
Ms Susan Bures	5	5
Ms Vicki Mitsos	5	5
Dr Maximilian Brandle	5	5
Mr John Kiosoglous	5	5
Mr Abeselom Nega	5	5

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2008 has been received and can be found following the directors' report.

Signed in accordance with a resolution of the Board of Directors.



 Director
 Date: 1/9/08

**AUDITOR'S INDEPENDENCE DECLARATION
 UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
 NATIONAL ACCREDITATION AUTHORITY FOR
 TRANSLATORS AND INTERPRETERS LIMITED (NAATI)
 A.B.N. 42 008 596 996**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Hardwicke's

.....
 HARDWICKE'S
 Chartered Accountants

Dated:

11/9/08

R Johnson

.....
 Robert Johnson FCA
 Partner

Canberra

INDEPENDENT AUDITOR'S REPORT

To the members of the National Accreditation Authority for Translators and Interpreters Limited

Report on the Financial Report

We have audited the financial report of the National Accreditation Authority for Translators and Interpreters Limited (NAATI) for the financial year ended 30 June 2008, as set out on pages 7 to 20, comprising of the directors' declaration, income statement, balance sheet, statement of changes in equity, cash flow statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Report

The directors of NAATI are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis of our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

HARDWICKE'S

Chartered Accountants

ABN 35 973 938 183

Auditor's Opinion

In our opinion, the financial report of the National Accreditation Authority for Translators and Interpreters Limited is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of NAATI's financial position as at 30 June 2008 and its performance for the year ended on that date; and
- ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and

Hardwicke's

.....
HARDWICKE'S
Chartered Accountants

Dated:

11/9/08

R Johnson

.....
Robert Johnson FCA
Partner

Canberra

DIRECTORS' DECLARATION

The NAATI Board of Directors declares that:

1. the financial statements and notes, as set out on pages 10 to 25, are in accordance with the Corporations Act 2001:
 - i) comply with Accounting Standards and the Corporations Regulations 2001; and
 - ii) give a true and fair view of the financial position as at 30th June 2008 and of the performance for the year ended on that date of NAATI;
2. it is the opinion of the Board of Directors that there are reasonable grounds to believe that NAATI will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board of Directors by:



Director

Date:

11/9/08

INCOME STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2008

2007 \$		Note	2008 \$
3,519,035	Revenue from ordinary activities	3	3,236,344
(1,821,150)	Employee benefits expense		(1,721,152)
(143,678)	Depreciation expense		(195,978)
(1,913,873)	Other expenses from ordinary activities		(1,900,841)
(359,666)	Profit/(loss) before income tax expense		(581,627)
-	Income tax expense	18	-
(359,666)	Profit/(loss) after income tax		(581,627)

BALANCE SHEET

AS AT 30 JUNE 2008

2007 \$		Note	2008 \$
	CURRENT ASSETS		
2,057,067	Cash assets	5	1,443,686
12,411	Receivables	6	118,516
53,227	Other	7	51,637
2,122,705	Total Current Assets		1,613,839
	NON-CURRENT ASSETS		
457,147	Property, plant and equipment	8	723,858
457,147	Total Non-Current Assets		723,858
2,579,852	TOTAL ASSETS		2,337,697
	CURRENT LIABILITIES		
438,074	Payables	9	448,800
316,561	Provisions	10	159,414
-	Leases	11	43,674
745,635	Total Current Liabilities		651,888
	NON-CURRENT LIABILITIES		
-	Provisions	10	36,242
-	Leases	11	405,977
-	Total Non-Current Liabilities		442,219
745,635	TOTAL LIABILITIES		1,094,107
1,825,217	NET ASSETS		1,243,590
	EQUITY		
1,825,217	Retained earnings	13	1,243,590

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	Retained Earnings \$	Total \$
Balance at 1 July 2006	2,184,883	2,184,883
Profit/(Loss)	(359,666)	(359,666)
Balance at 30 June 2007	1,825,217	1,825,217
Profit/(Loss)	(581,627)	(581,627)
Balance at 30 June 2008	1,243,590	1,243,590

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

2007 \$		Note	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
1,223,262	Government grants		1,050,294
1,582,303	Test related revenue		975,272
853,412	Other revenue		882,846
121,563	Interest received		122,042
(680,141)	Testing expenditure		(465,729)
(2,977,202)	Operating expenditure		(3,158,788)
123,197	NET CASH PROVIDED BY OPERATING ACTIVITIES	14(b)	(589,063)
CASH FLOWS FROM INVESTING ACTIVITIES			
(312,198)	Purchase of plant & equipment	8	(473,969)
(312,198)	NET CASH USED IN INVESTING ACTIVITIES		(473,969)
CASH FLOWS FROM FINANCING ACTIVITIES			
-	Proceeds from borrowing		449,651
-	Net cash used in financing activities		449,651
(189,001)	Net increase/(decrease) in cash held		(613,381)
2,246,068	Cash at the beginning of the financial year		2,057,067
2,057,067	CASH AT THE END OF THE FINANCIAL YEAR	14(a)	1,443,686

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for National Accreditation Authority for Translators and Interpreters Limited (NAATI) as an individual entity, incorporated and domiciled in Australia. National Accreditation Authority for Translators and Interpreters Limited (NAATI) is a company limited by guarantee.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a) Cash & cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

b) Plant & equipment

Each class of plant & equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Plant & equipment

Plant & equipment are measured on the cost basis less depreciation and any applicable impairment losses.

The carrying amount of plant & equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from these 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 recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated over their useful lives to NAATI commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation rate
Office equipment	10 – 40%
Furniture & fittings	7.5 – 20%
Technology upgrade	20 – 27%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

c) Impairment of assets

At each reporting date, NAATI reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, NAATI estimates the recoverable amount as the depreciated replacement cost of the asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Employee entitlements

Provision is made in respect of NAATI'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. Consistent with the current NAATI Certified Agreement, all permanent full-time employees, permanent part-time employees, temporary employees and casual employees, who have sustained continuous employment with NAATI for a period of ten years, are eligible for Long Service Leave of thirteen weeks. Employees become eligible for a further six and a half weeks of long service leave after another five years continuous employment.

Contributions are made by NAATI to employee superannuation funds and are charged as expenses when incurred.

e) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the provision of services is recognised when the service has been provided to the customers. 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 goods and services tax (GST).

f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown as inclusive of GST.

NOTE 2 ECONOMIC DEPENDENCY

A significant portion of NAATI's annual revenue is derived from Commonwealth, State and Territory Government funding. Funding agreements currently in place run from 1 July 2006 through until 30 June 2009.

NAATI has incurred accounting losses of \$359,666 in 2007 and \$581,627 in 2008 leaving it with retained earnings of \$1,243,590. These losses have basically been funded from NAATI's cash reserves that have been reduced from \$2,246,068 in 2006 to \$1,443,686 in June 2008.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 2 ECONOMIC DEPENDENCY (CONT'D)

During 2008 the Commonwealth, on behalf of the members, commissioned Walter Turnbull (the 'consultant') to conduct an independent review of NAATI with a view to recommending a sustainable funding model. The consultant reported to the members in May 2008 and a further environmental scan and costing report was issued in July 2008. In the July report current total costs by activity have been assessed at \$4.2 million. The May report highlighted that since 2005 there has been a 6.7% decline in revenue and a 23.2% increase in costs. This report has recommended that the board and CEO of NAATI develop a strategic plan with appropriate consultation with the members and other stakeholders and as a part of the development of the strategic and business plans NAATI should undertake a detailed costing of its functions in order to determine its costs between variable, semi-variable and fixed as well as by State, Territory and National offices. It has also been recommended that NAATI cost the delivery of its core activities to assist in determining the appropriate funding base for NAATI.

Depending on the outcome of the further studies to be completed by the end of September 2008 the board and members will reassess the operational model for NAATI for the future.

2007 \$	%	Note	%	2008 \$
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NOTE 3 REVENUE

	%	Revenue from Government & Other Grants	%	
507,000	14.6	Commonwealth Government	16.5	536,000
8,150	0.2	ACT Government	0.3	8,620
159,516	4.5	NSW Government	5.8	187,574
4,380	0.1	NT Government	0.1	4,630
77,875	2.2	QLD Government	2.5	82,330
42,150	1.2	SA Government	1.4	44,560
13,640	0.4	TAS Government	0.4	14,420
126,342	3.6	VIC Government	4.1	134,220
42,870	1.2	WA Government	1.4	45,320
981,923	28	GOVERNMENT FUNDING	16	1,057,674
		Other Revenue		
1,547,789	43	Test-related revenue	35.9	1,164,423
867,760	24	Other services revenue	27.6	892,205
121,563	5	Interest received – other corporations	4	122,042
3,519,035	100	TOTAL REVENUE	100	3,236,344

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	2007 \$		2008 \$
--	------------	--	------------

NOTE 4 PROFIT

Profit/(loss) has been determined after:

Charging as expenses:

	-	Depreciation of office fit out	24,116
	15,202	Depreciation of furniture, plant and equipment	16,182
	128,476	Depreciation of technology upgrade	155,680
	143,678	TOTAL DEPRECIATION	195,978
	25,199	Provision for annual leave	(52,399)
	50,771	Provision for long service leave	(68,505)
	-	Net loss on disposal of plant, equipment & SAM	(10,564)

NOTE 5 CASH & CASH EQUIVALENTS

	799	Petty cash accounts	1,616
	51,172	Operating accounts	22,164
	2,005,096	Investment accounts	1,419,906
	2,057,067		1,443,686

NOTE 6 RECEIVABLES

		Current	
	12,411	Trade debtors	118,516
	12,411		118,516

NOTE 7 OTHER ASSETS

		Current	
	16,939	Other receivables	27,314
	36,288	Prepayments	24,323
	53,227		51,637

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

2007 \$		2008 \$
NOTE 8 PLANT & EQUIPMENT		
-	Office fit out - at cost	473,253
-	Less: accumulated depreciation	(24,116)
-		449,137
68,728	Office equipment - at cost	57,710
(37,249)	Less: accumulated depreciation	(40,581)
31,479		17,129
50,419	Furniture & fittings - at cost	44,430
(14,677)	Less: accumulated depreciation	(15,197)
35,742		29,233
681,884	Technology Upgrade - at cost	417,230
(291,958)	Less: accumulated depreciation	(188,871)
389,926		228,359
457,147	TOTAL PROPERTY PLANT & EQUIPMENT	723,858

Movement in Carrying Amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and end of the current financial year were as follows:

	Office Fitout	Office Equipment	Furniture & Fittings	Technology Upgrade	Total
Balance at the beginning of the financial year	-	31,479	35,742	389,926	457,147
Additions	473,253	-	-	-	473,253
Disposals	-	(11,018)	(5,989)	(58,480)	(75,487)
Depreciation expense	(24,116)	(3,332)	(520)	(103,087)	(131,055)
Carrying amount at the end of the financial year	449,137	17,129	29,233	228,359	723,858

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

2007 \$		2008 \$
NOTE 9 PAYABLES		
Current		
149,495	Trade creditors	110,957
28,158	Accrued charges	147,728
42,000	Test fees in advance	19,320
84,011	Practitioner Directory fees in advance	90,955
130,134	Grants in advance	78,000
4,276	GST liability	1,840
438,074		448,800

NOTE 10 PROVISIONS		
Current		
144,940	Provision for annual leave	92,540
171,621	Provision for long service leave	66,874
316,561	Aggregate employee entitlements liability	159,414
Non-Current		
-	Provision for long service leave	36,242
-	Aggregate employee entitlements liability	36,242
30	Number of full time equivalent employees at year end	25.6

NOTE 11 FINANCIAL LIABILITIES		
Current		
-	Lease liability	43,674
Non-Current		
-	Lease liability	405,977

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

2007 \$	2008 \$
NOTE 12 CAPITAL & LEASING COMMITMENTS	
Finance Lease Commitments	
Payable – minimum lease payments	
- - not later than 12 months	94,717
- - later than 12 months but not later than 5 years	378,868
- - greater than 5 years	142,076
- Minimum lease payments	615,661
- Less future finance charges	(166,010)
-	449,651

NOTE 13 RETAINED EARNINGS

NAATI shows an accumulated surplus of \$1,243,590. The adequacy of this surplus is constantly under review, as the company must ensure that it has sufficient working capital to meet its day to day operational cash flows. As with prior years, NAATI's cash flow can be significantly affected by such factors as the timing of grant funding from the Commonwealth, State and Territory Governments, and the considerable up front costs that are incurred in delivering a test program, before any revenue is received. If no government funding is received and there is a delayed or unsuccessful test program NAATI has to maintain reasonable accumulated surpluses to assure operational stability. From a review of the investment policy, it has been identified that NAATI would ideally maintain reserves of at least four months trading to provide a level of security and an environment for efficient decision making.

NOTE 14 CASH FLOW INFORMATION

a) Reconciliation of cash

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to items in the statement of financial position as follows:

799	Petty cash accounts	1,616
51,172	Operating accounts	22,164
2,005,096	Investment accounts	1,419,906
2,057,067		1,443,686

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

2007 \$		2008 \$
NOTE 14 CASH FLOW INFORMATION		
b) Reconciliation of cash flows from operations with operating surplus from ordinary activities after income tax		
(359,666)	Profit/(loss) after income tax	(581,627)
Non cash flows		
15,184	Depreciation	40,298
128,494	Depreciation (technology upgrade)	155,680
460	Loss on disposal of fixed assets	10,564
Changes in assets & liabilities		
122,760	(Increase)/decrease in debtors	(106,105)
15,720	(Increase)/decrease in other debtors	(6,870)
(8,219)	(Increase)/decrease in prepayments	8,460
74,821	Increase/(decrease) in employee entitlements	(117,871)
(21,973)	Increase/(decrease) in creditors & GST	(3,084)
11,770	Increase/(decrease) in accrued charges	78,646
130,134	Increase/(decrease) in grants in advance	(52,134)
7,913	Increase/(decrease) in test fees in advance	(22,680)
5,799	Increase/(decrease) in directory fees in advance	7,660
123,197	NET CASH PROVIDED BY OPERATING ACTIVITIES	(589,063)

NOTE 15 AUDITORS' REMUNERATION

Remuneration of the auditor for:		
17,250	- auditing the financial report	17,950
590	- other services	300
17,840		18,250

Other services currently only include assistance with ASIC documentation. Audit services are for the audit and assistance with financial statement presentation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2007 \$	2008 \$
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NOTE 16 RELATED PARTY DISCLOSURES

a) The Directors of NAATI during the financial year were:

Ms Susan Bures
 Ms Vicki Mitsos
 Dr Maximilian Brandle
 Mr John Kiosoglous
 Mr Abeselom Nega

b) Director's Remuneration

59,013	Income paid or payable to all Directors of NAATI by the company and any related parties	53,239
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Number of Directors whose income from NAATI and any related parties was within the following bands:				
4	\$0	-	\$9,999	
1	\$10,000	-	\$19,999	4 1

NOTE 17 SEGMENT INFORMATION

NAATI is a national body that provides and maintains standards for translators and interpreters and promotes, encourages and develops competence and skills in translating and interpreting from one language to another. It operates primarily throughout Australia with some limited services being available in certain overseas locations.

NOTE 18 INCOME TAX

NAATI is tax exempt under Section 50-25 of the Income Tax Assessment Act 1997.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 19 FINANCIAL INSTRUMENTS

a) Interest rate risk

NAATI's 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 rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing			Non- interest Bearing	Total
			Within one year	1 to 5 years	Over 5 years		
2008							
		\$	\$	\$	\$	\$	\$
Financial Assets							
Cash	7.78%	1,028,902	413,168	-	-	1,616	1,443,686
Receivables	-	-	-	-	-	118,516	118,516
TOTAL FINANCIAL ASSETS		1,028,902	413,168	-	-	120,132	1,562,202
Financial Liabilities							
Payables	-	-	-	-	-	110,957	110,957
Leases	10.42%	-	94,717	378,868	142,076	-	615,661
TOTAL FINANCIAL LIABILITIES		-	94,717	378,868	142,076	110,957	726,618
2007							
		\$	\$	\$	\$	\$	\$
Financial Assets							
Cash	6.27%	1,717,727	338,541	-	-	799	2,057,067
Receivables	-	-	-	-	-	12,411	12,411
TOTAL FINANCIAL ASSETS		1,717,727	338,541	-	-	13,210	2,069,478
Financial Liabilities							
Payables	-	-	-	-	-	149,495	149,495
TOTAL FINANCIAL LIABILITIES		-	-	-	-	149,495	149,495

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 19 FINANCIAL INSTRUMENTS (CONT'D)

b) Credit risk

Credit risk on the company's financial assets is the loss that would be recognised if the other parties failed to perform their contractual obligations. 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 of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

c) Net fair values

The carrying amount of the company's receivables, payables and bank accounts approximate their fair value. Receivables and payables are recognised at the amounts due and owed respectively.

The net fair values of listed investments have been valued at the quoted market bid price at balance date.

Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity or for the long term.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2008 \$		2007 \$	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
Financial Assets				
Cash	1,443,686	1,443,686	2,057,067	2,057,067
Receivables	118,516	118,516	12,411	12,411
	1,562,202	1,562,202	2,069,478	2,069,478
Financial Liabilities				
Payables	110,957	110,957	149,495	149,495
Leases	615,661	615,661	-	-
	726,618	726,618	149,495	149,495



OUTLOOK

OUTLOOK

NAATI will continue to build on its strong foundation as one of the cornerstones of the T&I sector through its standard-setting and accreditation functions, drawing on:

- continuing support from the members and their representatives
- extensive expertise in the Qualifications Assessment and Advisory Committee and the panels of examiners
- the commitment, enthusiasm and experience of Regional Advisory Committees, and
- the capability of its staff and client services

to continue to implement government initiatives and support the profession and the community.

The following issues and challenges will shape the year ahead:

- developing and implementing a new strategic plan
- delivery against NAATI's funding agreement objectives for the coming period
- maintaining strong core business functions in accreditation and testing
- strengthening NAATI's capacity to innovate and respond to the community and the profession
- further strengthening support for new and emerging languages
- exploring mechanisms to better engage with Indigenous languages
- working with the profession to bring about a smooth implementation of the revalidation system
- continuing to build on productive relationships with the members and key stakeholders
- continuing constructive collaboration with professional bodies
- establishing more effective consultative mechanisms
- implementing a sustainable business model for NAATI in a changing environment
- managing periodic and enduring changes in demand for testing
- continuing to enhance NAATI's profile nationally and regionally
- adding to the languages available for testing
- embracing new technology to improve testing, business performance, efficiency and access for clients
- improving business capability and processes consistent with the expectations of the funding parties, the profession and the community.