



ANNUAL REPORT

2016|17

National Accreditation Authority
for Translators and Interpreters LTD

ANNUAL REPORT

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2016|17



NATIONAL ACCREDITATION AUTHORITY FOR TRANSLATORS AND INTERPRETERS LIMITED (NAATI)

WHO WE ARE

NAATI is a not-for-profit company that is jointly owned by the nine governments of Australia. We are a company limited by guarantee governed by a Board of Directors, who are appointed by the owners.

Our mission, as outlined in the NAATI Constitution, 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 community.

NAATI services are available through any of our offices located across Australia.

WHAT WE DO

Some people get confused about what NAATI is and what we do. Essentially, NAATI is a standards organisation responsible for setting, maintaining and promoting high professional standards.

Our core focus is issuing credentials for practitioners who wish to work as translators and interpreters in Australia.

Our aim is to be a respected and recognised global leader in the provision of certification services for translators and interpreters, providing quality services and being responsive to the individuals and organisations which benefit from NAATI's services.

NAATI's work enhances the translation and interpreting industry's competitiveness and contributes to a community demand for everyone to be able to communicate and interact with each other.



THE KEY TO LANGUAGE DIVERSITY

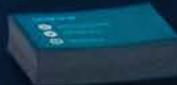


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FROM THE CHAIR OF THE BOARD



It is a privilege to write what will be my last Annual Report as Chair of the Board. I have been very fortunate to have been Chair of NAATI over the last 7 years – a time of enormous change for the organisation and its stakeholders. I am very pleased to be able to leave at a time when NAATI is increasing its contribution to the social fabric of Australia, through improved testing and certification systems, greater and deeper engagement with the translating and interpreting profession, further improvements in the provision of services for translating and interpreting in Indigenous languages, and advice on a range of issues, ranging from family violence to refugees. All of this could only have been achieved with the hard work and dedication of management and staff under the leadership of CEO Mark Painting, and my fellow Directors. I want to thank them all.

Particular improvements over the last twelve months have concentrated on governance. Following a review of governance and committee structures, the Board approved the establishment and selection of the Technical Reference Advisory Committee (TRAC) to provide policy to technical advice on a broad range of industry related matters. The Board also revised the Terms of Reference for the various Regional Advisory Committees (RACs) to ensure they reflect a more contemporary function. I also take this opportunity to pay special tribute to the Qualifications Assessment Advisory Committee (QAAC). The QAAC finished in 2016 and the Board is keen to ensure that this positive legacy is carried on with the revised structure for future years.

I would like to thank the Federal Government for the decision to continue funding for the Indigenous Interpreting Project for the next four years under the Indigenous Advancement Strategy. This project has been extremely successful to date and will continue to improve access to services for Indigenous people through more accredited interpreters in a wider range of languages.

I thank the Member Governments of NAATI for their on-going support and in particular their demonstrated commitment through a new three year funding agreement to ensure the core NAATI functions can be maintained through a significant transition period. The Board also appreciate the timely appointment and re-appointment of Directors to the Board to ensure the continuity of the Board.

In closing, I thank my fellow Directors for their commitment and professionalism throughout the year and particularly acknowledge Associate Professor Ludmila Stern whose tenure as Director ended during the year and welcome the appointment of Ms Mitra Khakbaz to the Board. I am also very pleased with the Members Decision to reappoint existing directors Pino Migliorino, Voula Messimeri, John Williams and Mary Gurgone. I will end my tenure as Chair of the Board at the end of 2017 full of confidence that NAATI is in a sound position and has the Board and management in place to ensure long term success.

Kerry Stubbs
Chair
NAATI Board of Directors



FROM THE CHIEF EXECUTIVE OFFICER



As is evidenced by the information detailed in this report, 2016-17 was an extremely busy year with increased activity across all NAATI functions and significant progress on the development of the new certification scheme.

In business terms, a positive outcome of the increased activity was a healthy operating result that will provide the opportunity for investment in technology and process improvements to achieve longer term efficiency. The process of digital transformation has commenced and during the year in addition to a new intranet, NAATI implemented a web based examiner portal and undertook significant planning and preparation for the planned introduction of a new business enterprise suite from July 2017 and of course a new operational database to support the certification scheme from January 2018.

Much of the work in 2016-17 has been the continuation of the design of the new certification scheme that will come into effect in 2018. The complexity and significance of this work cannot be understated and whilst some challenges remain, it is essential to ensure the ongoing professionalisation of the sector. The result will be one of the most comprehensive and robust systems of certification for translating and interpreting in the world. Implementing such a significant change would not be possible without the support of key industry stakeholders and I take the opportunity to thank Member Governments, key language service providers and the national professional associations (AUSIT, ASLIA and Professionals Australia) for their leadership and support in this regard.

In addition to its regular activity, NAATI has been active in engaging with a number of organisations, including Standards Australia, the Judicial Council on Cultural Diversity and the Migrant and Refugee Womens' Health Partnership to support projects that are of interest to the translating and interpreting sector. It is important to continue to find ways of collaborating across the sector and NAATI looks forward to supporting more joint initiatives in the future.

Finally, I take the opportunity to acknowledge all the organisations and individuals that support NAATI's work on a daily basis, this includes the various advisory committees, working groups, education providers, examiners and of course the many practitioners delivering essential community services every day. These contributions are greatly appreciated and I look forward to the continued support as we enter a period of unprecedented change for the sector in Australia.

Mark Painting
NAATI CEO



Over 300 languages, including Indigenous languages, are spoken in Australia.



MEMBERS AND DIRECTORS

1

MEMBERS OF NAATI & THEIR REPRESENTATIVES

The Members of the Company are the nine ministers who are responsible for multicultural affairs and/or citizenship 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.

New Members of NAATI were appointed during the year as follows:

- Commonwealth – Senator the Hon. Zed Seselja
- ACT – Rachel Stephen-Smith, MLA
- NSW – Ray Williams, MP
- TAS – Sarah Courtney, MP
- WA – Paul Papalia, MLA

NAATI welcomes the new Members and their representatives and looks forward to working closely with them. The Board also thanks the retiring Members and representatives for their interest in and support for NAATI.

AS AT 30 JUNE 2017 THE MEMBERS OF NAATI AND THEIR REPRESENTATIVES WERE:

COMMONWEALTH

Member: Senator the Hon. Zed Seselja
Assistant Minister for Social Services and Multicultural Affairs

Represented by: Mr Evan Lewis
Group Manager, Multicultural, Settlement Services and Communities Group,
Department of Social Services

AUSTRALIAN CAPITAL TERRITORY

Member: Ms Rachel Stephen-Smith, MLA
Minister for Community Services and Social Inclusion, Minister for Disability,
Children and Youth, Minister for Aboriginal and Torres Strait Islander Affairs,
Minister for Multicultural Affairs, Minister for Workplace Safety and
Industrial Relations

Represented by: Ms Jenny Wells
Senior Manager, Community Services Directorate,
Office of Multicultural and Aboriginal and Torres Strait Islander Affairs

NEW SOUTH WALES

Member: Hon. Ray Williams, MP
Minister for Multiculturalism and Minister for Disability Services

Represented by: Mr Hakan Harman
Chief Executive Officer, Multicultural NSW

NORTHERN TERRITORY

Member: Hon. Gerald (Gerry) McCarthy, MLA
Minister for Essential Services, Minister for Housing and Community
Development and Minister for Public Employment

Represented by: Mr David Alexander,
Executive Director, Engagement and Community Development,
Department of Housing and Community Development

QUEENSLAND

Member: Hon. Ignazia (Grace) Grace, MP

Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs

Represented by: Mr Wayne Briscoe

Executive Director, Multicultural Affairs Queensland,
Department of Communities, Child Safety and Disability Services

SOUTH AUSTRALIA

Member: Hon. Zoe Bettison, MP

Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for the Status of Women, Minister for Ageing, Minister for Multicultural Affairs, Minister for Youth and Minister for Volunteers

Represented by: Ms Sue Wallace

Executive Director, Policy and Community Development,
Department for Communities and Social Inclusion

TASMANIA

Member: Ms Sarah Courtney, MP

Parliamentary Secretary to the Premier, and Community and Veterans Affairs

Represented by: Dr Suzanne Mallick

Principal Liaison Officer – Multicultural Team Leader, Strategic Planning and Communications, Communities, Sport and Recreation Tasmania,
Department of Premier and Cabinet

VICTORIA

Member: Hon. Robin Scott MP

Minister for Finance and Minister for Multicultural Affairs

Represented by: Mr Hakan Akyol

Director, Office of Multicultural Affairs & Citizenship (DPC)

WESTERN AUSTRALIA

Member: Hon. Paul Papalia CSC, MLA

Minister for Tourism, Minister for Racing and Gaming, Minister for Small Business, Minister for Defence Issues and Minister for Citizenship and Multicultural Interests

Represented by: Ms Rebecca Ball

Executive Director, Office of Multicultural Interests

THE BOARD OF DIRECTORS



KERRY STUBBS

Kerry Stubbs was appointed to the NAATI Board of Directors on March 1, 2010 and as the Chair on November 15, 2010. Ms Stubbs is CEO and Managing Director of Northcott and has extensive board and committee experience, including Board Chair and Chair of Audit and Finance Committees. She was the founding member and a steering committee member of the Network for Intercultural Communication. Ms Stubbs has a Master of Arts with Honours in Government and Public Administration. In 2007 she was named the NSW Telstra Businesswoman of the Year in Community and Government Sector and has had numerous publications including the award winning Multiculturalism in Conflict (1988) training handbook. Ms Stubbs is a Member of the Australian Institute of Company Directors. Ms Stubbs' term expires on November 30, 2017.



GIUSEPPE (PINO) MIGLIORINO, AM

Pino Migliorino was appointed to the NAATI Board of Directors on May 15, 2014. Mr Migliorino was born in Bari, Italy in 1959 and migrated to Australia with his family through an assisted passage program in 1964 to reunite with an extended family. Pino founded Cultural Perspectives/DiverseWerks and Culture and Indigenous Research Centre Australia (CIRCA) 22 years ago and this group of companies are sector leaders in consulting, researching and communicating with culturally and linguistically diverse (CaLD) and indigenous communities. Prior to working in the private sector, Mr Migliorino held important positions in the third sector and in government. Mr Migliorino has also served as Chairperson of the Federation of Ethnic Communities Councils of Australia (FECCA) from 2009 to 2013. He is now the Hon. President of FECCA and is an acknowledged expert in policy areas relevant to diversity. Mr Migliorino has a BA and Dip. Ed (Secondary), is a Fellow of the Public Relations Institute of Australia (PRIA) and a Qualified Practicing Market Researcher (QPMR). Mr Migliorino's term expires on May 14, 2020.



ASSOC. PROF. LUDMILA STERN

Prof., Ludmila Stern was appointed to the role of Director on 1 March 2010. Before embarking on an academic career, Prof. Stern worked as an interpreter and translator. She was the founder and the first Convenor of the NAATI approved Master's degree in Interpreting and Translations Studies at UNSW (2005 - 2010), for which she was awarded the 2010 Dean's Award and the Vice Chancellor's Award for Teaching Excellence. Prof. Stern resumed the role of Convenor in 2014. As part of her research, she examines interpreting practices in national and international courts and tribunals, and their impact on courtroom communication (e.g., the Australian War Crimes Prosecutions, at the International Criminal Tribunal for the Former Yugoslavia and the International Criminal Court). Prof. Stern was Chair and examiner of the NAATI Russian panel. Prof. Stern's term on the NAATI Board expired on 30 November 2016.



JOHN WILLIAMS PSM

Mr John Williams was appointed to the NAATI Board of Directors on September 1, 2014. Previously Mr Williams had joined the Department of Immigration in Melbourne in 1964 where he gained extensive senior management experience before retiring in December 2008. Mr Williams' extensive overseas appointments include serving in the Australian High Commission London from 1973 to 1975; the Australian Embassy in Belgrade from 1975 to 1977 and 1983 to 1985; the Australian Embassy in Cairo from 1978 to 1979; the Australian Consulate Cape Town from 1979 to 1982. Mr Williams was extensively involved with multicultural and consular communities in his assignments both overseas and in Australia. While working in Australia he built strong working relationships with other government agencies at the Federal and State level. Mr Williams was awarded a Public Service Medal (PSM) in the Queen's Birthday Honour list in 2008 in recognition of his work with Australia's multicultural communities. Since retiring from the Public Service, Mr Williams has established his own consultancy to assist multicultural communities better connect with and access services within society. Mr Williams' term expires on August 31, 2020.

THE BOARD OF DIRECTORS



MARY GURGONE

Ms Mary Gurgone was appointed to the NAATI Board of Directors on November 1, 2014 and has been the National Director for Fortis Consulting since 2009. Fortis is one of the top 30 management consulting firms in Western Australia. In 2016, Mary led Fortis to win the WA Government's Multicultural Recognition Award in the private sector. Mary migrated to Australia from Italy and has a lifelong commitment to cross cultural and cross linguistic communication. Ms Gurgone has a Master of Business, teacher training and vocational training qualifications, Bachelor of Arts (English and Italian), and NAATI accreditation as a professional translator and interpreter. Ms Gurgone is passionate about quality in translating and interpreting and has worked tirelessly for the translating and interpreting profession. She has been a national president of the Australian Institute of Interpreters and Translators Inc (AUSIT), State President of AUSIT WA (1989-2002) and a Fellow of AUSIT. Ms Gurgone continues to lead strategic national projects related to Australian Multiculturalism. Ms Gurgone's term expires on October 31, 2020.



VOULA MESSIMERI AM

Ms Voula Messimeri AM was appointed to the NAATI Board of Directors on November 1, 2014. Voula is the immediate past CEO of Australian Greek Welfare Society (AGWS) and the past Chair of the peak multicultural national body, the Federation of Ethnic Communities' Councils of Australia (FECCA). She has served in leadership positions on a number of community management bodies and on Boards such as RMIT University Council and the RMIT Training Board, a controlled entity of RMIT University. Voula served for 15 years as Director on the VITS Board and occupied the role of Deputy Chairperson twice in that time. She has served on Ministerial State and Federal advisory structures across diverse areas, including health, ageing, income support, media and was a member on the Australian Multicultural Advisory Council. Voula is Patron of In Touch Inc. Multicultural Centre against Family Violence. She was inducted into the Victorian Honour Roll of Women and recognised under the Order of Australia for her contribution to refugees, migrants and women. Ms Messimeri's term expires on October 31, 2020.



MITRA KHAKBAZ

Mitra Khakbaz was appointed to the NAATI Board of Directors on December 1, 2016. Mitra is an Executive Manager with MDA Ltd where she oversees regional settlement, employment, community wellbeing, youth settlement, case work and intensive support services. She has worked in the multicultural sector since coming to Australia from Iran in 1994. She has a strong commitment to women's and children's rights and in 2013 was awarded a Churchill Fellowship on improving the economic participation of refugee women at risk. Mitra has many years of high-level involvement with various community organisations. She was a Board Member of DV Connect for over 10 years until 2012 and has been a management committee member of the Immigrant Women's Support Service and the Churchill Fellowship Association of Queensland. Mitra is currently the co-chair of the Queensland Community Alliance. Mitra holds a Masters Degree in Applied Linguistics, a Masters Degree in Social Administration and a Postgraduate Diploma in Community Development and Social Policy. Ms Khakbaz's term expires on November 30, 2019.



OUR STRUCTURE

2

OUR STRATEGIC PRIORITIES

In late 2015, the NAATI Board approved a strategic plan to focus the organisation and shape the short-medium term priorities. Performance against the targets in the plan are regularly monitored.

Below is a summarised version of this plan.

MISSION

The mission of the Company, as outlined in the NAATI Constitution, 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.

GOALS

As the provider of accreditation/certification services for translators and interpreters in Australia, NAATI aims to provide quality services and be accountable to the individuals and organisations which benefit from NAATI services.

Goals for 2016-2018 include:

- Providing a credentialing system which has integrity and accountability.
- Providing a credentialing system which sets the standard for interpreting and translating in the world.
- Fostering a culture of continuous quality improvement.
- Working towards a financially sustainable organisation with less financial dependence on its members.
- Ensuring a client-centric service delivery model.
- Ensuring an organisation that is held in high regard among its Members, clients and collegiate organisations.
- Advocating for and supporting multiculturalism in Australia.

STRATEGIES

NAATI will actively pursue the following strategies to reach its goals:

Strategy 1: Position NAATI as a leader in credentialing and professional standards for translating and interpreting and as an influencer in the wider context of Australian language policy and delivery.

Strategy 2: Implement agreed recommendations from the Improvements to NAATI Testing Project.

Strategy 3: Diversify NAATI services and products.

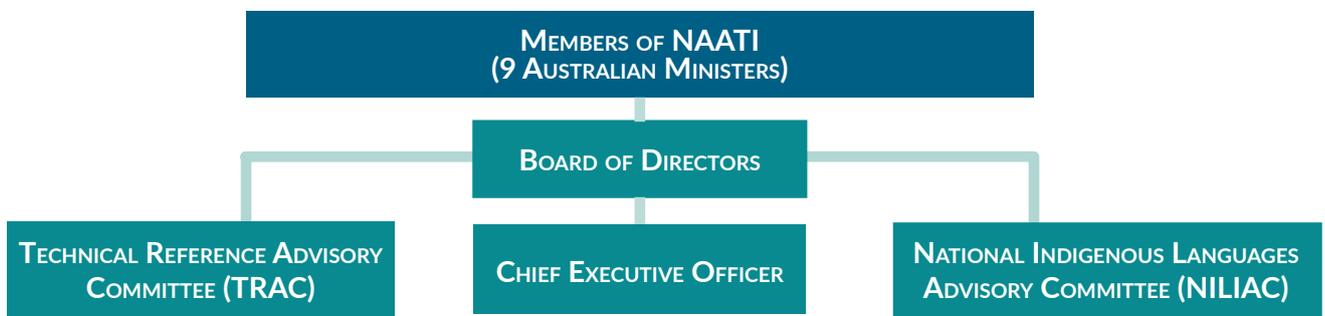
Strategy 4: Enhance NAATI's financial sustainability.

In 2018, the NAATI Board will undertake a strategic planning exercise to review performance and set the priorities for 2019 and beyond.

ORGANISATIONAL STRUCTURE

NAATI’s National Office is located in Canberra with satellite offices located in Adelaide, Brisbane, Hobart, Melbourne, Perth and Sydney. Operations for the Northern Territory are managed through the National Office. As of 30 June 2017, NAATI employed 45 staff, equivalent to 35.5 full-time positions.

The diagram below details the structure of our management team.



NAATI COMMITTEES

NAATI has a long tradition of sourcing external advice and expertise to assist with our work. Generally, this advice is sought through a series of established committees. These committees include:

1. The Qualifications Assessment and Advisory Committee
2. The Technical Reference and Advisory Committee
3. The Regional Advisory Committees
4. The National Indigenous Languages Interpreting Advisory Committee

QUALIFICATIONS ASSESSMENT AND ADVISORY COMMITTEE

The Qualifications Assessment and Advisory Committee (QAAC) was established in 1986 and was NAATI's primary advisory committee concerning accreditation standards, course approvals and a variety of related matters.

The QAAC comprises of eight members with expertise in tertiary education, training and international translating and interpreting qualifications. The committee's key purposes include:

- Approval of tertiary courses in translating and interpreting
- Development and revision of NAATI's guidelines for the approval of courses
- Assessment of overseas qualifications
- Assessment of qualifications for accreditation at the conference interpreter or advanced translator level
- Development of eligibility criteria for accreditation at the various levels
- Consideration of appeals
- Development of policies relating to accreditation and testing.

The QAAC functions by making recommendations on the above issues for consideration by the NAATI Board. The committee met face-to-face twice during 2016-17 in Canberra. The October 2016 meeting was the last meeting of the QAAC due to NAATI's decision to restructure some of its committees.

The Board gratefully acknowledges the advice it received from the QAAC and thanks all members, past and present, for their service.

TECHNICAL REFERENCE AND ADVISORY COMMITTEE

The Technical Reference Advisory Committee (TRAC) was established during 2016-17 in preparation for a period of significant system and organisational reform. NAATI sought to establish a new committee as its primary source of advice on technical translating and interpreting (T&I) matters.

The TRAC seeks to build on the work of the previous Qualifications Assessment Advisory Committee and the Professional Reference Group providing the NAATI Board and management with independent advice on policy issues to ensure NAATI is equipped for its role in the contemporary Translating & Interpreting industry.

The TRAC provides advice on policy initiatives and provide capacity to undertake investigations into complex issues and complaints. The TRAC complements NAATI management and other governance committees as well as the network of Regional Advisory Committees.

Specifically, the TRAC:

- Provides strategic policy and technical advice to NAATI on Translating & Interpreting related services and standards, including contemporary international research, to inform relevant NAATI policies.
- Provides advice and expertise to facilitate the transition to the new certification system.
- Identifies opportunities for collaboration within the industry, including opportunities for international engagement.
- Identifies priority languages for interpreter training, testing and accreditation.
- Identifies opportunities for and encourages the exchange of information among networks of practitioners, educators, researchers, industry, government and other stakeholders to support improved service delivery.
- Assesses the merit of collaborative research opportunities.
- Reviews complex issues and complaints.

As an advisory body the TRAC has no executive powers or decision-making authority but will provide the NAATI Board and management with robust strategic advice on any issue relevant to NAATI's role in the Translating & Interpreting industry. The TRAC reports to the NAATI Board through the Chief Executive Officer.

REGIONAL ADVISORY COMMITTEES

Regional Advisory Committees (RACs) have existed in some form since the 1980's to assist NAATI to receive advice from the profession and the community, across Australia, on a regular basis. Each RAC is supported and administered by the relevant State Manager.

Members are drawn from a cross-section of the community including representatives from professional associations, local language service providers, government bodies, educational institutions, community bodies and individual practitioners.

RAC members are appointed via a nomination through their local NAATI Office. The major roles of the Regional Advisory Committees include:

- Providing advice to NAATI on all local matters to do with industry needs and professional issues in the relevant state and territory
- Considering advice or requests for advice from NAATI
- Assisting in raising community awareness of NAATI and the value and appropriate use of accredited practitioners.
- Facilitating the exchange of information among local networks of practitioners, educators, industry, government and other stakeholders.
- Assisting the NAATI Board in its periodic consultations with industry stakeholders; and
- Undertaking local initiatives as approved by NAATI.

Currently, there are active RACs in New South Wales, Victoria, South Australia, Tasmania, Queensland and Western Australia. During 2016-17, 24 meetings were held across all states.

NAATI would like to take this opportunity to thank and acknowledge all members for their valuable contributions throughout the year. The contacts that are established and maintained through these committees are key to NAATI's ability to grow to meet the needs of the sector.

NATIONAL INDIGENOUS LANGUAGES INTERPRETING ADVISORY COMMITTEE

During 2015-16, NAATI established the National Indigenous Languages Interpreting Advisory Committee (NILIAC). The inaugural Chair of the NILIAC is Ms Colleen Rosas, Director of the Northern Territory Aboriginal Interpreting Service.

The NILIAC comprises seven members with expertise in Indigenous languages interpreting, training, education and/or service provision in South Australia, Western Australia, the Northern Territory and Queensland.

The key purposes of the NILIAC are to:

- Promote co-ordination and identify opportunities for collaboration within the Indigenous interpreting sector.
- Bring together key Indigenous Interpreting stakeholders to foster communication, exchange of ideas and information about regional initiatives.
- Identify priority Indigenous languages for interpreter training, testing and accreditation.
- Provide advice about specific Interpreting needs of the state or territory and any particular regional variations.
- Facilitate the exchange of information among networks of practitioners, educators, industry, government and other stakeholders, including technological developments to support improved service delivery.

Three meetings were held during 2016-17, the first two by teleconference in November 2016 and February 2017 and the third (annual) face-to-face meeting was held in Canberra in June 2017.

Key issues discussed included past and future workshops, the introduction of a testing request form to better gauge interpreting language need and screen candidates, the new certification system and the Commonwealth Ombudsman's report on Indigenous interpreting which recommended further funding for NAATI's Indigenous Interpreting Project.

NAATI acknowledges that the NILIAC is not intended to be the only source of input it receives from the Indigenous interpreting sector, nor does it supplant opportunities for direct approaches to NAATI via other channels.

The NILIAC is jointly funded by NAATI and the Department of the Prime Minister and Cabinet through the Indigenous Advancement Strategy (IAS).

EXAMINER PANELS

NAATI examiners are the professional people who help us maintain and set the high professional standards translators and interpreters are assessed by. Examiners are recruited by language to sit on panels. As a members of a panel, examiners assist with the setting and marking of the translator and interpreter accreditation tests in that specific language.

Panels generally operate under the guidance of a Panel Chair with the administration of marking supported by NAATI's National Office. 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 2017, there were 60 examiner panels operating with more than 240 examiners.

EXAMINER RECRUITMENT

In February 2016, NAATI commenced a new round of examiner recruitment through an advertisement campaign. Overall, 465 expressions of interest (EOI) applications were submitted across 67 languages. There were 229 applications from current examiners and the remaining 236 from individuals who had never served as a NAATI examiner.

Sixty-four individuals without any previous experience as a NAATI examiner were offered a place to proceed to the second stage of assessment. This stage helped NAATI to assess an applicants' ability to understand and apply NAATI's marking guidelines and their ability to justify their marking decisions. Applicants who made it through this stage completed a second setting and marking training workshop in October 2016.

Outside of recruitment rounds, NAATI accepts EOIs from individuals interested in joining a panel. Where the application is thought to have merit, the individuals may be recommended for appointment after completing the second stage of assessment.

EXAMINER DEVELOPMENT: MEETINGS AND WORKSHOPS

NAATI runs ongoing examiner development activities including general panel meetings and test-specific marking workshops. These activities aim to provide the panels with an opportunity to have face-to-face discussions and to enhance panels' performance in marking and setting NAATI tests.

In 2016-17, NAATI ran two language-specific panel meetings, relating to marking consistency and the setting of test materials. Test-specific workshops were conducted with ten language panels to discuss areas of difficulty that may arise during the marking or setting of particular test materials.

EXAMINER DEVELOPMENT: INT PROJECT

NAATI ran four sessions of the Examiner Training Stage 1 workshop in May and June 2017.

These two-day training workshops aimed to:

1. Re-familiarise examiners with theoretical background of translating and interpreting to support the setting and marking of NAATI tests.
2. Explain the changes resulting from the INT Project and implications for examiners.
3. Introduce requirements for setting new test materials in the certification system.

Around 90% of examiners attended a session and the examiners who could not attend the face-to-face session were able to work through online materials. The constructive feedback from these sessions will help NAATI further develop and refine the test formats and setting processes for the new certification system. A second stage workshop is planned for the second quarter of 2017.

NAATI ONLINE EXAMINER TOOLS

NAATI launched a set of web-based examiner tools in April 2017. For the first time in NAATI's history, examiners can mark translation tests digitally (from wherever they are located at the time) by using editing software and submit the marked papers and results via an online portal. These online tools also enable multiple examiners to mark test material simultaneously, which has significantly sped up the time it takes for NAATI to issue results.

THE YEAR IN REVIEW

3

THE YEAR IN REVIEW

As noted earlier, NAATI’s core focus is issuing credentials for practitioners who wish to work as translators and interpreters in Australia. This section provides detail on NAATI’s core business activities associated with the following key services, including:



KEY SERVICES

- Accreditation testing
- Accreditation assessments
- Recognition assessments
- Revalidation assessments
- Approved course assessments
- Skills assessments for migration
- Online courses & face-to-face workshops
- Industry products and publications

APPLICATIONS

Overall, NAATI received a total of 10892 applications during 2016-2017. The breakdown of application by service is shown below:



TOTAL APPLICATIONS RECEIVED (YEAR TO DATE)

ACCREDITATION TESTING	4,333
ACCREDITATION ASSESSMENT (VIA APPROVED COURSE)	5431
ACCREDITATION ASSESSMENT (VIA ALL OTHER PATHWAYS)	50
REVALIDATION ASSESSMENT	985
RECOGNITION ASSESSMENT	27
OTHER	46
TOTAL	10,892

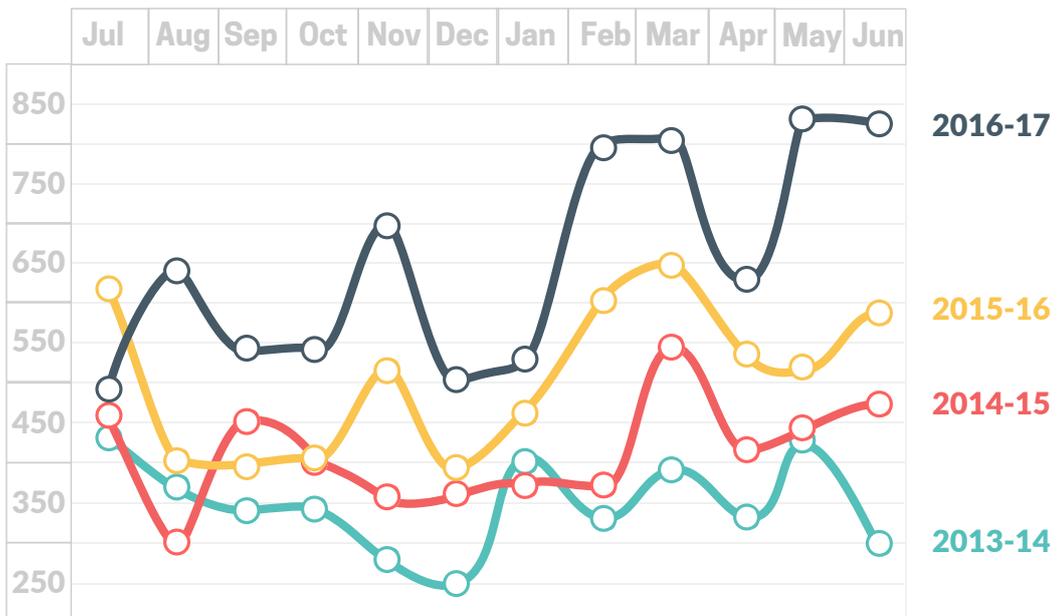
NEW APPLICATIONS

Approximately 72% of all applications were from individuals who have no previous relationship with NAATI.



NEW APPLICATIONS BY MONTH

The number of new applications processed has increased throughout the year, with May and June seeing significantly higher numbers than previous years. The number of new applications received during the reporting period represents an increase of 27.5% on 2015-2016.



CREDENTIALING – ACCREDITATION & RECOGNITION

Accreditation is an acknowledgement that an individual has demonstrated the ability to meet the professional standards required by the translation and interpreting industry. There are eight types of accreditation over four levels .

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ACCREDITATION TYPES

1	Paraprofessional Translator
2	Professional Translator
3	Advanced Translator
4	Advanced (Senior) Translator

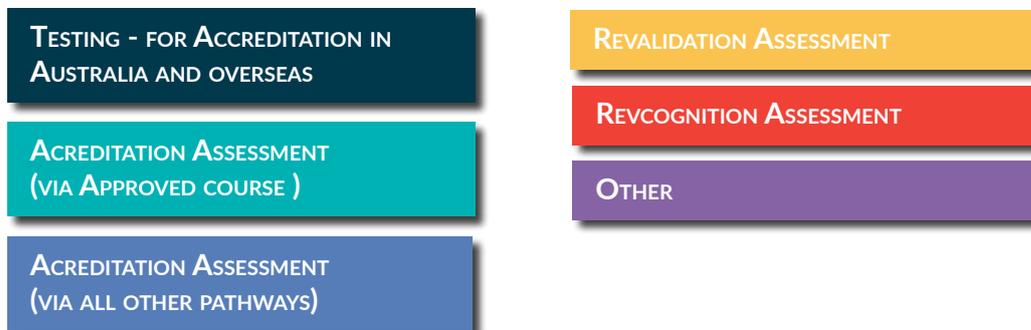
4

LEVELS OF ACCREDITATION

Paraprofessional Interpreter	5
Professional Interpreter	6
Conference Interpreter	7
Conference (Senior) Interpreter	8

ACCREDITATION PATHWAYS

There are eight types of accreditation which may be obtained by one or more pathways.



CREDENTIALS

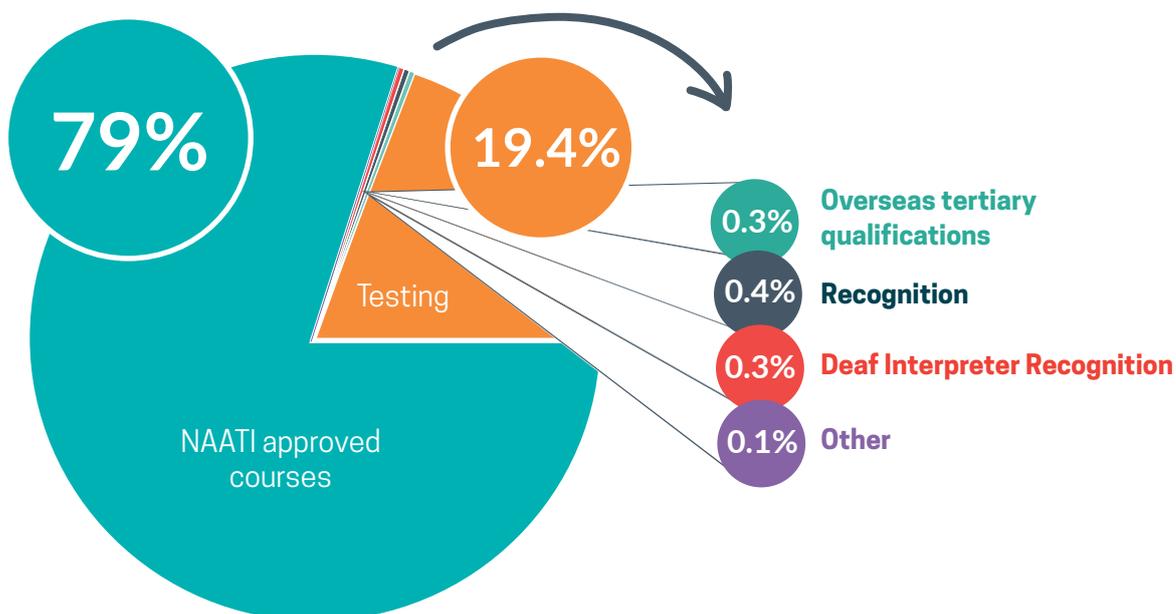


As at 30 June 2017, NAATI awarded 6478 new credentials. This represents an increase of 24.79% on 2015-16.

Table 1.1 holds a breakdown of the year's 6478 credentials.

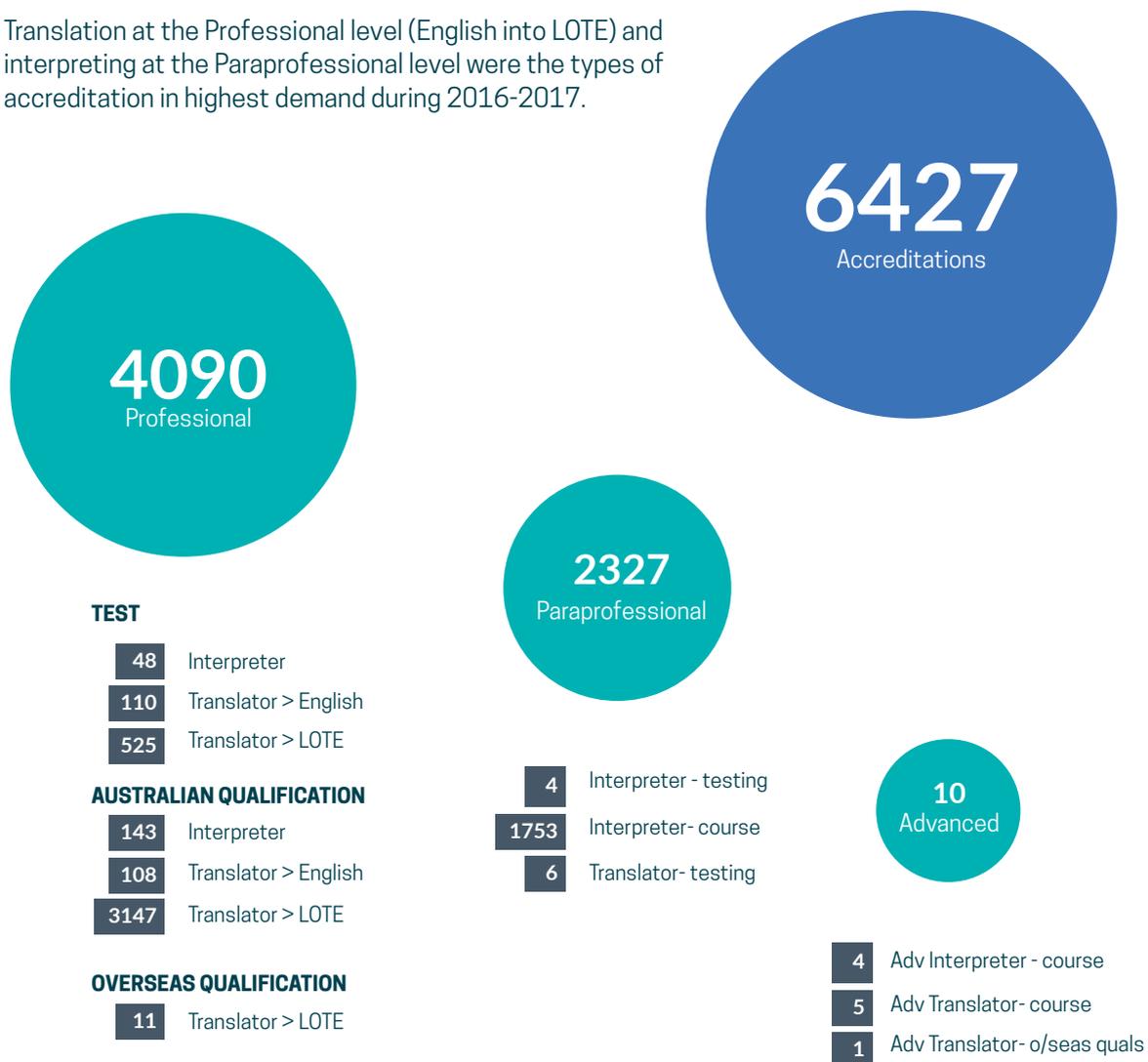
CREDENTIALS	
NAATI approved courses	5155
Testing	1255
O/seas tertiary qualification	17
Recognition	26
Deaf Interpreter recognition	20
Other	5
Total	6478

Table 1.1



ACCREDITATION

Translation at the Professional level (English into LOTE) and interpreting at the Paraprofessional level were the types of accreditation in highest demand during 2016-2017.



RECOGNITION

NAATI recognition may be granted in new and emerging languages or languages with low community demand where NAATI does not offer accreditation testing or where testing has only recently been introduced. As at 30 June 2017, there are three types of recognition available via direct assessment by NAATI - deaf interpreter, spoken language interpreter and translator.



LOTE = Language other than English

ACCREDITATION STATS

- 4336** applications for Testing
- 3692** accreditation tests conducted
- 402** more accreditation tests than 2015-2016
- 298** more tests in the last quarter than 2015-2016
- 16%** increase in overseas accreditation testing from 2015-2016
- 210** people sat tests overseas
- 2000** Expressions of Interest for low demand languages
 - The Expression of Interest (EOI) process was introduced in July 2016 to allow planning of testing for low demand languages.
- 516** EOI tests conducted
- 30** languages tested on EOI
- 4** new languages reverting from EOI to on demand testing

TAMIL
NEPALI
PUNJABI
URDU

CREDENTIALING – REVALIDATION

Revalidation is the process by which translators and interpreters with NAATI accreditation or recognition demonstrate at regular intervals that they remain active and committed to the translation and interpreting industry. Before the expiry of the credential, practitioners are required to provide evidence of continuing work practice and professional development to revalidate their credential for a further three-year period.



985 Applications for Revalidation
94% Successfully revalidated
82 Revalidation applications per month (average)

After the significant increase in applications in the third quarter of 2015-16, Revalidation applications returned to lower levels this year with an average of 82 per month during 2016-2017.



APPROVED COURSES

Students who successfully complete a NAATI approved course and fulfil certain eligibility criteria can gain NAATI accreditation without having to pass a NAATI accreditation test. NAATI approval of a course has benefits for both students and the institution. NAATI quality assurance and the accreditation of successful students can give additional credibility to an institution's course.

Levels of NAATI Approved courses



At the time of publication, there were:

- 31** courses approved for translation
- 35** courses approved for interpreting
- 15** combination of translating & interpreting

Approved courses are now the main pathway for accreditation

Credentials awarded

through approved courses

	TAFE	Higher Education (University)	Private RTO
PARAPROFESSIONAL INTERPRETER	VIC 267	30	1168
PROFESSIONAL INTERPRETER	NSW 22	128	2758
CONFERENCE INTERPRETER	QLD 0	118	302
PROFESSIONAL TRANSLATOR	SA 30	1	300
	WA 5	4	21
	ACT 1	0	0
TOTALS	325	281	4549

Break-down of credential by institution type

During the 2016-2017 financial year, NAATI:

- Approved twenty-two new tertiary courses and re-approved three courses
- Increased the number of approved courses to 81 courses across 29 institutions in six states, and
- Granted course re-approval from 30 June 2017 – 31 December 2017 to 28 institutions which chose to opt-in, in preparation for the impending transition to the Endorsed Qualifications system.

NAATI continued to monitor approved courses to ensure that the conduct of the courses and standard of graduates meet NAATI’s requirements. This work included:

- Setting requirements for NAATI approval of assessment materials
- Nominating external examiners to mark students
- Producing and refining assessment materials being used to assess students, and
- Investigating complaints lodged about approved courses.

PRODUCTS & WORKSHOPS

PRODUCTS SOLD

NAATI continues to carry a range of products that assist individuals preparing for accreditation testing as well as practitioners working in the industry. These products include:

- Sample test kits
- Post-credential products (ID cards, translator stamps, NAATI certificates)
- Other industry guides

During 2016-2017, NAATI undertook a review of its sample test kits and publications resulting in the introduction of digitized sample test kits at a reduced price.

173 products for sale

2 types of publications

3 types of post-credential products

168 types of sample test kit



#1 seller

**PARAPROFESSIONAL INTERPRETER
SAMPLE TEST KIT**

TOTAL PRODUCTS SOLD (BY TYPE):

NAATI CERTIFICATES	482
INTERPRETER ID CARDS	403
TRANSLATOR STAMPS	457
SAMPLE TEST KITS	1046
OTHER PUBLICATIONS	99
TOTAL	2487

WORKSHOPS HELD

All NAATI offices run a number of different face-to-face workshops mainly to assist candidates preparing for a NAATI accreditation test. NAATI also run two online courses to assist individuals wanting to access training in ethics (via the Behaving Ethically course) and interpreting (via the Introduction to Interpreting course).

113 workshops conducted

747 workshop attendees

101 mock translation tests run



INSIGHT INTO INTERPRETING THEORY & PRACTICE

WORKSHOP STATS (BY STATE):

	ACT	NSW	VIC	QLD	SA	WA	TAS	Totals
Workshops held	2	16	53	16	3	9	0	113
No. of attendees	13	153	239	100	11	48	0	747
Workshop percentage	1.77%	14.16%	46.90%	14.16%	2.65%	7.96%	0%	100%
Attendee percentage	1.74%	20.48%	31.99%	13.39%	1.47%	6.43%	0%	100%



OUR PROJECTS

4

OUR PROJECTS

IMPROVEMENTS TO NAATI TESTING PROJECT

In 2011, NAATI began a journey to raise our standards of testing and certification. NAATI-commissioned research, led by Professor Sandra Hale, resulted in the Improvements to NAATI Testing Report and the subsequent formation of the Improvements to NAATI Testing (INT) Project. The INT Project is NAATI's plan for our future.

The core objective of the INT Project is to improve the integrity and efficiency of the NAATI certification system. It seeks to do this by establishing transparent and reliable criteria for the award of a certification through a valid, rigorous and consistent process supported by innovative technology and best practice.

The INT Project has three main objectives:

1. Improved validity
2. Increased reliability, and
3. Improved practicality.

In particular, some of our project aims include:

- Standards that are grounded in the role of translators and interpreters.
- Standards that reflect both the current and emerging characteristics of translating and interpreting industry.
- Improved and more comprehensive descriptors for NAATI standards.
- Greater transparency and consistency in our certification system.
- Improved access to testing e.g. via digital communication technologies, and
- Streamlined testing and assessment processes.

2016-2017 WORK

Work in the financial year resulted in significant progress towards the implementation of the new certification scheme which is due to commence in January 2018. Building on the work to establish the knowledge, skills and attributes required for professional practice, achievements in 2016-2017 included:

- finalisation of the certification model and nomenclature
- development of descriptors for the new credentials
- development of the certification system design which set out the proposed prerequisite pathways, certification test formats and recertification requirements.

In order to complete this work, NAATI engaged a number of experts from across the translating and interpreting sector through a series of working groups on various aspects of the certification system. The dedication and input from these experts and a small number of NAATI staff contributed significantly to the progress made.

NAATI continued to actively engage with practitioners and stakeholder organisations seeking feedback and input into the work being undertaken. This included:

- opportunities to provide comment on the proposed prerequisites, certification test formats and recertification requirements
- the revalidating practitioner survey (with more than 2800 respondents)
- direct engagement with the national professional associations and other stakeholders.

The quality of the work and progress during the period has contributed significantly to the positive way in which the changes are being anticipated within the sector.

INT Information Sessions

In May 2017, NAATI ran a second successful set of national information sessions to brief stakeholders. These sessions outlined important aspects of the new certification system including proposed transition arrangements for currently accredited and recognised practitioners.

Three sessions were run; in Melbourne, Brisbane and Sydney, with the Melbourne session being live streamed online and made accessible after the session from our website. Approximately 400 practitioners attended the sessions, more than 350 viewed live and a further 892 viewings of the recording occurred.

As well as receiving positive feedback about the work and directions being set by the INT Project, a small number of stakeholders raised concerns about potential outcomes from the changes, in particular impacts on practitioners who decided not to transition. NAATI is working constructively with the national professional associations and other stakeholders to address these concerns.

INDIGENOUS INTERPRETING PROJECT

Since 2012 NAATI has been working with the Australian Government and other stakeholders to increase the number of accredited Indigenous language interpreters.

From 2015 to June 2017 NAATI was funded by the Department of the Prime Minister and Cabinet (PM&C) through the Indigenous Advancement Strategy (IAS) to continue this important work in South Australia, Western Australia and Queensland. During June 2017 PM&C confirmed that the project will receive funding to continue this work from July 2017 to June 2021.

The three objectives of the project are:

1. Increase the number of accredited Indigenous interpreters and examiners
2. Increase the range of Indigenous languages for which there are accredited Indigenous interpreters, and
3. Increase the accessibility of interpreting resources for Indigenous interpreters and organisations.

2016-2017 WORK

During 2016-17, NAATI delivered a total of 34 Paraprofessional Interpreter (PPI) tests with eight of these tests partially funded by an additional grant from PM&C. This number represents no change from the previous year (2015-16). Candidates sat tests in six languages, including Fitzroy Valley Kriol, Kija Kriol, Martu-Wangka, Nyangumarta, Walmajarri and Wik-Mungkan.

These tests were administered as part of test preparation workshops in Broome, Newman and Udialla in Western Australia and in Aurukun in Queensland. At these workshops candidates received preparatory training in interpreting skills, ethics of the profession and socio-cultural aspects.

NAATI continues to collaborate with the Kimberley Interpreting Service Aboriginal Corporation, Wangka-Maya Pilbara Aboriginal Language Centre, Kanyirninpa Jukurrpa, Pama Language Centre, Northern Territory Aboriginal Interpreting Service and TAFE SA and contracts professional trainers, linguists and Indigenous language experts and mentors to deliver the training.

Related examiner training workshops were also conducted, with 19 examiners receiving training and being involved in test marking. Registers of interest for future test candidates have been maintained for Western Australia and Queensland.

New test materials were created in Fitzroy Valley Kriol, Kija Kriol and work commenced on developing materials in Jaru. As at 30 June 2017, NAATI has created 45 paraprofessional level tests and 5 professional interpreter level tests across 17 different Indigenous Australian languages.

Dialogue animations in eight Indigenous Australian languages that were developed for NAATI by TAFE SA were also uploaded onto NAATI's YouTube channel. These animations were used for training purposes in the Broome workshop in November 2016 and as a screening tool for the Aurukun workshop in June 2017. NAATI continues to liaise with Indigenous languages interpreting stakeholders to encourage use of these animations for screening and preliminary training.

IIP staff also continued to organise and provide support for the National Indigenous Languages Interpreting Advisory Committee with two teleconferences and one face-to-face meeting held during the reporting period.

In addition to the above accreditation outcomes, an additional nine tests were run by NTAIS (resulting in six passes) and a further two tests were run through a cross-border arrangement between NTAIS and TAFE SA (resulting in 2 passes). One further accreditation was awarded in an Indigenous language as a result of a NAATI Approved Course at TAFE SA. There were 12 successful revalidation assessments processed for NTAIS practitioners.

Over the life of the Indigenous Interpreting Project, 65 accreditations have been awarded across 16 Indigenous Australian languages for languages spoken in South Australia, Queensland and Western Australia.

BUSINESS CHANGE AND DEVELOPMENT

During 2016-17 NAATI continued to scope and implement a number of business improvement initiatives to improve the efficiency and integrity of NAATI administration in preparation for the launch of the new certification system. These changes are part of an ongoing digital transformation strategy and the changes relate to both client facing interactions and internal administration.

This focus on process improvements has already resulted in significant changes to NAATI systems and process that have improved the efficiency of internal administration and will provide the capability and capacity for NAATI to be more responsive to future business changes.

Organisational Capability

During the reporting period, NAATI welcomed Mitra Khakbaz as a new director, and had a four existing directors (Pino Migliorino, Voula Messimeri, John Williams and Mary Gurgone) reappointed for new terms. This stability will continue to assist NAATI in driving necessary corporate and operational improvements.

NAATI continued to make a number of strategic staff appointments that have increased our organisational capability in key areas including financial management, change management, communications, information technology and project management.

Information Communication Technology Management

NAATI has continued to maintain a strong focus in sourcing and implementing new innovative technologies to complement existing infrastructure. Major Information Communications Technology (ICT) projects during 2016-17 include:

- Updates to client-facing online services (via NAATI Online)
- The introduction of web-based examiner tools (via NAATI Online)
- Updates to NAATI's internal System for Accreditation Management (SAM)
- The introduction of a new internal staff intranet platform
- Planning for the implementation of a new online training platform, and
- Planning for the implementation of a new finance and payroll platform.

In April 2016, a major update to NAATI's online services was released. This update included a new user interface (to bring user experience of the portal more in line with NAATI's other digital channels) and the addition of web-based examiner tools. NAATI also has continued to make refinements and upgrades to its flagship System for Accreditation Management (SAM) in preparation to transition to the new certification system. In particular, the first stage of transforming the current SAM from a resource-intensive desktop-application to a web-based application was implemented during the reporting period.

In order to improve internal communication within the organisation, NAATI management scoped and implemented a project to introduce a staff intranet. Development of an intranet platform, in partnership with Canadian vendor Igloo Software began in January 2017 with the launch of the initial NAATI intranet in May 2017. NAATI will continue to make enhancements to its intranet platform in consultation with staff.

During 2016-17, NAATI commenced work on sourcing a replacement online training platform. This platform is being developed in conjunction with a set of online training modules which will assist individuals wishing to apply for certain types of NAATI certification. As at 30 June 2017, NAATI has selected two separate Australian vendors who will assist with platform development and content development respectively. The current training platform, which currently hosts all online courses will be decommissioned in October 2017.

NAATI has also commenced work on implementing a new web-based payroll and finance platform that significantly improve and modernise internal processes. Development of this platform began in April 2017 and the system was launched on 1 July 2017.

PARTNERSHIPS

Judicial Council on Cultural Diversity

Over the last two years, NAATI has had the pleasure of participating in a Judicial Council on Cultural Diversity (JCCD) working group with a range of professionals from the judiciary and the interpreting industry to develop the **Australian National Standards for Working with Interpreters in Courts and Tribunals**.

This document was recently published and will be the subject of an official launch in October 2017. The standards will ensure better access to the justice system and therefore more equitable outcomes for citizens from culturally and linguistically diverse backgrounds. Significantly, the standards also raise the profile and status of interpreters working in this field.

Standards Australia ISO Mirror Committee

In 2016 Australia was awarded participant status on the International Organization for Standardization's (ISO) committee (ISO/ TC 37/SC 5) Translating, Interpreting and Related Technology. As a consequence, Standards Australia established an Australian Mirror Committee (CS-117) to facilitate Australia's involvement in this process.

The founding of an Australian Mirror Committee is a significant step in ensuring Australia's translating and interpreting sector is involved with developing international standards. NAATI is pleased to be represented on this committee and will continue to work constructively with this group to influence relevant standards and increase the profile of the profession in Australia.

Migrant and Refugee Womens' Health Partnership

The Migrant and Refugee Womens' Health Partnership is aimed at Improving the health and wellbeing of migrant and refugee women and communities by consolidating cross-sector knowledge and expertise, fostering good policy and culturally competent practice.

A dedicated Sub-Working Group was established to support the partnership in developing good practice minimum standards for effective communication with patients or consumers from non-English speaking backgrounds and working with interpreters in health care settings. NAATI is pleased to participate on Sub-Working Group along with clinicians as well as interpreting practitioners and representation from AUSIT.

OUR COMMUNICATIONS

5

OUR COMMUNICATIONS

INDUSTRY ENGAGEMENT

NAATI management continued to make concerted effort to raise NAATI's profile through attending or presenting at over 30 major industry events across Australia.

Some of the **major events attended** include:

- Sep 2016 – FECCA Report Launch “Australia’s Humanitarian Intake and Language Services”
- Oct 2016 – National Auslan Conference
- Nov 2016 – FECCA National Women’s Conference
- Apr 2017 – UNSW Legal Interpreting Symposium

Some of the major **events where NAATI presented** include:

- Sep 2016 – NSW Government Language Services Forum
- Nov 2016 – AUSIT Mini-Conference and Jill Blewett Memorial Lecture
- Mar 2017 – Victorian Multicultural Forum
- Apr 2017 – OMAC Victoria Scholarship Ceremony
- Apr 2017 – Monsah University Arts Faculty Awards
- Jun 2017 – NZSTI Annual Conference

Outside of these events, NAATI management attended or held a number of forums and meetings across Australia with industry associations, tertiary education institutions, language service providers, government departments and other multicultural organisations. NAATI staff have also had articles published in key industry publications including the ASLIA e-update and AUSIT InTouch Magazine.

DIGITAL COMMUNICATIONS

As of 30 June 2017, NAATI's digital presence includes:

- the NAATI Website (www.naati.com.au)
- the NAATI Online portal (including the online practitioner’s directory)
- a Twitter channel (@NAATI_au)
- a YouTube channel
- Google MyBusiness listings (for each NAATI office), and
- a LinkedIn company page.

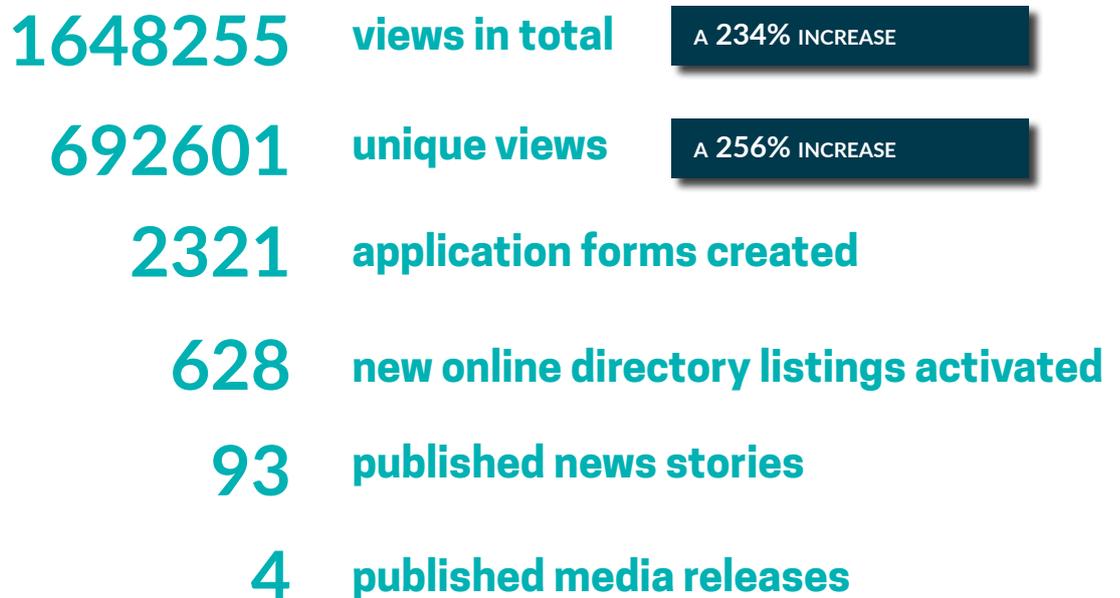
During the reporting period, NAATI commissioned the production of three information videos in Auslan for deaf consumers and prospective interpreters as a result of feedback from a number of Regional Advisory Committees.

These videos were uploaded to the NAATI YouTube channel throughout July and August 2016 and have been well-received by the Deaf community. NAATI intends to update these videos during 2017-18 to reflect the introduction of certification.

NAATI also continued to make major updates and enhancements to the NAATI Online portal and website. In April 2016, a new user interface (UI) for NAATI Online was implemented to bring the useability of the portal in line with the NAATI website.

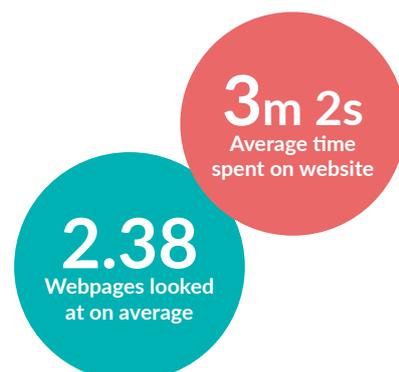
The UI update to NAATI Online also coincided with the launch of the web-based examiner tools (eTools) and the launch of the first stage of the user interface upgrade for NAATI's internal System for Accreditation Management (SAM).

NAATI WEBSITE & ONLINE PORTAL STATS



top 4 visited webpages include

- ACCREDITATION
- APPROVED COURSES
- FORMS & FEES
- RECOGNITION





STATS 2016-2017

360

tweets

A 132% INCREASE

166 900

tweet views

A 133% INCREASE

166

new followers

AN AVERAGE OF 23 PER MONTH



STATS 2016-2017

102

posts

AN AVERAGE OF 8.5 PER MONTH

58 683

post views

AN AVERAGE OF 4890 PER MONTH

333

new followers

AN AVERAGE OF 23 PER MONTH



STATS 2016-2017

17
Videos
uploaded

78
New subscribers

4700
Video views



video

**BECOMING AN ACCREDITED
AUSLAN/ENGLISH INTERPRETER**

1632 VIEWS

G+ STATS 2016-2017

- 342 300** views of NAATI office listings
- 24 000** actions taken to call or find a NAATI office
- 270 505** searches conducted for NAATI via google services



NAATI NEWS

The NAATI News has been NAATI's flagship publication since 1988. Traditionally, this newsletter was produced quarterly with NAATI charging a small subscription fee. In July 2016, the first monthly issue of the free, electronic NAATI News was launched with a subscription list of approximately 21,000 individual stakeholders.

During the reporting period, 11 issues were released with the number of subscribers growing by 24%. The NAATI News has since become the preferred method of making major public announcements.



FINANCIAL STATEMENTS



Directors' Report
30 June 2017

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The directors present their report on National Accreditation Authority for Translators and Interpreters Limited (NAATI) for the financial year ended 30 June 2017.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Kerry Stubbs CHAIR

Qualifications BA (Hons) MA (Hons) Graduate Certificate in Writing MAICD

Experience Ms Kerry Stubbs was appointed to the NAATI Board of Directors on March 1, 2010 and as the Chair on November 15, 2010. Ms Stubbs is CEO and Managing Director of Northcott and has extensive board and committee experience, including Board Chair and Chair of Audit and Finance Committees. From 2001 to 2008 she was the Executive Director of St Vincent's Hospital and Sacred Heart. She was the founding member and a steering committee member of the Network for Intercultural Communication; a group of practitioners formed to share experiences and information and develop expertise for people working in the fields of multicultural issues. She was also a member of the English in the Workplace Taskforce and of the Office of the Director of Equal Opportunity in Public Employment advisory subcommittee on issues affecting people of non English speaking background in the public sector. Ms Stubbs has a Master of Arts with Honours in Government and Public Administration. In 2007 she was named the NSW Telstra Businesswoman of the Year in Community and Government Sector and has had numerous publications including the award winning Multiculturalism in Conflict (1988) training handbook. Ms Stubbs is a Member of the Australian Institute of Company Directors and holds the following directorships: Managing Director, The Northcott Society Ltd; Chair SpineCare Ltd; Director Water for Sensitive Cities CRC Ltd. Ms Stubbs' term expires on November 30, 2017.

Giuseppe (Pino) Migliorino

Qualifications BA Dip.Ed (Sec)

Experience Mr Pino Migliorino was appointed to the NAATI Board of Directors on May 15, 2014. Mr Migliorino was born in Bari, Italy in 1959 and migrated to Australia with his family through an assisted passage program in 1964 to reunite with an extended family who had arrived in Australia in the late 1950s. Pino founded Cultural Perspectives/DiverseWerks and Culture and Indigenous Research Centre Australia (CIRCA) 22 years ago and this group of companies are sector leaders in consulting, researching and communicating with Culturally and Linguistically Diverse (CaLD) and Aboriginal and Torres Strait Islander communities in Australia. Prior to working in the private sector, Mr Migliorino held important positions in the third sector and in government including Executive Officer of the Ethnic Communities Council (ECC) of NSW; NSW Regional Coordinator for the Office of Multicultural Affairs; Senior Conciliator at the Human Rights and Equal Opportunities Commission (HREOC) and Principal Policy Officer at the Ethnic Affairs Commission of NSW.

After over 30 years of ethnic community involvement and working in multicultural affairs across three sectors, Mr Migliorino was elected Chairperson on the Federation of Ethnic Communities Councils of Australia (FECCA) in October 2009 and completed that role in November 2013. Mr Migliorino is now the Hon. President of FECCA and is an acknowledged expert in immigration, multicultural affairs and social policy areas relevant to diversity. He has a BA and Dip. Ed (Secondary), is a Fellow of the Public Relations Institute of Australia (PRIA) and a Qualified Practicing Market Researcher (QPMR). Mr Migliorino's term expires on May 14, 2020.

John Williams PSM

Experience Mr John Williams was appointed to the NAATI Board of Directors on September 1, 2014. Previously Mr Williams had joined the Department of Immigration in Melbourne in 1964 where he gained extensive senior management experience before retiring in December 2008. Mr Williams worked in the National Office in Canberra and as State Director in South Australia (1991 to 1995), Western Australia (1998 to 2002) before his final assignment as State Director in Victoria from 2002 to his retirement in December 2008. Mr Williams' extensive overseas appointments include serving in the Australian High Commission London from 1973 to 1975; the Australian Embassy in Belgrade from 1975 to 1977 and 1983 to 1985; the Australian Embassy in Cairo from 1978 to 1979; the Australian Consulate Cape Town from 1979 to 1982. In 1986 Mr Williams took a short term appointment to the Australian Embassy Bangkok. He was then appointed as the Regional Migration Director to the Australian High Commission in Kuala Lumpur where he served from 1987 to 1991 and from 1995 to 1998 he was the Regional Migration Director at the Australian Consulate General in Hong Kong. Mr Williams was extensively involved with multicultural and consular communities in his assignments both overseas and in Australia. While working in Australia he built strong working relationships with other government agencies at the Federal and State level. He served on the National Australia Day (Victorian) Committee. With over 40 years of service, Mr Williams has a wealth of experience and high level corporate experience. Mr Williams was awarded a Public Service Medal (PSM) in the Queen's Birthday Honour list in 2008 in recognition of his work with Australia's multicultural communities. Since retiring from the Public Service, Mr Williams has established his own consultancy focusing on helping multicultural communities better connect with and access services within society. Mr Williams served as a Director and Deputy Chair of the Victorian Interpreting and Translation Service (VITS) from April 2012 until April 2015 and also Chaired VITS' Audit and Risk Management Committee. He is a Director of the Western Bulldogs Community Foundation Board of the Western Bulldogs Football Club. Mr Williams' term expires on August 31, 2020.

Mary Gurgone

Experience Ms Mary Gurgone was appointed to the NAATI Board of Directors on November 1, 2014 and has been the National Director for Fortis Consulting since 2009, named as one of the top 30 Management Consulting firms in Western Australia, as published by WA Business News. In 2016, Mary led Fortis to win the WA Government's Multicultural Recognition Award in the private sector. She migrated to Australia from Italy and has a lifelong commitment to cross cultural and cross linguistic communication. She has been nominated for the WA Women's Hall of Fame in 2016. Ms Gurgone has a Master of Business, teacher training and vocational training qualifications, Bachelor of Arts (English and Italian), and NAATI accreditation as a professional translator and interpreter. She is an educator and leader, promoting high standards in interpreting and translating. Her commitment encompasses: the introduction of translator courses and specialist short courses in interpreting into the vocational education sector in Western Australia; National presidency of the Australian Institute of Interpreters and Translators Inc (AUSIT) in the early nineties; State President of AUSIT WA (1989 2002) and a Fellow of AUSIT; Member of the Federation Interpreters and Translators (FIT) Human Rights Committee 1998 2000; Member of a variety of Board and Committees related to Culturally and Linguistically Diverse (CaLD) matters. Ms Gurgone is passionate about quality in translating and interpreting and has worked tirelessly for the translating and interpreting profession as an educator and as part of her extra curricular activities as well as maintaining a career in government for over three decades. Roles have included leadership in education, training, evaluation, audit and policy. As Director of Policy and Planning she led the national review of Overseas Trained Nurses and contributed to change of national policy. Ms Gurgone continues to lead strategic national projects related to Australian Multiculturalism. Some examples are with the Cultural Diversity workshops for senior management with the Australian Aged Care Quality Agency and the award winning Culture Communication and Relationship at Work (CCRW). She is the Director of the WA Partners in Culturally Appropriate Care program. Ms Gurgone volunteers as Chair of the Zonta House Women's Refuge Board where migrants and Aboriginal women are a growing proportion of the clients. She has also completed the Australian Institute of Company Directors Course. Ms Gurgone's term expires on October 31, 2020.

Voula Messimeri AM

Experience Ms Voula Messimeri AM was appointed to the NAATI Board of Directors on November 1, 2014. Voula is immediate past CEO of Australian Greek Welfare Society (AGWS), past Chair of the peak multicultural national body, the Federation of Ethnic Communities' Councils of Australia (FECCA). She has served in leadership positions on a number of community management bodies and on Boards such as RMIT University Council and the RMIT Training Board, a controlled entity of RMIT University. Ms Messimeri was a long standing Board member, from 2000 to 2016, on the Board of the Victorian Interpreting and Translating Service (VITS). Voula is a current Board member on the Rockwell Foundation and was appointed to the NAATI Board in 2014. She has served on Ministerial State and Federal advisory structures across diverse areas, including health, ageing, income support, media and was a member on the Australian Multicultural Advisory Council. Voula is Patron of In Touch Inc. Multicultural Centre against Family Violence. She was inducted into the Victorian Honour Roll of Women and recognised under the Order of Australia for her contribution to refugees, migrants and women. Ms Messimeri's term expires on October 31, 2020.

Mitra Khakbaz

Appointed 1 December 2016

Experience

Mitra Khakbaz was appointed to the NAATI Board of Directors on December 1, 2016. Mitra is an Executive Manager with MDA Ltd where she oversees regional settlement, employment, community wellbeing, youth settlement, case work and intensive support services. She has worked in the multicultural sector since coming to Australia from Iran in 1994. She has a strong commitment to women's and children's rights and in 2013 was awarded a Churchill Fellowship on improving the economic participation of refugee women at risk. Previously, Mitra worked as the Coordinator for the Centre for Multicultural and Community Development at the University of the Sunshine Coast. She oversaw community development projects on regional settlement, parenting across cultures, families and cultural interface, youth engagement, women's empowerment, cultural competency and anti racism training. She also organised three international conferences on confronting racism and multicultural families. Mitra has many years of high level involvement with various community organisations. She was a Board Member of DV Connect for over 10 years until 2012 and has been a management committee member of the Immigrant Women's Support Service and the Churchill Fellowship Association of Queensland. Mitra is currently the co chair of the Queensland Community Alliance. Mitra holds a Masters Degree in Applied Linguistics, a Masters Degree in Social Administration and a Postgraduate Diploma in Community Development and Social Policy. Ms Khakbaz's term expires on November 30, 2019.

Assoc. Prof Ludmila Stern

Expired 30 November 2016

Qualifications

BA (Hons)PhD

Experience

Prof Ludmila Stern was appointed to the role of Director on 1 March 2010. Before embarking on an academic career, Assoc. Prof Stern worked as an interpreter and translator. She was the founder and the first Convenor of the NAATI approved Master's degree in Interpreting and Translations Studies at UNSW (2005-2010), for which she was awarded the 2010 Dean's Award and the Vice Chancellor's Award for Teaching Excellence. Assoc. Prof Stern resumed the role of Convenor in 2014. As part of her research she examines interpreting practices in national and international courts and tribunals, and their impact on courtroom communication (e.g., the Australian War Crimes Prosecutions, at the International Criminal Tribunal for the Former Yugoslavia and the International Criminal Court). The author of articles on interpreting in national and international courts, Assoc. Prof Stern has been a consultant and an educator of interpreters and interpreter users for Australian and international courts and other organisations (DPP, Bar Association, NJCA, Judicial Commission, ICC, ICTY). Assoc. Prof Stern was Chair and examiner of the NAATI Russian panel. Assoc. Prof Stern's term on the NAATI Board expired 30 November 2016.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' Report
30 June 2017

1. General information

Principal activities

The principal activity of National Accreditation Authority for Translators and Interpreters Limited (NAATI) during the financial year was strengthening inclusion and participation in Australian society by assisting to meet the nations diverse and changing communications needs and expectations. The Governments of Australia regard this as an essential community service for enhancing the settlement of migrants to Australia and support NAATI accordingly.

No significant changes in the nature of the company's activity occurred during the financial year.

Short term objectives

By agreement with its Members, the company's priority short term objectives were the first three of the long term objectives listed below plus:

- adjusting NAATI's cost structure (through rationalisation of resource usage and the implementation of innovative solution) to meet these objectives consistent with its budgetary position.

Long term objectives

The broad long term objectives of the company are to:

- set and maintain high 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 accreditations 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 revalidate/upgrade their accreditation level, and
- provide advisory and consultancy services in relation to translating and interpreting.

Directors' Report
30 June 2017

1. General information

Strategy for achieving the objectives

By agreement with its Members the strategic priorities for achieving these objectives are:

- NAATI provide testing services for all community languages subject to resource constraints, maximising the efficiency of existing methods of accreditation;
- where provision of full testing is impractical, NAATI must where possible develop an alternative testing model and standards designed to provide a pathway for services for new and emerging community services;
- NAATI and Members will further consider the strategic plan recognising that any associated funding is subject to parliamentary appropriations in each jurisdiction; and
- NAATI and Members will seek a sustainable funding model for NAATI consistent with agreed strategic and business plans subject to parliamentary appropriation of funds in each jurisdiction.

Performance measures

The company measures performance through monitoring benchmarks in respect of:

- numbers of accreditations granted according to type;
- trends in numbers of tests administered; and
- variations of expenditures against approved budgets.

Members' guarantee

National Accreditation Authority for Translators and Interpreters Limited (NAATI) is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to NIL for members that are corporations and NIL for all other members, subject to the provisions of the company's constitution.

At 30 June 2017 the collective liability of members was NIL (2016: NIL).

Directors' Report
30 June 2017

Meetings of Directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' meetings	
	Number eligible to attend	Number attended
Kerry Stubbs	4	4
Assoc. Prof. Ludmila Stern	2	1
Mr John Williams PSM	4	4
Mary Gurgone	4	4
Voula Messimeri AM	4	3
Giuseppe (Pino) Migliorino	4	4
Mitra Khakbaz	2	2

Auditor's Independence Declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2017 has been received and can be found on page 56 of the financial report.

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



Director:
Kerry Stubbs

Dated 1 September 2017



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Hardwickes
ABN 35 973 938 183

Hardwickes Partners Pty Ltd
ABN 21 008 401 536

Liability limited by a scheme
approved under Professional
Standards Legislation

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of National Accreditation Authority for Translators and Interpreters Limited (NAATI)

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, 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.

Hardwickes
Chartered Accountants

Robert Johnson FCA
Partner

1 September 2017

Canberra

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2017

	Note	2017	2016
		\$	\$
Revenue	4	8,805,527	7,928,564
Administrative expenses		(2,946,467)	(2,646,053)
Other expenses		(3,165,071)	(2,593,317)
Specific Project Expenses		(458,938)	(426,277)
INT expenses		(832,022)	(358,305)
Depreciation	8(a)	(139,491)	(183,900)
Profit before income tax		1,263,538	1,720,712
Income tax expense	2(a)	-	-
Profit for the year		1,263,538	1,720,712
Other comprehensive income		-	-
Total comprehensive income for the year		1,263,538	1,720,712

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

Statement of Financial Position As at 30 June 2017

	Note	2017	2016
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	8,613,789	6,954,020
Trade and other receivables	6	54,973	153,217
Other assets	7	6,720	8,363
TOTAL CURRENT ASSETS		8,675,482	7,115,600
NON-CURRENT ASSETS			
Property, plant and equipment	8	326,645	356,544
TOTAL NON-CURRENT ASSETS		326,645	356,544
TOTAL ASSETS		9,002,127	7,472,144
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	327,079	259,652
Employee benefits	10	434,914	492,905
Other liabilities	11	765,014	536,787
TOTAL CURRENT LIABILITES		1,527,007	1,289,344
NON-CURRENT LIABILITIES			
Employee benefits	10	38,723	9,941
TOTAL NON-CURRENT LIABILITES		38,723	9,941
TOTAL LIABILITES		1,565,730	1,299,285
NET ASSETS		7,436,397	6,172,859
EQUITY			
Reserves	12	2,000,000	2,000,000
Retained Earnings		5,436,397	4,172,859
TOTAL EQUITY		7,436,397	6,172,859

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

Statement of Changes in Equity For the Year Ended 30 June 2017

2017	Note	Retained Earnings	General Reserves	Total
		\$	\$	\$
Balance as at 1 July 2016		4,172,859	2,000,000	6,172,859
Profit attributable to members of the entity		1,263,538	-	1,263,538
Balance at 30 June 2017		5,436,397	2,000,000	7,436,397

2016	Note	Retained Earnings	General Reserves	Total
		\$	\$	\$
Balance at 1 July 2015		2,452,147	2,000,000	4,452,147
Profit attributable to members of the entity		1,720,712	-	1,720,712
Balance at 30 June 2016		4,172,859	2,000,000	6,172,859

The accompanying notes form part of these financial statements.

Statement of Cash Flows As at 30 June 2017

	Note	2017	2016
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		9,827,748	8,495,836
Payments to suppliers and employees		(8,253,151)	(6,865,405)
Interest received		194,764	150,787
Net cash provided by/(used in) operating activities	19	1,769,361	1,781,218
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	8(a)	(109,592)	(72,042)
Net cash used by investing activities		(109,592)	(72,042)
Net increase/(decrease) in cash and cash equivalents held		1,659,769	1,709,176
Cash and cash equivalents at beginning of year		6,954,020	5,244,844
Cash and cash equivalents at end of financial year	5	8,613,789	6,954,020

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2017

The financial report covers National Accreditation Authority for Translators and Interpreters Limited (NAATI) as an individual entity. National Accreditation Authority for Translators and Interpreters Limited (NAATI) is a not-for profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of National Accreditation Authority for Translators and Interpreters Limited (NAATI) is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Notes of the Financial Statements For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant. It is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(e) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation

Notes of the Financial Statements For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Leasehold improvements

Leasehold improvements are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables
- financial assets at fair value through profit or loss
- available-for-sale financial assets, and
- held-to-maturity investments.

Notes of the Financial Statements For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Notes of the Financial Statements For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(f) Financial instruments

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Notes of the Financial Statements For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(f) Financial instruments

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(g) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Notes of the Financial Statements
For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(i) Employee benefits

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name
AASB 9 Financial Instruments and associated Amending Standards
Effective date for entity
1 January 2018
Requirements
<p>These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.</p> <p>The key changes that may affect the company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.</p> <p>AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items.</p>
Impact
<p>Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.</p>

2 Summary of Significant Accounting Policies

(j) New Accounting Standards and Interpretations

Standard Name
AASB 16: Leases
Effective date for entity
1 January 2019
Requirements
<p>When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations.</p> <p>AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard are as follows:</p> <ul style="list-style-type: none"> ▪ recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets) ▪ depreciation of right-of-use assets in line with AASB 116 : Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date ▪ application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and ▪ inclusion of additional disclosure requirements. <p>The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.</p>
Impact
<p>Although the directors anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.</p>

Notes of the Financial Statements For the Year Ended 30 June 2017

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key judgments - Employee benefits

For the purpose of measurement, AASB 119 : Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

4 Revenue and other income

	Notes	2017	2016
Revenue and Other Income		\$	\$
Test related revenue		6,441,588	5,489,176
Government grants		1,223,876	1,227,398
Other services revenue		932,294	1,057,087
Interest		207,769	154,903
Total Revenue and other income		8,805,527	7,928,564

5 Cash and cash equivalents

Cash at bank and in hand		234,971	288,592
Short-term deposits		8,378,818	6,665,428
	13	8,613,789	6,954,020

Notes of the Financial Statements
For the Year Ended 30 June 2017

	Notes	2017	2016
5 Cash and Cash Equivalents		\$	\$
Reconciliation of cash			
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:			
Cash and cash equivalents		8,613,789	6,954,020
Balance as per statement of cash flows		8,613,789	6,954,020
6 Trade and Other Receivables			
CURRENT			
Trade receivables		9,042	99,149
Other receivables		45,931	54,068
Total current trade and other receivables		54,973	153,217
(a) Financial assets classified as loans and receivables			
Financial assets classified as loans and receivables			
Trade and other receivables		54,973	153,217
Financial assets	13	54,973	153,217
7 Other Assets			
CURRENT			
Prepayments		6,720	8,363
		6,720	8,363
8 Property, plant and equipment			
PLANT AND EQUIPMENT			
Furniture, fixtures and fittings at cost		265,037	265,037
Accumulated depreciation		(166,717)	(132,576)
Total furniture, fixtures and fittings		98,320	132,461

Notes of the Financial Statements For the Year Ended 30 June 2017

	Notes	2017	2016
9 Trade and Other Payables		\$	\$
CURRENT			
Trade payables		106,139	81,776
GST payable		67,979	54,716
Sundry payables and accrued expenses		94,495	50,735
Other payables		58,466	72,425
		327,079	259,652
Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.			
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:			
- total current		327,079	259,652
		327,079	259,652
Less:			
GST payable		(67,979)	(54,716)
Other payables		(58,466)	(72,425)
Financial liabilities as trade and other payables	13	200,634	132,511
10 Employee Benefits			
Current liabilities			
Long service leave		251,552	342,124
Annual leave provision		183,362	150,781
		434,914	492,905
Non-current liabilities			
Long service leave		38,723	9,941
		38,723	9,941

Notes of the Financial Statements For the Year Ended 30 June 2017

	Notes	2017	2016
11 Other Liabilities		\$	\$
Current			
Practitioner directory & test fees in advance		565,013	522,286
Revenue in advance		200,001	14,501
Total		765,014	536,787

12 Reserves			
General reserve			
Opening balance		2,000,000	2,000,000
Total		2,000,000	2,000,000

The general reserve records funds set aside for future expansion of National Accreditation Authority for Translators and Interpreters Limited (NAATI).

13 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	5	8,613,789	6,954,020
Trade and other receivables	6(a)	54,973	153,217
Total financial assets		8,668,762	7,107,237

Financial Liabilities

Financial liabilities at amortised cost			
Trade and other payables	9(a)	200,634	132,511
Total financial liabilities		200,634	132,511

Specific financial risk exposures and management

The main risks National Accreditation Authority for Translators and Interpreters Limited (NAATI) is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

Notes of the Financial Statements For the Year Ended 30 June 2017

13 Financial Risk Management

(a) Liquidity risk

Liquidity risk arises from the possibility that National Accreditation Authority for Translators and Interpreters Limited (NAATI) might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

Typically, National Accreditation Authority for Translators and Interpreters Limited (NAATI) ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

13 Financial Risk Management

The table/s below reflect maturity analysis for financial assets.

	Floating Interest Rate		Within 1 Year		Total	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
Financial assets - cash flows realisable						
Cash and cash equivalents	8,612,000	6,952,547	1,789	1,473	8,613,789	6,954,020
Trade, term and loans receivables	-	-	54,973	153,217	54,973	153,217
Total anticipated outflows	8,612,000	6,952,547	56,762	154,690	8,668,762	7,107,237

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.
Financial liability maturity analysis - Non-derivative

	Within 1 year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding estimated annual leave)	200,634	132,511	-	-	-	-	200,634	132,511
Total contractual outflows	200,634	132,511	-	-	-	-	200,634	132,511

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Notes of the Financial Statements For the Year Ended 30 June 2017

13 Financial Risk Management

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. With the exam program, the biggest source of non-government funds, candidate's pre pay to sit removing the credit risk. Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

14 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the Company.

Notes of the Financial Statements For the Year Ended 30 June 2017

14 Related Parties

(a) Key management personnel

Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 15: Key Management Personnel Disclosures.

There were no other transactions with KMP and their related entities.

(b) Other related parties

(i) Other related parties include close family members of key management personnel and entities that are controlled.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(c) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

15 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities

	2017	2016
	\$	\$
Profit for the year	1,263,538	1,720,712
Non-cash flows in profit:		
- depreciation	139,491	183,900
Changes in assets and liabilities		
- (increase)/decrease in trade and other receivables	98,244	138,523
- (increase)/decrease in prepayments	1,643	14,345
- increase/(decrease) in income in advance	228,227	(68,343)
- increase/(decrease) in trade and other payables	81,386	(281,021)
- increase/(decrease) in employee benefits	(43,168)	73,102
Cashflows from operations	1,769,361	1,781,218

Notes of the Financial Statements For the Year Ended 30 June 2017

15 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of National Accreditation Authority for Translators and Interpreters Limited (NAATI) during the year are as follows:

	2017	2016
	\$	\$
Short-term employee benefits	589,550	528,366
Long-term benefits	44,289	54,224
Directors remuneration	45,426	48,552
Total	679,265	631,142

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 18: Related Party Transactions.

16 Auditors' Remuneration

	2017	2016
	\$	\$
Remuneration of the auditor of the company, Hardwickes Chartered Accountants, for:		
- auditing or reviewing the financial statements	19,200	18,500
- other services	4,865	-
Total	24,065	18,500

17 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2017 (30 June 2016: None).

Notes of the Financial Statements For the Year Ended 30 June 2017

20 Events after the end of the Reporting Period

The financial report was authorised for issue on 1 September 2017 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

21 Company Details

The registered office and principal place of business of the company is:

National Accreditation Authority for Translators and Interpreters Limited (NAATI)
17A/2 King Street
Deakin ACT 2600

Directors' Declaration
30 June 2017

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 59 to 76, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards, and
 - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity 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.



Director

Dated 1 September 2017

Independent Audit Report to the members of National Accreditation Authority for Translators and Interpreters Limited (NAATI)

Report on the Financial Report

Opinion

We have audited the financial report of National Accreditation Authority for Translators and Interpreters Limited (NAATI) (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hardwickes
Chartered Accountants



Robert Johnson FCA Partner

Canberra



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