

24th Annual Report



2002-2003



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National Accreditation Authority for Translators and Interpreters Ltd (NAATI)
ABN 42 008 596 996

24th Annual Report

The Hon. Gary Hardgrave
Minister for Citizenship and Multicultural Affairs
Parliament House
Canberra ACT 2600

Dear Minister

Re: NAATI Annual Report 2002-2003

I take pleasure in presenting the twenty-fourth Annual Report of the National Accreditation Authority for Translators and Interpreters Limited for the year 2002-2003.

The report reflects the company's operations during the year according to the Business Plan 2000 - 2004. It also includes the independently audited financial statements.

The NAATI Board, together with its special Committees, Examiner Panels, Regional Advisory Committees, its CEO and highly dedicated staff, helped the company achieve its core objectives during 2002-2003 and to produce the best financial outcome in the company's history. In my capacity as Chairperson of NAATI I wish to publicly acknowledge the valuable contributions made by all the above. Thanks must also go to the stakeholders of NAATI, who offered valuable guidance and provided financial support to the company.



D.G Wheen
Chairperson
December 2003



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

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1. Chairperson's Overview



David Wheen Chairperson

The financial year 2002-2003 was the third of NAATI's four year Business Plan. The year was characterised by a continuing and significant growth in the demand for testing, the increased delivery of NAATI workshops for candidates preparing for tests, the increased delivery of tests at overseas locations and progress on several major projects.

1.1 Major Activities 2002-2003

Major activities included during the year included:

- The delivery of tests in seven regional centres in Australia;
 - The implementation of accreditation testing in Pushto;
 - The delivery of 92 workshops to assist candidates to prepare for accreditation testing;
 - The approval of 7 new tertiary courses in T & I at Australian institutions;
 - The commencement of the development of the new test formats resulting from the Test Format and Methodology Review completed in the previous year;
 - The commencement of the test validation process
 - The development of a Discussion Paper proposing the introduction of a Re-accreditation scheme;
 - The commencement of the rebuilding of NAATI's System for Accreditation Management in the IT area;
 - The relocation and up-grading of two NAATI state offices (Sydney, Brisbane)
 - The development and publication of Interpreting and Translation in Australia: a Concise Guide for Employers;
 - The hosting of two major public awareness events, one in Sydney, the other in Melbourne;
 - The development of a new NAATI brand and style guides;
 - The development of promotional materials and their distribution to NAATI's regional offices for display purposes;
 - The production of the annual edition of the National Directory of Accredited and Recognised Practitioners of Translation and Interpreting with better presentation and an enhancement of the search functions on the web site together with the
- The delivery of: 1854 tests in the Annual Program
 - 1912 special on- demand tests
 - 450 tests at overseas locations
 - 27 Language Aide tests
 - Assessment of 315 overseas qualifications leading to 232 accreditations;
 - Assessment of about 320 course graduate applications leading to 388 accreditations;
 - The awarding of 1498 accreditations as follows:
 - PPI/PPT = 392
 - T & I = 1089
 - Adv T & I = 17
 - Total = 1,498



- introduction of the directory on CD rom;
- The production of all corporate reports and their submission to the relevant authorities in a timely fashion; and.
- The development of NAATI's third Certified Agreement.

1.2 Testing

The total number of T & I tests delivered within Australia during Year Three of the Business Plan exceeded the target by 25% (3766 against target of 3000). Although the Annual Program tests were below target by 25% (1854 v 2499), the special on demand tests exceeded target by 19.5% (1912 against target of 1600) and overseas tests by 76% (450 against a target of 250). The previous trends in the demand shifting away from Annual Program tests to Special On Demand Tests as seen 2000-2001 has continued during the current year. The change is demonstrated in the table below:

The statistics in this table shows that the major shift that occurred in the period between 2000-01 and 2001-02 has continued in the year under review. The demand for overseas tests has increased significantly during 2002-2003.

A significant proportion of the demand for special on-demand tests and overseas tests has been created by intending migrants to obtain either a skilled occupation assessment or an assessment of language fluency skills for the bonus points associated with fluency in a community language. In addition, many candidates are preferring to sit for tests when they feel prepared rather than at the set dates offered by the Annual Program.

The shift in demand for the various types of NAATI tests has resulted in changed operations to enable testing to be carried out throughout the year. NAATI has had to ensure more consistent staffing levels on an annual basis rather than relying on casuals to meet demands at peak periods. It has had to improve its office premises to cater for small numbers on a regular basis and it has had to improve its record keeping to ensure that no candidate sits the same test twice.

Table 1: Changing Demand for NAATI tests

Year	Annual Program Tests		Special On Demand Tests		Overseas Tests		Total Tests	
	Tests	% of total	Tests	% of total	Tests	% of total		
2000-2001	1733	66.2	678	25.8	211	8.0	2622	
2001-2002	1691	47.7	1607	45.4	244	6.9	3542	
2002-2003	1854	43.9	1912	45.4	450	10.7	4216	



The demand for tests has also been reflected in the number of new candidates received by NAATI during the period under review. The current year has experienced a 25.5% increase in new candidates from 2871 in 2001-2002 to 3604 in 2002-2003. The majority of these have been test candidates.

1.3 Special Projects and Activities

During the year NAATI made significant progress on a number of special projects including;

- The IT re-development
- The re-accreditation proposal
- The test validation project
- The development of pilot tests with new formats
- The review of the use of computers in NAATI testing
- The review of the Regional Advisory Committees

Details of each of these projects can be found at the relevant sections of this report.

1.4 Major Achievements

NAATI made a number of achievements in its two key areas of Accreditation Services and Corporate Management as defined in the Business Plan.

1.4.1 Accreditation Services

In 2002-2003, NAATI made the following achievements in its core business area of Accreditation Services:

- increase of 14.2% over the previous year;
- The continuing growth in demand for on-demand testing within Australia (from 678 in 2000-2001 to 1607 in 2001-2002 to 1912 in 2002-2003);
- The implementation of an annual T & I testing program which included 40 languages at three levels of accreditation;
- The delivery of such tests at eight metropolitan centres and seven regional centres in Australia;
- The delivery of 92 T & I workshops by NAATI compared with 71 in the previous year;
- The facilitation of course approvals, workshops and tests in indigenous languages leading to 10 accreditations in four languages in the NT;
- The maintenance of a good turnaround of test results with some 80% returned by the due date;
- The approval of programs at tertiary institutions - 7 new approvals, 1 extension of approval and 20 additional languages across 6 courses increasing the number of approved programs to 18 courses at 12 institutions compared with 14 courses at 10 institutions in the previous year;
- The provision of 450 accreditation tests at 38 overseas locations in 25 countries, an increase of 80% over the previous year;
- The assessment of 315 applications for accreditation by overseas qualifications of which 232 were successful, an increase of 43.8% over the preceding year; and
- Commencement of a number of major developmental projects such as the test validation project, the development of pilot tests with new formats, the RAC review, the re-accreditation project.
- Receipt of 3,604 new applications for accreditation, an increase of 25.5% over the previous year;
- The delivery of 3,766 tests in Australia through the Annual Program (1854 tests) and Special On Demand tests (1912 tests) an



1.4.2 Corporate Management

In the area of Corporate Management, NAATI

- Developed new publicity and promotional materials;
- Hosted two major public awareness events, one in Sydney and one in Melbourne;
- Achieved 109.7% of its target revenue, of which 27.1% was derived from governments and 72.9% from its own activities;
- Increased the number of entries to the Practitioners' Directory resulting in a 2.7% increase in revenue from this source;
- Streamlined the office procedures through the review and revision of NAATI's induction and procedures manual;
- Relocated the Sydney and Brisbane offices to more appropriate and professional premises
- Achieved in excess of 80% of all payments through a merchant banking system;
- Reviewed the IT disaster recovery plan;
- Reviewed staff training needs and developed a strategy to meet the needs; and
- Reviewed service level agreements for IT support, telecommunications and postage with a view to obtaining better value and service.

1.5 Challenges

The most challenging issue during the year related to meeting the service needs for the increasing testing demand. With a 35% increase in the preceding financial year and a further 18.7% in the 2002-2003 financial year, NAATI's resources have been stretched to meet the service delivery

requirements. To address this, NAATI has engaged additional staff, often on a casual or fixed term basis. However, the cyclical delivery of the NAATI testing programs necessitates a long term training program often over the period of one full year. As a result longer serving staff are often required to provide continuous training for the casuals or part time employees.

In the IT area, the year was characterised by fewer problems due to the improved interoffice connectivity brought about by the move to ADSL broadband in the previous year. With the development of the new accreditation management system well underway, staff have found interim solutions to the problems within the old system knowing that a new system is being built. However, with the building of the new system, considerable staff resources have been required for consultation with the developers and testing of the programs.

NAATI has continued to experience a high staff turnover again this year, though not out of proportion with many other small organisations and businesses. It has been particularly difficult to retain the very part time staff in the smallest of the NAATI offices (ACT, Northern Territory and Tasmania). These offices have a level of business which requires staffing for less than twenty hours per fortnight for which there is very little interest. Among other staff, there were five resignations, three of whom had been employed with NAATI for approximately two to three years. The fourth position was a Melbourne position filled in 2002 by a person whose family has since moved interstate and the fifth position was that of the WA Manager, again a part-time position. It should be noted that despite the apparent turnover rate, seven of NAATI's fifteen full time staff are now eligible for long service leave.



1.6 Financial Outcomes

With reference to the financial performance to 30 June 2003, NAATI reports that it generated 106.7% of its targeted revenue, which was also 30.6% greater than the actual total revenue of the previous year. Of the revenue generated, 27% was derived from governments, 50% from testing and 23% from other services. On the expenditure side, NAATI used only 92.4% of its budget which was also only 99% of the previous year's expenditure. The increase in revenue and the containment of expenditure has produced a surplus of \$610, 566 for the year. This represents a reversal of the deficit of \$141, 547 experienced in the previous year and confirms the management directions put in place at the beginning of the financial year.

The surplus in 2002-2003 has resulted in NAATI having a cumulative retained surplus of \$1,179,678. Of this, NAATI needs to ensure ready access to \$750,000 which represents three months operational costs. Because of the surplus achieved in 2002-2003, the Board was able to maintain all domestic test fees for 2003-2004 at the same level as for the previous year. In addition, part of the retained surplus can now be used to meet some of the developmental costs of major projects and to meet some of the community needs that may be linked with government programs. Examples include workshops for low demand languages, workshops and testing in regional and rural areas of Australia and possibly the development of on-line test preparation materials. NAATI will be looking to implement these latter initiatives with the support of industry partners.

1.7 Future Developments

Noting the continuing changes in the demand for testing and the recommendations of the various reviews, NAATI has reviewed its Business Plan to ensure that activities in Year 4 of the Business Plan will meet realistic targets.

NAATI has set a testing program for 2003-2004 which will maintain the number of Annual Program tests and marginally increase the level of special on demand and overseas tests. While NAATI can exercise some control over the size of its annual program, it cannot achieve the same level of predictive accuracy over the special on-demand tests or over the overseas tests as these are strongly influenced by migration processes.

In the areas of development, NAATI will finalise the new formats for the Translator and Interpreter tests in the next financial year with the expectation of introduction to the candidature in the 2005 program. In addition, the re-accreditation and validation projects have commenced and should be significantly progressed in the next financial year. The review of the Regional Advisory Committees commenced in the current financial year and is expected to be completed in the first half of the next one. The revision of the Course Approval Guidelines and the Examiners Manual is also scheduled for the next financial year.



1.8 Summary

In summary, during the 2002-2003 financial year, NAATI has experienced an increase in service demand and delivery as follows:

Service/Activity	2001-2002	2002-2003	% increase
New Candidates	2871	3604	25.5%
Tests	3542	4207	18.7%
Accreditations	1337	1498	12%
Workshops	72	92	28%
Courses Approved	12	19	58%

In addition it has initiated and/or completed a number of major projects and developments such as the rebuilding of the IT database system, the development of new test formats, proposals for re-accreditation, procedures for validation of accreditation processes and a review of the Regional Advisory Committees. It has worked with tertiary institutions to have new T & I courses approved and new languages added to existing programs. The overall health of the company is good as is indicated by the growth indicators listed above.

The growth has generated additional revenue while better financial management has curbed expenditures, leading to a healthy surplus at the end of the financial year. For the first time in the history of NAATI, there is sufficient cushion in the retained surplus to permit NAATI to take some initiatives that will assist governments to meet community needs rather than having to continuously focus on cost recovery. Much work remains to be done. Several of the projects commenced in 2002-2003 will be completed in 2003-2004 while additional projects will be initiated.

The success of NAATI during the past year is directly attributed to the foundation work of the previous Board and in particular to the Chairperson, Mr Adolfo Gentile, the current Directors, the Chief Executive Officer and NAATI staff, and the members of our examiner panels and specialist committees. Without their support, dedication and hard work in fulfilling the objectives of the company during 2002-2003, the achievements would not have been so significant. I would also like to take the opportunity to thank the Members of NAATI and their Representatives for their support. The Board of Directors looks forward to working with all organisations and individuals in the coming year with the view of achieving the projected levels of performance and delivery.



D.G Wheen
Chairperson, NAATI Ltd
December 2003.



2. Company Overview

2.1 Status of Company

The National Accreditation Authority for Translators and Interpreters (NAATI) was initially established in 1977 by the Commonwealth Government as part of the then Department of Immigration. On 1 July 1983 it was incorporated as a public company, limited by guarantee, under the A.C.T. Companies Act 1981. On 31 May 2002, NAATI's Memorandum and Articles of Association was replaced with a new Constitution under the Commonwealth Corporations Act 2001.

NAATI is an independent organisation jointly owned by the Commonwealth, State and Territory Governments of Australia (known as the Members of NAATI). NAATI provides and maintains the national standards for the translation and interpreter profession in Australia. NAATI's role is to promote and develop high quality skills in translation and interpreting from one language into another, especially where one of these languages is English.

2.2 The NAATI Mission

Under the new Constitution, NAATI's mission 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 Australia's culturally and linguistically diverse society.

2.3 NAATI's Broad Objectives

From 31 May 2002, NAATI is committed to the following objectives specified in its Constitution:

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

2.4 NAATI Members and Their Representatives

In accordance with the Constitution, NAATI has nine Members of the Company. The Members are the Ministers responsible in the Commonwealth and each State and Territory for multicultural and/or ethnic affairs. A Member may appoint a person as his/her Representative to exercise any of the powers a Member may exercise under the Constitution and the Corporations Act.

The Members' Representatives usually include a senior officer within the Department of Immigration, Multicultural and Indigenous Affairs of the Commonwealth Government and the Chief Executive Officers of the Multicultural Affairs Commissions or like bodies in the State or Territory Governments.



Members/Members' Representatives of NAATI during the period 1 July 2002 to 30 June 2003 inclusive:

Mr P Vardos, PSM (Commonwealth)
Mr S Kerkyasharian, AM (NSW)
Ms E Jensen (VIC)
Mr S Maguire (QLD)
Dr Leela de Mel (WA)
Ms J de Leo (SA)
Ms L Andersch (TAS)
Ms J Price (NT)
Ms Judith Therkelsen (ACT)

2.5 NAATI Board of Directors

There are five NAATI Directors who are appointed by the Commonwealth Minister of Citizenship and Multicultural Affairs on a resolution of the NAATI Members. There were several changes in the composition of the Board during the year:

1 July to 30 August 2002:

Mr Adolfo Gentile-Chairperson
Mr Richard Acheson-Deputy Chairperson
Mr John Kiosoglous-Director
Mr Stefan Romaniw-Director
Mr David Wheen-Director

1 September 2002 to 30 June 2003

Dr Wolfgang Frick

Chairperson (Resigned 31/12/02)

Mr David Wheen

Deputy Chairperson (1/9/02 to 28/02/03)

Chairperson (1/1/03 to 30/06/03)

Ms Vicki Mitsos

Director (1/9/02 to 28/02/03)

Deputy Chairperson (1/1/03 to 30/06/03)

Ms Susan Bures

Director (1/9/02 to 30/06/03)

Dr Max Brandle

Director (1/9/02 to 30/06/03)

One Vacant Position

(1/1/03 to 30/06/03)

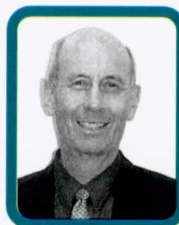
Directors Profiles

The profiles of Directors who served during the period 1 July 2002 to 31 August 2002 can be found in the 23rd Annual Report (2001-2002) as their appointments were extended by two months into the current financial year.

The following Directors have served on the Board for most of the current financial year.

Dr Wolfgang Frick

(Chairperson - 01/09/02 to 31/12/02)



Dr Wolfgang Frick was born in Austria and has lived and worked in Australia since 1961. He holds an MA in translation linguistics and

a PhD in Chinese. He holds NAATI accreditation as a Translator in English/German. His work experience includes a 33 year career in airline management with a number of overseas postings including China. Dr. Frick started his career as a translator (English/German) with the USFA in Austria in 1952 and briefly worked for the IAEA and the UN in Vienna using his language skills. For the past twenty years he has been a part-time and full time university lecturer in Chinese, German and translation/interpreting studies at Edith Cowan University, Perth and was the co-founder of the WA Institute of Translators and Interpreters. Dr. Frick also chaired a number of committees and served on the original board of NAATI under Sir George Cartland.

Mr David Wheen

(Chairperson - 01/01/03 to 30/06/03)



Mr David Wheen has been a senior manager in the Australian Public Service and in community sector organisations. He



is currently working as a management consultant. He has been associated with NAATI over many years in his former capacity as an officer of the then Department of Immigration and Multicultural Affairs.

Dr Max Brandle

(Director)



Dr Brandle was borne in Switzerland and came to Australia in 1959. He completed two research degrees at the University of Queensland and became the Director of

the University's Institute of Modern Languages from 1970.

Dr Brandle retired from the University of Queensland as Associate Professor from his joint positions of Director, IML and Deputy Director of the CLTR. He currently holds the position of Adjunct A/Professor, CALL, Griffith University, board membership in two international chambers of commerce, Member on the Council for the Swiss Abroad, and active membership in the Ethnic Communities Council of Qld and the Rotary Club of Brisbane. He has recently been awarded the Centenary Medal for contributions to multiculturalism in Queensland.

Ms Vicki Mitsos

(Director)



Vicki Mitsos is currently the manager of the Multicultural Education Centre at Goulburn Ovens Institute of TAFE. In this role she has initiated many worthwhile projects

for which she is recognised. Many are now being replicated in other areas of Victoria. Vicki was appointed by Minister Lynn Kosky to the Adult Community and Further Education

(ACFE) Board, as the first regional Victorian member.

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

Ms Susan Bures

(Director)



Susan Bures is the Administrator of The Great Synagogue, Sydney. Currently a Director of NAATI, she is also secretary of the Waverly Action for Youth

Services (a Sydney youth centre). Trained as a historian, she spent many years as a newspaper editor. She is a former deputy chair of the (then) NSW Ethnic Affairs Commission, former chair of the NSW Arts Advisory Council, board member of Carnivale and former councillor to the NSW Geographical Names Board. She was a member of the Olympic Co-ordinating Authority Names Committee, the Migration Centre Reference Group and the Ethnic Schools Board. She has several times been a judge for the NSW Premier's literary and history awards and was a contributor to The Making of a Multicultural Australia, which recorded Australian public policy on multiculturalism.



Chief Executive Officer



Ms Sherrill Bell serves NAATI Ltd in the capacity as the Chief Executive Officer and the Company Secretary. She came to NAATI after an academic career at the University of Canberra including

experience in teaching, research and tertiary administration. She is responsible for the management of NAATI and providing research and advice for the Board's consideration.

She has been a member of several advisory committees both at NAATI and at tertiary institutions and has represented NAATI at numerous national and international T & I events.

2.6 NAATI Committees

There are two primary subcommittees of the Board of Directors. They are:

2.6.1 The Qualifications Assessment Advisory Committee (QAAC)

The Qualifications Assessment and Advisory Committee (QAAC) is NAATI's primary advisory committee on accreditation standards and issues. The Committee is responsible for:

- The approval of tertiary courses in translation and interpreting;
- The development and revision of the guidelines for the approval of courses;
- The assessment of overseas qualifications from institutions not previously assessed;
- The assessment of qualifications for accreditation at the Advanced (Senior) levels on the basis of experience;
- The development of eligibility criteria for accreditation at the various levels;

- The consideration of serious appeal cases;
- The development of policies relating to accreditation and testing;
- The participation in reviews relating to accreditation and testing; and
- The consideration of general policy issues relating to standards of the profession.

The work of the QAAC during 2002-2003 is provided at 3.1.8. The Members of QAAC are listed in Appendix 1.

2.6.2 The Regional Advisory Committees (RAC)

The primary roles of the Regional Advisory Committees are:

- To identify local issues and needs and provide advice in relation to them to the NAATI Board;
- To carry out special projects as requested by the Board; and
- To promote NAATI policies and initiatives, and in turn, the Interpreter and Translation profession, within its region.

The performances of these committees are outlined in 3.1.8 of this report. The members of these committees are listed in Appendix 2.

2.7 The Organisational Structure of NAATI

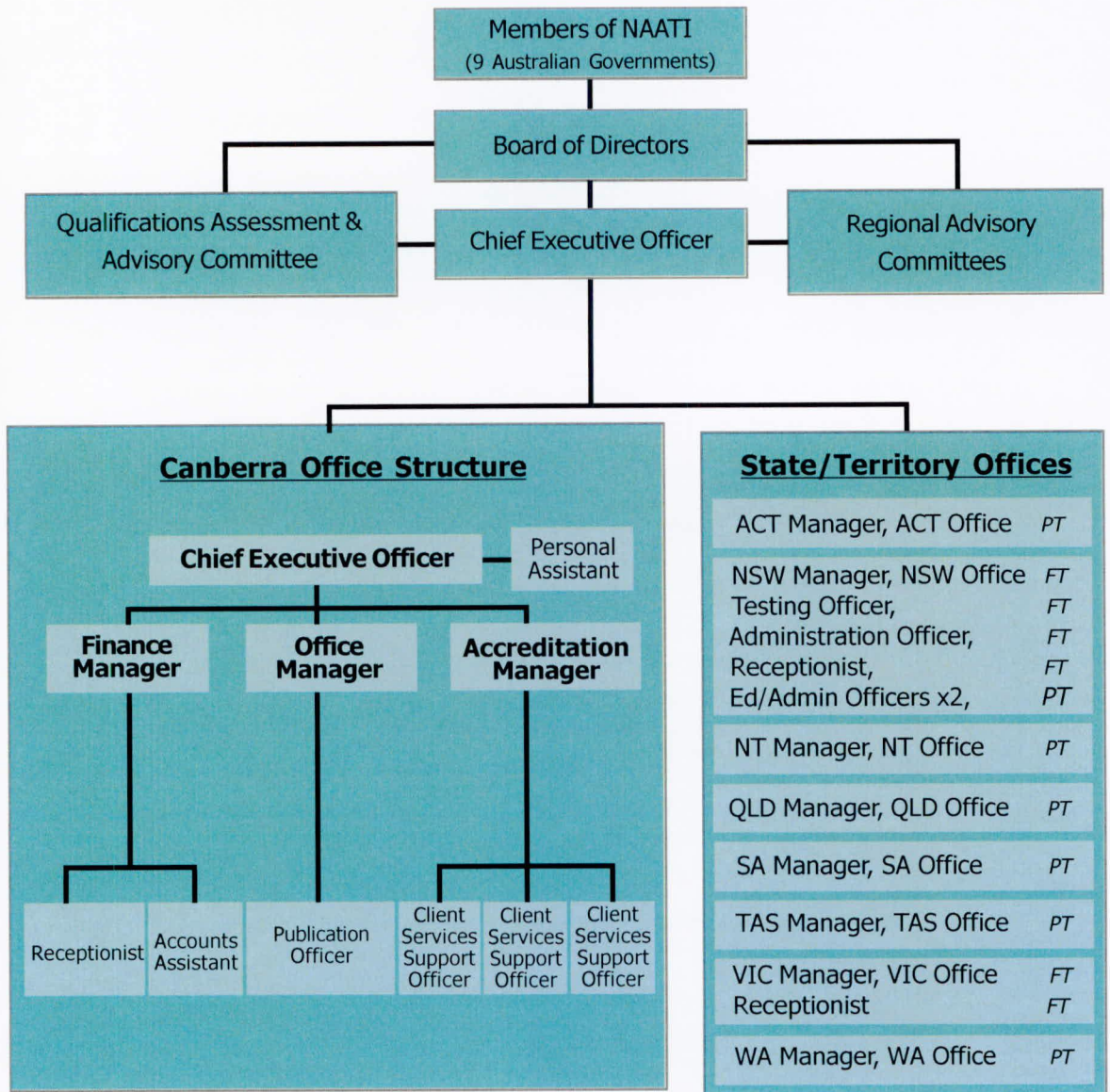
NAATI is a public company with its administrative headquarters in Canberra. It has offices in each State and Territory, with full time staff in Canberra, Sydney, Melbourne and Brisbane. All other offices function on a part time basis to meet local demand. At 30 June 2003, NAATI employed 25 full time and part time administrative staff members (20 effective full time positions) with one full time position being vacant.

Staff members are listed at Appendix 3



NAATI Organisational Structure

The following chart illustrates the organisational structure of NAATI.



3. Accreditation Services: Performance Outcomes and Outputs

The NAATI Business Plan states that the primary objective in the delivery of Accreditation Services is to increase the national pool of accredited translators and interpreters in Australia across an increasing range of languages, based on market demand, both current and predicted through the following Outcomes:

- The delivery of testing programs, approval of courses at Australian tertiary institutions, assessment of overseas qualifications; education services such as workshops and associated professional materials and publications; establishment of groups of expert advisers, panels of qualified examiners and regional committees;
- Development/refinement/implementation of policies relating to accreditation, design of tests and fee-pricing structures; and
- Contribution to Commonwealth/State/Territory Government's language services programs. Where it involves NAATI in the provision of overseas testing for potential migrants, these overseas activities will be accounted for separately and clearly both in terms of NAATI's Annual Report and its audited financial reports.

3.1 Outcome One:

- The delivery of testing programs, approval of courses of Australian tertiary institutions, assessment of overseas qualifications; education services such as workshops and associated professional materials and publications; establishment of groups of expert advisers, panels of qualified examiners and regional committees

Outputs: 2002-2003

3.1.1 New Applicants

During the year, NAATI received 3,604 new applicants for accreditation bringing the total number of accreditation clients to 49,387. Of the new applicants, approximately 2,520 were for testing in Australia, 320 for accreditation on the basis of course completion within Australia, 315 for overseas assessments and 450 for testing at overseas locations. These outcomes have been derived from the number of applications that have been accepted by NAATI. In addition approximately 44 applications for assessment by overseas qualifications were returned to applicants without becoming NAATI candidates. These applications were clearly ineligible since their qualifications contained no training in T & I.

3.1.2 Tests

During the year, NAATI conducted tests as shown in table 1:

Tests were conducted in all Australian capital cities as well as in the regional centres of Newcastle, Coffs Harbour, Orange, Cairns, Rockhampton, Townsville and Shepparton.

The 450 overseas tests were conducted in 25 countries at 38 locations.

The countries of highest demand for NAATI tests in 2002-2003 were China (123 tests), India (40 tests), Malaysia (26 tests) and the United Kingdom (26).



During the year, NAATI conducted tests as shown in the following table:

Table 1: NAATI Tests: 2001-2002

Type of Test	Annual Program Tests	Special On-Demand Tests	Overseas Tests	Total Number of Tests
Paraprof. Translator	11	3	0	14
Paraprof. Interpreter	261	130	0	391
Trans > English	564	470	129	1163
Trans > LOTE	739	1234	312	2285
Interpreter	279	70	9	358
Adv. Trans > Eng.	0	2	0	2
Adv. Trans > LOTE	0	3	0	3
TOTAL	1854	1912	450	4216
No. Languages	40	50	32	
Language Aide	85 Oral 42 written			



Overseas testing has been facilitated through a contract with IDP Education Australia Ltd. This organization is responsible for the delivery of the IELTS test of English language proficiency and therefore was viewed as having comparable expertise in test delivery methods. During the year, IDP made two new locations for testing available, these being Islamabad and Karachi.

3.1.3 Approval of Courses

NAATI approves Translator & Interpreter courses at Australian tertiary institutions and continues to monitor the courses to ensure that the institutions maintain the quality of the course over the period of approval. Graduates of such courses who achieve the NAATI standard in the final examination may be awarded NAATI accreditation at the same level for which the course is approved.

In 2002 - 2003, NAATI granted initial approvals or re-approvals to seven translation and/or interpreting courses in Australia (see Table 2). This brings the total number of approved courses in Australia to 18, 10 at the Diploma level (paraprofessional), seven at the Advanced Diploma, B.A. or Graduate Diploma level (first professional) and one at the Advanced Translator/Conference Interpreter level. These 18 programs are being delivered by 12 institutions. Two programs expired during the year, these being the paraprofessional qualification at the University of Wollongong and the Advanced Diploma of Interpreting at the Adelaide TAFE. No applications were received for renewal.

3.1.4 Assessment of Overseas Qualifications

NAATI is the designated body in Australia to assess qualifications in interpreting and translation obtained from overseas institutions. In carrying out this responsibility, NAATI works closely with the National Office of Overseas Skills Recognition (NOOSR) and reports to it on a quarterly basis.

The demand for NAATI accreditation on the basis of overseas assessment increased sharply during 2002-2003 from 219 in 2001-2 to 315 in 2002/3. Applications for this method of accreditation are submitted by three groups of individuals: Australian citizens and permanent residents who trained overseas and wish to work as translators and interpreters in Australia; professional practitioners residing overseas who seek a formal qualification in interpreting and translation and individuals seeking accreditation for the purpose of identifying a skilled occupation in relation to their applications for migration to Australia. The last mentioned group represented the strongest demand during the year. In 2002-2003, NAATI received 315 applications for accreditation of which 227 were successful leading to 232 accreditations.

3.1.5 Accreditations

In 2002-2003 NAATI granted 1,498 accreditations in translation and interpreting and 38 Language Aide qualifications as shown in Table 3. Accreditations in interpreting and translation increased by 12% over the previous year.



Table 2: Course Approvals and Re-approvals 1/7/2002 - 30/6/2003

New Course Approvals

National Diploma in Interpreting (Paraprofessional)

Central TAFE, Leederville - Auslan	01/01/03 to 31/12/04
Institute of Aboriginal Development	01/01/03 to 31/12/04

Advanced Diploma in Translation

Adelaide Institute of TAFE & Australian Institute of Management and Computing (AIMC) - Bangla, Hindi, Urdu	01/01/03 to 30/06/04
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Advanced Diploma in Interpreting

Sydney Institute of TAFE, Granville - Arabic & Persian	01/01/03 to 31/12/04
Sydney Institute of TAFE, Petersham - Cantonese, Greek, Korean, Mandarin	01/01/03 to 31/12/04

M.A. and Post Graduate Diploma in T & I

Maquarie University - Auslan, Chinese, Mandarin, Japanese, Korean, Thai, French, Spanish	01/07/03 to 31/12/04
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Course Re-Approvals

Advanced Diploma of Interpreting and/or Translating

Central TAFE, Perth	01/06/03 to 31/12/04
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Additional Languages

Diploma Of Interpreting

Adelaide Institute of TAFE - Bosnian & Arabic	01/01/03 to 31/12/04
Central TAFE, Perth - Burmese, Italian, Portuguese, Spanish	01/01/03 to 31/12/04
Southbank TAFE - Japanese, Spanish, Korean, Cantonese, Mandarin	01/01/03 to 31/12/04
RMIT - Dari	01/03/03 to 31/12/04

Advanced Diploma of Interpreting or Translation

Central TAFE, Perth - Arabic, Bosnian, Italian, Macedonian, Russian	01/06/03 to 31/12/04
RMIT - Auslan, Khmer, Macedonian	01/03/03 to 31/12/03



3.1.6 Workshops

NAATI conducts a variety of workshops for test candidates, accredited practitioners, employers and examiners. In the period 1 July 2002 to 30 June 2003, NAATI conducted 97 workshops as shown in Table 4.

The number of workshops in 2002-2003 increased by 27% from the previous year. This was a result of better marketing by NAATI and increased demand created by immigration applicants seeking NAATI accreditation testing. Workshops were conducted in all states and territories during the year, with the greatest number being delivered in New South Wales. The workshops in the ACT, Northern Territory and Tasmania were conducted despite the low number of participants as a means to ensure that test candidates who had accepted the invitations for testing had an opportunity to adequately prepare.

3.1.7 Professional Materials and Publications

During the year NAATI produced and updated various printed materials to assist clients to obtain accreditation. It also arranged for other publications to be accessed through NAATI. Key publications and materials for the benefit of candidates and clients of T & I services made available in 2002-2003 include:

- A Concise Guide for Working With Translators and Interpreters in Australia
- Ethics of Interpreting and Translation: A Guide to Professional Conduct in Australia
- Overseas Testing Guidelines (revised publication)
- Manual for Candidates (revised publication)

- Assessment of Overseas Qualifications
- Australian Translator & Interpreter Training Opportunities (revised publication)
- New application forms with changed format to facilitate electronic transfer to clients
- Update of website to include application forms, new information and more accessible information

3.1.8 Establishment of Groups of Expert Advisers

NAATI is dependent upon the advice received from experts in various fields related to interpreting and translation. During the year, the main advisory groups consisted of:

Qualifications Assessment and Advisory Committee (QAAC)

The Qualifications Assessment and Advisory Committee is NAATI's primary advisory committee for accreditation and standards issues as detailed at 2.6.1 of this report. The Committee is a sub-committee of the Board of Directors and is responsible for advice on matters specified.

During the year under review, the QAAC convened five meetings: 19 October 2002, 30 November 2002, 4 February 2003, 4 March 2003 and 24 May 2003. Its work included:

- Approval of 7 T & I courses at Australian tertiary institutions
- Monitoring of tertiary courses in T & I
- New Test Format designs and pilot procedures
- Consideration of the need for English language proficiency testing
- Consideration of the eligibility criteria for testing



Table 3: Accreditations 2002-2003 and Total Accreditations at June 2003

Accreditation Level	By Test	By Course Completion in Australia	By Overseas Qualifications	Total in 2001 2002	Cumulative Total
Paraprof. Translator	4	0	0	4	4686
Paraprof. Interpreter	171	217	0	388	9626
Trans > English	213	31	8	252	4557
Trans > LOTE	402	73	209	684	6070
Interpreter	86	66	1	153	2775
Adv. Trans > Eng.	1	0	1	2	119
Adv. Trans > LOTE	1	0	9	10	138
Conference Int.	0	1	1	2	81
Adv. Trans > Eng (Sen)	0	0	0	0	2
Adv Trans > LOTE (Sen)	0	0	0	0	5
Conference Int (Sen)	0	0	3	3	56
TOTAL	878	388	232	1498	28,115
Language Aide	38				1965

Table 4: NAATI Workshops: 2003-2003

State	Language Aide	Test Preparation	Skill Development	Professional Development	Examiners	Total
ACT		2				2
NSW		35	2		1	38
NT		2				2
QLD		8	1			9
SA		3	4			7
TAS		1				1
VIC	8	15		2	4	29
WA		8		1		9
TOTAL	8	74	7	3	5	97



- Consideration of proposed training modules
- The assessment of some overseas qualifications
- Appeals on overseas assessments and testing
- Consideration of various accreditation policy issues.
- Test validation methodology
- Re-accreditation considerations
- New test format designs and pilot procedures

Regional Advisory Committees

A Regional Advisory Committee (RAC) in each State and Territory consisting of up to eleven members is appointed each year by the NAATI Board of Directors (See Appendix 2).

The primary role of the committees has been detailed at 2.6.2 of this report. The most significant achievements for the RACs during 2002-2003 include:

ACT RAC members continued to work on a project to determine the level of unmet demand for interpreting and translation in the ACT. It also initiated the idea of a reporting "hotline" to be included in the ACT Government booklet *Working with Interpreters*. RAC also liaised with the ANU Law School about including an interpreting segment in the legal workshop.

NSW RAC worked continuously throughout the year on a major awareness raising event which was hosted on 2 May 2003. The theme was *Translators and Interpreters: Your Partners in Communication*. The event was very successful and was attended by more than 100 delegates. RAC also developed and launched a translation and interpreting service provider flyer for NSW and provided feedback to the

NAATI Board on the feasibility study for outsourcing test delivery

NT RAC focussed on the training opportunities in the Northern Territory and the development of resource materials for specialised workshops. RAC also worked on strategies to strengthen the links with the legal profession, the police and Centrelink. It also promoted NAATI accreditation among students at the University of the Northern Territory.

QLD RAC provided the only forum in Queensland where representatives from service providers, government departments, educators and practitioners can hold meaningful discussions relating to all aspects of the T & I profession. During the year, RAC refined strategies to promote the use of accredited translators and interpreters to target groups, formally contacted organisations to highlight perceived deficiencies in the provision of interpreter services, reviewed the available video resources available in Queensland to be listed for professional development sessions and worked toward the delivery of an interpreter and translator awareness event.

SA RAC continued to promote the use of accredited interpreters and training on how to work with interpreters for professionals in other fields. RAC members wrote articles for publication in newsletters and journals during the year including to the *UNISA News*, for a real estate news letter, for the *Law Society Bulletin* and for the *Australian Psychologist* journal. RAC was also involved with the mock hearings during Law Week. RAC also followed up various reports on the use or misuse of interpreters by various organisations as appropriate.



TAS RAC assisted the local TAFE to lobby for the reinstatement of the Diploma of Interpreting course as there is no other training opportunities available in the state. Members also assisted NAATI in its participation in the Modern Languages Teachers Association of Tasmania Conference by staffing a display stand and presenting examples of Auslan interpreting.

VIC In addition to providing a forum for the exchange of information among key stakeholders, The Victorian RAC focussed its attention on the organisation of the fourth T & I Awareness Day titled Best Practice in Language Services - The Purchaser's Perspective. This event was convened on 3 May 2003 and was attended by more than 100 delegates. Two publications were launched on the occasion including NAATI's Concise Guide for Working with Translators and Interpreters in Australia and the Proceedings of TIAD 2001. RAC also provided the NAATI Board with feedback on the Test Format review and on the feasibility study of test delivery outsourcing.

WA RAC devoted much time to the promotion of using accredited translators and interpreters to people organising events in Perth. It also assisted with the delivery of a special taxation related seminar with many participants asking NAATI to provide further professional development workshops of a similar nature.

Examiners

In May 2003, NAATI reviewed the examiner panels in terms of composition and performance. Some panels required additional members to ensure a sufficient number of examiners with the appropriate breadth of skills to meet the demand for setting and marking

tests. Vacant positions created by absentees or resignations were also filled. The Board of Directors appointed 295 examiners to 53 panels covering 57 languages. The larger panels include Auslan, Chinese, French, Indonesian and Spanish. Examiners are expected to have tertiary qualifications, NAATI accreditation and experience in T & I.

3.2 Outcome Two:

- Development/refinement/implementation of policies relating to accreditation, design of tests and fee-pricing structures.

Outputs

3.2.1 Eligibility Criteria

NAATI maintained the status quo with reference to accreditation policies during the year. There was only one minor change and this involved the eligibility criteria for the senior levels of accreditation. The change was made to reflect changes in the international requirements of interpreters and translators to obtain membership of professional associations and to ensure the authenticity of authorship of translations.

3.2.2 Use of Computers in NAATI Testing

During the year, NAATI reviewed its policy concerning the use of computers during translation tests. The previous policy permitted the use of published dictionaries, glossaries and thesauri for translation tests. However, due to a growing use of electronic dictionaries NAATI agreed in 2002 that hand held electronic dictionaries could be used during the tests. However, this led to the request by many candidates to bring into the test their lap top computers which housed their electronic dictionaries.



The matter was considered by the Qualifications Assessment and Advisory Committee which advised the Board that the use of lap top computers during the test would enable candidates to access other translation assistance software beyond the use of electronic dictionaries and that NAATI would not be able to monitor this during a test. Further the use of lap top computers would enable candidates to save test materials and test related information (eg. sources of passages) which would compromise the security of the test materials.

For these reasons, the Board resolved that NAATI should not permit lap top computers for use during the Translator test.

3.2.3 Development of Pilot Tests with New Formats

During 2002-2003, the Qualifications Assessment and Advisory Committee provided recommendations to the Board for the revised test formats, based on the input by a wide range of stakeholders who participated in the Test Review during 2000-2002. The NAATI Board accepted the advice of the Committee and agreed that the development of new test formats should proceed. It was agreed that the development should be staged over a longer period of time including the commissioning of the development of a Translator Test and an Interpreter Test in a European, a Middle Eastern and an Asian language. Also the development of a new format for the Interpreter Auslan test was commissioned. The piloting of the new tests will be done among a group of volunteers including examiners, candidates and other interested parties (eg. possibly senior university language students). The analysis of the results of the pilot tests

will help to identify any flaws in the design. The piloting process will commence early in the next financial year.

3.2.4 Test Validation Project

Also as part of the outcomes of the Test Review during 2000-2002 and the objectives and outputs specified in NAATI's new constitution, NAATI has put considerable effort into developing a plan for the validation of its accreditation processes, particularly its tests. Again, the Qualifications Assessment and Advisory Committee has been instrumental in providing advice to the NAATI Board to enable the company to move forward on this matter.

The validation of NAATI tests involves a number of aspects, some which are more complex than others. NAATI has completed some aspects, has other aspects in progress and still others to be planned for implementation in another financial year. Progress is as follows:

Predictive Validity: Planned for future assessment, statistics need to be collected and research carried out to provide the basis for a validation study (eg. the collection of IELTS scores to be matched against NAATI pass/fail rates)

Test Construct Validity: Completed through the test review

Test Content Validity: Completed through the test review

Rater Reliability: Scheduled for the 2003-2004 financial year

Test Reliability: Scheduled for after the introduction of the new test formats.



The outcomes of each aspect of the above process will provide NAATI with independent expert advice which will be made available to all Members of the company including the advice on how NAATI might proceed with the test reliability phase.

3.2.5 Re-Accreditation Proposal

As part of the outcomes of the Test Review during 2000-2002 and the objectives and outputs specified in NAATI's new constitution, NAATI moved forward during 2002-3 to develop a proposed system for re-accreditation and together with strategies for encouraging accredited translators and interpreters to upgrade their accreditation level.

NAATI's Qualifications Assessment and Advisory Committee met several times during the year to develop a proposal for re-accreditation which was further developed by the CEO and the NAATI Board of Directors. At the end of the year under review, the discussion paper was being finalised for dissemination among all NAATI stakeholders including Members, educators, members of the Regional Advisory Committees, AUSIT, service providers and NAATI candidates. Following the receipt of the responses, NAATI will review the proposal revising it as necessary. The implementation of the proposal will go forward as soon as possible.

In the meantime, NAATI has already commenced publicising among candidates and service providers, the benefits of paraprofessional practitioners upgrading their accreditation to the professional level.

3.2.6 Fee-pricing Structures

Due to the good financial outcomes that became evident by May 2003, the Board of Directors approved fee-related policies for the forthcoming year as follows:

- Fees for the annual program of tests will be held constant for the next financial year;
- Fees for Special On-demand tests for Australian citizens and Permanent Residents will be held constant for the next financial year;
- Fees for Special On Demand tests for non-Australian citizens and Permanent Residents and for Overseas Tests will be increased by 5%;
- Examiner payments will be increased by 4%;
- Payments to examiners will be amended to reflect a significant and positive differential for test papers returned by the due date and those returned late.

3.3 Outcome Three

- Contribution to Commonwealth/ State/Territory Government's language services programs. Where it involves NAATI in the provision of overseas testing for potential migrants, these overseas activities will be accounted for separately and clearly both in terms of NAATI's Annual Report and its audited financial reports.



Outputs

3.3.1 Contribution to Government Language Services Programs

The NAATI Annual Testing Program for 2002-2003 included all languages and levels of accreditation categorised by government service providers as being in demand. It also considered the new and emerging languages. Through testing, course completion and overseas assessments NAATI awarded 1,498 accreditations across 54 languages. These included accreditations in some languages of high need and low supply such as Albanian, Amharic, Auslan, Dari and Somali.

NAATI also had worked with the Institute of Aboriginal Development in the Northern Territory to finalise the NAATI approval of its Diploma of Interpreting. In addition, NAATI has worked with two private bodies to enable the delivery of short intensive workshops followed by NAATI testing in remote locations of the Northern Territory. During the year, there were 10 new accreditations across 4 indigenous languages. In addition, NAATI participated in a training and educational workshop sponsored by the Aboriginal Interpreter Service to help identify interpreter training priorities for indigenous languages.

During the year, NAATI participated and contributed to the Victorian Language Forums through the Victorian Office of Multicultural Affairs (VOMA). In addition, the CEO met several times with the Director and staff of VOMA to ensure that NAATI training and testing strategies were compatible with the

aims and objectives of the Victorian language services needs. NAATI participated in the DIMIA Settlement Planning meetings, particularly the one held in Shepparton Victoria which focussed on the interpreting needs in rural and regional Victoria.

3.3.2 Overseas Testing

2002-2003 was the third year during which testing was available at overseas locations. A significant proportion of the demand for overseas testing is from intending migrants or seekers of permanent residency who need to have their occupational skill recognised by Australian assessing authorities before making application. NAATI is the designated authority to assess tertiary qualifications in T & I obtained from overseas institutions. However, where practitioners have learned the profession through work experience or are ineligible for accreditation on the basis of their overseas qualifications, their T & I skills are assessed through the NAATI testing system under the same policies and guidelines that apply within Australia.

Table 5 shows the locations where overseas testing has been conducted together with the number and types of tests.

The financial outcomes of the overseas testing program are accounted for on separate lines within the audited statements and by an Independent Special Purpose Audit Report.

Outcomes

The NAATI Business Plan states that the primary objective of Corporate Management is to facilitate high quality business outcomes through:



Table 5: Overseas Testing 2002-2003

Country	City	Number of Tests			Overall Total
		Translation		Interpreting	
		30	3E		
Bangladesh	Dhaka	2			2
Bulgaria	Sophia	5			5
Brazil	Sao Paulo	3			3
China	Bejing	55	3	1	59
	Guangzhou	17	3		20
	Shanghai	38	5	1	44
Fiji	Suva			1	1
Hong Kong	Hong Kong	6	6	2	14
	Bangalore	1	3		4
India	Chandigarh		1		1
	Chennai	3	4		7
	Mumbai	6	8		14
	New Dehli	6	8		14
	Jakarta	5	1		6
Indonesia	Makassar	1			1
	Surabaya	2			2
South Korea	Seoul	11	3		14
	Pusan	1			1
Kuwait	Kuwait	60	5		65
Malaysia	Kuala Lumpur	7	11		18
	Kuching	1	1		2
	Penang		1		1
	Subang Jaya	1	4		5
Mauritius	Port Louis	1	1		2
Netherlands	Horst	8	5	1	14
Pakistan	Islamabad	3	3		6
	Karachi	1	3		4
Phillippines	Manila	9	8		17
Singapore	Singapore	10	12	1	23
South Africa	Johannesburg	1	3		4
Sri Lanka	Colombo	5	5		10
Sweden	Stockholm	1			1
Taiwan	Taipei	2			2
Thailand	Bangkok	1			1
UAE	Dubai	12	7		19
UK	London	14	11	1	26
USA	Washington DC	5	3	1	9
Vietnam	Ho Chi Minh City	8	1		9
TOTAL		312	129	9	450



4. Corporate Management: Performance Outcomes And Outputs

- High level executive support and advice for the NAATI Board and members representing Commonwealth/State/Territory Governments;
- A review of staffing requirements/structure in States/Territories with a view to implementing an organisation structure which better aligns staff with business operational needs;
- Reviewing accommodation and operational costs of Regional Offices and options to reduce such costs, for example, through increased sharing of office space with other suitable organisations;
- Better defining the role and profile of the Regional Advisory Committees to promote and participate in providing the services and products of NAATI
- Best practice management styles, and strategic and operational frameworks which achieve high levels of efficiency and effectiveness, and streamlined work practices and procedures in the areas of:

Executive Business management

Human Resource Management

Financial and Resource Management

Information Technology and telecommunications

Core Business Rules for NAATI combined with a Performance Based Management culture facilitated by NAATI's second Certified Agreement made under the Workplace relations Act 1996

While several of the above outcomes are on-going, one was specifically programmed for Year Two of the Business Plan but was deferred to Year Three of the plan (current year) this being a review of the Regional Advisory Committees. In addition, under outcome of best management practice and operational frameworks, NAATI had commenced the feasibility study on the possibility of outsourcing the test delivery function in 2001-2002 and completed the study and made decisions early in the year under review. The other key feasibility study concerning the possibility of establishing a training division was not conducted due to the lack of support by stakeholders. Corresponding outputs are reported as follows:

Outcome One

4.1 High level executive support and advice for the NAATI Board and Members

Outputs

The NAATI Board was provided with accurate and timely advice on NAATI operations in conjunction with all Board meetings. In addition, the Executive provided information upon request in relation to special issues. Monthly financial statements and quarterly analyses were provided to the Directors. Members of NAATI also requested information or advice periodically throughout the year to which NAATI made appropriate responses.



Outcome Two

4.2 A review of staffing requirements/structure in States/Territories with a view to implementing an organisation structure which better aligns staff with business operational needs;

Outputs

Since some structural and staffing adjustments were completed in May 2002, no further changes were made during the year under review. However, by the end of the current year, a reassessment was in progress with a view to making further changes to meet the changes in test demand and consequent workloads in the Central Office.

The structure and staffing in the State and Territory offices was kept under review. During the year, the Queensland office was upgraded to a full time position to meet the increasing demand for services in this state. NAATI also maintains a register of casual staff who can be called upon to meet seasonal peaks in demand.

Some functions previously carried out by staff in the central office have been devolved to the state and territory offices. This has led to speedier and more direct services to local candidates.

Outcome Three

4.3 Reviewing accommodation and operational costs of Regional Offices and options to reduce such costs, for example, through increased sharing of office space with other suitable organisations

Outputs

During the year NAATI reviewed its office accommodation where leases and contracts permitted such reviews to take place. During the year, the Sydney office was re-located to larger and more professional office space. The new accommodation will enable the office to function more effectively, particularly by being able to hold workshops and testing on site.

Due the plans for the redevelopment of the Yungaba site in Brisbane, NAATI was relocated to another building within the complex. The new rooms are an improvement upon the previous ones. The move, however, is an interim one, as other buildings on the site are scheduled for redevelopment.

NAATI renewed its Memorandum of Understanding with the Multicultural Council of the Northern Territory, which provides dedicated space within its office for NAATI business together with some shared telephone and receptionist services.

Outcome Four

4.4 Better defining the role and profile of the Regional Advisory Committees to promote and participate in providing the services and products of NAATI

Outputs

The Business Plan had scheduled a review of the role and functions of the Regional Advisory Committees for 2001-2002. However, during this year, the Members of NAATI conducted a structure review of the company and it was not clear whether this would have an impact on the committee structure.



The Board of Directors, therefore decided to defer the review of the Regional Advisory Committees until the structure review was completed and the new constitution was adopted.

This work being completed by 31 May 2002, the review of the Regional Advisory Committees was commenced in the year under review with a survey of stakeholders and the engagement of a known consultant to analyse the survey responses and other information provided by NAATI. The consultant provided a Discussion Paper for the Board of Directors which was received in June 2003. The outcomes of the survey and analysis were therefore ready for the Board to consider at its first meeting in the next financial year.

Outcome Five

4.5 Best practice management styles, and strategic and operational frameworks which achieve high levels of efficiency and effectiveness, and streamlined work practices and procedures in the following:

Outputs

4.5.1 Executive Business Management

During 2002-2003, NAATI continued its focus on the improvement of business delivery through the monitoring of administrative processing, business services and communications. The year was characterised by the maintenance of documentation related to office-wide business practices in the form of office procedures manuals and staff induction manuals. The strong focus on a performance work culture continues.

There has been an internal emphasis on client services, office-wide consistent work practices and policies and the selling of NAATI's services and products. This change has been reinforced by giving staff more training opportunities, clearer policy and procedures and implementing a formal performance appraisal framework. In addition, regular all-staff meetings in Central Office and quarterly teleconferences with State and Territory managers has facilitated a more consistent approach to service delivery across the country.

Specific achievements in this area include:

- Speedier and more reliable direct access to the NAATI database by all regional offices of NAATI;
- Up-dating and maintenance of a common induction manual for all NAATI staff;
- Further development and maintenance of office procedures manuals to include both national procedures as well as specific state/territory procedures
- Continual review of office procedures to reduce processes and eliminate duplication;
- Regular processing of examiner payments;
- Better management of client inquiry handling by staff through regular training and communications among staff

4.5.2 Human Resource Management

Significant improvements were achieved in the area of Human Resource Management during 2002-2003. NAATI continued its strategic approach in HR management using performance appraisals and training as the vehicles for improvement.



Staff were afforded higher levels of training and development to encourage both the depth of specialised knowledge as well as multi-skilling. Opportunities were also provided to staff to undertake higher level positions and responsibilities through both in-house training and external seminars, workshops, conferences and award courses at tertiary institutions. Two special training opportunities were afforded to Central Office staff to enhance team building strategies within the organisation.

Regular Performance Appraisals were implemented throughout the year providing staff with timely and helpful feedback on their work performance. Through this system, staff and management were able to identify training needs, improve work practices and reward staff for contributions to the company. This system has provided the means for continuous improvement of work practices and procedures.

NAATI has also made specific OH & S improvements during the year through upgrades in equipment and furniture, re-arranged floor plans and repainting. This has made the NAATI working environments safer and friendlier as well as raising the professional image of the offices.

The Human Resource management changes achieved during 2002-2003 were within budget, and have formed a sound foundation for further consolidation and improvement in the quality of NAATI's human capital and the business and organisation frameworks.

4.5.3 Financial and Resource Management

The Business Plan provides for change to achieve efficiencies in financial and resource management. Many significant achievements including the streamlining

and enhancement of the financial processing, analysis and planning were made during 2002-2003 including:

- An increase in overall revenue of 30.6% over the previous year
- Changes in the chart of accounts to reflect changes in business operations and to refine account lines into more meaningful categories;
- More and better training of staff to ensure proper invoicing and receipting
- Maintenance of the level in use of merchant banking facilities by clients at approximately 80% of funds received;
- Curtailment of expenses in some areas with significant savings resulting;
- Property management of office leases to provide improved conditions at least cost to NAATI;
- Sound working relationships with financial institutions to maximize high interest rates for investment monies;
- Review of the assets register and the "writing off" of very old equipment;
- Higher standards of records management; and
- Compliant and well structured financial framework to facilitate smooth end of year audits and preparation of financial statements.

This area now has a financial and resource management framework that facilitates daily and long term business health and strategic planning. This framework has delivered significant benefits in 2002-2003.



4.5.4 Information Technology and Telecommunications

During 2002-2003 NAATI capitalised on the significant improvements in the performance of its wide area network and the reliability of its hardware made in the preceding year. In 2001-2002, NAATI subscribed to the ADSL broadband facility and replaced its out-of-warranty hardware with a new fleet of PCs and monitors. As a result of these actions, NAATI has experienced a year of reliable services in these two areas.

At the end of the previous financial year, the continued deterioration of the Accreditation Management System (AMS) which managed the database system, caused the Board to approve an external evaluation study of the AMS which in turn recommended a re-build of the system to meet the current business needs. The Board accepted the recommendation and approved an IT development project for 2002-2003

Between August and November 2002 NAATI engaged a consultant to provide an independent assessment of its accreditation management system which is the computer application which manages all accreditation records. The outcome of the project clearly showed that the system was failing to provide the reliability and functionality required. Changes to the system required by the introduction of the GST, the need for accurate interfaces between candidate payments and the finance accounting system (MYOB), the need for more accurate tracking of tests taken by candidates due to the increasing demand for special on-demand tests, the need for more accurate and immediate reporting of the progress of test implementation and marking all contributed to the recognition of the need for the urgent development of a

better system. Based on the findings of the evaluation study and recommendations contained therein, the Board approved, in November 2002, a project to re-build the system for accreditation database management system (now referred to as SAM).

The project commenced in early November 2002 with *Phase 1: The Design & Specification Stage* which was completed by early December 2002. An independent evaluation of this work by Software Improvements, a consulting firm specialising in such assessments verified the quality of the work. *Phase 2: to Re-Build the system* commenced in March 2003 with F1 Solutions as the contractor. Development work commenced in April 2003 and has progressed well during the remainder of the financial year. The project is scheduled for completion in December 2003.

During the period of development, NAATI has continued to work with the existing system, using many alternative and manual "work-arounds". Despite these difficulties, NAATI responded to the operational needs and was able to achieve the targets of the Business Plan. In particular, NAATI has used in-house skills to improve the website. Other key developments during the year include:

- Monitoring of the internet service provider;
- Review of the service level agreements for IT support resulting a change of service provider;
- Improved programming for the Practitioners Directory to operate on NAATI's Website with better search functions and to make the directory available on CD rom;
- Maintenance and review of the disaster recovery plan for the IT area



NAATI ended the financial year with continued high performance hardware and speedy and reliable connectivity between its offices. It has commenced re-building the accreditation management system.

Outcome Six

4.6 Core Business Rules for NAATI combined with a Performance Based Management culture facilitated by NAATI's second Certified Agreement made under the Workplace Relations Act 1996

A number of manuals have been updated and refined during 2002-2003 to ensure transparency of policies and practices associated with elements of the business and to bring about a consistency of approach and implementation on an office wide basis. These have been produced in-house by NAATI staff, both in the central and state offices, and are currently being used as part of an induction process for new staff, training for existing staff, and as reference documents as required.

The production of these manuals and policy guidelines is a continual and incremental process, with the following key manuals now use:

- AMS Plain English Manual
- Induction Manual for Managers of State Offices
- Office Procedures Manual
- Who does what in NAATI
- Frequently Asked Questions
- Guidelines for Invigilators and Deliverers of Tests in Overseas Locations
- Overseas Testing Guidelines
- Guidelines for Assessment of Overseas Qualifications
- Email Policy
- Guidelines for Financial Processing in AMS to reconcile with credit cards processing and banking

The Performance and Staff Appraisal and Staff Development Plan in conjunction with the Certified Agreement has operated throughout the period. Most staff members are now working under performance agreements and regular performance appraisals. The plan provides for a two way performance exchange and evaluation for employees and their supervisors/managers. To date, the plan has been well accepted by all employees.

In addition, the year has included work on the development of NAATI's third certified agreement. This work was intended for completion by mid-May 2003, when the certification for the current agreement expired. However, progress has been slowed by the thoroughness of the review of the agreement by the Workplace Relations Consultative Committee. The agreement will be finalised in the first half of the next financial year. Publicity and public awareness is a significant element of the NAATI Business Plan 2000 - 2004. In Year Three of the Business Plan NAATI undertook to achieve the following outcomes:

Outcomes

- Increase liaison with community groups;
- Develop marketing/public awareness programs;
- Ensure public awareness tasks are integral to daily duties and responsibilities of NAATI staff;
- Increase the number of entrants to the Practitioners Directory and make it more visible and accessible through the web site;
- Develop an interactive and up to date web site;
- Review NAATI News for improvements and increased subscriptions; and.
- Provide opportunities for candidates to register for testing via the web site.



5. Publicity And Public Awareness

Outputs

5.1 Liaison with Community Groups and Potential Clients

Throughout the year the Chief Executive Officer, Senior Managers and Managers of State and Territory offices, liaised and communicated with a wide variety of community groups and organisations. These included:

- Organisation of two major Translator and Interpreter Awareness Days, one in Victoria, the other in New South Wales;
- Presentations to student groups at various Institutes of Technology and Universities;
- Liaison with employers seeking accreditation testing such as Medibank Private, Health Insurance Commission, HSBC Bank;
- Liaison with major service providers;
- Participation in state based committees, forums and projects such as the Victorian Language Needs Analysis, the Queensland Migrant Settlement Planning Committee Language Services Task Force, the Overseas Qualifications Unit Information Exchange Forum, the Steering Committee for "Interpreting in the Mental Health Setting";
- Participation in special multicultural functions such as year-end functions, launches of new products or services, Harmony Day events;
- Participation at tertiary course graduation ceremonies;
- Participation in National Office of Overseas Skills Recognition (NOOSR) conference on overseas qualifications;
- Attendance at local multicultural functions;
- Meetings with T & I service providers in various States and Territories;
- Information provision at tertiary institutions career days;
- Attendance at special events related to Interpreting and Translation and Languages;
- Presentations at special events;
- Working with employers re testing such as the Refugee Advice Casework Service, migration agents, Fairfield Dental Clinic;
- Visits to Cairns to meet with practitioners and service providers in conjunction with workshops and testing; and
- Assistance for hospital staff in the production of tender documents for in-house interpreting services.

5.2 Develop marketing and public awareness programs

During 2002-2003, NAATI continued taking a more proactive approach to public awareness of professional translation and interpreting services in Australia. NAATI improved its external corporate image substantially by developing a new corporate "brand" for the company. The design of NAATI stationery with the use of images and colour has given NAATI a contemporary corporate image. In addition, NAATI is establishing a company style guide. Application of the



style guide will enable rapid desktop publishing and the consistent design of content for the target use in brochures, flyers, books and web content. The content of this style guide has been drawn from the Commonwealth of Australia Style Manual for Authors, Editors and Printers.

Throughout the year NAATI has used the new brand to produce more consistent looking publications and brochures. It has participated in a range of awareness days, produced display features, and improved the quality of NAATI News. At the end of the financial year, NAATI had developed the plan to re-design the architecture of the web site. NAATI aims to make the web site a much friendlier site and one easy to use by its clients.

During 2002-2003, NAATI developed and implemented marketing programs for the promotion of its tests, workshops and ancillary products. NAATI also promoted the use of accredited practitioners to service providers and the general community. Activities during the year included:

- Two Interpreter and Translator Awareness Day events attracting more than 200 participants;
- The launch of the Concise Guide for Working with Translators and Interpreters in Australia, a booklet for employers and clients of translation and interpreting services;
- Development of effective information and advertisement brochures for NAATI workshops;
- Development of more detailed information about NAATI accreditation for dissemination through the web site;

- Publication of several articles about interpreting in various newsletters and journals, primarily through the South Australian Regional Advisory Committee;
- Several media interviews on interpreting in Australia by the CEO;
- Promotion of NAATI products through inclusion of information and order forms with all out-going mail outs;
- Increased customer service training for staff to assist with inquiries and promotion;
- Increases accessibility of information and application forms through the website;
- Improvement in the design, layout and content of NAATI News leading to an increase in circulation;
- Development of new information flyers and promotional product such as mouse pads, pens, pads and stress balls; and
- Increased awareness of NAATI through its presence at overseas locations with IDP Education Australia Ltd where tests can now be delivered.

Through the emphasis on performance based work practices with a focus on client services, NAATI has achieved both staff support and the production of quality products to promote a greater awareness of interpreting and translation within the community.



5.3 Ensure public awareness tasks are integral to daily duties and responsibilities of NAATI staff

Outputs

During the year, public awareness and client services were primary foci for staff training and company projects. Staff were given special training in client services and were encouraged to develop strategies to promote public awareness of NAATI and the accreditation system. They were also encouraged to have brainstorming sessions either in face-to-face meetings or by email exchanges. To effect these objectives, NAATI's activities included the following:

- Training courses related to client services
- In-house training on providing effective responses to frequently asked questions
- Staff liaison with community groups and professionals seeking information about T & I
- Development of information and advertisement on the NAATI web site
- Production of new and informative print materials
- Staff promotion of the Practitioners Directory through telephone and email communications
- Staff promotion of the company and its objectives through national and international email exchanges
- Increased circulation of NAATI News

5.4 Increase the number of entrants to the Practitioners Directory and make it more visible and accessible through the web site

Outputs

In 2002-2003, the number of entrants to the Practitioners Directory increased by 31.5% over the previous year from 1742 to 2292.

The design of the Practitioners Directory on the web site was improved with the introduction of an advanced search feature. The Directory was also introduced on CD Rom. The hard copy was again provided in a binder with insert format but with demand for this version continually decreasing, NAATI has announced that the 2002-2003 version will be the last printed version. In future, the Directory will be available on the web site or in CD format only.

Revenue derived from the Practitioners Directory increased by approximately 2.7% over the preceding year.

5.5 Develop an interactive and up to date web site

Outputs

NAATI continued to make improvements to its web site during 2002-2003. Information was added, amended and deleted to meet the changing needs of the readers. Web site developments included:

- The addition of more accreditation information with greater accessibility;



- The inclusion of clearer information on the levels of accreditation and the standards they represent;
- The maintenance of direct links between the Practitioners' Directory and NAATI's AMS data base to enable dynamic updates of information; and
- The addition of advanced search functions on the Practitioner's Directory

The NAATI web site consistently sustains approximately 11,400 visits per month. Fifteen percent of users spent six to fifteen minutes browsing the site while sixty percent of users spent one to two minutes browsing the site. NAATI aims to increase the time spent by users on the NAATI website by further streamlining and simplifying the information. The provision of application forms in PDF (portable document format) files so that they may be transported over the internet and the e-mail has been a major function of the web site during the year.

NAATI aims to make the web site much friendlier and easier to use by its clients. NAATI plans to investigate the options for a more interactive site in the next financial year following the implementation of the new computer system for accreditation management and the purchase of a new application server. The investigation will also include developing an intranet. This will enable all NAATI offices to access the same information and ensure consistency in the presentation of all corporate information.

5.6 Review NAATI News for improvements and increased subscriptions.

Outputs

While NAATI News is viewed as a source of revenue, it is also regarded a means to promote and publicise NAATI and the accreditation system. During 2002-2003, and in accordance with the Business Plan program, NAATI monitored the NAATI News in terms of its layout, design and content. The following outputs were achieved:

- The retention of the A4 format with effective use of two colour presentation;
- Improvement of the content of The newsletter through the inclusion of feature articles on interpreting and translating practice, reports on state-based events, policy changes or decisions of the Board of Directors, up-dates on NAATI projects or T & I forthcoming events;
- Increased circulation of NAATI News (19.4%) with an accompanying 29% increase in revenue derived from this product.

5.7 Provide opportunities for candidates to register for testing via the web site

Outputs

In 2002-2003, information and NAATI application forms were maintained on the web site. While an interactive system would facilitate submission of



application forms through the web, NAATI often requires original documents or certified copies of originals to verify eligibility criteria.

The web site, currently permits candidates to download the application forms but they must submit them together with the fee and any relevant documentation through normal postage services. At the present time, the NAATI computer system does not support payments via the internet. Until this is possible, candidates will need to submit their application forms by post.

The web site continues to provide opportunities for candidates to register expressions of interest in accreditation testing, either in Australia or overseas which in turn permits the rapid dissemination of appropriate information and application forms to them.



6. Financial Statements and Notes

NAATI finances its operations through fees and revenue raised in response to the delivery of services or products and through government contributions. In 2002-2003, approximately 73% of the revenue was self-generated by NAATI and 27% by government contributions.

The government contributions were made in response to a funding agreement between NAATI and the Commonwealth, State and Territory Governments of Australia. Specific deliverables are identified in the funding agreement, most of which relate to accreditation services. NAATI must also submit a mid-year and end-of year report on its performance in relation to the deliverables. The funding agreement was signed in December 2002 and was soon followed by the first instalments of government monies.

The financial outcome of 2002-2003 resulted in an operating surplus of \$610,566 brought about by increased revenue and restraint in expenditure. The increase in revenue was primarily a result of the increased demand by intending migrants seeking to have their interpreting and translation skills assessed. The restraint in expenditure was achieved through the curtailment of expenditures with significant savings being made by new service contracts and new procedures. The surplus achieved in this year has permitted NAATI to hold the test fees at current levels for Australian citizens and Permanent Residents for the forthcoming year, to cover the cost of the new IT development and to take some initiatives to facilitate the delivery of workshops and testing in rural and regional areas of Australia.

The audited financial statements are presented on pages 36 to 59.



INDEPENDENT AUDIT REPORT

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

Scope

We have audited the financial report of the National Accreditation Authority for Translators and Interpreters Limited for the financial year ended 30 June 2003 as set out on pages 7 to 25. NAATI's Directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the Members of NAATI.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of NAATI's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

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

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of NAATI's financial position as at 30 June 2003 and its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

Emphasis of Matter

Without Qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 16 a significant portion of NAATI's annual revenue is derived from Commonwealth, State and Territory Government funding. A new funding agreement for 2003/04 is being negotiated with these funding bodies. Because this agreement has not been finalised the total grant funding for the 2003/04 financial year has not yet been received by NAATI. Currently there is no reason to believe that the funding will not be forthcoming, however if the matter is not resolved within the next two months the Directors will have to consider the future operations of NAATI.

HARDWICKE'S
Chartered Accountants



Robert Johnson, F.C.A.
Partner

Dated: 25/9/03
Canberra



**NATIONAL ACCREDITATION AUTHORITY FOR
TRANSLATORS AND INTERPRETERS LIMITED (NAATI)
A.B.N. 42 008 596 996**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2003**

The NAATI Board of Directors present their report on the company for the financial year ended 30 June 2003.

Board of Directors

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

<i>Name of director</i>	<i>Qualifications</i>	<i>Shares in NAATI</i>	<i>Contracts with NAA TI</i>	
Mr David Wheen (Chair)	Management Consultant	N/A	Nil	Appointed 16/10/2001
Ms Vicki Mitsos (Deputy Chair)	Manager & Administrator for Language Policy & Multiculturalism in regional & rural Australia	N/A	Nil	Appointed 1/09/2002
Dr Maxiniian Brandle	Applied Linguist Consultant on Multiculturalism	N/A	Nil	Appointed 1/09/2002
Ms Susan Bures	Administrator Great Synagogue of Sydney	N/A	Nil	Appointed 1/09/2002
Dr Wolfgang Frick	Educator & Linguist	N/A	Nil	Appointed 1/09/2002 Resigned 31/12/2002
Mr Adolfo Gentile	Former T&I Educator and Practitioner and current member Refugee Review Tribunal	N/A	Nil	Term expired 30/8/2002
Mr Richard Acheson	NSW State Senior Government Administrator	N/A	Nil	Term expired 30/08/2002
Mr Stefan Romaniw	VIC State Government Senior Executive	N/A	Nil	Term expired 30/08/2002
Mr John Kiosoglous	Senior Member Administrative Appeals Tribunal	N/A	Nil	Term expired 30/08/2002

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



**NATIONAL ACCREDITATION AUTHORITY FOR
TRANSLATORS AND INTERPRETERS LIMITED (NAATI)
A.B.N. 42 008 596 996**

**DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2003**

Principal Activities

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

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

Operating Results

The net operating surplus of NAATI for the financial year ended 30 June 2003 was \$610,566 (30 June 2002: deficit \$141,547).

Review of Operations

The net operating profit for NAATI for the financial year ended 30 June 2003 was \$610,566. This profit was primarily due to translation testing which increased by \$129,815, the increase of \$133,703 in overseas translation tests and the increase in non-resident on demand tests of \$221,505. In addition in 2003 expenditure did not increase at the same rate as revenue with actual savings in research, information technology and staff on costs.

Dividends Paid or Proposed

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

Significant Changes in the State of Affairs

There were no significant changes in NAATI's state of affairs during the financial year except that the additional profits have been added to cash investments.

After Balance Date Events

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.



**NATIONAL ACCREDITATION AUTHORITY FOR
TRANSLATORS AND INTERPRETERS LIMITED (NAATI)
A.B.N. 42 008 596 996**

**DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 30 JUNE, 2003**

Future Developments and Results

The directors believe that there are no likely developments that will significantly adversely affect NAATI in the coming year.

Directors' Benefits

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

Indemnifying Officers or Auditor

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

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

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

Officers insured include:

Mr David Wheen	Mr A. Gentile
Ms Vicki Mitsos	Mr R. Acheson
Dr Maximilian Brandle	Mr S. Romaniw OAM
Ms Susan Bures	Mr John Kiosoglous
Dr Wolfgang Frick	MS S. Bell



**NATIONAL ACCREDITATION AUTHORITY FOR
TRANSLATORS AND INTERPRETERS LIMITED (NAATI)
A.B.N. 42 008 596 996**

**DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2003**

Meetings of Directors

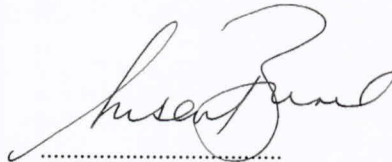
During the financial year, seven meetings of the Board of Directors were held. Attendances were:

	No. of meetings eligible to attend	No. of meetings attended
Mr David Wheen	7	6
Ms Vicki Mitsos	6	6
Dr Maximilian Brandle	6	5
Ms Susan Bures	6	6
Dr Wolfgang Frick (appointed 11/09/02) (resigned 31/12/02)	2	1
Mr Adolfo Gentile (term expired 30/08/2002)	1	1
Mr Richard Acheson (term expired 30/08/2002)	1	1
Mr Stefan Romaniw OAM (term expired 30/08/2002)	1	0
Mr John Kiosoglous (term expired 30/08/2002)	1	1

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



.....
Director



.....
Director

25/9/03
Date:



**NATIONAL ACCREDITATION AUTHORITY
FOR TRANSLATORS AND INTERPRETERS LIMITED
(NAATI) A.B.N. 42 008 596 996**

DIRECTORS' DECLARATION

The NAATI Board of Directors declares that:

1. the financial statements and notes, as set out on pages 8 to 25, are in accordance with the Corporations Act 2001:
 - i) comply with Accounting Standards and the Corporations Regulations 2001; and
 - ii) give a true and fair view of the financial position as at 30th June 2003 and of the performance for the year ended on that date of NAATI;
2. subject to the satisfactory conclusion of funding negotiations with the Commonwealth, State and Territory Governments for 2003/04 it is the opinion of the Board of Directors that there are reasonable grounds to believe that NAATI be able to pay its debts as and when they become due and payable.

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



.....
Director



.....
Director

Date: 25/9/03



**NATIONAL ACCREDITATION AUTHORITY
FOR TRANSLATORS AND INTERPRETERS LIMITED (NAATI)
A.B.N. 42 008 596 996**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2003**

2002 \$		Note	2003 \$
2,429,396	Revenue from ordinary activities	3	3,173,600
(1,144,118)	Employee benefits expense		(1,090,442)
(77,475)	Depreciation expense		(45,649)
<u>(1,349,350)</u>	Other expenses from ordinary activities		<u>(1,426,943)</u>
(141,547)	Surplus/deficit from ordinary activities before income tax expense		<u>610,566</u>
<u>Nil</u>	Income tax expense relating to ordinary activities		<u>Nil</u>
<u>(141,547)</u>	Surplus/deficit from ordinary activities after related income tax expense		<u>610,566</u>
<u>(141,547)</u>	Total changes in equity other than those resulting from transactions with owners as owners		<u>610,566</u>

The accompanying notes form part of these financial statements.



**NATIONAL ACCREDITATION AUTHORITY
FOR TRANSLATORS AND INTERPRETERS LIMITED (NAATI)
A.B.N. 42 008 596 996**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2003**

2002 \$		Note	2003 \$
CURRENT ASSETS			
923,218	Cash assets	5	1,581,767
4,340	Receivables	6	2,986
<u>1,054</u>	Other	7	<u>4,459</u>
928,612	Total Current Assets		1,589,212
NON-CURRENT ASSETS			
155,997	Property, plant and equipment	8	146,873
<u>155,997</u>	Total Non-Current Assets		<u>146,873</u>
<u>1,084,609</u>	TOTAL ASSETS		<u>1,736,085</u>
CURRENT LIABILITIES			
334,733	Payables	9	354,819
180,764	Provisions	10	201,588
<u>515,497</u>	Total Current Liabilities		<u>556,407</u>
<u>515,497</u>	TOTAL LIABILITIES		<u>556,407</u>
<u><u>569,112</u></u>	NET ASSETS		<u><u>1,179,678</u></u>
ACCUMULATED FUNDS			
<u><u>569,112</u></u>	Retained surplus	11	<u><u>1,179,678</u></u>

The accompanying notes form part of these financial statements.



**NATIONAL ACCREDITATION AUTHORITY
FOR TRANSLATORS AND INTERPRETERS LIMITED (NAATI)
A.B.N. 42 008 596 996**

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 30 JUNE 2003**

2002 \$		Note	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
1,049,290	Government grants	18	950,559
1,119,366	Test related revenue		1,744,573
542,669	Other revenue		740,015
32,693	Interest received		49,003
(403,691)	Testing expenditure		(581,907)
<u>(2,242,044)</u>	Operating expenditure		<u>(2,186,725)</u>
98,283	Net cash provided by operating activities	12(b)	715,518
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>(4,066)</u>	Purchase of property, plant & equipment		<u>(56,969)</u>
(4,066)	Net cash used in investing activities		(56,969)
<u>94,217</u>	Net increase in cash held		<u>658,549</u>
829,001	Cash at the beginning of the financial year		923,218
<u>923,218</u>	Cash at the end of the financial year	12(a)	<u>1,581,767</u>

The accompanying notes form part of these financial statements.



**NATIONAL ACCREDITATION AUTHORITY FOR
TRANSLATORS AND INTERPRETERS LIMITED (NAATI)
A.B.N. 42 008 596 996**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report covers the individual entity of NAATI Limited. NAATI is a public company limited by guarantee, incorporated and domiciled in Australia.

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

The following is a summary of the material accounting policies adopted by NAATI in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Cash

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

b) Property, plant and equipment

Property, plant & equipment are carried at cost less any accumulated depreciation. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will 'be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The depreciable amount of all fixed assets are depreciated on a straight line or diminishing basis over their useful lives to NAATI commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable asset are:

Class of fixed asset	Depreciation rate
Office equipment	11.25 -40%
Furniture & fittings	2.5 -20%
Technology upgrade	15 -40%



**NATIONAL ACCREDITATION AUTHORITY FOR
TRANSLATORS AND INTERPRETERS LIMITED (NAATI)
A.B.N. 42 008 596 996**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

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

c) Employee entitlements

Provision is made in respect of NAATI's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount. Consistent with the current NAATI Certified Agreement, all permanent full-time employees, permanent part-time employees, temporary employees and casual employees, who have sustained continuous employment with NAATI for a period of ten years are eligible for Long Service Leave of thirteen weeks. Employees become eligible for a further six and a half weeks of long service leave after another five years continuous employment.

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

d) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the provision of services is recognised when the service has been provided to the customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

c) Goods and services tax (GST)

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

NOTE 2 INCOME TAX

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



**NATIONAL ACCREDITATION AUTHORITY FOR
TRANSLATORS AND INTERPRETERS LIMITED (NAATI)
A.B.N. 42 008 596 996**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

2002 \$	%		Note	%	2003 \$
NOTE 3 REVENUE					
		Operating activities			
839,375	35	Government funding	18	27	861,280
1,050,149	43	Test-related revenue		50	1,589,042
509,113	21	Other services revenue		21	674,042
30,759	1	Interest received - other corporations		2	49,236
<u>2,429,396</u>	100	TOTAL REVENUE		100	<u>3,173,600</u>

NOTE 4 SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES

Surplus/(deficit) from ordinary activities has been determined after:

Charging as expenses:

6,969	Depreciation of plant and equipment	7,190
70,506	Depreciation of technology upgrade	38,459
<u>77,475</u>	Total depreciation	<u>45,649</u>
10,131	Provision for annual leave	15,489
41,040	Provision for long service leave	5,335
-	Net loss on disposal of plant and equipment	20,444

NOTE 5 CASH ASSETS

555	Petty cash accounts	886
43,323	Operating accounts	40,808
879,340	Investment accounts	1,540,073
<u>923,218</u>		<u>1,581,767</u>



**NATIONAL ACCREDITATION AUTHORITY FOR
TRANSLATORS AND INTERPRETERS LIMITED (NAATI)
A.B.N. 42 008 596 996**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

2002 \$		2003 \$
NOTE 6	RECEIVABLES	
	Current	
<u>4,340</u>	Trade debtors	<u>2,986</u>
<u>4,340</u>		<u>2,986</u>
NOTE 7	OTHER ASSETS	
	Current	
<u>1,054</u>	Accrued income	<u>1,287</u>
<u>-</u>	Prepayments	<u>3,172</u>
<u>1,054</u>		<u>4,459</u>
NOTE 8	PROPERTY, PLANT & EQUIPMENT	
<u>172,483</u>	Office equipment - at cost	<u>30,674</u>
<u>(156,278)</u>	Less: accumulated depreciation	<u>(19,656)</u>
<u>16,205</u>		<u>11,018</u>
<u>67,645</u>	Furniture & fittings - at cost	<u>17,158</u>
<u>(44,322)</u>	Less: accumulated depreciation	<u>(3,513)</u>
<u>23,323</u>		<u>13,645</u>
<u>347,481</u>	Technology Upgrade - at cost	<u>391,681</u>
<u>(231,012)</u>	Less: accumulated depreciation	<u>(269,471)</u>
<u>116,469</u>		<u>122,210</u>
<u>155,997</u>	Total property plant & equipment	<u>146,873</u>

Movement in Carrying Amounts

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

	Office Equipment	Furniture & Fittings	Technology Upgrade	Total
Balance at the beginning of the financial year	16,205	23,323	116,469	155,997
Additions	3,750	9,019	44,200	56,969
Disposals	(4,864)	(15,580)	-	(20,444)
Depreciation expense	(4,073)	(3,117)	(38,459)	(45,649)
Carrying amount at the end of the financial year	<u>11,018</u>	<u>13,645</u>	<u>122,210</u>	<u>146,873</u>



**NATIONAL ACCREDITATION AUTHORITY FOR
TRANSLATORS AND INTERPRETERS LIMITED (NAATI)
A.B.N. 42 008 596 996**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

2002 \$		2003 \$
<hr/>		
NOTE 9	PAYABLES	
	Current	
124,308	Trade creditors	79,575
21,829	Accrued charges	41,099
12,431	Test fees in advance	35,150
43,110	Practitioner Directory fees in advance	59,456
114,525	Grants in advance	117,390
18,530	GST liability	22,149
<u>334,733</u>		<u>354,819</u>
NOTE 10	PROVISIONS	
	Current	
74,149	Provision for annual leave	89,638
106,615	Provision for long service leave	111,950
<u>180,764</u>	Aggregate employee entitlements liability	<u>201,588</u>
22.4	Number of full time equivalent employees at year end	21.4 (one position vacant)
NOTE 11	RETAINED SURPLUS	
710,659	Retained surplus at the beginning of the financial year	569,112
(141,547)	Net surplus/(deficit)	610,566
<u>569,112</u>	Retained surplus at the end of the financial year	<u>1,179,678</u>

NAATI shows an accumulated surplus of \$1,179,678. The adequacy of this surplus is constantly under review, as the company must ensure that it has sufficient working capital to meet its day to day operational cash flows. As with prior years, NAATI's cash flow can be significantly affected by such factors as the timing of grant funding from the Commonwealth, State and Territory Governments, and the considerable up front costs that are incurred in delivering a test program, before any revenue is received. If no government funding is received and there is a delayed or unsuccessful test program NAATI has to maintain reasonable accumulated surpluses to assure operational stability. From a recent review of the investment policy, it has been identified that NAATI would ideally maintain reserves of at least three months trading to provide a level of security and an environment for efficient decision making.



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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

2002
\$

2003
\$

NOTE 12 CASH FLOW INFORMATION

a) Reconciliation of cash

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

555	Petty cash accounts	886
43,323	Operating accounts	40,808
879,340	Investment accounts	1,540,073
<u>923,218</u>		<u>1,581,767</u>

b) Reconciliation of cash flows from operations with operating surplus/(deficit) from ordinary activities after income tax

(141,547)	Surplus/(deficit) after extraordinary items	610,566
	Non cash flows in surplus/(deficit) from ordinary activities	
6,969	Depreciation	7,190
70,506	Depreciation (technology upgrade)	38,459
-	Loss on disposal of fixed assets	20,444
	Changes in assets & liabilities	
15,291	(Increase)/decrease in debtors	1,354
1,935	(Increase)/decrease in accrued income	(233)
11,930	(Increase)/decrease in prepayments	(3,172)
51,171	Increase/(decrease) in employee entitlements	20,824
9,981	Increase/(decrease) in creditors	(41,114)
(14,565)	Increase/(decrease) in accrued charges	19,270
114,525	Increase/(decrease) in grants in advance	2,865
(16,455)	Increase/(decrease) in test fees in advance	22,719
(11,458)	Increase/(decrease) in Directory fees in advance	16,346
<u>98,283</u>	Net cash provided by operating activities	<u>715,518</u>



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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

2002
\$

2003
\$

NOTE 13 AUDITORS' REMUNERATION

Remuneration of the auditor for:

7,160	- auditing the financial report	9,800
<u>12,325</u>	- other services	<u>12,191</u>
<u>19,485</u>		<u>21,991</u>

NOTE 14 RELATED PARTY DISCLOSURES

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

Mr David Wheen	Mr Adolfo Gentile
Ms Vicki Mitsos	Mr Richard Acheson
Dr Maximilian Brandle	Mr Stefan Romaniw OAM
Ms Susan Bures	Mr John Kiosoglous
Dr Wolfgang Frick	

b) Director's Remuneration

<u>51,286</u>	Income paid or payable to all Directors of NAATI by the company and any related parties	<u>40,205</u>
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Number of Directors whose income from NAATI and any related parties was within the following bands:

4	\$0 - \$9,999	8
-	\$10,000 - \$19,999	1
1	\$20,000 - \$29,999	-

NOTE 15 SEGMENT INFORMATION

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



**NATIONAL ACCREDITATION AUTHORITY FOR
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2003**

NOTE 16 ECONOMIC DEPENDENCY

A significant portion of NAATI's annual revenue is derived from Commonwealth, State and Territory Government funding. A new funding agreement for 2003/04 is being negotiated with these funding bodies. While there is no reason to believe that the grant funding will not be received, if the agreement is not finalised within the next two months, the Directors will have to consider the future operations of NAATI.

NOTE 17 FINANCIAL INSTRUMENTS

a) Interest rate risk

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

2003	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing			Non- interest Bearing	Total
			Within one year	1 to 5 years	Over 5 years		
		\$	\$	\$	\$	\$	\$
Financial Assets							
Cash	4.5	1,242,341	338,540	-	-	886	1,581,767
Receivables	-	-	-	-	-	2,986	2,986
Total Financial Assets		1,242,341	338,540	-	-	3,872	1,584,753
Financial Liabilities							
Payables	-	-	-	-	-	354,819	354,819
Total Financial Liabilities	-	-	-	-	-	354,819	354,819

2002	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing			Non- interest Bearing	Total
			Within one year	1 to 5 years	Over 5 years		
		\$	\$	\$	\$	\$	\$
Financial Assets							
Cash	4.4	584,494	338,169	-	-	555	923,218
Receivables	-	-	-	-	-	4,340	4,340
Total Financial Assets		584,494	338,169	-	-	4,895	927,558
Financial Liabilities							
Payables	-	-	-	-	-	334,733	334,733
Total Financial Liabilities	-	-	-	-	-	334,733	334,733



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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 17 FINANCIAL INSTRUMENTS (CONT'D) b) Credit risk

Credit risk on the company's financial assets is the loss that would be recognised if the other parties failed to perform their contractual obligations. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial statements.

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

c) Net fair values

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

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

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

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

	2003		2002	
	\$		\$	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
Financial Assets				
Cash	1,581,767	1,581,767	923,218	923,218
Receivables	2,986	2,986	4,340	4,340
	<u>1,584,753</u>	<u>1,584,753</u>	<u>927,558</u>	<u>927,558</u>
Financial Liabilities				
Payables	354,819	354,819	334,733	334,733
	<u>354,819</u>	<u>354,819</u>	<u>334,733</u>	<u>334,733</u>



**NATIONAL ACCREDITATION AUTHORITY FOR
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 18 CONTINGENCIES

In 1998-1999, Commonwealth, State and Territory Governments provided grants totalling \$230,350 for the purpose of a technology upgrade. The Commonwealth and Queensland Governments have a stated position that there will be cost recoveries in future years because of the upgrade. On this basis a reduction in government funding until 2003/04 to recover their initial capital funding is in place. The amount of the reduction in 2003 was:

Commonwealth Government	\$32,375
Queensland Government	\$5,000

The final reduction payment expected to be made in 2003/04 will be:

	Per annum
Commonwealth Government	\$32,375
Queensland Government	\$5,000

Full recovery will have been achieved by the end of 2003/04. There will thereupon be no further reduction on this basis.

NOTE 19 OVERSEAS TESTING

Included in the test-related revenue and test-related expenditure is the financial information pertaining to the overseas testing program. Further information is available in relation to this area of NAATI's operations in a separate "Special Purpose Financial Report."



**NATIONAL ACCREDITATION AUTHORITY FOR
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**DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE**

2002 \$		Note	2003 \$
GOVERNMENT FUNDING			
417,800	Commonwealth Government	18	429,055
7,175	ACT Government		7,350
148,475	NSW Government		152,175
3,850	NT Government		3,950
63,525	QLD Government	18	65,250
37,100	SA Government		38,000
12,000	TAS Government		12,300
111,725	VIC Government		114,525
37,725	WA Government		8,675
<u>839,375</u>	Total Government Funding		<u>861,280</u>
TEST-RELATED REVENUE			
11,988	Cancellation fees		25,834
13,172	Language Aide		7,845
2,184	Paraprofessional - Translation		1,978
111,412	Interpreting		73,006
920	Review		1,080
135,480	T&I- Translation		265,295
111,121	Interpreting		90,278
3,692	Review		5,874
952	ATICI - Translation		2,140
124,124	Overseas - Translation	19	257,827
5,832	Interpreting	19	5,790
12,111	Application fees - overseas tests	19	19,805
48,386	Sale of overseas prospectus	19	93,045
104,117	On demand tests - resident		142,982
243,884	On demand tests - non-resident		465,389
99,893	Sale of sample tests		115,853
6,785	Viewing of tests		12,483
14,096	Other test related revenue		2,538
<u>1,050,149</u>	Total testing revenue		<u>1,589,042</u>



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**DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2003**

2002 \$	Note	2003 \$
OTHER REVENUE		
136,040	Application fees	192,589
4,329	Recognition fees	2,971
41,575	Education services - candidate workshops	91,053
47,318	Education services - delivery of special workshops	13,819
27,543	Australian Course Accreditation - by course	32,247
5,967	Australian Course Accreditation - by institution	8,713
57,738	Practitioner Directory entry fee	61,360
5,391	Sale of Practitioner Directory	3,530
9,142	Overseas qualifications - Assessment fees - resident	24,455
32,581	Overseas qualifications - Assessment fees - non-resident	57,232
20,192	Sale of 'Ethics of the Profession'	32,597
4,567	Sale of 'Introduction to Interpreting'	5,397
10,706	Sale of other publications	4,300
4,889	Sale of 'Terms on the Go'	4,385
2,945	Sale of 'Working with Interpreters'	2,589
31,009	Sale of Certificates	40,875
19,351	Sale of ID Cards	20,548
9,141	Sale of NAATI News	11,822
11,186	Sale of RMIT publications	10,561
13,846	Sale of Translator Stamps	18,909
30,759	Interest	49,236
7,455	Sponsorship - VIC	15,600
-	Sponsorship - NSW	6,500
1,329	AUSITT & IAD VIC	4,035
-	AUSITT & LAD NSW	5,209
4,873	Other revenue	2,746
<u>539,872</u>	Total other revenue	<u>723,278</u>
<u>2,429,396</u>	TOTAL REVENUE	<u>3,173,600</u>



**NATIONAL ACCREDITATION AUTHORITY FOR
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A.B.N. 42 008 596 996**

**DETAILED INCOME & EXPENDITURE STATEMENT
FOR TIME YEAR ENDED 30 JUNE 2003**

2002 \$		Note	2003 \$
TEST-RELATED EXPENDITURE			
6,817	Language Aide - setting		1,686
2,477	Language Aide - oral marking		3,282
591	Language Aide - written marking		305
100	Language Aide - review & supervision		129
500	Paraprofessional - setting translation		658
7,932	Paraprofessional - setting interpreting		8,260
199	Paraprofessional - marking translation		407
19,706	Paraprofessional - marking interpreting		16,263
475	Paraprofessional - review of tests		565
2,375	Paraprofessional - monitoring interpreting		-
5,525	T & I - setting translation		6,747
15,591	T & I - setting interpreting		15,619
79,053	T & I - marking translation		93,679
21,262	T & I - marking interpreting		25,736
2,579	T & I - review of tests		,650
2,590	T & I - monitoring translation		-
720	T & I - monitoring interpreting		-
1,094	Supervision - Translation		1,383
2,029	Supervision - Interpreting		(207)
2,592	ATICI - setting translation		370
1,283	ATICI - marking translation		705
120,303	On Demand tests		175,544
5,363	Hire of test venues		4,801
16,056	Overseas administration costs	19	53,970
7,563	Overseas courier charges	19	30,450
13,388	Overseas marking - translation	19	15,278
1,488	Overseas marking - interpreter	19	1,698
-	Overseas Handbook printing	19	200
-	Overseas prospectus	19	21,720
8,347	Printing of tests		5,316
1,772	Purchase & erasure of tapes		1,157
9,004	Tape production - master		6,609
-	Tests material and postage		5,569
5,878	Readers for Interpreting tests		3,273
2,852	Sample tests - stock		2,372
1,445	Sample tests - development & typing		1,631
1,409	Examiner payments		4,096
10,100	Chairperson honorarium fees		12,700
-	Test related expenditure miscellaneous		182
380,458	Total testing expenditure		524,803



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**DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2003**

2002 \$		Note	2003 \$
OPERATING EXPENDITURE			
32,659	Bank charges		44,760
19,485	Accounting & Audit fees	13	21,991
11,337	Insurance - contents & liability		14,162
999	Consultants		1,290
28,438	Research		-
20,237	Legal costs		12,884
6,092	Travelling expenses		6,746
65,387	Directors' remuneration & other costs	14	56,520
4,303	Insurance - directors & travel		4,303
37,549	Equipment - photocopier lease & charges		30,473
29,393	Education services		29,163
10,874	QAAC sitting fees & other costs		11,194
5,372	Translator stamps		5,367
75,490	Office - general expenses		40,366
-	AUSITIT&LAD VIC		13,461
-	AUSITIT&LAD NSW		8,403
109,989	Postage/courier		74,390
15,822	Electricity		11,307
152,075	Property - rental		160,214
12,578	Property - upkeep (including cleaning)		11,833
5,043	Equipment - repairs and maintenance		4,328
-	Refurbishment/relocation		58,171
5,029	Outgoings - Melbourne		5,050
-	Office security		2,982
76,180	AMS Upgrade		73,782
13,872	IT consumables		14,035
43,753	IT support/maintenance		7,253
6,191	IT licences & subscriptions		533
180	IT manuals & memberships		-
3,655	IT postage & courier		188
9,183	IT network connectivity & internet		6,318
51,383	IT lease agreement		34,000
705	Installation new fleet		-
4,546	Communications - internet		10,481
48,807	Telecommunications		50,415
-	Certified agreement costs		2,586
516	OH&S costs		495
15,375	Recruitment costs		10,945
7,739	Human Resource Development		8,281
865,671	Salaries - permanent/contract		870,450
25,354	Salaries - casual		9,958
41,040	Salaries - movement provision LSL		5,335
10,131	Salaries - movement provision AL		15,489



**NATIONAL ACCREDITATION AUTHORITY FOR
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DETAILED INCOME & EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2003

2002 \$		Note	2003 \$
OPERATING EXPENDITURE (CONT'D)			
11,270	Insurance - workers' compensation		12,027
15,893	Payroll tax		15,720
138,677	Superannuation contributions		133,643
6,969	Depreciation		7,190
70,506	Depreciation - technology upgrade		38,459
27,745	Printing - directory/newsletter/stationery		28,933
26,429	Printing - other publications		24,786
20,389	Publicity and functions		5,978
152	RAC costs		1,149
-	Loss on disposal of fixed assets		20,444
23	General expenses		-
<u>2,190,485</u>	Total operating expenditure		<u>2,038,231</u>
<u>2,570,943</u>	TOTAL EXPENDITURE		<u>2,563,034</u>
<u>(141,547)</u>	OPERATING SURPLUS/(DEFICIT) AFTER EXTRA ORDINARY ITEMS		<u>610,566</u>



Appendices

Appendix 1: Members of the Qualifications Assessment and Advisory Committee: 2002 - 2003

Dr Emy Watt Chairperson B.A., M.A. PhD	Conference Interpreter, AIIC Member, T & I educator, knowledge of T & I courses at international locations; NAATI examiner.
Ms Anna Grassi B.A.	T & I Educator (curriculum); representative for paraprofessional courses in Australia.
Ms Amalia Milman Dip. Teaching, Assoc Dip Teaching	Practitioner at Advanced Translator and Interpreter levels, T & I educator, experience with service provision, NAATI examiner.
Ms Merie Spring NAATI examiner	Interpreter educator, Practitioner (Auslan),
Ms Helen Slatyer B.A., Dip TEFLA M.A.	Senior Researcher in the National Centre for English Language Teaching and Research, Macquarie University
Mr Ari Pappas Grad. Dip in Health Sciences Management Dip T & I, Dip Welfare Studies	Manager of a key service provider agency, Education Liaison Officer and project for Schools Commission Program



REGIONAL ADVISORY COMMITTEE MEMEBERSHIP: 2002-2003

Appendix 2: Members of the Regional Advisory Committees: 2002-2003

ACT: Mr Mr P Blackburn
 Ms C Crane
 Ms A Dolejsi
 + Ms A Milman
 * Mr M Ovington
 Mr R Pintos-Lopez
 Ms A Prosperi (RO)
 Ms K O'Sullivan
 Dr K Windle
 Mr D Wheen (NDir)Ex-Officio
 Ms J Xiao

NSW: Ms P Andreacchio
 Mr A Aroustian
 Ms M Barany
 Ms S Bures (NDir)Ex-Officio
 Mr J Blackburn
 Mr M Doerfler
 Mr P Djite
 Dr I Garcia (Delg/Djite)
 * Ms A Grassi
 Ms A Groth
 Ms R Lazzari
 Ms B McGilvray
 Mr A Raisbeck (RO)
 Ms Thida Yang

NT: Ms K Andrew (RO)
 Dr N Chadwick
 Dr P Chakravarti
 Ms C Goldie
 Ms N Hassan
 Ms M Kenny
 Ms T Ou
 + Ms A Quinn
 * Ms A Wait

QLD: Dr M Brandle (NDir)Ex-Officio
 Mr Jim Duncan (RO)
 Ms B Houston
 Ms S Jordan
 Ms P Nugent

* Ms M Spring
 Ms I Szymanska
 Mr A von Stein
 Ms J Stines
 SA: Ms C Appelkamp (RO)
 Mr M Armiento
 Mr John Buckskin (Ap 14/03/03)
 Mr M Ciezkowski
 Ms R Gillies
 Mr R Grympa
 Mr N Marovich
 Mr E Neophytou
 Ms L Pugh (Ap14/03/03)
 Ms G Skalban
 Ms M Slatter

TAS: Ms L Andersch
 Mr G Duarte
 Mr T Edwards (Delg/Duarte)
 Ms I Hilly (Ap14/3/03)
 Mr Mahendra Pathik
 Mr S Robinson
 (Ap to chairperson 14/3/03)
 Ms T Sabine
 Ms H Toledo (Ap14/03/03)
 Det. C Waterhouse
 Ms S Wickham

VIC: Ms S Akcelik
 Mr I Akinci
 Mr A Florez
 Mr M Giovannoni
 Mr K Hermes
 Ms S Leane
 Ms M Maggio De Leo
 Ms V Mitsos (NDir)Ex-Officio
 Mr U Ozolins
 Mr Ari Pappas
 * Ms S Pavlovska
 Ms C Toffoli-Zupan (RO)
 Ms M Vasilakakas
 Mr B Turner (Delg/Vasilakakas)



Mr M Zafiropoulos
WA: Mrs K Bastian
Mr W Frick (Ap14/3/03)
Mrs M Gurgone
Prof. I Malcolm
Mrs H Murphy
Mrs T Nicholls
Ms R Perera
Mrs K Sprigg
Ms V van Loggerenberg (RO)
(from15/8/02)

* denotes chairperson

+ denotes deputy chairperson



Appendix 3: NAATI Administrative Staff at 30 June 2003

Canberra Office

Ms Sherrill Bell	Chief Executive Officer	FT (Full Time)
Ms Jackie Tomic	Office Manager	FT
Ms Maria King	Finance Manager	FT
Vacant Position	Accreditation Manager	FT
Ms Pilar Christis	Client Services Officer	FT
Ms Celia Kochevatkin	Client Services Officer	FT
Ms Anchel Rastogi	Client Services Officer	FT
Ms Katrina Hynes	Administrative Officer	FT
Ms Lynne Goodyer	Publication Officer	FT
Ms Santa Jugovac	PA to Chief Executive Officer	PT
Ms Kym McIlvenna	Administrative Officer	FT
Mr Paul Bayley-Jones	Administrative Assistant	Casual

Australian Capital Territory

Mr Geoff McKergow	Manager	PT
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New South Wales Office

Mr Alan Raisbeck	Manager	FT
Ms Dea Perini	Testing Officer	FT
Ms Maria Coloma	Reception/Client Services	FT
Ms Amanda Hawkes	Client Services	FT
Ms Jane Davis	Client Services (Workshops)	PT
Mr Michael Morrison	Administration Assistant	Casual

Northern Territory

Ms Janelle Medley	Manager	PT
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Queensland

Mr Jim Duncan	Manager	FT
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South Australia

Ms Cheryl Appelkamp	Manager	PT
Ms Daniela Kautsky	Administration Assistant	PT



Tasmania

Ms Cathy Adin-James	Manager	PT
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Victoria

Ms Cynthia Toffoli-Zupan	Manager	FT
Ms Marline Ali	Reception/Client Services	FT
Ms Lorraine David	Client Services Officer	Casual

Western Australia

Ms Valerie Van Loggerenberg	Manager	PT
Ms Jenny Jenkinson	Administrative Assistant	Casual



