



ANNUAL REPORT
2008-2009

National Accreditation Authority for Translators and Interpreters Ltd

The Key to Language Diversity

WHAT IS NAATI?

NAATI is the national standards and accreditation body for translators and interpreters in Australia. It is the only agency that issues accreditations for practitioners who wish to work in these roles in Australia.

NAATI'S PURPOSE

NAATI's primary purpose is to strengthen inclusion and participation in Australian society by assisting in meeting the nation's diverse and changing communication needs and expectations through:

- setting, maintaining and promoting high national standards in translating and interpreting, and
- implementing a national quality-assurance system for credentialing practitioners who meet those standards.

NAATI credentialing provides quality assurance to the clients of translators and interpreters and gives credibility to agencies that employ practitioners who are credentialed appropriately.

ABOUT NAATI

The National Accreditation Authority for Translators and Interpreters Ltd (trading as NAATI) is incorporated in Australia under the *Corporations Act 2001*. The company is owned jointly by the Commonwealth, State and Territory governments and is governed by a Board of Directors who are appointed by the owners. NAATI's main business activities are providing accreditation and other credentialing services for translators and interpreters and related activities. NAATI services are available through offices in every State and Territory of Australia and in New Zealand. The National Office is in Canberra.

NAATI CREDENTIALS

NAATI awards two categories of credential for translators and interpreters:

- NAATI Accreditation
- NAATI Recognition.

NAATI Accreditation may be obtained by meeting the relevant NAATI Standards for:

- performance in NAATI accreditation tests, or
- completion of NAATI-approved courses, or
- assessment of qualifications obtained overseas, or
- membership of recognised international translating and/or interpreting professional bodies, or
- advanced standing in translating or interpreting.

NAATI Recognition may be awarded to practitioners in languages where accreditation testing is not yet available, subject to satisfying the eligibility requirements.



ANNUAL REPORT 2008-2009



©Copyright 2009
National Accreditation Authority for Translators and Interpreters Ltd

ACN 008 596 996

30th Annual Report (Financial Year 2008-2009)

CONTENTS

From the Chair of the Board	1
From the Chief Executive Officer	3
1 MEMBERS AND DIRECTORS	5
Members and their Representatives	6
The NAATI Board of Directors	8
2 THE YEAR IN REVIEW	11
Accreditation	12
New Interpreters Project	13
States/Territories	15
Administration and Business Development	17
3 BUSINESS PERFORMANCE	19
Credentialing	20
Financial Performance	22
Client Satisfaction	23
4 ABOUT NAATI	25
NAATI and the Company	26
Strategic Priorities	27
Organisational Structure	28
NAATI Committees and Panels	
- Qualifications Assessment and Advisory Committee	29
- Panels of Examiners	30
- Regional Advisory Committees	31
5 FINANCIAL STATEMENTS	33
6 OUTLOOK	59





FROM THE CHAIR OF THE BOARD

I am pleased to present NAATI's Annual Report for 2008-2009 on behalf of the Board of Directors.

As detailed in the report, this was another productive year with NAATI again meeting or exceeding its performance targets. Performance highlights included a total of 1754 new accreditations (up 22% on the previous year), adoption of a new strategic plan based on consultations with stakeholders in the previous period, implementation of the Commonwealth's New Interpreters Project for 'new and emerging' languages, more Australian tertiary institutions approved to deliver NAATI-approved programs and the implementation of numerous business-process improvements to streamline service delivery.

It was also a year of working closely with the Members of NAATI to undertake a detailed analysis of NAATI's business model, with a view to establishing a sustainable funding model for the future. This resulted in re-clarification of the Members' expectations of NAATI and the introduction of a system to formalise our mutual understandings through the exchange of statements of expectations and intent. I wish to acknowledge the work of all of the Members in achieving this goal and the Commonwealth in particular for its leadership and support throughout the process.

As the year drew to an end plans were in place to discontinue NAATI's traditional 'Annual Program' of testing in favour of testing being available continuously in all languages. The Board took this step to make testing more accessible in response to feedback from clients who would otherwise need to wait as much as a year for testing to be available in their language of choice.

I wish to note in particular the positive feedback received from a survey of clients with 94% of recently accredited clients reporting that they were either satisfied or very satisfied with NAATI's services overall. This is a very positive result and, while there is always room for continuing improvement, I commend the staff throughout NAATI's offices on their achievements.

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

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

The outlook for the coming period is discussed elsewhere in this report.

I look forward to working with all of you in what promises to be another challenging and productive year ahead.

Susan Bures AM

Chair
Board of Directors





FROM THE CHIEF EXECUTIVE OFFICER

This was a year of strong business performance for NAATI, but also of considerable change. In the light of advice given to the Members' Representatives at the 2008 Annual General Meeting and earlier, a great deal of effort was spent working with the Members to review and analyse NAATI's business model. The aim of that work was to agree on a sustainable funding model for NAATI into the future. Negotiations were continuing at year end, but a comprehensive independent analysis of NAATI's operations had already pointed to a combination of three components that would lead to a sustainable model; internal savings in certain areas by NAATI, increased recurrent contributions from the Members, and a significant initial investment in improved technology. Improvements in information and communication technology and further quality improvements of our core business activities were identified as investment priorities. I have been grateful for the cooperation of the Members' Representatives in this work and for the resourcing and assistance provided by the Commonwealth in particular.

Despite the many changes that were underway, NAATI continued to deliver its core business, meeting or exceeding its performance goals. A highlight of the year was the successful implementation of the Commonwealth's New Interpreters Project, which received a great deal of interest and has already provided more interpreters for the communities of 'new and emerging' languages across Australia. I am also particularly pleased to note that testing is now available in Armenian, Nuer, Oromo, Dinka, Swahili and thank the Accreditation Team and the associated examiners who made this possible. I would also like to acknowledge the positive relationships that NAATI has enjoyed with the convenors and staff of NAATI-approved courses who have assisted NAATI in various ways and made suggestions for improvements to our approval and quality-assurance processes for courses that lead to NAATI accreditation.

The coming year's work will be guided by a new strategic plan and I wish to record NAATI's appreciation for the input to the planning process provided by many stakeholders. The plan retains a focus on efficient and effective core business activities but provides additional focus on relationships, organisational responsiveness and building NAATI's critical capabilities. NAATI's strategic plan is complemented and strengthened by more clearly articulated expectations from the Members arising from the review work undertaken during the year. These developments auger well for focusing NAATI's major activities and priorities during the coming year.

As noted above, this has been a year of change characterised by some uncertainty and ambiguity while business analyses were undertaken and future directions were determined. I wish to acknowledge the forbearance of the staff in accommodating these challenging times, while still continuing to provide services to our clients with commitment, care and enthusiasm. In particular, I wish to acknowledge the positive feedback obtained from our clients and congratulate the staff on that achievement. To those who left NAATI during the year I thank them for their contribution and wish them well for the future. To those who joined NAATI, welcome to the team.

I look forward to continuing to work with the Members, their Representatives, the Board, professional bodies and the wider profession, together with the committees and the staff of NAATI in meeting the challenges of the year ahead.

Dr Lindsay Heywood

Chief Executive Officer

1 MEMBERS AND DIRECTORS

The Members of the Company and their Representatives

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

Three new Members of NAATI were appointed during the year:

- NSW - Ms Virginia Judge MP as Minister for Citizenship
- QLD - Ms Annastacia Palaszczuk MP as Minister for Multicultural Affairs
- WA - Mr Giovanni (John) Castrilli MLA as Minister for Citizenship and Multicultural Interests

NAATI welcomes the new Members and looks forward to working closely with them.

As at 30 June, 2009 the Members of the company and their Representatives were:

Jurisdiction	Member	Title	Representative	Title
Commonwealth	Senator the Hon. Chris Evans	Leader of the Government in the Senate, Minister for Immigration and Citizenship	Mr Peter Templeton	Acting First Assistant Secretary - Citizenship, Settlement and Multicultural Affairs
Commonwealth	Mr Laurie Ferguson MP	Parliamentary Secretary for Multicultural Affairs and Settlement Services		
ACT	Minister John Hargreaves MLA	Minister for Territory and Municipal Services, Minister for Housing, Minister for Multicultural Affairs	Mr Nic Manikis	Director - Office of Multicultural, Aboriginal and Torres Strait Islander Affairs
NSW	Ms Virginia Judge MP	Minister for Citizenship Minister for Fair Trading and Minister Assisting the Premier on the Arts	Dr Stepan Kerkyasharian AM	Chairman - Community Relations Commission for a Multicultural NSW
NT	The Hon. Rob Knight MLA	Minister for Local Government, Minister of Housing, Minister for Central Australia, Minister for Corporate and Information Services, Minister for Communications, Minister assisting the Chief Minister on Indigenous Policy	Ms Trish Angus	Executive Director - Policy and Coordination Division Department of Local Government, Housing and Sport
QLD	The Hon. Annastacia Palaszczuk MP	Minister for Disability Services and Multicultural Affairs	Mr Garry Page	Executive Director - Multicultural Affairs Queensland
SA	The Hon. Michael J Atkinson MP	Attorney-General Minister for Justice Minister for Multicultural Affairs Minister for Veteran's Affairs	Mr Simon Forrest	Director - Multicultural SA
TAS	The Hon. David Bartlett MP	Premier, Minister for Education and Skills Minister for Planning and Workplace Relations Minister for Multicultural Affairs	Ms Janet Ong	Manager - Multicultural Tasmania
VIC	The Hon. John Brumby MLA	Premier Minister for Veterans' Affairs Minister for Multicultural Affairs	Mr George Lekakis	Chair - Victorian Multicultural Commission
VIC	The Hon. James Merlino MP	Minister Assisting the Premier on Multicultural Affairs		
WA	The Hon. John Castrilli MLA	Minister for Local Government Minister for Heritage Minister for Citizenship and Multicultural Interests	Mr Ellis Griffiths	A/Executive Director - Office of Multicultural Interests

THE NAATI BOARD OF DIRECTORS



Susan Bures AM (Chair)

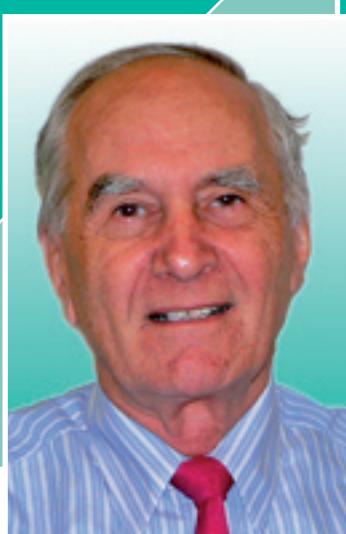
Susan Bures is the Administrator of The Great Synagogue, Sydney. Currently a Director of NAATI, she is also secretary of the Waverley Action for Youth Services (a Sydney youth centre). Trained as a historian, she spent many years as a newspaper editor. She is a former deputy chair of the (then) NSW Ethnic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



Vicki Mitsos (Deputy Chair)

Vicki Mitsos managed the Multicultural Education Centre at Goulburn Ovens Institute of TAFE over several years. In this role she initiated many worthwhile projects for which she has been 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 member of the Goulburn Ovens Murray Regional Council of Adult, Community and Further Education, President of the Shepparton and District Ethnic Council and a Commissioner for the Victorian Multicultural Commission. She has the distinction of being inducted to the Centenary of Federation 2001 Women Shaping the Nation Honour Roll, the Business Professionals Women of the Year, the North Eastern Woman of the Year and has been presented with the Hellenic Distinction for Victoria and the Centenary Medal for contributions to migrant education in country and regional areas.



Dr Maximilian Brandle OAM MA PhD

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

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



John A. Kiosoglous MBE KSA AE SM

Mr Kiosoglous is the former Chairman of the South Australian Multicultural and Ethnic Affairs Commission and formerly a senior member of the Commonwealth Administrative Appeals Tribunal. His association with NAATI extends over 14 years, during which he served on several boards as a Director and as Chairman from 1992-95.

Mr Kiosoglous, a recipient of several honorary awards and medals, has extensive experience in the multicultural area having also served as the Deputy Chairman of the South Australian Multicultural and Ethnic Affairs Commission, Chairman of the Ethnic Schools Board of South Australia, member of the Executive Board of the University of Adelaide Heritage Foundation, executive member of the Greek Orthodox Archdiocesan Council and Church of Australia, Honorary Chairman of the Council of the Greek Orthodox Communities and Parishes of South Australia, Deputy-Chairman of St Basil's Greek Orthodox Homes for the Aged and chairman of the Australian Hellenic Museum (SA). He is also currently an Auxiliary Stipendiary Magistrate, member of the board of Alzheimers Australia (South Australia) and chairman of the Committee of the International Conference on Greek Research (Flinders University South Australia) and Chairman of the Ethnic Schools Board, a Ministerial Advisory Body.



Abeselom Nega

Mr Nega is the Managing Director of iEmpower Pty Ltd, a private rehabilitation, education and training services company that operates in Melbourne and Sydney.

Mr Nega was the General Manager, Adult Multicultural Education Service's (AMES) Employment Division for several years until June 2006 and has served as board member of the National Employment Services Association (NESAA).

He is the immediate past Chair of the Federation of African Communities Council, and a member of the Australian Partnership of Ethnic and Religious Organisations. He has served as a member of several boards and advisory committees over many years. Mr Nega is an Associate Fellow of the Australian Institute of Management, a Chartered Member of the Australian Human Resources Institute and member Australian Institute of Project Management.

Mr Nega is serving as a member of a national steering committee for Australian Human Rights and Equal Opportunity Commission and national convenor of FECCA for new and emerging communities advisory committee.



THE YEAR IN REVIEW

ACCREDITATION

The financial year 2008/09 was a year of continuing productivity and change for NAATI in the accreditation area.

THE HIGHLIGHTS INCLUDED

Discontinuation of the 'annual program' of testing

- Planning and preparation for the annual testing programs for translating and interpreting to be discontinued as of June 30, 2009.
- Readiness for implementation of continuously-available testing from July 1, 2009.
- Development of new application forms and information booklets (replacing the former Manual for Candidates).
- Redevelopment of the NAATI website to include information for the changed system for testing.

Broadening the range of languages available for accreditation by testing

- Introduced paraprofessional interpreter and paraprofessional translator accreditation testing for five new languages (Armenian, Dinka, Nuer, Oromo, Swahili).
- Planning and development underway for the introduction of paraprofessional interpreter accreditation testing for Hazaragi.

Ongoing improvement of test-preparation materials

- Development and publication of 9 new paraprofessional sample tests over 5 languages.
- Development of 16 new professional interpreter sample test materials over 16 languages to be released early in the new financial year.

Broadening opportunities for Indigenous language interpreter accreditation

- NAATI provided technical and advisory support for a project led by the Northern Territory Interpreting and Translating Service and the Northern Territory government, which resulted in the first indigenous Djambarrpuyngu interpreters being accredited at the professional level.

Improvement of testing technology

- Introduced new technology for the playback of interpreting test materials to deliver greater audio clarity.
- Developed in-house audio/visual test-editing facility.

SPECIAL PROJECTS

- Successful introduction of the Commonwealth New Interpreters Project to assist with the supply of interpreters in 'new and emerging' languages.
- A review of overseas qualification assessment process was commenced, looking at benchmarking NAATI's process against other qualification-assessment processes in Australia.
- Continued to assist the Victorian Multicultural Commission (VMC) in undertaking demographic surveys of interpreters in Victoria.

OUTLOOK FOR THE FUTURE

The outlook is one of further change including:

- Continuing to build on the languages available for testing.
- Further review and improvements of testing technology and, in particular, for interpreter accreditation testing.

NEW INTERPRETERS PROJECT

This financial year saw NAATI undertaking a major new project for the Commonwealth Department of Immigration and Citizenship (DIAC) to enhance the availability of interpreters in 'new and emerging' languages – the New Interpreters Project (NIP).

The aim of the Project is to support the communities who speak those languages to be able to participate fully in Australian society through improved communication. This project is separate from but builds on a previous successful pilot trial conducted by NAATI in 2006-2007.

PROJECT OVERVIEW

The Project formally commenced in July 2008 and has created a great deal of interest in its target communities. This may reflect enhanced promotion by NAATI and/or by the Commonwealth and its agencies. Information sessions have been well attended and in most cases this has led to a flow on of applications for the program. The Project covers the costs for participants associated with attending workshops, testing, recognition and accreditation.

DEVELOPMENT OF LINKAGES

A number of steps were taken to establish relevant linkages to support the Project including:

- widely-distributed promotional posters designed to attract English-speaking potential candidates and (through translated content) community members and leaders who may know potential candidates and direct them to the Project
- promotion through the NAATI News and other stakeholders' publications
- development of stakeholder-relations strategies and extensive networking in each jurisdiction, supported by information sessions with detailed face-to-face support for potential applicants.

RESOURCE DEVELOPMENT

As part of establishing the NIP, NAATI developed various resources specifically tailored for the NIP. These include the promotional brochure, information booklet, specific application forms, a PowerPoint presentation for workshops and a workshop handbook for participants which, *inter alia*, outlines in detail what an interpreter does and the different ethical and cultural issues that interpreters may encounter in Australia. The current version of the poster and other resources are available on the NAATI website (<http://www.naati.com.au/tw-nip.html>).

INFORMATION SESSIONS

Tailored information sessions that are specifically intended to attract interest in the Project were conducted in all capital cities and some regional centres in Victoria (Shepparton and Colac) and Tasmania (Launceston). The information sessions varied according to context, ranging up to 4 hours, with attendances of up to 50 participants per session.

LOCATIONS OF WORKSHOPS

Following on from the information sessions, preparatory workshops were held in all capital cities except Canberra. Regional workshops were conducted in Shepparton and Launceston and, at year end were planned for Griffith, Toowoomba, Wagga Wagga, Coffs Harbour and Cairns.

The preparatory workshops were based on a nominal 15-hour model delivered over two to four days according to regional circumstances, which was developed specifically for the NIP (based on previous pilot studies). The workshops held to date have all been fully subscribed and all have been highly regarded by the participants (as noted overleaf). The workshops represented a total of 2,820 participant hours of preparatory training delivered throughout Australia by year end. Further workshops will be delivered in the coming year according to demand. Emphasis will be given to regional delivery where practicable.

APPLICANTS SEEKING NAATI TESTING

The Project initially attracted a broad range of applicants, and this has broadened further as interest in the Project has grown and DIAC has reviewed its list of eligible languages.

PEOPLE SUCCESSFUL IN GAINING NAATI ACCREDITATION

The Project offers Paraprofessional accreditation where testing is available, or Recognition in languages where testing is not yet available. Because the Project targets a large range of 'new and emerging' languages, the availability of NAATI Recognition is an important alternative outcome to accreditation.

FEEDBACK FROM NIP PARTICIPANTS

Client satisfaction with NIP workshops was evaluated using NAATI's established workshop-evaluation tools. Overall feedback about the workshops has been positive. Most participants have stated that:

- the workshops were effective
- they enjoyed learning about the profession generally
- delivery of the information was highly regarded
- tips on interpreting and how to avoid errors were insightful and valuable, and
- the information provided about the Code of Ethics was important and informative.

Some participants felt that the workshops, currently up to 15 hours (typically over 2 days), could be expanded and that less concentrated workshops would also be welcome, possibly held over 3-4 days. This could allow more discussion about NAATI testing and, in particular, more practical exercises to aid in preparing for tests. As a result, NAATI is reviewing the NIP workshops, with a view to adapting them to suit the specific needs of each jurisdiction, including holding a 15-hour workshop over three or four days.

- Work has begun on more extensive coordination of the NIP with related initiatives in States/Territories to achieve synergies and to avoid duplication wherever possible.
- The Project would benefit from interpreting service providers offering work experience for participants who are seeking entry to the Project (e.g. as an observer and/or under supervision), as well as giving work preference to participants who have completed the program and obtained recognition.

STATES/TERRITORIES

The State and Territory offices of NAATI continued to provide regional access to NAATI's services throughout the year, as well as supporting a variety of significant initiatives undertaken by their Regional Advisory Committees (RACs). The major activities of the State and Territory offices are in offering accreditation testing, providing preparatory workshops for candidates, distribution of test-related products, offering personal advice and assistance to candidates and building relationships with the Translating and Interpreting profession and related stakeholders in the region.

The Commonwealth New Interpreters Project continues to be delivered through State and Territory offices in all capital cities and in some regional locations. There continued to be improvements to client services implemented by the State and Territory offices as part of NAATI's overall commitment to improved products and services.

An indicative selection from many highlights of regional activity follows.

AUSTRALIAN CAPITAL TERRITORY

- Planning workshop for the Commonwealth New Interpreters Project.
- Issued the 'Emergency Interpreter Schedule' to ACT Emergency Services Authority to assist in the management of communication in any future emergency.
- As a result of an ACT RAC initiative a paper was published in the journal of The Royal Australian College of General Practitioners outlining the dangers of using unaccredited practitioners.

NEW SOUTH WALES

- Liaised with a NAATI practitioner to discuss the establishment of a Translating and Interpreting program in Korea in accordance with the NAATI training framework.
- The Community Relations Commission (CRC) advised that it is requesting NAATI-accredited translators and interpreters to upgrade their credentials.
- Held workshops for the Commonwealth New Interpreters Project.
- On-line course enrolments continued to increase.

NORTHERN TERRITORY

- Held a well-attended workshop for the Commonwealth New Interpreters Project.
- Represented NAATI at the Aboriginal Interpreter Service event to celebrate the achievements of interpreters who gained accreditation in the Djambarrpuynu language at the professional level, a national milestone.
- Discussed future training opportunities with the Northern Territory Aboriginal Interpreter Service.

15

QUEENSLAND

- NAATI sponsored and attended the AUSIT Annual Conference in November.
- The approval by the Commonwealth of language-specific training sessions for six Rohingyans living in Brisbane.
- Held Commonwealth New Interpreters Project Workshops.

SOUTH AUSTRALIA

- An event to celebrate the International Year of Languages was held on 16 October 2008 at the TAFE SA Adelaide City Campus.
- Workshops were conducted in November 2008 and May 2009 for the Commonwealth New Interpreters Project.

TASMANIA

- Provided a promotional/information booth at the Modern Language Teachers Association of Tasmania conference in August 2008.
- Held Commonwealth New Interpreters Workshops in Hobart and Launceston.
- Continued to offer pilot 'one-on-one' test-preparation briefings.

VICTORIA

- Conducted testing in Bendigo and Mildura on behalf of the Victorian Multicultural Commission.
- Introduced a mock translation testing service.
- Held Commonwealth New Interpreters Project Workshops in Melbourne and Shepparton.
- Continued with NAATI promotional displays at Adult Learners Week Expos in Springvale and Croydon.
- The Victoria Regional Advisory Committee hosted a Translating and Interpreting Awareness on 8 October 2008 with a theme of 'A Call to Action in your Language'.
- Planning the next Translator and Interpreter Awareness Day for 2010.

WESTERN AUSTRALIA

- Attended an exchange forum with practitioners and universities with a view to allowing them to share information and developments so that a university level course might be more quickly established.
- Continued with NAATI promotional displays at World Refugee Day celebrations.
- Meeting with the WA Minister for Multicultural Affairs, Mr John Castrilli, with a view to organising an 'industry forum' of local stakeholders to explore issues of interest to the sector.
- Held a Commonwealth New Interpreters Project Workshop.

ADMINISTRATION AND BUSINESS DEVELOPMENT

The 2008-2009 year brought with it uncertain times, which in turn created additional challenges for the corporate administration and finance functions of NAATI in allocating resources for business development.

GENERAL DEVELOPMENTS

Some of the more significant developments were:

- Implementation of a plan to reduce expenses across all NAATI offices, which included delaying some of our planned projects for the year, such as implementation of online business capability and a major update of the website.
- Exploration of relocation of the NSW State office, as a result of the end of a current lease and a mismatch between the current premises and future requirements.
- Sourcing and leasing new photocopiers/scanners to enhance the capability of NAATI's National and State/Territory offices and successful roll out nation wide.
- Development and testing of Terminal Server infrastructure, to allow all State/Territory offices faster and more efficient access to files and speedier database entries to improve responsiveness and access for client services.
- Sourcing and testing resources for creating improved digital identification cards for accredited translators and interpreters to enhance security, flexibility and presentation.

SYSTEM FOR ACCREDITATION MANAGEMENT (SAM) DATABASE

As a result of the economic downturn, enhancements and modifications to SAM were kept at a minimum and only the areas where core business was directly affected were maintained and implemented.

ONLINE DIRECTORY OF ACCREDITED AND RECOGNISED TRANSLATORS AND INTERPRETERS

The directory listed over 5000 accreditations at 30 June, 2009. Planning is still underway for improving the look and accessibility of the directory for its users, including the possibility of online listing of renewals and the ability for practitioners using the service to update their personal information directly online.

OUTLOOK FOR THE FUTURE

The 2009-2010 year promises a number of new challenges including:

- Continuing review and enhancement of the organisation's functions and capabilities.
- Sourcing suitable new server hardware and implementation.
- Negotiation, development and implementation of new ICT capabilities, including roll out of a system of terminal servers.
- Continuing review and updating of the NAATI website.
- Development and introduction of online business, including the establishment of an intranet facility.

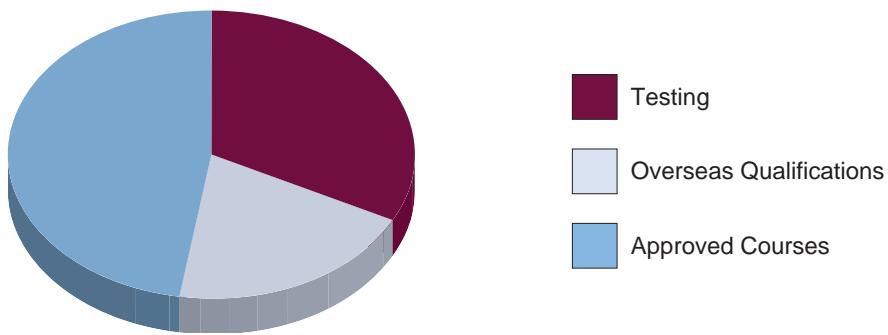
3 BUSINESS PERFORMANCE

CREDENTIALING

During the year, NAATI awarded 1851 credentials and achieved the following service delivery outcomes:

ACCREDITATION

- 1752 accreditations awarded in total
- 570 accreditations awarded by testing (33%)
- 351 accreditations awarded by assessment of overseas qualifications (20%)
- 831 accreditations awarded on completion of NAATI-approved Australian courses (47%)



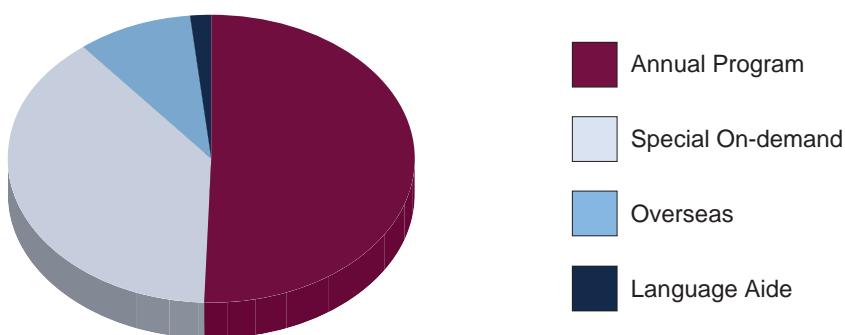
- Three Conference Interpreter accreditations were awarded
- One Advanced Translator accreditation was awarded

OTHER CREDENTIALS AWARDED

- 73 Recognitions awarded across 23 languages
- 26 Language Aide credentials awarded across 13 languages

TESTING

- 2538 tests were sat



- Delivery of tests remained available in eight metropolitan locations and ten regional centres in Australia

TEST PREPARATION ACTIVITIES

- Delivery of 131 workshops to assist candidates to prepare for accreditation testing
- Development of new Professional Interpreter sample test materials across 16 languages

EXAMINER ACTIVITIES

- Maintaining independent marking across all languages for Professional Translator tests
- Maintenance of the Examiners' Quarterly Newsletter to facilitate communications and promote consistency
- Delivery of familiarisation training programs for newly appointed examiners in four capital cities

ACTIVITIES ASSOCIATED WITH NAATI-APPROVED COURSES

- Consideration of applications for approval of 9 new courses
- Approval of 7 new tertiary courses; re-approval of 24 courses
- The number of NAATI-approved courses rose to 38 across 17 institutions
- The number of approved languages involved rose to 14 for translation and 52 for interpreting, encompassing 31 and 82 course/language combinations respectively
- NAATI continued to monitor approved courses to ensure that the conduct of the courses and the exit standards of graduates meet NAATI's requirements, investigating any complaints that may have arisen
- NAATI continued to participate in the national Project Steering Committee for the development of a national training package for courses within the VET sector

RESEARCH AND DEVELOPMENT

- Completion of Phase 2 of the external Rater-Reliability Study
- Market research
- Client satisfaction survey
- Exploration of new testing technology

INDUSTRY/COMMUNITY ACTIVITIES

- Delivery of 31 information sessions to enhance community and employer understanding of the NAATI accreditation system and the importance and benefits of using accredited practitioners
- Production of the annual edition of the National Directory of Accredited and Recognised Practitioners of Translation and Interpreting, made freely available on the NAATI web site and by purchase in CD Rom format
- Continuation of training and testing in rural and regional areas and for 'new and emerging' languages.

FINANCIAL PERFORMANCE

This reporting period was the third year of NAATI's 2006-2009 funding agreement with the Members.

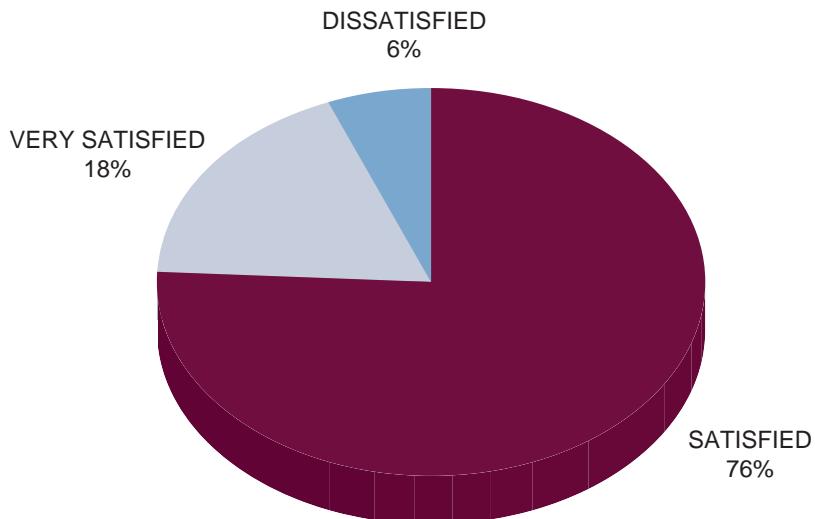
The year saw an increase in total revenue of 32% (\$1,034,214) accompanied by containment of expenditure at previous levels. Government revenue represented 39% of total income, a rise from 28% in the previous period. The net result for the period was an operating surplus of \$459,530, representing a significant turn around from the previous year (2008 operating loss of \$581,627).

The turn around in operating results was due to a combination of NAATI's internal cost savings during the year, increased project and operating revenue and a capital injection from the Commonwealth.

NAATI achieved cost savings throughout the year and implemented a number of measures in the latter part of the year to achieve further on-going savings. The Board looks forward to agreeing with the Members on a new sustainable funding model for the future during the coming year.

CLIENT SATISFACTION

NAATI commissioned an independent customer-satisfaction survey of its clients during the year. As shown in the figure below, the results were positive with 94% of recently-accredited clients reporting that they were satisfied or very satisfied with NAATI's services.



Nearly all (94%) of recently accredited clients reported that they were satisfied with the overall client service provided by NAATI. Only 6% were dissatisfied.

Despite this positive result the survey also pointed to some areas for improvement and NAATI will be addressing these during the coming year as part of its overall improvement activities.

4

ABOUT NAATI

NAATI AND THE COMPANY

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

NAATI'S MISSION

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

NAATI COMPANY OBJECTIVES

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

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

STRATEGIC PRIORITIES

LEADERSHIP

KPI - LEADERSHIP

NAATI is acknowledged nationally and internationally as a leader in accreditation.

- Setting national accreditation standards
- Providing policy leadership and advice

PERFORMANCE

KPI - PERFORMANCE

NAATI maintains a high-quality accreditation system and carries out its business effectively and efficiently.

- Maintaining a national accreditation system
- Awarding NAATI credentials
- Offering quality products and services
- Delivering on specific projects
- Managing finances responsibly
- Achieving client and stakeholder satisfaction

RELATIONSHIPS

KPI - RELATIONSHIPS

NAATI is respected and valued by its Members and stakeholders.

- Building strategic relationships
- Implementing joint ventures
- Delivering stakeholder value

RESPONSIVENESS

KPI - RESPONSIVENESS

NAATI's capabilities continue to meet the needs of its purpose, Members, business environment and clients.

- Maintaining sustainable resourcing
- Responding to Members' expectations
- Building new business capabilities
- Striving for an excellent organisation

PEOPLE

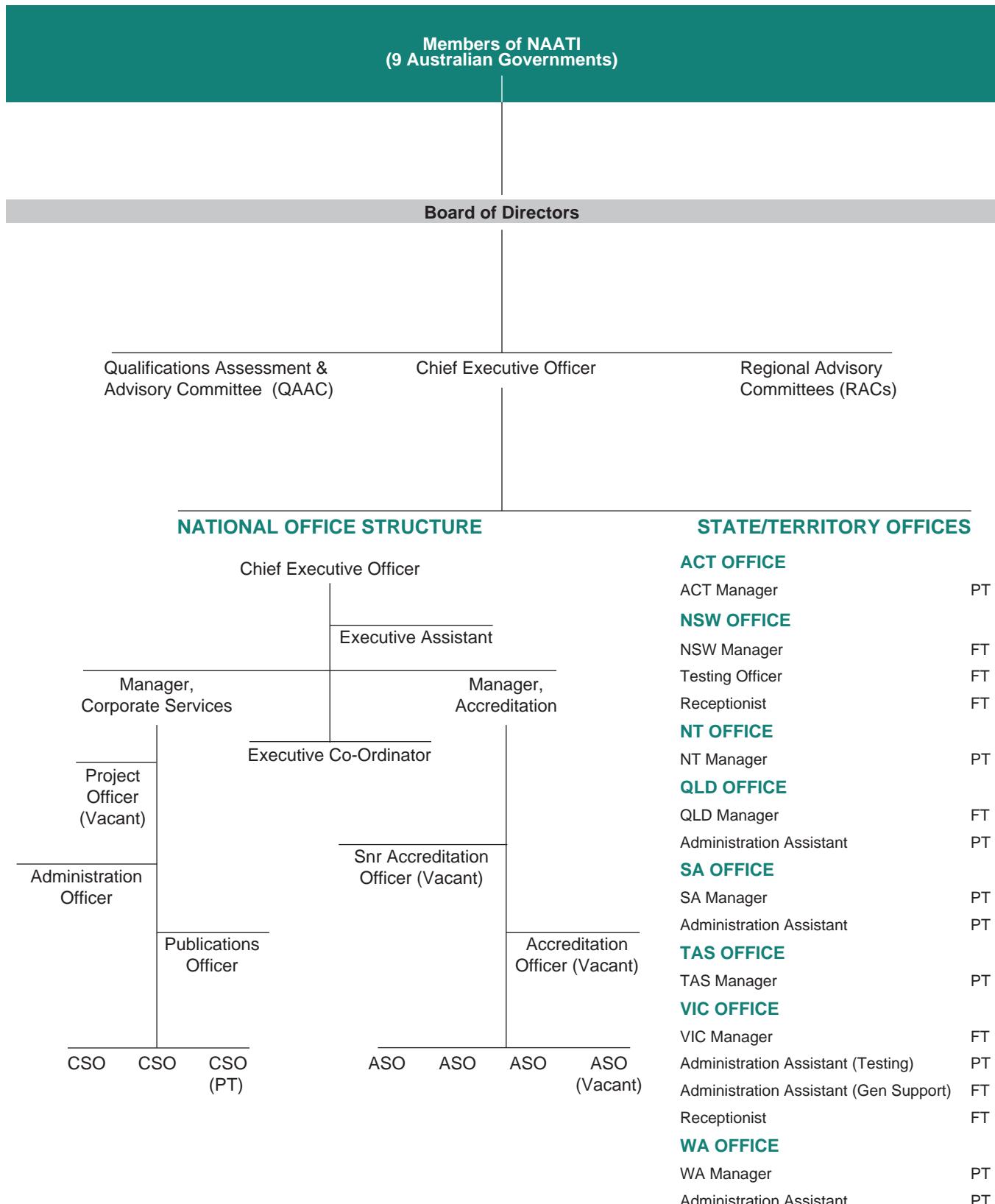
KPI - PEOPLE

NAATI is regarded as an employer of choice.

- Promoting staff well being
- Encouraging staff development
- Fostering staff satisfaction

ORGANISATIONAL STRUCTURE

NAATI's national office is in Canberra and there are also offices in each state and territory. As at 30 June, 2009 NAATI employed 31 staff (20.6 effective full time positions) as shown below.



NAATI COMMITTEES AND PANELS

NAATI has established a series of committees to assist with its work.

QUALIFICATIONS ASSESSMENT AND ADVISORY COMMITTEE

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

The Committee is responsible for advice on the following:

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

The Committee makes recommendations on the above issues for consideration by the Board of Directors.

As at 30 June, 2009 the membership of the QAAC was:

MEMBER	BACKGROUND
Anna Grassi BA (Chair)	Translating and Interpreting Educator (curriculum); representative of paraprofessional courses in Australia.
Ari Pappas Grad Dip Health Science Management, Dip Translating and Interpreting, Dip Welfare Studies	Manager of a key service provider agency, Education Liaison Officer and member of Project for Schools Commission Program. He is a NAATI-accredited Interpreter at the professional level.
Amalia Milman Dip Ed, Assoc Dip Interpreting and Translation	Practitioner at Advanced Translator and Interpreter levels, Translating and Interpreting educator, experience with service provision. She is a NAATI-accredited Advanced Translator and a Translator and Interpreter at the professional level.
Dr Jemina Napier BA, MA, PhD, MEd in Professional & Higher Education	Educator, researcher, practitioner (Auslan), representative of courses at the professional and graduate level. She is a NAATI-accredited Interpreter at the professional level.
Helen Slatyer BA, RSADipTEFL, M App Linguistics	Translator, Lecturer, Department of Linguistics, Macquarie University, research expertise in language testing. She is a NAATI-accredited Professional Translator and Paraprofessional Interpreter.
Adolfo Gentile BA, Dip Tert Ed, M Ed Admin	Member Refugee and Migration Review Tribunals; Adjunct Professor, Interpreting and Translating, University of Queensland; part-time teaching staff Monash University. Former Head of School of Languages, Interpreting and Translating at Deakin University and the Director of the University's Centre for Research and Development in Interpreting and Translating. He has written extensively and consulted on the training and practice of Translating and Interpreting. He is a NAATI-accredited Advanced Translator.
Yuki Sayeg MA, M Lit St. BA (Hons), Graduate Certificate in Conference Interpreter Training (Geneva), Member AIIC	Translating and Interpreting educator, representative of postgraduate conference interpreter/advanced translator programs, freelance conference interpreter and translator. She is a NAATI-accredited Conference Interpreter (Senior), Advanced Translator and a Translator and Interpreter at the professional level.
Magdalena Rowan BA, B Ed	Translating and Interpreting educator and coordinator of Translating and Interpreting courses at TAFESA and a practising interpreter and translator. She is also on the steering committee for the new VET, Translating and Interpreting Training Package and designed and wrote the current TAFE SA Advanced Diploma of Translating curriculum. She is a NAATI-accredited Translator and Interpreter at the professional level.

PANELS OF EXAMINERS

NAATI maintains language-based panels of trained examiners under the guidance of a panel chair to assess the performance of candidates in NAATI tests. Panels are established and discontinued from time to time to reflect demand for testing and shifts in the demographics of the Australian population.

NAATI gratefully acknowledges the critical wealth of expertise that the examiners contribute to NAATI and to maintenance of the standards of the profession.

As at 30 June, 2009 panels were established for the following languages:

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

REGIONAL ADVISORY COMMITTEES

Regional Advisory Committees (RACs) have been established in all States and Territories. The purpose of the RACs is to assist NAATI to remain in touch with and receive advice from the sector, the profession and the community across Australia on a regular basis. Each RAC is supported by the relevant State/Territory Manager. The major roles of the Regional Advisory Committees are:

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

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

ACT

Ms K O'Sullivan (Convenor)
Ms C Crane
Mr S Huang
Dr M Leader
Mr S Lockie
Mr N Manikis
Ms M Mau-Oldfield
Ms K Mokrij
Mr M Palic
Dr C Phillips
Ms A Stensletten
Ms G McKergow (ACT Manager)

NSW

Ms A Grassi (Convenor)
Ms N Arrage
Mr M Doerfler
Ms V Dragoje
Mr D Evanian-Thomas
Ms S Fleming
Mr G Ford
Ms A Groth
Mr S Harris
Mr M Leneham
Mr C Moon
Mr S Patradoon
Ms M Taibi
Ms C Webster
Ms M Bizimis (NSW Manager)
Mr A Nega (NAATI Director *Ex-Officio*)
Ms S Bures (Chair, NAATI *Ex-Officio*)

NT

Dr P Black (Convenor)
Ms F Abbott
Ms J Guy
Ms L Kohaupt
Ms A Quinn
Ms B Teo
Ms J Ventic
Ms U Vorst
Ms A Wait
Ms Stephanie Wall (NT Manager)

QLD

Ms P Avila (Convenor)
Ms S Berner
Mr L Burness
Ms A Gasteen
Ms E Hawes
Ms L Henniker
Dr L Ko
Ms V Larach
Mr I Muil
Ms N Parisi
Ms Y Sayeg
Mr T Tran
Mr J Duncan (QLD Manager)
Dr M Brandle (NAATI Director *Ex-Officio*)

SA

Mr M Armiento (Convenor)
Ms C Ait-Touati
Mr M Cronshaw
Mr M Gostich
Mr Dan Haller
Dr I Harmstorf
Mr P Hellander
Ms M Rowan
Ms M Schirru
Mr A Skuza
Ms M Slatter
Mr J Tayler
Ms Y Zurawska
Ms C Appelkamp (SA Manager)
Mr J Kiosoglous (NAATI Director *Ex-Officio*)

TAS

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

VIC

Ms L Bongiovanni (Convenor)
Mr I Akinci
Ms F Andrew
Mr I Ayzit
Mr A Bevz
Ms G Castellan
Ms C Cave
Mr J Chau
Ms S Koutes
Ms F Lo Schiavo
Ms B Murphy
Mr A Pappas
Ms P Tissera
Dr R Wilson
Ms C Toffoli-Zupan (VIC Manager)
Ms V Mitsos (NAATI Director *Ex-Officio*)

WA

Ms M Gurgone (Convenor)
Mr J Deklerk
Mr M Delahoy
Dr W Frick
Ms K Gilchrist
Mrs M Gruszka
Ms K Laidlaw
Mrs H Murphy
Mrs T Nicholls
Ms R Perino
Mrs M Sloan
Mrs R Tsapazi
Ms N Weerakoon
Ms G Zhang
Dr V van Loggerenberg (WA Manager)

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2009

The NAATI Board of Directors present its report on the company for the financial year ended 30 June 2009.

BOARD OF DIRECTORS

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

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

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

DIRECTORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2009

PRINCIPAL ACTIVITIES

NAATI's primary purpose is to strengthen inclusion and participation in Australian society by assisting in meeting the nation's diverse and changing communication needs and expectations, through:

- setting, maintaining and promoting high national standards in translating and interpreting, and
- implementing a national quality-assurance system for credentialing practitioners who meet those standards.

NAATI credentialing provides quality assurance to the clients of translators and interpreters and gives credibility to agencies that employ practitioners who are credentialed appropriately.

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

OPERATING RESULTS

The net profit of NAATI for the financial year ended 30 June 2009 was \$459,530 (30 June 2008: loss \$581,627).

REVIEW OF OPERATIONS

The net operating profit for NAATI for the financial year ended 30 June 2009 was \$459,530 a turnaround of approximately \$1M on the loss in 2008. One of the significant factors in the increase was a one-off injection of \$600,000 from the Commonwealth Government to fund working capital. Also, test related revenue was up \$51K and other revenue was up \$350K which included the New Interpreters Project (NIP) of \$178K. Testing expenditure was also reduced in the current year, as was operating expenditure through internal cost savings.

DIVIDENDS PAID OR PROPOSED

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

As a result of a major Government review, an interim one-off payment of \$600,000 was received from the Commonwealth Government, and further increases in annual funding are being negotiated. The Directors are negotiating increased funding because of the increased budgeted expenditure required to fund the service model envisaged. Also, the Directors are conscious of the need to maintain sufficient working capital to meet the day to day operational cash flows of NAATI. Traditionally the Directors have viewed four months operational expenditure (excluding the testing program) as a minimum level of reserves. With current operational expenditure totalling approximately \$3.8 million the level of reserves required would be approximately \$1.25M. At 30 June 2009 accumulated retained earnings were \$1.7M.

DIRECTORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2009

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 entity, the results of those operations, or the state of affairs of the entity in future financial years.

FUTURE DEVELOPMENTS AND RESULTS

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

DIRECTORS' BENEFITS

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

INDEMNIFYING OFFICERS OR AUDITOR

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

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

DIRECTORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2009

INDEMNIFYING OFFICERS OR AUDITOR (CONT'D)

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

Officers insured include:

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

MEETINGS OF DIRECTORS

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

	No. of meetings eligible to attend	No. of meetings attended
Ms Susan Bures	5	5
Ms Vicki Mitsos	5	2 (with permission)
Dr Maximilian Brandle	5	5
Mr John Kiosoglous	5	4
Mr Abeselom Nega	5	3

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2009 has been received and can be found following the Directors' report.

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

37



A handwritten signature in black ink, appearing to read 'Susan Bures', is written over a horizontal line. Below the line, the word 'Director' is printed in a small, sans-serif font.

Date: 15/8/09

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

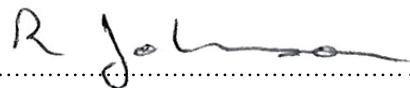
I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

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

Handwicke's

HARDWICKE'S
Chartered Accountants

Dated: 15/8/09



Robert Johnson FCA
Partner

Canberra

INDEPENDENT AUDITOR'S REPORT
To the members of the National Accreditation Authority for Translators and
Interpreters Limited

We have audited the financial report of the National Accreditation Authority for Translators and Interpreters Limited (NAATI) for the financial year ended 30 June 2009, as set out on pages 9 to 25, comprising of the Directors' declaration, income statement, balance sheet, statement of changes in equity, cash flow statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes.

The Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

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

- i) giving a true and fair view of NAATI's financial position as at 30 June 2009 and its performance for the year ended on that date; and
- ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and

.....
Hardwicke's
HARDWICKE'S
Chartered Accountants

Dated: 15/8/09

.....
R Johnson
Robert Johnson FCA
Partner

Canberra

DIRECTORS' DECLARATION

The NAATI Board of Directors declares that:

1. the financial statements and notes, as set out on pages 10 to 25, are in accordance with the Corporations Act 2001:
 - i. comply with Accounting Standards and the Corporations Regulations 2001; and
 - ii. give a true and fair view of the financial position as at 30th June 2009 and of the performance for the year ended on that date of NAATI;
2. it is the opinion of the Board of Directors that there are reasonable grounds to believe that NAATI will be able to pay its debts as and when they become due and payable.

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



A handwritten signature in black ink, appearing to read "Liseen Russell", is written over a horizontal line. Below the line, the word "Director" is handwritten in a smaller, plain font.

Date: 15/8/09

INCOME STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2009

2008		Note	2009
	\$		\$
3,236,344	Revenue from ordinary activities	3	4,270,558
(1,721,152)	Employee benefits expense		(1,836,977)
(195,978)	Depreciation expense		(221,465)
(1,900,841)	Other expenses from ordinary activities		(1,752,586)
(581,627)	Profit/(loss) before income tax expense		459,530
-	Income tax expense	18	-
(581,627)	Profit/(loss) after income tax		459,530

BALANCE SHEET

FOR THE YEAR ENDED 30TH JUNE 2009

2008 \$		Note	2009 \$
CURRENT ASSETS			
1,443,686	Cash assets	5	1,944,187
118,516	Receivables	6	11,107
51,637	Other	7	67,242
1,613,839	Total Current Assets		2,022,536
NON-CURRENT ASSETS			
723,858	Property, plant and equipment	8	648,823
723,858	Total Non-Current Assets		648,823
2,337,697	TOTAL ASSETS		2,671,359
CURRENT LIABILITIES			
448,800	Payables	9	333,682
159,414	Provisions	10	193,106
43,674	Leases	11	38,089
651,888	Total Current Liabilities		564,877
NON-CURRENT LIABILITIES			
36,242	Provisions	10	42,843
405,977	Leases	11	360,519
442,219	Total Non-Current Liabilities		403,362
1,094,107	TOTAL LIABILITIES		968,239
1,243,590	NET ASSETS		1,703,120
EQUITY			
1,243,590	Retained earnings	13	1,703,120

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2009

	Retained Earnings \$	Total \$
Balance at 1 July 2007	1,825,217	1,825,217
Profit/(Loss)	(581,627)	(581,627)
Balance at 30 June 2008	1,243,590	1,243,590
Profit/(Loss)	459,530	459,530
Balance at 30 June 2009	1,703,120	1,703,120

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2009

		2008	2009	
		\$	\$	Note
CASH FLOWS FROM OPERATING ACTIVITIES				
1,050,294	Government grants		1,633,132	
975,272	Test related revenue		1,071,705	
882,846	Other revenue		1,486,289	
122,042	Interest received		92,588	
(465,729)	Testing expenditure		(439,185)	
(3,158,788)	Operating expenditure		(3,146,555)	
(589,063)	NET CASH PROVIDED BY OPERATING ACTIVITIES		14(b)	697,974
CASH FLOWS FROM INVESTING ACTIVITIES				
(473,969)	Purchase of plant & equipment		8	(146,430)
(473,969)	NET CASH USED IN INVESTING ACTIVITIES			(146,430)
CASH FLOWS FROM FINANCING ACTIVITIES				
-	Repayment of borrowing		(51,043)	
449,651	Proceeds from borrowing			-
449,651	Net cash used in financing activities			(51,043)
(613,381)	Net increase/(decrease) in cash held			500,501
2,057,067	Cash at the beginning of the financial year			1,443,686
1,443,686	CASH AT THE END OF THE FINANCIAL YEAR		14(a)	1,994,187

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PREPARATION

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

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

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

ACCOUNTING POLICIES

a) Cash & cash equivalents

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

b) Plant & equipment

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

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

Plant & equipment

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

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

Depreciation

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

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

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

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

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

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

c) Impairment of assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

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

d) Employee entitlements

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

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

e) Revenue

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

f) Goods and services tax (GST)

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

NOTE 2 ECONOMIC DEPENDENCY

A significant portion (39% in 2009) of NAATI's annual revenue is derived from Commonwealth, State and Territory Government funding. Funding agreements currently in place run from 1 July 2009 through until 30 June 2010.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2009

2008
\$

%

Note

%

2009
\$

NOTE 3 REVENUE

	%	Revenue from Government & Other Grants		%
536,000	14.6	Commonwealth Government	26.6	1,156,000
8,620	0.2	ACT Government	0.2	8,942
187,574	4.5	NSW Government	4.2	185,026
4,630	0.1	NT Government	0.1	4,803
82,330	2.2	QLD Government	1.9	85,402
44,560	1.2	SA Government	1.0	46,223
14,420	0.4	TAS Government	0.3	14,958
134,220	3.6	VIC Government	3.3	144,332
45,320	1.2	WA Government	1.4	47,011
1,057,674	28	GOVERNMENT FUNDING	16	39
				1,692,697

Other Revenue

1,164,423	43	Test-related revenue	28	1,216,107
892,205	24	Other services revenue	30	1,269,166
122,042	5	Interest received – other corporations	3.0	92,588
3,236,344	100	TOTAL REVENUE	100	4,270,558

NOTE 4 PROFIT

Profit/(loss) has been determined after:

Charging as expenses:

24,116	Depreciation of office fit out	70,988
16,182	Depreciation of furniture, plant and equipment	13,050
155,680	Depreciation of technology upgrade	137,427
195,978	TOTAL DEPRECIATION	221,465
(52,399)	Provision for annual leave	17,716
(68,505)	Provision for long service leave	22,576
(10,564)	Net loss on disposal of plant, equipment & SAM	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2009

2008
\$

2009
\$

NOTE 5 CASH & CASH EQUIVALENTS

1,616	Petty cash accounts	1,530
22,164	Operating accounts	163,013
1,419,906	Investment accounts	1,779,644
1,443,686		1,944,187

NOTE 6 RECEIVABLES

Current		
118,516	Trade debtors	11,107
118,516		11,107

NOTE 7 OTHER ASSETS

Current		
-	Grants in arrears	34,468
27,314	Other receivables	14,784
24,323	Prepayments	17,990
51,637		67,242

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2009

	2008 \$	2009 \$
NOTE 8 PLANT & EQUIPMENT		
473,253	Office fit out - at cost	473,253
(24,116)	Less: accumulated depreciation	(95,104)
449,137		378,149
57,710	Office equipment - at cost	65,569
(40,581)	Less: accumulated depreciation	(50,622)
17,129		14,947
44,430	Furniture & fittings - at cost	49,191
(15,197)	Less: accumulated depreciation	(18,806)
29,233		30,385
417,230	Technology Upgrade - at cost	551,040
(188,871)	Less: accumulated depreciation	(325,698)
228,359		225,342
723,858	TOTAL PROPERTY PLANT & EQUIPMENT	648,823

Movement in Carrying Amounts

51

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

	Office Fitout	Office Equipment	Furniture & Fittings	Technology Upgrade	Total
Balance at the beginning of the financial year	449,137	17,129	29,233	228,359	723,858
Additions	0	7,859	4,761	133,810	146,430
Disposals	0	0	0	0	0
Depreciation expense	(70,988)	(10,041)	(3,609)	(136,827)	(221,465)
Carrying amount at the end of the financial year	378,149	14,947	30,385	225,342	648,823

NOTE 9 PAYABLES

Current		
110,957	Trade creditors	135,347
147,728	Accrued charges	35,907
19,320	Test fees in advance	49,581
90,955	Practitioner Directory fees in advance	104,140
78,000	Grants in advance	-
1,840	GST liability	8,707
448,800		333,682

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2009

2008
\$

2009
\$

NOTE 10 PROVISIONS

Current	
92,540	Provision for annual leave
66,874	Provision for long service leave
159,414	Aggregate employee entitlements liability

Non-Current	
36,242	Provision for long service leave
36,242	Aggregate employee entitlements liability

25.6 Number of full time equivalent employees at year end 21.5

NOTE 11 FINANCIAL LIABILITIES

Current	
43,674	Lease liability

Non-Current	
405,977	Lease liability

NOTE 12 CAPITAL & LEASING COMMITMENTS

Finance Lease Commitments

Payable – minimum lease payments		
94,717	- not later than 12 months	94,717
378,868	- later than 12 months but not later than 5 years	378,868
142,076	- greater than 5 years	47,359
615,661	Minimum lease payments	520,944
(166,010)	Less future finance charges	(122,336)
449,651		398,608

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2009

2008	2009
\$	\$

NOTE 13 RETAINED EARNINGS

NAATI shows accumulated retained earnings of \$1,703,120. 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 upfront costs that are incurred in delivering a test program, before any revenue is received. If no government funding is received and there is a delayed or unsuccessful test program NAATI has to maintain reasonable accumulated surpluses to assure operational stability. From a review of the investment policy, it has been identified that NAATI would ideally maintain reserves of at least four months trading to provide a level of security and an environment for efficient decision making.

NOTE 14 CASH FLOW INFORMATION

a) Reconciliation of cash

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

1,616	Petty cash accounts	1,530
22,164	Operating accounts	163,013
1,419,906	Investment accounts	1,779,644
1,443,686		1,944,187

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2009

2008		2009
	\$	\$
NOTE 14 CASH FLOW INFORMATION		
b) Reconciliation of cash flows from operations with operating surplus from ordinary activities after income tax		
(581,627)	Profit/(loss) after income tax	459,530
Non cash flows		
40,298	Depreciation	84,038
155,680	Depreciation (technology upgrade)	137,427
10,564	Loss on disposal of fixed assets	-
Changes in assets & liabilities		
(106,105)	(Increase)/decrease in debtors	107,409
(6,870)	(Increase)/decrease in other debtors	12,530
8,460	(Increase)/decrease in prepayments	6,333
(117,871)	Increase/(decrease) in employee entitlements	40,293
(3,084)	Increase/(decrease) in creditors & GST	31,257
78,646	Increase/(decrease) in accrued charges	(111,821)
(52,134)	Increase/(decrease) in grants in advance	(112,468)
(22,680)	Increase/(decrease) in test fees in advance	30,261
7,660	Increase/(decrease) in directory fees in advance	13,185
(589,063)	NET CASH PROVIDED BY OPERATING ACTIVITIES	697,974

54

NOTE 15 AUDITORS' REMUNERATION

Remuneration of the auditor for:	
17,950	– auditing the financial report
300	– other services
18,250	19,650

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2009

	2008 \$		2009 \$
--	------------	--	------------

NOTE 16 KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Total
2009				
Total Compensation	633,705	-	69,075	702,780
2008				
Total Compensation	620,906	-	59,497	680,403

NOTE 17 RELATED PARTY DISCLOSURES

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

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

b) Director's Remuneration

53,239	Income paid or payable to all Directors of NAATI by the company and any related parties	45,432
--------	---	--------

Number of Directors whose income from NAATI and any related parties was within the following bands:

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

NOTE 18 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2009

NOTE 19 INCOME TAX

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

NOTE 20 FINANCIAL INSTRUMENTS

a) Interest rate risk

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

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing			Non-interest Bearing	Total
			Within one year	1 to 5 years	Over 5 years		
2009			\$	\$	\$	\$	\$
Financial Assets							
Cash	3.85%	163,013	1,779,644	-	-	1,530	1,944,187
Receivables	-	-	-	-	-	11,107	11,107
TOTAL FINANCIAL ASSETS		163,013	1,779,644	-	-	12,637	1,955,294

56

Financial Liabilities							
Payables	-	-	-	-	-	135,347	135,347
Leases	10.42%	-	94,717	378,868	47,359	-	520,944
TOTAL FINANCIAL LIABILITIES		-	94,717	378,868	47,359	135,347	656,291

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing			Non- interest Bearing	Total
			Within one year	1 to 5 years	Over 5 years		
2008			\$	\$	\$	\$	\$
Financial Assets							
Cash	7.78%	1,028,902	413,168	-	-	1,616	1,443,686
Receivables	-	-	-	-	-	118,516	118,516
TOTAL FINANCIAL ASSETS		1,028,902	413,168	-	-	120,132	1,562,202
Financial Liabilities							
Payables	-	-	-	-	-	110,957	110,957
Leases	10.42%	-	94,717	378,868	142,076	-	615,661
TOTAL FINANCIAL LIABILITIES		-	94,717	378,868	142,076	110,957	726,618

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2009

NOTE 20 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:

	2009		2008	
	\$		\$	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
Financial Assets				
Cash	1,944,187	1,944,187	1,443,686	1,443,686
Receivables	11,107	11,107	118,516	118,516
	1,955,294	1,955,294	1,562,202	1,562,202
Financial Liabilities				
Payables	135,347	135,347	110,957	110,957
Leases	520,944	520,944	615,661	615,661
	656,291	656,291	726,618	726,618

OUTLOOK

OUTLOOK

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

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

to continue to implement government initiatives and to support the profession and the community through enhanced language services.

NAATI is confident that the improved communication that accredited practitioners make possible will continue to break down barriers to inclusion and lead to greater opportunities for contributing to and participating in a stronger Australian society.

The following issues, challenges and opportunities will shape the year ahead:

- implementing a new sustainable business model for NAATI
- managing in an uncertain financial climate
- implementing NAATI's new strategic priorities
- delivery against the Members' expectations
- adjustments to changes of previous expectations
- bedding down new organisational arrangements
- maintaining strong efficient core business functions by enhancing accreditation and testing
- strengthening NAATI's course approval/quality assurance processes
- adopting new technology to improve testing, client services and business performance
- further strengthening support for new and emerging languages
- continuing to build productive relationships with the Members and key stakeholders
- on-going collaboration with professional bodies
- strengthening NAATI's profile nationally and regionally
- continuing advocacy for the use of accredited practitioners.

