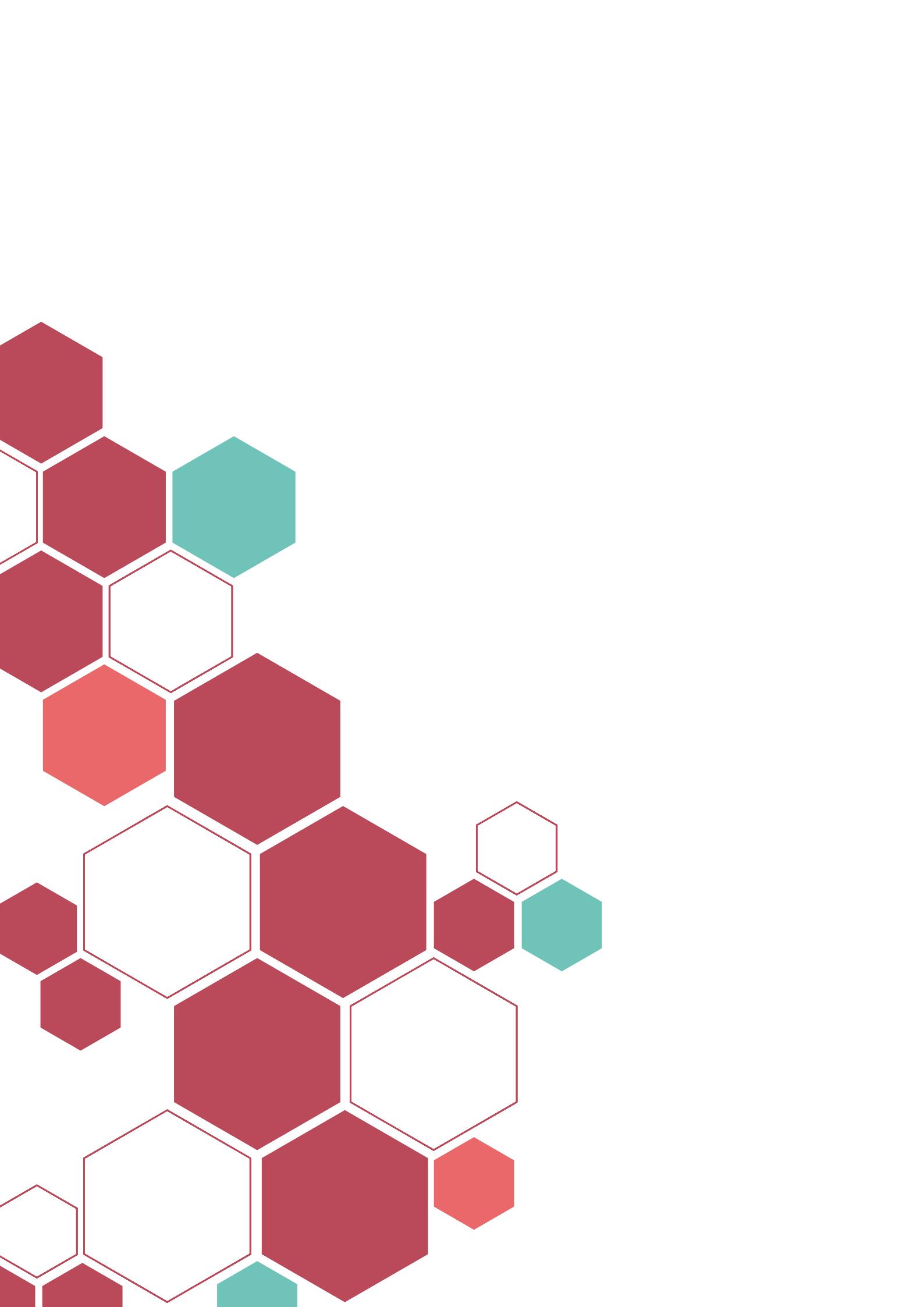




ANNUAL REPORT

2015|16









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— FROM THE CHAIR OF THE BOARD —



2015-2016 saw an increase in activity and significant progress in a number of areas within NAATI and on behalf of the Board I take the opportunity to congratulate the management and staff for what has been a very busy and productive year. Our new CEO, Mark Painting, has made a very pleasing start in his new role, and has built on the foundations put in place over the last few years in a way that heralds a bright future for the organisation.

The year also saw significant developments in the area of governance. This commenced with the approval of a revised Strategic Plan to guide the organisational priorities for the next three years. Throughout the year, the Board also established an Audit & Risk Committee and this has had a positive impact on NAATI's risk management and governance functions. The Board also approved the establishment of the National Indigenous Languages Interpreting Advisory Committee (NILIAC) in order to promote coordination, identify opportunities for collaboration and provide advice on languages and issues relevant to interpreter training and accreditation for Indigenous languages. It was a pleasure to be able to attend the inaugural meeting of this group.

I take the opportunity to pay special tribute to the Professional Reference Group (PRG) which has made an excellent contribution to NAATI and significantly improved the levels of engagement within the industry. The PRG's tenure finished in June 2016 and the Board is keen to ensure that this positive legacy is carried on with the revised structure for future years.

In closing, I thank the Member Governments of NAATI for their on-going support and my fellow Directors for their commitment and professionalism throughout the year. It was great to have the continuity and stability within the Board for the entire year. This is an exciting time for NAATI and collectively, we look forward to the challenges that lay ahead.

Kerry Stubbs
Chair
NAATI Board of Directors

— FROM THE CHIEF EXECUTIVE OFFICER —



It gives me great pleasure to present my first Annual Report for NAATI. As is evidenced by the information detailed in this report, 2015-2016 was a very busy year with increased activity in almost every line of business in addition to a number of internal changes and of course the on-going design of the new certification scheme.

This increase in activity across the board highlighted a number of issues with our administrative systems and processes that need attention. I commend the tremendous effort of the NAATI staff to manage the increased volume of work despite these challenges. One of the positive outcomes of the increased activity was a healthy operating result that will provide the opportunity for investment in technology and process improvements to achieve longer term efficiency.

In terms of corporate developments in 2015-2016, the highlight included the negotiation and implementation of the new Enterprise Agreement for NAATI staff and the launch of the new NAATI website that has received extensive positive feedback. These initiatives have been complemented by a series of improvements to our internal policies and procedures.

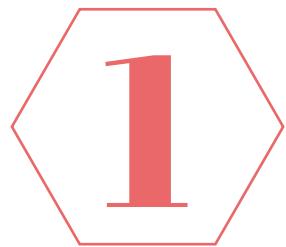
In addition to the regular responsibility of managing the national accreditation system, NAATI has been active in engaging with a number of organisations, including the Judicial Council on Cultural Diversity and Standards Australia to support projects that are of interest to the translating and interpreting sector. It is important to continue to find ways of collaborating across the sector and NAATI looks forward to supporting more joint initiatives in the future.

Finally, I take the opportunity to acknowledge all the organisations and individuals that support NAATI's work on a daily basis, this includes the various advisory and consultations committees, education providers, relevant professional associations and the many examiner panels. These contributions are greatly appreciated and I look forward to the continued support.

Mark Painting
NAATI CEO



MEMBERS AND DIRECTORS



— THE MEMBERS OF NAATI AND THEIR REPRESENTATIVES —

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

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

- Commonwealth – the Hon Craig Laundy MP, Assistant Minister for Multicultural Affairs
- Queensland – The Hon Ignazia (Grace) Grace MP, Minister for Communities, Women and Youth, Minister for Child Safety, Minister for Multicultural Affairs

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

As at 30 June 2016 the Members of NAATI and their Representatives were:

Member	Title	Representative	Title
Cwlth MP	The Hon Craig Laundy Assistant Minister for Multicultural Affairs	Mr Evan Lewis	Group Manager, Multicultural, Settlement Services and Communities Group, Department of Social Services
ACT	Ms Yvette Berry MLA Minister for Housing, Minister for Aboriginal and Torres Strait Islander Affairs, Minister for Community Services, Minister for Multicultural and Youth Affairs, Minister for Women, Minister assisting the Chief Minister on Social Inclusion and Equality	Mr Nic Manikis	Director – Community Participation Group, Department of Community Services, Office of Multicultural and Aboriginal and Torres Strait Islander Affairs
NSW	The Hon John Ajaka MLC Minister for Ageing, Minister for Disability Services, Minister for Multiculturalism Member of the Legislative Council	Mr Hakan Harman	Chief Executive Officer Multicultural NSW
NT	Hon Bess Nungarrayi Price MLA Minister for Local Government and Community Services, Minister for Housing, Minister for Parks and Wildlife, Minister for Men's Policy, Minister for Women's Policy, Minister for Statehood	Mr David Alexander	Senior Director Language Services, Department of Community Services
QLD	The Hon Ignazia (Grace) Grace MP Minister for Employment and Industrial Relations Minister for Racing Minister for Multicultural Affairs	Mr Wayne Briscoe	Executive Director, Multicultural Affairs Queensland, Department of Communities, Child Safety and Disability Services
SA	Hon Zoe Bettison MP Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Multicultural Affairs, Minister for Ageing, Minister for Youth, Minister for Volunteers	Ms Sue Wallace	Executive Director, Policy and Community Development, Department for Communities and Social Inclusion
TAS	Mr Guy Barnett MP Parliamentary Secretary to the Premier	Ms Wanda Buza	Deputy Director – Community Development, Strategic Planning and Communications, Communities, Sport and Recreation Tasmania
VIC	Hon Robin Scott MP Minister for Finance, Minister for Multicultural Affairs	Mr Hakan Akyol	Director Office of Multicultural Affairs & Citizenship (DPC)
WA	Hon Dr Michael (Mike) Nahan MLA Treasurer, Minister for Energy, Minister for Citizenship and Multicultural Interests	Ms Rebecca Ball	Executive Director Office of Multicultural Interests

THE BOARD OF DIRECTORS

KERRY STUBBS



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

ASSOC. PROF. LUDMILA STERN



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

GIUSEPPE (PINO) MIGLIORINO



Pino Migliorino was appointed to the NAATI Board of Directors on May 15, 2014. Mr Migliorino was born in Bari, Italy in 1959 and migrated to Australia with his family through an assisted passage program in 1964 to reunite with an extended family. Pino founded Cultural Perspectives/DiverseWerks and Culture and Indigenous Research Centre Australia (CIRCA) 22 years ago and this group of companies are sector leaders in consulting, researching and communicating with culturally and linguistically diverse (CaLD) and indigenous communities. Prior to working in the private sector, Mr Migliorino held important positions in the third sector and in government. Mr Migliorino has also served as Chairperson of the Federation of Ethnic Communities' Councils of Australia (FECCA) from 2009 to 2013. He is now the Hon. President of FECCA and is an acknowledged expert in policy areas relevant to diversity. Mr Migliorino has a BA and Dip. Ed (Secondary), is a Fellow of the Public Relations Institute of Australia (PRIA) and a Qualified Practicing Market Researcher (QPMR). Mr Migliorino's term expires on May 14, 2017.

JOHN WILLIAMS PSM



Mr John Williams was appointed to the NAATI Board of Directors on September 1, 2014. Previously Mr Williams had joined the Department of Immigration in Melbourne in 1964 where he gained extensive senior management experience before retiring in December 2008. Mr Williams' extensive overseas appointments include serving in the Australian High Commission London from 1973 to 1975; the Australian Embassy in Belgrade from 1975 to 1977 and 1983 to 1985; the Australian Embassy in Cairo from 1978 to 1979; the Australian Consulate Cape Town from 1979 to 1982. Mr Williams was extensively involved with multicultural and consular communities in his assignments both overseas and in Australia. While working in Australia he built strong working relationships with other government agencies at the Federal and State level. Mr Williams was awarded a Public Service Medal (PSM) in the Queen's Birthday Honour list in 2008 in recognition of his work with Australia's multicultural communities. Since retiring from the Public Service, Mr Williams has established his own consultancy to assist multicultural communities better connect with and access services within society. Mr William's term expires on August 31, 2017.

MARY GURGONE



Ms Mary Gurgone was appointed to the NAATI Board of Directors on November 1, 2014 and has been the National Director for Fortis Consulting since 2009. Fortis is one of the top 30 management consulting firms in Western Australia. In 2016, Mary led Fortis to win the WA Government's Multicultural Recognition Award in the private sector. Mary migrated to Australia from Italy and has a lifelong commitment to cross cultural and cross linguistic communication. Ms Gurgone has a Master of Business, teacher training and vocational training qualifications, Bachelor of Arts (English and Italian), and NAATI accreditation as a professional translator and interpreter. Ms Gurgone is passionate about quality in translating and interpreting and has worked tirelessly for the translating and interpreting profession. She has been a national president of the Australian Institute of Interpreters and Translators (AUSIT), State President of AUSIT WA (1989-2002) and a Fellow of AUSIT. Ms Gurgone continues to lead strategic national projects related to Australian multiculturalism. Ms Gurgone's term expires on October 31, 2017.

VOULA MESSIMERI AM



Ms Voula Messimeri AM was appointed to the NAATI Board of Directors on November 1, 2014. Voula is CEO of Australian Greek Welfare Society (AGWS) and the past Chair of the peak multicultural national body, the Federation of Ethnic Communities' Councils of Australia (FECCA). She has served in leadership positions on a number of community management bodies and on Boards such as RMIT University Council and the RMIT Training Board, a controlled entity of RMIT University. She has served on Ministerial State and Federal advisory structures across diverse areas, including health, ageing, income support, media and was a member on the Australian Multicultural Advisory Council. Voula is Patron of In Touch Inc. Multicultural Centre against Family Violence. She was inducted into the Victorian Honour Roll of Women and recognised under the Order of Australia for her contribution to refugees, migrants and women. Ms Messimeri's term expires on October 31, 2017.



OUR STRUCTURE

2



OUR STRATEGIC PRIORITIES

The NAATI Board approved a new three-year strategic plan during the 2015-2016 financial year to focus the organisation and shape the short-medium term priorities. Performance against the targets in the plan are regularly monitored.

Below is a summarised version of this plan.

MISSION

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

GOALS

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

Goals for 2015-2018 include:

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

STRATEGIES

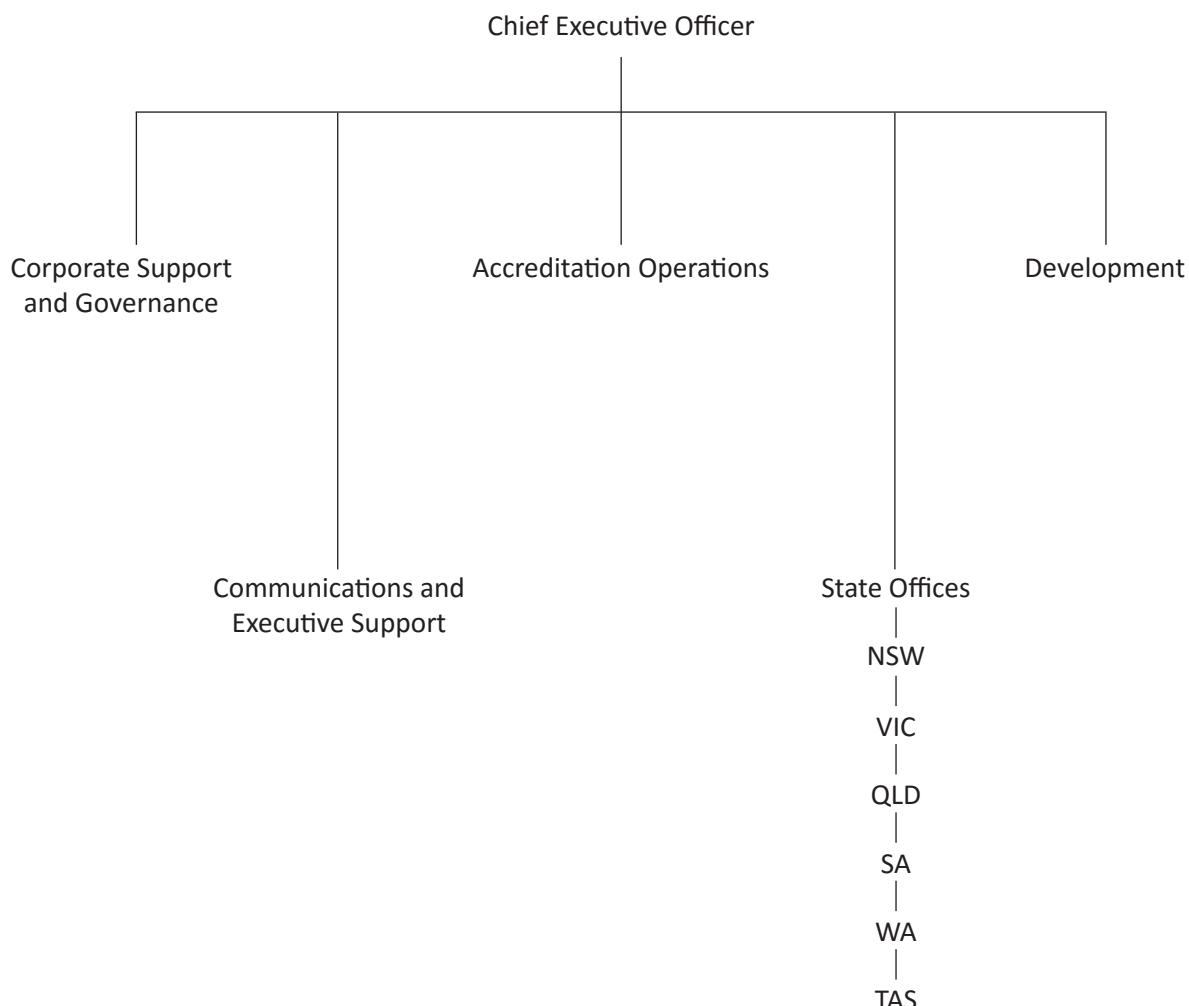
NAATI will actively pursue the following strategies to reach its goals:

- a. **Strategy 1:** Position NAATI as a leader in accreditation/certification and professional standards for translating and interpreting and as an influencer in the wider context of Australian language policy and delivery.
- b. **Strategy 2:** Implement agreed recommendations from the Improvements to NAATI Testing (INT) Project.
- c. **Strategy 3:** Diversify NAATI services and products.
- d. **Strategy 4:** Enhance NAATI's financial sustainability.

ORGANISATIONAL STRUCTURE

NAATI's National Office is located in Canberra with satellite offices located in Adelaide, Brisbane, Hobart, Melbourne, Perth and Sydney. Operations for the Northern Territory are managed through the National Office. As of 30 June 2016, NAATI employed 45 staff, equivalent to 36.5 full-time positions.

The diagram below details the structure of our management team.



NAATI COMMITTEES

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

1. The Professional Reference Group (known as the PRG);
2. The Qualifications Assessment and Advisory Committee (known as the QAAC);
3. The National Indigenous Languages Interpreting Advisory Committee (known as NILIAC); and
4. Regional Advisory Committees (known as RACs).

PROFESSIONAL REFERENCE GROUP (PRG)

The Professional Reference Group (PRG) was set up in 2012 to provide advice to the NAATI Board and build on advice received from the QAAC and the RACs.

The PRG acts as a structured mechanism to receive and consider views from the profession. Its main responsibilities include:

- The development of policies relating to accreditation and testing;
- Participation in reviews relating to accreditation and testing;
- The consideration of general policy issues relating to the standards of the profession;
- The consideration of matters of practical importance to the profession;
- Provision of feedback from the profession on NAATI's future work; and
- The development of long-term relationships with the profession.

During 2015-2016, the PRG comprised of 11 members from organisations including NAATI, AUSIT, ASLIA, NZSTI, TIS National, OnCall, Access Community Services, the Northern Territory Aboriginal Interpreting Service, Professionals Australia and the Commonwealth Department of Human Services.

The committee met face-to-face twice during the 2015-2016 financial year in Canberra. The May 2016 meeting was the last meeting of the PRG as a result of the plan to implement a new integrated advisory committee.

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



QUALIFICATIONS ASSESSMENT AND ADVISORY COMMITTEE (QAAC)

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

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

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

The QAAC functions by making recommendations on the above issues for consideration by the NAATI Board. During 2015-2016, the committee met quarterly in Canberra.

The QAAC will hold its last meeting later in 2016 with responsibilities absorbed into a new committee. The Board gratefully thanks the committee members for the high-quality expert advice it receives from the QAAC.

REGIONAL ADVISORY COMMITTEES (RACS)

Regional Advisory Committees (RACs) have existed in some form since the 1980's to assist NAATI to receive advice from the profession and the community, across Australia, on a regular basis.

Each RAC is supported and administered by the relevant State Office Manager. RAC's range in size from 6-12 members per state.

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

The major roles of the Regional Advisory Committees include:

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

Currently, there are active RACs in New South Wales, Victoria, South Australia, Tasmania, Queensland and Western Australia. During the 2015-2016 financial year, approximately 23 meetings were held across all states.

NAATI would like to take this opportunity to thank and acknowledge the 77 members (and delegates) for their valuable contributions throughout the year.

The contacts that are established and maintained through the voluntary participation of members on RAC committees are key to NAATI's ability to grow to meet the needs of the sector.

NATIONAL INDIGENOUS LANGUAGES INTERPRETING ADVISORY COMMITTEE (NILIAC)

Building on the work begun at the National Indigenous Interpreting Workshop held in June 2015, NAATI established the National Indigenous Languages Interpreting Advisory Committee (NILIAC).

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

The primary purposes of the NILIAC are to:

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

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

The inaugural Chair of the NILIAC is Ms Colleen Rosas, Director of the Northern Territory Aboriginal Interpreting Service. Two meetings have been held during the period of this report, the first by teleconference in April 2016 and the second (annual) face-to-face meeting was held in Brisbane in June 2016.

EXAMINER PANELS

NAATI examiners are the professional people who help us maintain and set the high professional standards translators and interpreters are assessed by.

As members of a panel, examiners assist with the setting and marking of the translating and interpreting accreditation tests in their respective language(s).

The services of all examiners are procured on a contract arrangement. Panels generally operate under the guidance of a Panel Chair with the administration of marking supported by NAATI's National Office.

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

As at 30 June 2016, there were 61 examiner panels operating with more than 230 examiners.

EXAMINER SELECTION PROCESS 2016

Every few years, NAATI opens a general Expression of Interest (EOI) process to consider existing contracts and identify and select potential examiners. In February 2016, NAATI commenced this process through an advertisement campaign.

The campaign featured digital advertisements shown on the SBS News website, The Age and the Sydney Morning Herald websites. These digital advertisements were supported by two print advertisements in The Age and Sydney Morning Herald as well as material on the NAATI website and social media channels.

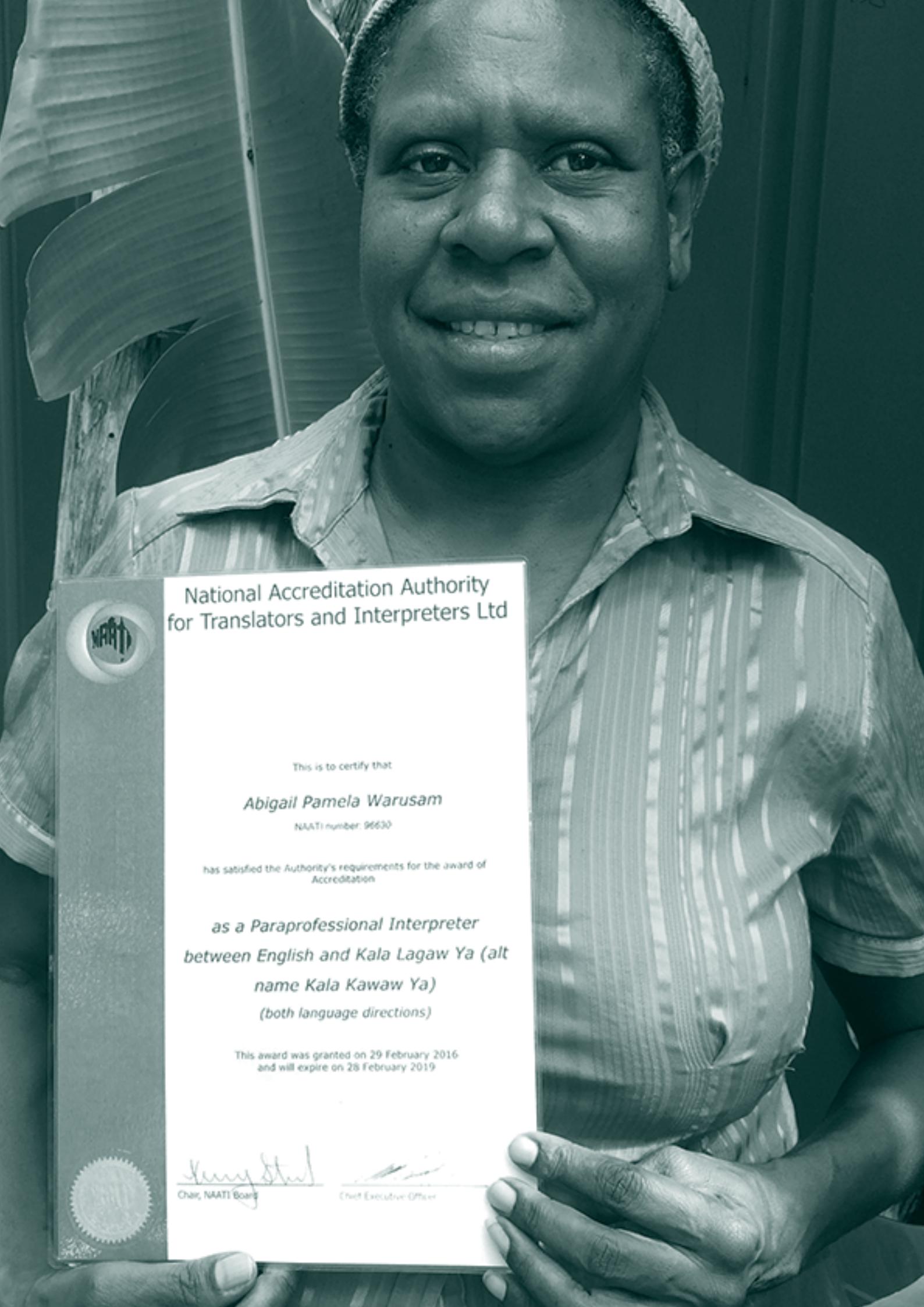
All prospective examiners had to complete and submit an Expression of Interest (EOI) form (either online or hard copy). These EOI's were then collated and applicants were scored against a points-based system. Feedback from the current panel chairs and the accreditation operations team was also considered as part of an applicant's assessment.

Overall, 465 EOI applications were submitted across 67 languages. 229 applications were from current examiners with the remaining 236 applications coming from individuals who had not previously served as a NAATI examiner. The total number of applications received was 31% higher than the previous round in 2014.

171 individuals were offered contracts for 2016-2020 and a further 64 individuals were offered a place as part of a second stage assessment. The second stage of assessment will start in July 2016 with a one-day workshop and mock marking task.

This stage will help NAATI to assess an applicants' ability to understand and apply NAATI's marking guidelines and their ability to justify their marking decisions. Those applicants who make it through this stage will complete a second setting and marking training workshop in the second quarter of 2016-2017.

The examiner panels will continue to be reviewed to ensure they meet the needs of our requirements as the credentialing system evolves.



National Accreditation Authority
for Translators and Interpreters Ltd

This is to certify that

Abigail Pamela Warusam

NAATI number: 96630

has satisfied the Authority's requirements for the award of
Accreditation

*as a Paraprofessional Interpreter
between English and Kala Lagaw Ya (alt
name Kala Kawaw Ya)
(both language directions)*

This award was granted on 29 February 2016
and will expire on 28 February 2019


Chair, NAATI Board


Chief Executive Officer

THE YEAR IN REVIEW

3



ACCREDITATION AND RECOGNITION

This section provides detail on NAATI's core business activities associated with issuing NAATI credentials (accreditation or recognition). NAATI credentials can be obtained by:

1. Testing (for accreditation in Australia and overseas);
2. Assessment of qualifications for accreditation based on completion of a NAATI approved Australian tertiary course or an overseas qualification;
3. Assessment of eligibility for recognition in languages where testing is not yet available;
4. Assessment of advanced standing in the profession; or
5. Membership of certain internationally respected professional bodies.

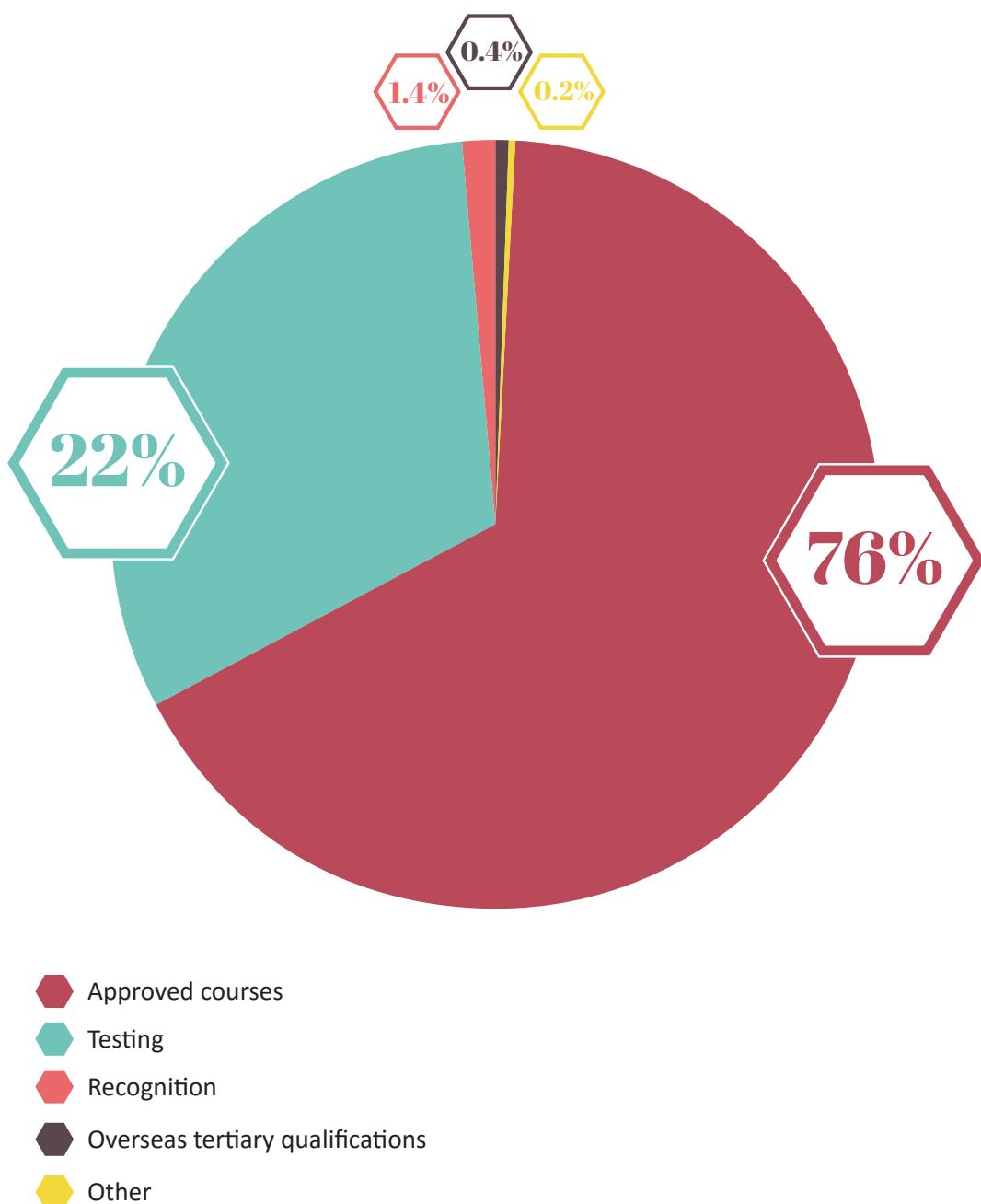
As detailed in this report, NAATI performed well against the nominated business operational targets for 2015-2016. 5191 credentials were awarded in 2015-2016 (excluding revalidation).

Below is the breakdown of these 5191 credentials:

- 76% were awarded on the basis of completion of NAATI approved Australian qualifications
- 22% were awarded for testing
- 0.4% were awarded based on overseas tertiary qualifications
- 1.4% were awarded based on recognition
- 0.2% were awarded for other types of credentials

CREDENTIALS	TESTING	COURSE	O/S QUAL	OTHER*	TOTAL
ACCREDITATION					
Advanced Interpreter	0	5	1		6
Advanced Translator	2	1	0		3
Sub-Total	2	6	1	0	9
Professional					
Interpreter	58	133	0		191
Translator > English	92	95	2		189
Translator > LOTE	485	2587	16		3088
Sub-Total	635	2815	18	0	3468
Paraprofessional					
Interpreter	502	1116	0		1618
Translator	9	0	0		9
Sub-Total	511	1116	0	0	1627
Total Accreditations	1148	3937	19	0	5104
RECOGNITION					
Interpreter				55	55
Translator > English				12	12
Translator > LOTE				8	8
Total Recognitions				75	75
OTHER CREDENTIALS				12	12
TOTAL CREDENTIALS	1148	3937	19	87	5191

*Includes recognition and language aides, and excludes revalidation



Translation at the professional level (English into LOTE) and interpreting at the paraprofessional level were the types of accreditation in highest demand during 2015-2016.

TESTING



There were 3899 applications for testing received during 2015-2016.

3475 accreditation tests were conducted during the period.



March 2016 saw a higher than usual spike in the number of tests sat in Australia and New Zealand compared to previous years.

This was due to the increased capacity provided by the additional 50 places in VIC and NSW offered in each quarterly scheduled testing session held during 2016.



Throughout 2015-2016 we have seen an increase in demand for overseas testing and a decrease in applications for overseas qualifications assessments.

Overseas accreditation testing activity throughout 2015-2016 was very consistent with trends of past years.

There were 181 overseas tests sat during 2015-2016 with Tehran and China continuing to be the most popular locations for overseas testing.

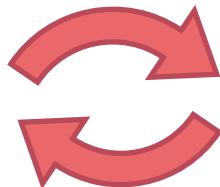


NAATI added Bangladesh as a new overseas testing location in 2015-2016 with the first tests scheduled during September 2016.

The number of overseas tests sat in 2015-2016 outperformed the previous four financial years but saw an off-trend drop in January 2016. This may have been due to overseas testing facilitation restrictions during the January holiday period.

REVALIDATION

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



NAATI received 1407 applications for revalidation during 2015-2016, with 1375 (98%) of those applications successfully revalidated within the period.

Many candidates were revalidating their credentials for a second time during 2015-2016, as a result of the three-year revalidation cycle.

This resulted in increased revalidation applications with volumes starting to taper off in the last month of 2015-2016.

APPLICATIONS

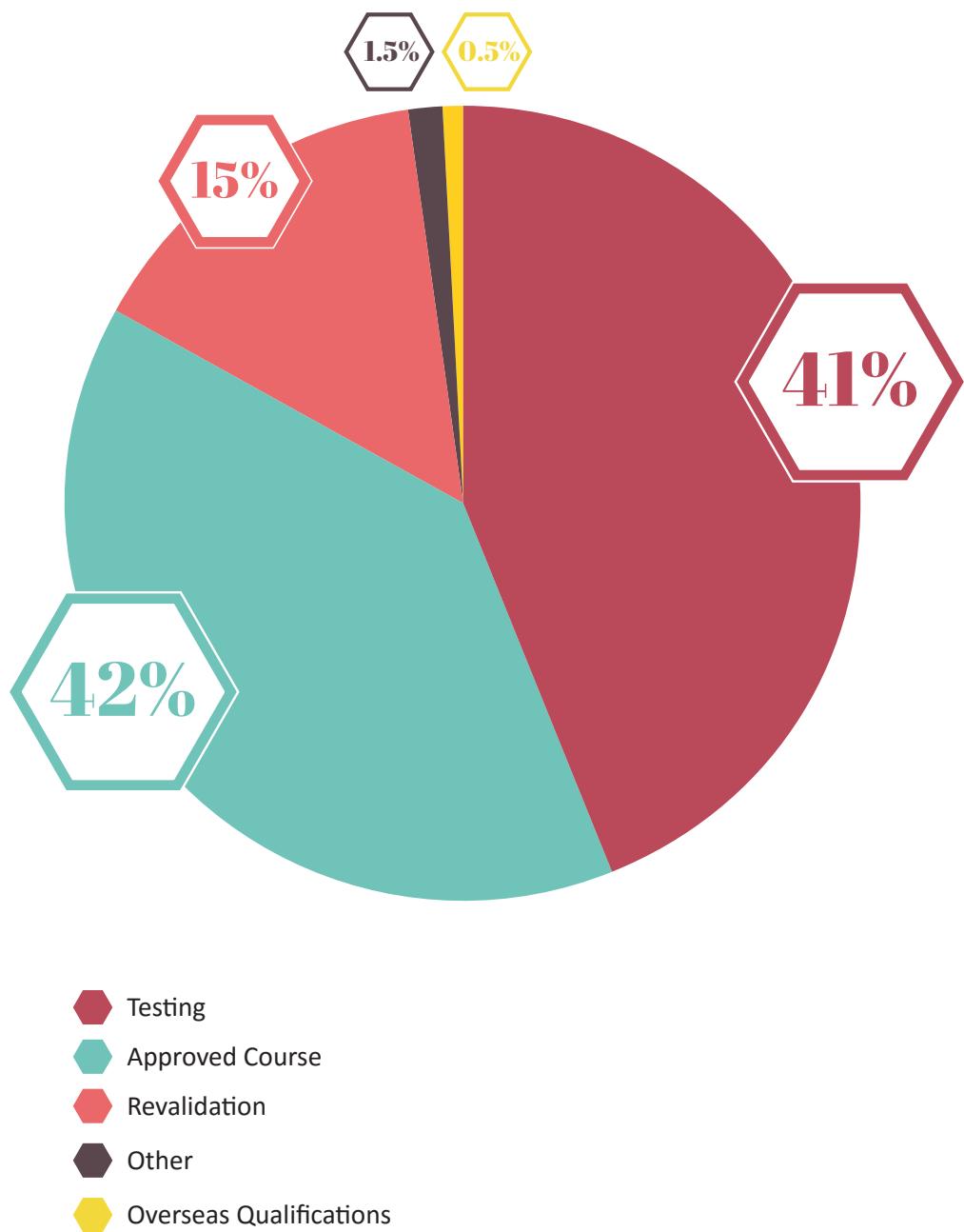
- A grand total of 9449 applications were received in 2015-2016.
- 6150 applications (65% of the total) were new. This is a 23.4% increase on last financial year.
- New Applications refers to the applications received requiring allocation of a new NAATI number (i.e. applications received from candidates who have not previously applied for a NAATI test or assessment).
- The number of new applications processed spiked in November 2015 with another more gradual, yet significant increase in the number of new applications processed in February and March 2016 compared to previous years.
- These spikes were likely due to an increase in enrolments that NAATI approved course institutions accepted in the months prior, which has a flow on effect to NAATI accreditation applications.
- Excepting these two spikes, the number of new applications processed over 2015-2016 followed the same general trend as previous years.

NEW APPLICANTS BY MONTH

YEAR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTALS
2015-16	608	461	397	409	516	392	463	604	651	541	521	587	6150
2014-15	455	301	459	401	365	368	376	371	547	416	446	477	4982
2013-14	419	371	345	346	286	253	404	336	396	337	436	302	4231

TOTAL APPLICATIONS RECEIVED (YEAR TO DATE)

	01/07/15 to 30/09/15	01/07/15 to 31/12/15	01/07/15 to 31/03/16	01/07/15 to 30/06/16
Testing	1104	2122	3005	3899
Approved Course	834	1481	2783	3941
Overseas Qualifications	15	29	40	55
Revalidation	296	673	1030	1407
Other	37	63	96	147



— APPROVED COURSES —

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



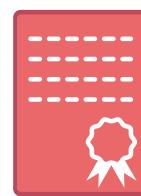
Currently, NAATI approved qualifications are available at Diploma, Advanced Diploma, Bachelor, Postgraduate Diploma and Masters level.



At the time of publication, there were 23 approved courses available in translation, 25 in interpreting and 16 in a combination of translation and interpreting.



Approved courses were the main pathway for accreditation, accounting for 3937 (76% of the total) credentials awarded during 2015-2016.



The types of credentials awarded through approved courses included Paraprofessional Interpreter, Professional Interpreter, Professional Translator, Conference Interpreter and Advanced Translator.

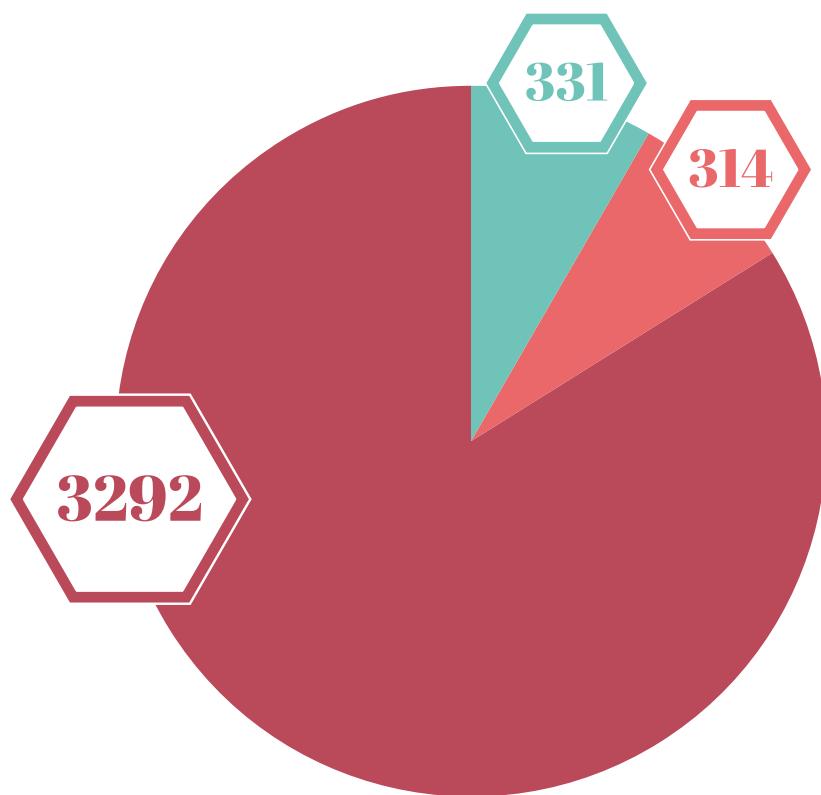
During the 2015-2016 financial year, NAATI:

- Considered 12 applications for new courses;
- Approved eight new tertiary courses and re-approved 26 courses;
- Increased the number of approved courses to 64 courses across 22 institutions in five states; and
- Awarded accreditations across 24 languages as a result of NAATI approved courses.

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

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

ACCREDITATIONS AWARDED VIA APPROVED COURSES



STATE BREAKDOWN

VIC	804	276	68
NSW	2375	34	140
QLD	113	0	105
SA	0	14	0
WA	0	7	1
TOTALS	3292	331	314

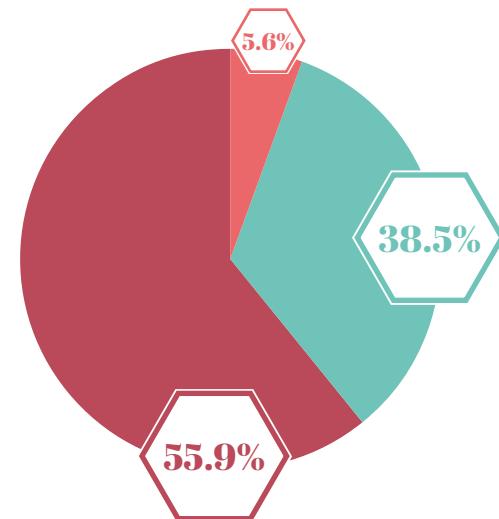
- ◆ Private RTO
- ◆ TAFE
- ◆ Higher Education (University)

PRODUCTS AND WORKSHOPS

- As of the 30th of June 2016, there were 174 products on offer for sale. These included three publications, three post-credential products and 168 sample test kits.
- NAATI offices also conducted 99 workshops with 659 attendees during this period.
- NAATI conducted 136 mock tests across NSW, VIC, ACT, QLD and WA.
- NAATI continues to run 2 online courses (*Behaving Ethically* and *Introduction to Interpreting*). Approximately 328 people undertook these courses.
- The most popular workshop was the 12-hour insight into interpreting theory and practice.
- The most popular publication sold is *Dialogue and Terminology* (RMIT).
- The most popular level of sample test kit sold is Paraprofessional Interpreter level.
- The most popular post-credential product is the ID card.

PRODUCTS SOLD

Product type	Units sold
Publications overall	312
Conference Interpreting Principles and Practices	62
Dialogue and Terminology (RMIT)	169
The Self Employed Translator's Guide	81
Post-credential products overall	3121
Certificates	929
ID Cards	1237
Translator stamps	955
Sample test kits overall	2150
Paraprofessional Translator	12
Paraprofessional Interpreter	892
Professional Translator	830
Professional Interpreter	170
Professional Interpreter (New Edition)	218
Advanced Translator	28



WORKSHOPS HELD

	Number of workshops held	Number of attendees	Workshop percentage	Attendee percentage
ACT	3	15	3%	2.3%
NSW	18	168	18.2%	25.5%
VIC	48	281	48.5%	42.7%
QLD	16	120	16.2%	18.2%
SA	3	12	3%	1.8%
WA	9	47	9.1%	7.1%
TAS	2	16	2%	2.4%
Totals	99	659	100%	100%

*These figures exclude mock tests.



SDH 2015

OUR PROJECTS

4



— IMPROVEMENTS TO NAATI TESTING —

PROJECT BACKGROUND

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

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

The INT Project has three main objectives:

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

In particular, some of our project aims include:

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

2015-2016 WORK

Work in this financial year has focused on the job analysis and identifying, documenting and validating the knowledge, skills and attributes (KSAs) that will underpin the new translator and interpreter certification scheme. The translator and interpreter KSA surveys closed in January 2016 and April 2016 respectively and provided very strong support for the proposed KSAs.

Based on the support for the KSAs, NAATI has commenced work on the next important phase of the project-certification scheme design. This will involve determining how the KSAs will be reflected in the different levels of certification and the design of the certification tests and other criteria for certification at each level.

The outcome from the investigation into potential Keyboarded Translation Assessment options was published in March 2016. As a result, work has started to develop the BYOD e-testing platform so that it can be used for NAATI translator certification testing.

INT BRIEFING SESSIONS

NAATI ran a successful national consultation program to brief stakeholders in April 2016 which outlined project progress to date and the direction of future work. This program involved the running of 13 sessions across each Australian capital city. Over 300 stakeholders attended the sessions with a further 500 opting to receive the video summary of the sessions.

As well as receiving positive feedback about the work and directions being set by the INT project, a small number of stakeholders raised concerns about potential outcomes from the changes, in particular the proposed universal recertification requirement.

NAATI is working constructively with the national professional associations and other stakeholders to address these concerns.

— INDIGENOUS INTERPRETING PROJECT —

PROJECT BACKGROUND

Since 2012, NAATI has been working with the Australian Government and the Northern Territory Aboriginal Interpreter Service (NTAIS) to increase the number of accredited Indigenous language interpreters.

From 2015 to 2017 NAATI has been funded by the Department of the Prime Minister & Cabinet (PM&C) through the Indigenous Advancement Strategy (IAS) to continue this important work in South Australia, Western Australia and Queensland.

The three objectives of the project are:

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

2015-2016 WORK

During 2015-2016 NAATI delivered a total of 35 paraprofessional interpreter (PPI) tests, resulting in 23 accreditations being awarded. Over the life of the IIP project, 51 accreditations have been awarded across 16 Indigenous Australian languages*.

Candidates sat tests in seven languages: Walmajarri, Fitzroy Valley Kriol, Miriwoong, Kununurra Kriol and Yindjibarndi all spoken in Western Australia; and in Kalaw Kawaw Ya (KKY) and Yumplatok (also known as Torres Strait Creole) languages spoken in the Torres Strait and Cape York region of Queensland.

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

New test materials were created in Yindjibarndi, KKY and Yumplatok. As at 30 June 2016 NAATI has created 42 paraprofessional level tests and five professional interpreter level tests across 16 different Indigenous Australian languages*.

TAFE SA delivered a project for NAATI that involved the development of dialogue animations in eight Indigenous Australian languages: Yumplatok, Kalaw Kawaw Ya, Martu Wangka, Nyangumarta, Ngaanyatjarra, Walmajarri, Wik-Mungkan and Kimberley Kriol. The dialogue animations show Indigenous interpreters on typical assignments for the police and housing officials and are a good introduction to interpreting practices, particularly for those who may be new to the interpreting sector.

These animations will be used for screening of candidates to assess their capacity to undertake the paraprofessional interpreter test during PPI test training workshops. NAATI is liaising with the appropriate stakeholders to provide access to these resources online.

In order to increase access to online resources and publications relating to Indigenous languages interpreting, NAATI has compiled a list of websites, reports, publications and presentations on the NAATI website (under the IIP webpage).

Additional resources will be added as appropriate. These are designed to provide both Indigenous interpreters and those who work with Indigenous language speakers with information about interpreting and Indigenous languages.

* this refers only to Indigenous language tests created for languages spoken in South Australia, Queensland and Western Australia.

— BUSINESS CHANGE AND DEVELOPMENT —

During 2015-2016, NAATI management identified the need for a number of business process improvement projects to improve the efficiency and integrity of NAATI administration. These projects relate to both client facing interaction and internal administration.

A number of the proposed projects and initiatives are already in progress or complete. Completed work as of June 30 2016 includes:

- The negotiation and implementation of a new NAATI Enterprise Agreement (complemented by supporting policies and procedures);
- The development and launch of a new NAATI website; and
- The development and implementation of an Approved Course Process Improvement Project.

This focus on process improvements has already resulted in significant changes to NAATI systems, internal processes and internal administration over a short period of time.

These corporate improvement projects are designed and implemented in a way that support and complement broader organisational goals rather than being considered goals in their own right.

BUSINESS PROCESS REENGINEERING (BPR) PROJECT

NAATI has experienced limited change in process management and systems development during its recent history. In planning to achieve NAATI's overall strategic outcomes, it has become apparent that the capacity of enabling systems, policies and operating procedures of the organisation are significant impediments to achieving these outcomes.

In February 2016, NAATI began work on a Business Process Reengineering (BPR) Project. This project commenced with the mapping of NAATI's current administrative processes, to allow us to identify areas of duplication, inefficiency and/or unnecessary handling.

This process flow mapping has a view to improve efficiency by redesigning the administrative process flow and/or introducing technology improvements.

The areas of particular focus are:

1. Revalidation applications;
2. Accreditation by Australian Approved Course applications (known as B forms); and
3. Accreditation by Testing applications (known as A forms).

As of June 2016, the current state process flow mapping for Accreditation by Testing and Revalidation applications has been completed. Along with this mapping, we have identified significant change improvement projects to reduce inefficiencies and processing times.

The most significant improvement project resulting from the process flow mapping project, has been the planning of an examiner ePortal. The planning, costing and analysis stages of this project are complete and the development stage is underway with expectations for it to be launched by the end of 2016.

INFORMATION COMMUNICATION TECHNOLOGY (ICT) MANAGEMENT

Some of the more significant business change projects require major technology improvements and investment. Others require process changes and staff retraining. All projects that have been identified require considerable change management in order to sustain the changes.

Given the critical need to progress these improvements and the challenges associated with change management, the CEO is in the process of making internal adjustments to put more emphasis on the reform program.

As a consequence, the Manager, Accreditation Operations will assume responsibility for ICT related functions and oversight responsibility for a comprehensive change program, whilst also overseeing the accreditation operations function of the business.

ORGANISATIONAL CAPACITY IMPROVEMENTS

There were no changes to NAATI Directors during the year and this stability, along with the appointment of a new Chief Executive Officer (August 2015) has helped drive corporate and operational improvements within the organisation.

NAATI made several strategic staffing appointments during 2015-2016 that have significantly increased the organisational capability in key areas including governance, communications, information management, project management and stakeholder engagement.

JUDICIAL COUNCIL ON CULTURAL DIVERSITY (JCCD)

Throughout 2015-2016, NAATI has had the pleasure of participating in a JCCD working group with a range of professionals from the legal and interpreting sectors. This working group aims to finalise the development of the Australian National Standards for Working with Interpreters in Courts and Tribunals.

These standards will ensure better access to the justice system and therefore more equitable outcomes for citizens from culturally and linguistically diverse backgrounds. A consultation draft of the national standards was published in June 2016 to positive stakeholder feedback. Throughout the rest of 2016, the working group will collate and consider the feedback before submitting an updated version to the JCCD.

STANDARDS AUSTRALIA ISO MIRROR COMMITTEE

February 2016 saw the official launch of Standards Australia's new committee on translating, interpreting and related technology (CS-117). This committee is the Australian mirror committee to the established International Organization for Standardization's committee (ISO/ TC 37/SC 5).

The founding of an Australian mirror committee is a significant step in ensuring Australia's translating and interpreting sector is involved with developing international standards. NAATI is pleased to be represented on CS-117 committee and will continue to work constructively with this group.



OUR COMMUNICATIONS

5



CONFERENCES AND EVENTS

During 2015-2016, the broader NAATI management team made a concerted effort to increase NAATI's engagement with the profession. To that end, the NAATI team attended or spoke at over 45 major industry events across Australia.

Some of the major events attended include:

- Aug 2015 – Australian Government National Roundtable: Responding to Violence against Culturally and Linguistically Diverse (CALD) Women and their Children
- Aug 2015 – ASLIA Western Australia 25th Anniversary Celebration
- Sep 2015 – Monash University National Forum on Domestic Violence and Interpreting
- Sep 2015 – Queensland Government Domestic and Family Violence Court Trials
- Nov 2015 – FECCA Conference
- May 2016 – Settlement Council of Australia Conference
- Jun 2016 – Goldfields Aboriginal Languages Conference

Some of the major events where NAATI presented include:

- Sep 2015 – TAFE SA Interpreting Graduation Evening
- Sep 2015 – UNSW Mini-Symposium
- Nov 2015 – AUSIT Mini-Conference and Jill Blewett Memorial Lecture
- Dec 2015 – Monash University Graduates Forum
- Apr 2016 – OMAC Victoria Scholarship Ceremony
- Apr 2016 – Monash University Symposium on Humanitarian Interpreting
- Apr 2016 – AUSIT Queensland Branch Open Day
- Apr 2016 – Korea Legislative Research Institute: Centre for Legal Translation International Conference
- May 2016 – NZSTI Conference

Outside of these events, NAATI has also had articles published in key industry publications including the ASLIA e-update and FECCA Mosaic Magazine.



DIGITAL PERFORMANCE

NAATI WEBSITE

NAATI launched its new website in February 2016 which has been well received by stakeholders. The website provides the foundation of our strategy for a significantly enhanced digital presence and future capability for online application processing.

Key parts of the new website include search tools, a revised user interface for the online verification tool, a large FAQ section and a dedicated news and events section. In May 2015, NAATI commissioned three website information videos for the Deaf community. These are due to be delivered in between July and August 2016.

STATS FROM 1 FEBRUARY TO 30 JUNE 2016

493,128 page visits

194,611 unique visits



34 news stories published
3 media releases published

ON AVERAGE



The website received
48,600 visits a month



People spent 3 minutes and
11 seconds on the website



People looked at 2.53
pages on the website



52.8% of visitors were
female



47.2% of visitors were
male

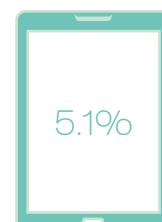
ACCESS TO THE SITE



Desktop

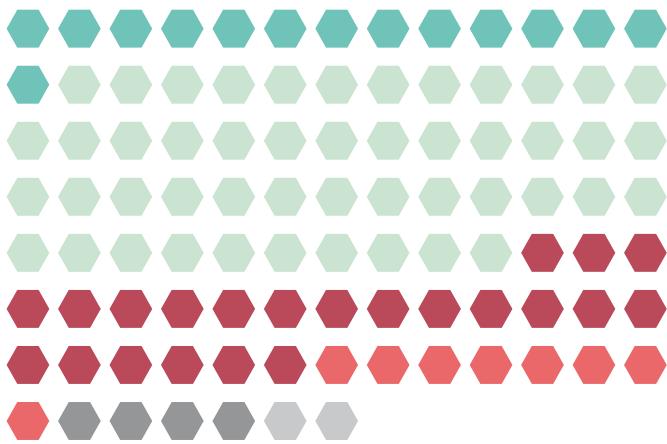


Mobile



Tablet

VISITOR DEMOGRAPHICS



18-24 yrs (14.29%)

25-34 yrs (48.98%)

35-44 yrs (22.45%)

45-54 yrs (8.16%)

55-64 yrs (4.08%)

65+ yrs (2.04%)

The next stage of our website development includes a restructure of the online directory search and a redevelopment of the user interface of the NAATI online portal. Work on this is set to continue throughout the latter half of 2016.

NAATI SOCIAL MEDIA

During 2015-2016, NAATI entered the social media space by setting up a Twitter profile in August 2015 and a LinkedIn Company Page in December 2015. These profiles have been effective in raising NAATI's visibility to the profession as well as raising awareness of the translating and interpreting industry to the public.



TWITTER STATS



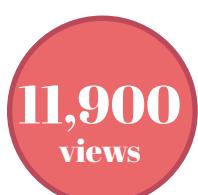
155 tweets were posted on the @naati_aus account between 1 January and 30 June 2016.



26 tweets a month on average.



NAATI's tweets were viewed 71,614 times.



An average of 11,900 views a month.



166 new followers were gained during this period (an average of 27 new followers a month).



LINKEDIN STATS



36 posts were made between 1 December 2015 and 30 June 2016.



7.5 posts a month on average.



NAATI's posts were viewed 12,908 times.



An average of 2,500 posts viewed a month.



144 new followers were gained during this period (an average of 24 new followers a month).

NAATI SEARCH ENGINE OPTIMISATION (SEO)

In order to expand on the opportunities for search engine optimisation (SEO) presented by the new NAATI website, NAATI set up verified Google MyBusiness listings for each office location in March 2016.

These listings make it easier for potential applicants and practitioners to find their nearest office based on their device and location data. The Google MyBusiness tools allow NAATI to manage a coordinated online presence across Google (including search results and maps) in an effective way.

6 1 7 8 8 4

5 3 8 4

Between 1 March and 30 June 2016, NAATI office listings were viewed approximately 617,884 times.

Those listings were clicked on approximately 5,384 times.

CLICK DETAILS



50% of clicks were directed to office profiles (including operating hours).



15.27% of clicks were for driving directions to NAATI offices.



24.4% of clicks were directed to the NAATI website.



10.33% of clicks were on the phone number for NAATI offices.

VIEW DETAILS

54.48%

of views came from other properties.

35.21%

of views came from Google Search and Google Maps.

1.48%

of views came from Google+ pages for each office.

8.83%

of views came from NAATI related photos and graphics on Google+, Google Search, Google Image Search and Google Maps.

NAATI NEWS

The NAATI News has been NAATI's flagship monthly publication since 1988. Traditionally, this newsletter was produced quarterly with NAATI charging a small subscription fee. During 2015-2016, two issues were printed and released. The December 2015 edition was the last edition of the NAATI news in a printed format.

During December 2015, NAATI undertook an audit of all printed communication materials. As a result of this, a new, free email newsletter version of the NAATI News is being developed. The new NAATI News is due to be released to the NAATI database and on the NAATI website in July 2016.



FINANCIAL STATEMENTS

6



The directors present their report on National Accreditation Authority for Translators and Interpreters Limited (NAATI) for the financial year ended 30 June 2015.

1. General information

Information on directors

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

Kerry Stubbs	CHAIR
Qualifications	BA (Hons) MA (Hons) Graduate Certificate in Writing MAICD
Experience	Ms Kerry Stubbs was appointed to the NAATI Board of Directors on March 1, 2010 and as the Chair on November 15, 2010. Ms Stubbs is CEO and Managing Director of Northcott and has extensive board and committee experience, including Board Chair and Chair of Audit and Finance Committees. From 2001 to 2008 she was the Executive Director of St Vincent's Hospital and Sacred Heart. She was the founding member and a steering committee member of the Network for Intercultural Communication; a group of practitioners formed to share experiences and information and develop expertise for people working in the fields of multicultural issues. She was also a member of the English in the Workplace Taskforce and of the Office of the Director of Equal Opportunity in Public Employment advisory subcommittee on issues affecting people of non English speaking background in the public sector. Ms Stubbs has a Master of Arts with Honours in Government and Public Administration. In 2007 she was named the NSW Telstra Businesswoman of the Year in Community and Government Sector and has had numerous publications including the award winning Multiculturalism in Conflict (1988) training handbook. Ms Stubbs is a Member of the Australian Institute of Company Directors and holds the following directorships: Managing Director, The Northcott Society Ltd; Chair SpineCare Ltd; Director Water for Sensitive Cities CRC Ltd. Ms Stubbs' term expires on November 30, 2017.
<hr/>	
Assoc. Prof. Ludmila Stern	
Qualifications	BA (Hons) PhD
Experience	Dr Ludmila Stern was appointed to the role of Director on 1 March 2010. Before embarking on an academic career, Dr Stern worked as an interpreter and translator. She was the founder and the first Convenor of the NAATI approved Master's degree in Interpreting and Translations Studies at UNSW (2005 2010), for which she was awarded the 2010 Dean's Award and the Vice Chancellor's Award for Teaching Excellence. Dr Stern resumed the role of Convenor in 2014. As part of her research she examines interpreting practices in national and international courts and tribunals, and their impact on courtroom communication (e.g., the Australian War Crimes Prosecutions, at the International Criminal Tribunal for the Former Yugoslavia and the International Criminal Court). The author of articles on interpreting in national and international courts, Dr Stern has been a consultant and an educator of interpreters and interpreter users for Australian and international courts and other organisations (DPP, Bar Association, NJCA, Judicial Commission, ICC, ICTY). Dr Stern was Chair and examiner of the NAATI Russian panel. Dr Stern's term on the NAATI Board expires 30 November 2016.

Giuseppe (Pino) Migliorino

Qualifications

BA Dip.Ed (Sec)

Experience

Mr Pino Migliorino was appointed to the NAATI Board of Directors on May 15, 2014. Mr Migliorino was born in Bari, Italy in 1959 and migrated to Australia with his family through an assisted passage program in 1964 to reunite with an extended family who had arrived in Australia in the late 1950s. Pino founded Cultural Perspectives/DiverseWerks and Culture and Indigenous Research Centre Australia (CIRCA) 22 years ago and this group of companies are sector leaders in consulting, researching and communicating with Culturally and Linguistically Diverse (CaLD) and Aboriginal and Torres Strait Islander communities in Australia. Prior to working in the private sector, Mr Migliorino held important positions in the third sector and in government including Executive Officer of the Ethnic Communities Council (ECC) of NSW; NSW Regional Coordinator for the Office of Multicultural Affairs; Senior Conciliator at the Human Rights and Equal Opportunities Commission (HREOC) and Principal Policy Officer at the Ethnic Affairs Commission of NSW. After over 30 years of ethnic community involvement and working in multicultural affairs across three sectors, Mr Migliorino was elected Chairperson on the Federation of Ethnic Communities Councils of Australia (FECCA) in October 2009 and completed that role in November 2013. Mr Migliorino is now the Hon. President of FECCA and is an acknowledged expert in immigration, multicultural affairs and social policy areas relevant to diversity. He has a BA and Dip. Ed (Secondary), is a Fellow of the Public Relations Institute of Australia (PRIA) and a Qualified Practicing Market Researcher (QPMR). Mr Migliorino's term expires on May 14, 2017.

John Williams PSM

Experience

Mr John Williams was appointed to the NAATI Board of Directors on September 1, 2014. Previously Mr Williams had joined the Department of Immigration in Melbourne in 1964 where he gained extensive senior management experience before retiring in December 2008. Mr Williams worked in the National Office in Canberra and as State Director in South Australia (1991 to 1995), Western Australia (1998 to 2002) before his final assignment as State Director in Victoria from 2002 to his retirement in December 2008. Mr Williams' extensive overseas appointments include serving in the Australian High Commission London from 1973 to 1975; the Australian Embassy in Belgrade from 1975 to 1977 and 1983 to 1985; the Australian Embassy in Cairo from 1978 to 1979; the Australian Consulate Cape Town from 1979 to 1982. In 1986 Mr Williams took a short term appointment to the Australian Embassy Bangkok. He was then appointed as the Regional Migration Director to the Australian High Commission in Kuala Lumpur where he served from 1987 to 1991 and from 1995 to 1998 he was the Regional Migration Director at the Australian Consulate General in Hong Kong. Mr Williams was extensively involved with multicultural and consular communities in his assignments both overseas and in Australia. While working in Australia he built strong working relationships with other government agencies at the Federal and State level. He served on the National Australia Day (Victorian) Committee. With over 40 years of service, Mr Williams has a wealth of experience and high level corporate experience. Mr Williams was awarded a Public Service Medal (PSM) in the Queen's Birthday Honour list in 2008 in recognition of his work with Australia's multicultural communities. Since retiring from the Public Service, Mr Williams has established his own consultancy focusing on helping multicultural communities better connect with and access services within society. Mr Williams served as a Director and Deputy Chair of the Victorian Interpreting and Translation Service (VITS) from April 2012 until April 2015 and also Chaired VITS' Audit and Risk Management Committee. He is a Director of the Western Bulldogs Community Foundation Board of the Western Bulldogs Football Club. Mr William's term expires on August 31, 2017.

Mary Gurgone

Experience

Ms Mary Gurgone was appointed to the NAATI Board of Directors on November 1, 2014 and has been the National Director for Fortis Consulting since 2009, named as one of the top 30 Management Consulting firms in Western Australia, as published by WA Business News. In 2016, Mary led Fortis to win the WA Government's Multicultural Recognition Award in the private sector. She migrated to Australia from Italy and has a lifelong commitment to cross cultural and cross linguistic communication. She has been nominated for the WA Women's Hall of Fame in 2016. Ms Gurgone has a Master of Business, teacher training and vocational training qualifications, Bachelor of Arts (English and Italian), and NAATI accreditation as a professional translator and interpreter. She is an educator and leader, promoting high standards in interpreting and translating. Her commitment encompasses: the introduction of translator courses and specialist short courses in interpreting into the vocational education sector in Western Australia; National presidency of the Australian Institute of Interpreters and Translators Inc (AUSIT) in the early nineties; State President of AUSIT WA (1989 2002) and a Fellow of AUSIT; Member of the Federation Interpreters and Translators (FIT) Human Rights Committee 1998 2000; Member of a variety of Board and Committees related to Culturally and Linguistically Diverse (CaLD) matters. Ms Gurgone is passionate about quality in translating and interpreting and has worked tirelessly for the translating and interpreting profession as an educator and as part of her extra curricular activities as well as maintaining a career in government for over three decades. Roles have included leadership in education, training, evaluation, audit and policy. As Director of Policy and Planning she led the national review of Overseas Trained Nurses and contributed to change of national policy. Ms Gurgone continues to lead strategic national projects related to Australian Multiculturalism. Some examples are with the Cultural Diversity workshops for senior management with the Australian Aged Care Quality Agency and the award winning Culture Communication and Relationship at Work (CCRW). She is the Director of the WA Partners in Culturally Appropriate Care program. Ms Gurgone volunteers as Chair of the Zonta House Women's Refuge Board where migrants and Aboriginal women are a growing proportion of the clients. She has also completed the Australian Institute of Company Directors Course. Ms Gurgone's term expires on October 31, 2017.

Voula Messimeri AM

Experience

Ms Voula Messimeri AM was appointed to the NAATI Board of Directors on November 1, 2014. Voula is CEO of Australian Greek Welfare Society (AGWS), past Chair of the peak multicultural national body, the Federation of Ethnic Communities' Councils of Australia (FECCA). She has served in leadership positions on a number of community management bodies and on Boards such as RMIT University Council and the RMIT Training Board, a controlled entity of RMIT University. Ms Messimeri was a long standing Board member, from 2000 to 2016, on the Board of the Victorian Interpreting and Translating Service (VITS). Voula is a current Board member on the Rockwell Foundation and was appointed to the NAATI Board in 2014. She has served on Ministerial State and Federal advisory structures across diverse areas, including health, ageing, income support, media and was a member on the Australian Multicultural Advisory Council. Voula is Patron of In Touch Inc. Multicultural Centre against Family Violence. She was inducted into the Victorian Honour Roll of Women and recognised under the Order of Australia for her contribution to refugees, migrants and women. Ms Messimeri's term expires on October 31, 2017.

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

Principal activities

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

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

Short term objectives

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

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

Long term objectives

The broad long term objectives of the company are to:

- set and maintain high standards in translating and interpreting;
- maintain and enhance a nationally recognised accreditation system that is responsive to the changing needs of the Australian community and 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 revalidate/upgrade their accreditation level; and
- provide advisory and consultancy services in relation to translating and interpreting.

Strategy for achieving the objectives

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

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

Performance measures

The company measures performance through monitoring benchmarks in respect of:

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

Meetings of directors

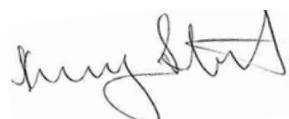
During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

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

Auditor's Independence Declaration

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2016 has been received and can be found on page 9 of the financial report.

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



Director:

Kerry Stubbs

Dated 9 September 2016

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

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

Hardwickes

Hardwickes
Chartered Accountants



Robert Johnson FCA
Partner

9 September 2016

Canberra

	Note	2016 \$	2015 \$
Revenue	4	7,928,564	6,291,229
Administrative expenses		(2,646,053)	(2,744,006)
Other expenses		(2,593,317)	(2,442,968)
Specific Project Expenses		(426,277)	(240,355)
INT expenses		(358,305)	(53,945)
Depreciation		(183,900)	(193,505)
Profit before income tax		1,720,712	616,450
Income tax expense	2(a)	-	-
Profit for the year		1,720,712	616,450
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		1,720,712	616,450

The accompanying notes form part of these financial statements.

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	6,954,020	5,244,845
Trade and other receivables	6	153,217	291,740
Other assets	8	8,363	22,708
TOTAL CURRENT ASSETS		7,115,600	5,559,293
NON-CURRENT ASSETS			
Property, plant and equipment	7	356,544	468,402
TOTAL NON-CURRENT ASSETS		356,544	468,402
TOTAL ASSETS		7,472,144	6,027,695
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	259,652	506,719
Employee benefits	11	492,905	436,328
Other liabilities	10	536,787	605,130
TOTAL CURRENT LIABILITIES		1,289,344	1,548,177
NON-CURRENT LIABILITIES			
Employee benefits	11	9,941	27,371
TOTAL NON-CURRENT LIABILITIES		9,941	27,371
TOTAL LIABILITIES		1,299,285	1,575,548
NET ASSETS		6,172,859	4,452,147
EQUITY			
Reserves	12	2,000,000	2,000,000
Retained earnings		4,172,859	2,452,147
TOTAL EQUITY		6,172,859	4,452,147

The accompanying notes form part of these financial statements.

2016

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

2015

	Retained Earnings \$	General Reserves \$	Total \$
Balance at 1 July 2014	1,835,697	2,000,000	3,835,697
Loss attributable to members of the entity	616,450	-	616,405
Balance at 30 June 2015	2,452,147	2,000,000	4,452,147

The accompanying notes form part of these financial statements.

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,495,836	6,562,472
Payments to suppliers and employees		(6,865,405)	(5,888,017)
Interest received		150,787	118,766
Net cash provided by/(used in) operating activities	19	1,781,218	793,221
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7(a)	(72,042)	(52,940)
Net cash provided by used by investing activities		(72,042)	(52,940)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(46,350)
Net cash used by financing activities		-	(46,350)
Net increase/(decrease) in cash and cash equivalents held		1,709,176	693,931
Cash and cash equivalents at beginning of year		5,244,844	4,550,914
Cash and cash equivalents at end of financial year	5	6,954,020	5,244,845

The accompanying notes form part of these financial statements.

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

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

Comparatives are consistent with prior years, unless otherwise stated.

1. Basis of Preparation

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

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

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

2. Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Leases

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

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

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

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

(c) Revenue and other income

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

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

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

2. Summary of Significant Accounting Policies continued

(c) Revenue and other income continued

Grant revenue

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

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

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Other income

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

(d) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

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

(e) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

2. Summary of Significant Accounting Policies continued

(e) Property, plant and equipment continued

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

Leasehold improvements

Leasehold improvements are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

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

(f) Financial instruments

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

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

Impairment of financial assets

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

Financial assets at amortised cost

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

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

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

2. Summary of Significant Accounting Policies continued

(f) Financial instruments continued

Available for sale financial assets

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

(g) Impairment of non financial assets

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

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

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

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

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

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

(h) Cash and cash equivalents

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

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

(i) Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

2. Summary of Significant Accounting Policies continued

(j) New Accounting Standards and Interpretations

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

Standard name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments (December 2014) and associated Amending Standards	1 January 2018	These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting. The key changes that may affect the company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non financial items. Should the company elect to change its hedge accounting policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.	The directors anticipate that the adoption of AASB 9 will not have an impact on the company's financial instruments.

3. Critical Accounting Estimates and Judgments

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

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

3. Critical Accounting Estimates and Judgments continued

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

Key estimates - receivables

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

4. Revenue and Other Income

Revenue from continuing operations

	2016	2015
Sales Revenue	\$	\$
Test related revenue	5,489,176	4,093,429
Government grants	1,227,398	1,223,927
Other services revenue	1,057,087	855,107
Interest	154,903	118,766
Total Revenue	7,928,564	6,291,229

5. Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash at bank and in hand	288,592	347,432
Short-term bank deposits	6,665,428	4,897,413
	6,954,020	5,244,845

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2016	2015
	\$	\$
Cash and cash equivalents	6,954,020	5,244,845
Balance as per statement of cash flows	6,954,020	5,244,845

6. Trade and Other Receivables

	2016	2015
CURRENT	\$	\$
Trade receivables	99,149	262,932
Other receivables	54,068	28,808
Total current trade and other receivables	153,217	291,740

(a) Financial assets classified as loans and receivables

	2016	2015
Trade and other receivables	\$	\$
Total current	153,217	291,740
Total current trade and other receivables	153,217	291,740

7. Property, plant and equipment

	2016	2015
PLANT AND EQUIPMENT	\$	\$
Furniture, fixtures and fittings		
At cost	265,037	265,037
Accumulated depreciation	(132,576)	(94,799)
Total furniture, fixtures and fittings	132,461	170,238
Office equipment		
At cost	22,723	22,723
Accumulated depreciation	(8,633)	(6,207)
Total office equipment	14,090	16,516
Improvements		
At cost	369,138	369,138
Accumulated depreciation	(369,138)	(369,138)
Total improvements	-	-
Technology upgrade		
At cost	573,074	501,032
Accumulated depreciation	(363,081)	(219,384)
Total technology upgrade	209,993	281,648
Total property, plant and equipment	356,544	468,402

7. Property, plant and equipment continued

(a) Movements in carrying amounts of property, plant and equipment

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

Year ended 30 June 2016	Furniture, Fixtures and Fittings \$	Office Equipment \$	Improvements \$	Technology Upgrade \$	Total \$
Balance at the beginning of year	170,238	16,516	-	281,648	468,402
Additions	-	-	-	72,042	72,042
Disposals - written down value	-	-	-	-	-
Depreciation expense	(37,777)	(2,426)	-	(143,697)	(183,900)
Balance at the end of the year	132,461	14,090	-	209,993	356,544

Year ended 30 June 2015

Balance at the beginning of year	213,392	23,341	18,102	367,649	622,484
Additions	-	3,700	-	49,240	52,940
Disposals - written down value	(4,367)	(7,091)	-	(2,059)	(13,517)
Depreciation expense	(38,787)	(3,434)	(18,102)	(133,182)	(193,505)
Balance at the end of the year	170,238	16,516	-	281,648	468,402

8. Other Assets

	2016	2015
CURRENT	\$	\$
Prepayments	8,363	22,708
Total other non-financial assets	8,363	22,708

9. Trade and Other Payables

CURRENT	2016	2015
	\$	\$
Unsecured liabilities		
Trade payables	81,776	100,013
GST payable	54,716	134,433
Sundry payables and accrued expenses	50,735	233,803
Other payables	72,425	38,470
	259,652	506,719

(a) Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:	2016	2015
	\$	\$
Total current	259,652	506,719
	259,652	506,719
Less:		
GST payable	(54,716)	(134,433)
Other payables	(72,425)	(38,470)
Financial liabilities as trade and other payables	13	132,511
		333,816

10. Other Liabilities

CURRENT	2016	2015
	\$	\$
Revenue in advance	14,501	120,647
Practitioner directory & test fees in advance	522,286	484,483
Total	536,787	605,130

11. Employee Benefits

	2016	2015
	\$	\$
Current liabilities		
Long service leave	342,124	293,893
Annual leave provision	150,781	142,435
	492,905	436,328
Non-current liabilities		
Long service leave	9,941	27,371
	9,941	27,371

12. Reserves

	2016	2015
	\$	\$
General reserve		
Opening balance	2,000,000	2,000,000
Total	2,000,000	2,000,000

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

13. Financial Risk Management

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

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

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

	Note	2016 \$	2015 \$
Financial Assets			
Cash and cash equivalents	5	6,954,020	5,244,844
Trade and other receivables	6(a)	153,217	291,740
Total financial assets		7,107,237	5,536,584
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	9(a)	132,511	333,816
Total financial liabilities		132,511	333,816

Specific financial risk exposures and management

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

(a) Liquidity risk

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

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

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

13. Financial Risk Management continued

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

	Floating Interest Rate		Within 1 Year		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Financial assets - cash flows realisable						
Cash and cash equivalents	6,952,547	5,243,395	1,473	1,449	6,954,020	5,244,844
Trade, term and loans receivables	-	-	153,217	291,740	153,217	291,740
Total anticipated outflows	6,952,547	5,243,395	154,690	293,189	7,107,237	5,536,584

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Financial liability maturity analysis - Non derivative

	Within 1 Year		Total	
	2016 \$	2015 \$	2016 \$	2015 \$
Financial liabilities due for payment				
Trade and other payables (excluding estimated annual leave)	132,511	333,816	132,511	333,816
Total contractual outflows	132,511	333,816	132,511	333,816

(b) Market risk

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

i. Interest rate risk

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

(c) Credit risk

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

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

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

13. Financial Risk Management continued

(c) Credit risk continued

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

14. Members' Guarantee

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

15. Key Management Personnel Disclosures

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

	2016	2015
	\$	\$
Short-term employee benefits	528,366	558,081
Long-term benefits	54,224	86,859
Directors remuneration	48,552	39,848
	631,142	684,788

Other key management personnel transactions

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

16. Auditors' Remuneration

	2016	2015
	\$	\$
Remuneration of the auditor of the company, Hardwickes Chartered Accountants, for: auditing or reviewing the financial statements	18,500	18,500
Total	18,500	18,500

17. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015:None).

18. Related Parties

(a) The Company's main related parties are as follows:

(i) Key management personnel:

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

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

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

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

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

(b) Transactions with related parties

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

19. Cash Flow Information

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

Reconciliation of net income to net cash provided by operating activities:

		2016 \$	2015 \$
Profit for the year		1,720,712	616,450
Non-cash flows in profit:			
- depreciation	7(a)	183,900	193,505
- net loss on disposal of property, plant and equipment		-	13,514
Changes in assets and liabilities:			
- (increase)/decrease in trade and other receivables		138,523	(249,257)
- (increase)/decrease in prepayments		14,345	15,512
- increase/(decrease) in income in advance		(68,343)	(20,284)
- increase/(decrease) in trade and other payables		(281,021)	159,279
- increase/(decrease) in employee benefits		73,102	64,502
Cashflow from operations		1,781,218	793,221

National Accreditation Authority for Translators and Interpreters Limited (NAATI)

ABN 42 008 596 996

Notes to the Financial Statements

For the Year Ended 30 June 2016

20. Events after the end of the Reporting Period

The financial report was authorised for issue on 9 September 2016 by the Board of Directors.

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

21. Company Details

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

National Accreditation Authority for Translators and Interpreters Limited (NAATI)

17A/2 King Street

Deakin ACT 2600

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 10 to 28, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Dated 9 September 2016

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

Report on the Financial Report

We have audited the accompanying financial report of National Accreditation Authority for Translators and Interpreters Limited (NAATI), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

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

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of National Accreditation Authority for Translators and Interpreters Limited (NAATI), would be in the same terms if given to the directors as at the time of this auditor's report.



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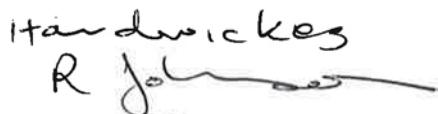
Independent Audit Report to the members of National Accreditation Authority for Translators and Interpreters Limited (NAATI)

Opinion

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Hardwickes
Chartered Accountant



Robert Johnson FCA
Partner

Canberra

9 September 2016



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