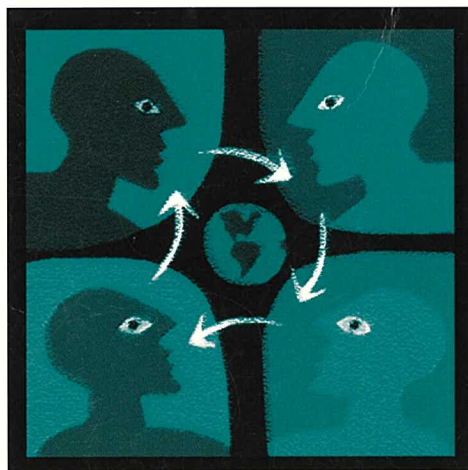




National
Accreditation
Authority for
Translators and
Interpreters Ltd
(NAATI)

ABN 42 008 596 996

22nd Annual Report



2000-2001

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**22nd Annual Report
2000 - 2001**

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Translators and Interpreters Ltd
(NAATI)
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22nd Annual Report 2000 - 2001

The Hon Philip Ruddock MP
Minister for Immigration and Multicultural Affairs
Parliament House
Canberra ACT 2600

Dear Minister

Re: NAATI Annual Report 2000-2001

In accordance with Clause 9 of the Memorandum of Association of the National Accreditation Authority for Translators and Interpreters Ltd, I present the Twenty-second Annual Report for 2000 – 2001.

The report provides an account of the company's operations during the year in association with the Business Plan 2000 – 2004. It also includes the independently audited statements.

During the year, NAATI increased the pool of accredited practitioners within the community by providing accreditation services for translation and interpreting in the form of examinations, approval of courses at tertiary institutions and assessment of overseas qualifications.

The NAATI Board of Directors, together with NAATI's specialist committees, examiners and staff were instrumental to the success of the company during 2000-2001. I wish to publicly acknowledge their contribution.



Adolfo Gentile
Chairman
November 2001

Mission Statement

“To facilitate the promotion of quality communication and understanding between people who cannot communicate in each other’s languages, both in the community and internationally, by maintaining high standards of interpreting and translation.”

Contents

	Page
1. Chairman’s Overview	1
2. Company Overview	6
3. Accreditation Services: Performance Outcomes and Outputs	12
4. Corporate Management: Performance Outcomes and Outputs	24
5. Publicity and Public Awareness	30
6. Financial Statements and Notes	33
7. Appendices	61
8. Glossary of Abbreviations	69





Adolfo Gentile Chair

1.1 NAATI Ltd

The National Accreditation Authority for Translators and Interpreters strives to set high standards for the translation and interpreting profession in Australia as a means to facilitate communication between speakers of different languages. This is reflected in NAATI's mission statement:

"To facilitate the promotion of quality communication and understanding between people who cannot communicate in each other's languages, both in the community and internationally, by maintaining high standards of interpreting and translation."

Through the accreditation of translators and interpreters NAATI is able to give a measure of quality assurance to both public and private service providers and to the clients of Translation and Interpreting (T & I) services. This

facilitates Australia's over-riding principle of access and equity for all citizens.

1.2 Time of Change

Since 1998 NAATI has been undergoing significant changes in the organisation. The information technology framework was replaced with new hardware and new customised programs during 1998 and 1999. In 1999-2000, following the Human Resources Review, the Central Office was re-structured to facilitate a more appropriate skill base to include a better mix of management and general administrative skills. This resulted in a number of redundancies among which several senior and experienced staff were lost. The organisation has also moved towards a performance based management culture using best practice management styles.

The changes over the past two years have been significant and have necessitated many adjustments in the approaches to business operations and work practices. At the end of the 2000-2001 financial year, some of the longer term benefits of the changes are beginning to emerge.

1.3 Significant Activities 2000-2001

Two very significant activities during the year included the NAATI Structure Review and the NAATI Test Review.

At the meeting of the Ministerial Committee for Immigration and Multicultural Affairs in April 2000, it was decided that a Ministerial sub-committee would be established to review the structure of NAATI and its constitution. Through a Working Party of Officials, established by the Ministers, the review continued throughout the financial year. Although still in progress at 30th June 2001, it is anticipated that the review will be completed in the next financial year and will bring about greater clarity in the roles of Ministers, Members, Directors and Executive Officers together with a revised constitution which will reflect the more recent Corporations Act 2001.

The NAATI Test Review commenced in August 2000 and was intended to focus on test formats. From the first consultative meeting with experts it became clear that the parameters of the review needed to be widened to give consideration to the accreditation system as a whole and its relevance to the current markets. Only with a clear understanding of the market demands could meaningful considerations of the revision of test formats be made. The review continued through to April 2001 with rigorous debate on all related issues. In May, the Board noted that a wide variety of views had been expressed and that additional time would be required to consolidate the views and move towards an acceptable proposal for future

development. As a result, the Test Review was extended into the next financial year with a view to providing a proposal to the Members and the wider community by Christmas 2001.

1.4 Major Achievements 2000-2001

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

1.4.1 Accreditation Services

NAATI's core business function is to provide Accreditation Services. In this area the following achievements were made in 2000-2001:

- ❖ the implementation of an annual T & I testing program which included 34 languages at three levels of accreditation;
- ❖ the delivery of such tests at eight metropolitan centres and seven regional centres in Australia;
- ❖ the facilitation of workshops and tests in indigenous languages leading to 13 accreditations in five languages in the Northern Territory;
- ❖ the expansion of on-demand testing within Australia;
- ❖ the introduction of greater flexibility for both the Language Aide test and

1 Chairman's Overview

- the Advanced Translator test by offering all tests on-demand instead of within an annual program;
- ❖ the improved turn-around of test results with 85% returned by the due date;
- ❖ the establishment of a new examiners panel for Pushto;
- ❖ the re-approval of the National Diploma of Interpreting and similar re-approval of 12 individual T & I training programs at 9 tertiary institutions;
- ❖ the provision of accreditation tests at 29 overseas locations in 21 countries;
- ❖ a 29% increase in the number of assessments of overseas qualifications leading to accreditation;

1.4.2 Corporate Management

In the area of Corporate Management, NAATI

- ❖ refined and revised the Business Plan 2000- 2004 to reach approval by Members of NAATI in November 2000;
- ❖ developed computer programs and administrative systems to effect its GST obligations;
- ❖ developed and completed the second Certified Agreement with 100% staff support;

- ❖ streamlined business operations through the review and renegotiation of insurances, purchasing arrangements, billing systems and property leases;
- ❖ introduced merchant banking facilities for clients;
- ❖ introduced a 1300 telephone number to facilitate standardisation of information to candidates; and
- ❖ up-graded the website.

1.5 Challenges

The most significant challenges which NAATI experienced during the year related to the management of its information technology base and its human resources.

In relation to the information technology (IT) area, NAATI suffered extensive difficulties due to inherent problems with the customised AMS (Administrative Management System) including the interface between the AMS and the accounting system. There was also a need to re-negotiate support contracts several times during the year due to the poor delivery of services or the cessation of services by the providers for varying reasons. The inter-regional connectivities of the computer systems between Canberra and the State/Territory offices needed to be re-organised in early 2001 due to the liquidation of NAATI's original internet service provider. To add to the

1 Chairman's Overview

programming and connectivity problems, the original PCs which had a two year warranty from August 1998 had exceeded their life cycle and began to fail during the second half of the year.

Collectively, these problems caused a decrease in functionality of the IT system, an unexpected increase in IT expenditure and an inordinate amount of management time to keep the system operating. However, by the end of the financial year, the basic functions of the AMS were performing at a satisfactory level and a strategic plan for re-writing some of the programs was being drafted. The original programming is now more than three years old and has had a number of new requirements placed upon it. It is therefore timely, to consider a re-vamping of the programming. In addition, a leasing arrangement for the replacement of the PC fleet in accordance with the Business Plan was nearing completion.

NAATI also experienced a high turnover of staff during the financial year which posed challenges in maintaining adequate staff levels as well as ensuring appropriate training. Following the re-structure of NAATI's Central Office in 1999-2000, the current year was one of adjustments and re-adjustments. For various reasons, NAATI experienced a turn over of approximately 30% of its staff during the year, including two well experienced staff

members who left the company due to ill health. This caused unexpected increased expenditure in the recruitment and training budgets, some disruption in the smaller offices and the diversion of management time into this.

1.6 Future Developments

At the end of the 2000-2001 financial year, NAATI was entering the last stages of the Test Review. A final round of consultations in August 2001 will facilitate the development of a proposal for adjustments to the accreditation system and the NAATI tests which will more accurately reflect market demands and will serve as a catalyst for T & I practitioners to adopt a more professional approach to training and development.

NAATI is preparing to implement the programs related to the second year of the Business Plan including the Review of Test Delivery Methods, the Feasibility Study for the proposed Training Division, the Review of the Regional Advisory Committees and a review of business operations and staffing in State/Territory offices. All these activities are related to the main objectives of the four year Business Plan which are to improve the service delivery of the organisation while maintaining high professional standards for the profession.

1 Chairman's Overview

1.7 Conclusion

A detailed evaluation of the outcomes of Year One of the Business Plan against the performance indicators listed is contained in the separate Report on the NAATI Business Plan 2000-2001 Outcomes, submitted to the Funding Parties on 30 September 2001 as part of the fulfillment of conditions in relation to the funding Agreement for 2000-2001.

It is clear that NAATI made significant achievements during 2000-2001 in the areas of initiating the review of the accreditation system and the test formats, the streamlining of its business operations and moving towards a performance based management culture. The year also presented a number of challenges to NAATI which resulted in the need to adjust priorities, budgets and management time. All staff at NAATI have responded positively to the challenges and have shown a strong commitment to the new business focus and high quality service delivery.

I extend my sincere appreciation to the NAATI staff and to the NAATI Directors who have worked tirelessly throughout the year to achieve good outcomes. I am confident that NAATI will build upon the work of 2000- 2001 to continue to work professionally and innovatively in the future.

2 Company Overview

2. Company Overview

2.1 NAATI's Vision, Goals, and Functions

NAATI's vision is to continue to contribute to the improvement of the quality and relevance of the translation and interpreting profession in Australia by monitoring and refining the modes of accreditation and by improving and extending its service delivery functions. The primary Goals of NAATI are:

- ◆ To ensure that a high quality of translating and interpreting services exists within Australia;
- ◆ To encourage the use of accredited or recognised translators and interpreters throughout Australia;
- ◆ To participate with other relevant bodies in promoting the profession of translating and interpreting; and
- ◆ To devise an effective mechanism to regulate the ethics and professional conduct of T & I practitioners.

Within this framework, NAATI's primary functions are :

- ◆ To set and maintain national standards of translation and interpreting in Australia;
- ◆ To promote and develop competence and skills in translating and interpreting from one language into another, especially where one of

these languages is English; and

- ◆ To establish and maintain a register of accredited translators and interpreters which indicate the level at which a person is accredited by NAATI;

To effect these functions, NAATI provides accreditation to individuals who are able to meet the standards of competence set by NAATI. Accreditation is granted to individuals who:

- ◆ pass a NAATI examination; or
- ◆ complete successfully a course of studies at an Australian institution approved by NAATI; or
- ◆ provide evidence of specialised qualifications in T & I obtained from a recognised training institution overseas, or membership of a recognised international professional association.

2.2 NAATI Members

NAATI is a public company which was first established in 1983 by Ministers of the Commonwealth, State and Territory Governments. These Ministers or their delegates are referred to as the "Members" of NAATI. In practice, they are usually the Assistant Secretary of the Settlement Branch of the Commonwealth Department of Immigration and Multicultural affairs and the Chief

2 Company Overview

Executive Officers of the Multicultural Affairs Commissions or like bodies in the State and Territory governments.

The maximum number of members which the Authority can register is nine. In 2000-2001, eight government registered as members and one registered as an observer. Members have full voting rights at the Annual General Meeting, while observers have speaking but not voting rights.

Members of NAATI 1 July 2000 to 30 June 2001:

Mr David Page, PSM
Commonwealth (to 28 March 2001)

Mr Peter Vardos
Commonwealth (from 29 March 2001)

Mr Stepan Kerkyasharian, AM
New South Wales

Mr John Unger
Victoria (to 8 November 2000)

Ms Jennifer Fraser
Victoria (from 9 November 2000 to 5 February 2001)

Ms Elizabeth Jensen
Victoria (from 6 February 2001)

Mr Uri Themal, OAM
Queensland

Mr John Kiosoglous, MBE, KSA, AE
South Australia

Ms Nora Eley
*Western Australia
(to 4 December 2000)*

Ms Brenda Robbins
*Western Australia
(from 8 November 2000)*

Ms Lyn Andersch
Tasmania

Mr Nic Manikis
Australian Capital Territory

Observer of NAATI 1 July 2000 to 30 June 2000:

Ms Janicean Price
Northern Territory

2.3 NAATI Directors

There are five NAATI Directors who are appointed by the Commonwealth Minister of Immigration and Multicultural Affairs on a resolution of Members. The Board of Directors in 2000 – 2001 were appointed for a three year term from 1 July 1998. Their term therefore expired at 30 June 2001. In 2001, the Board comprised:

Mr Adolfo Gentile (*Chair*)

Mr Steve Karas (*Deputy Chair*)

Mr Richard Acheson

Dr Bernice Pfitzner

Mr Stefan Romaniw OAM

2 Company Overview



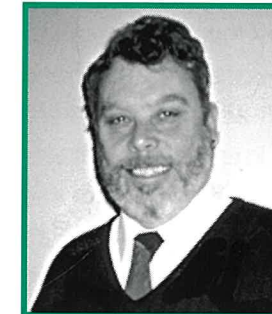
Mr Adolfo Gentile (Chair) is currently serving as a Member of the Refugee Review

Tribunal. Until mid 1997 he was head of the School of Languages and Interpreting and Translating, Deakin University and is the President of the International Federation of Translators (FIT). He is an Accredited Advanced Translator (Italian/English) in both language directions. Mr Gentile has International recognition for work associated with the establishment of Translator and Interpreter training in Australia and for research into this field of study.



Mr Steve Karas (Deputy Chair) has worked as a legal practitioner and is currently serving as the Acting Principal Member of the Migration

Review Tribunal. His association with NAATI extends back to the 1980's when he became a foundation member of the NAATI State Assessment Panel for Translators and Interpreters (SAPTI) for the Northern Territory. He was also a NAATI Board Member from 1981 to 1983 and Chairman of the Queensland Regional Advisory Committee from 1990 to 1994.



Mr Richard Acheson has held senior positions in the NSW public sector including Director of Language Services with the

Ethnic Affairs Commission of NSW. He has also managed a community planning and multicultural affairs portfolio in local government, and has worked in the community sector and as a consultant. In addition, he conducted a public inquiry into the relationship between police and ethnic communities in NSW and has been appointed to a number of statutory authorities. He is committed to social justice, accessible service provision and the professionalism of the language service industry.



Dr Bernice Pfitzner is the Managing Director of a wine export company which exports family-owned Adelaide Hills Pfitzner

Wines. She was the first Asian to have been a member of State Parliament in South Australia, she is also the past Chairperson of the Council for Women of Diverse Cultural Background, Vice-

2 Company Overview

President of the Asian Australian Chambers of Commerce and Industry and has also worked at the Woomera Detention Centre. Presently Dr Pfitzner is on several Boards related to health and multiculturalism where she is able to promote the activities of NAATI. She is also working as a General Practitioner at a Clinic that has a significant proportion of patients who are Aborigines, newly arrived migrants and homeless people where she uses NAATI Accredited practitioners regularly to communicate with her patients.



Mr Stefan Romaniw OAM recently completed his final term as Chairperson of the Victorian

Multicultural Commission. His current role is Manager, Special Projects Investment Division, Department of State and Regional Development working on establishing frameworks for potential investment and trade with economies in Central and Eastern Europe.

He is a board member of, Multicultural Arts Victoria (MAV), the Australian Federation of Ethnic Schools Associations and Multicultural Issues Forum with Hume City Council and chairs the Australian Federation of Ukrainian Organisations. He has recently served on the Board of

Council of Adult Education, Ministerial Council and Standing Committee on Immigration and Multicultural affairs and Ministerial Advisory Council on Language Other Than English (LOTE) English as a Second Language (ESL) and Multicultural Education. He has teaching qualifications and worked in a range of schools settings before taking on the role of Manager of Languages and Multicultural Education Centre.

He received an Order of Australia in 2001 for his contribution to education and the Culturally and Linguistically Diverse Committees (CALD).

Executive Director



Ms Sherrill Bell serves NAATI Ltd in the capacity as Executive Director and is

an ex-officio member of the Board. She is also the Company Secretary. She came to NAATI after an academic career at the University of Canberra including experience in teaching, research and tertiary administration. She is responsible for the management of NAATI and providing research and direction for the Board's consideration. She has been a member of several advisory committees both at NAATI and at tertiary institutions and has represented NAATI at numerous national and international T & I events.

2 Company Overview

2.4 NAATI Committees

There are two groups of sub-committees of the Board of Directors:

The Qualifications Assessment and Advisory Committee (QAAC) and

The Regional Advisory Committees (RAC).

The work of these committees is described at 3.1.8 of this report. The members of the committees are listed at Appendices 1 and 2 respectively.

Regional Advisory Committee Victoria



Back from left: Adolfo Gentile, Antonio Florez, Ismail Akinci, Klaus Hermes, Skender Bregu (AUSIT visitor). Front from left: Silvana Pavlovska, Cynthia Toffoli-Zupan, Mary Vasilakakos, Sevim Akcelik. Absent: Stefan Romaniw, Maria Maggio De Leo, Uldis Ozolins, Krystina Wisniewska and Micheal Zafiropoulos.

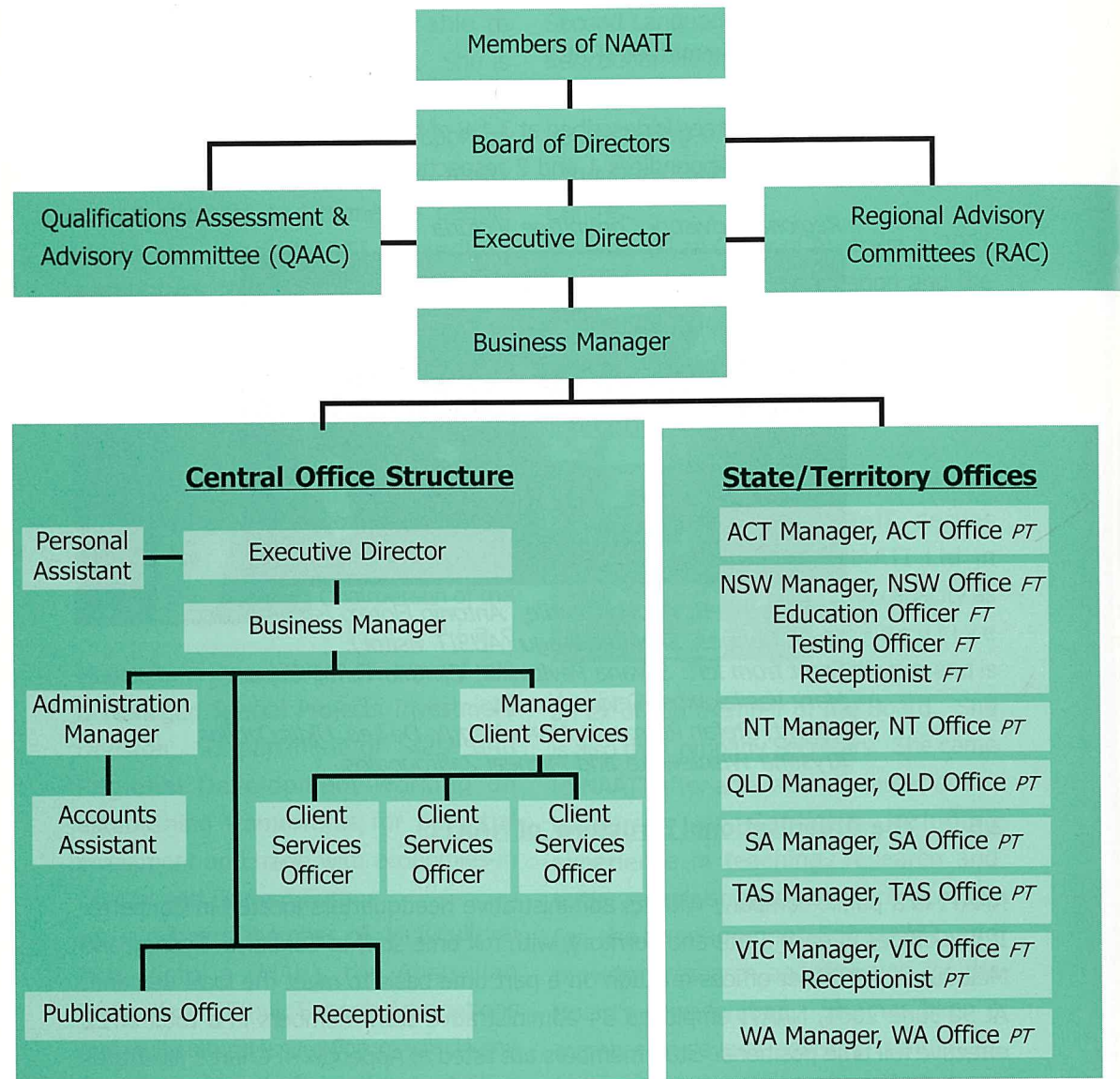
2.5 The Organisational Structure of NAATI

NAATI is a public company with its administrative headquarters located in Canberra. It has offices in each State and Territory, with full time staff in Canberra, Sydney and Melbourne. All other offices function on a part time basis to meet the local demand. At 30 June 2001, NAATI employed 34 administrative staff members in a total of 22 effective full time positions. Staff members are listed at Appendix 4. Chart 1 illustrates the organisational structure of NAATI.

2 Company Overview

Chart 1

NAATI Organisational Structure



3 Accreditation Services

3. Accreditation Services: Performance and Outcomes

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

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

will be accounted for separately and clearly both in terms of NAATI's Annual Report and its audited financial reports.

3.1 Outcome One

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

Outputs

3.1.1 New Applicants

During the year, NAATI received 2,355 new applicants for accreditation bringing the total number of accreditation clients to 42,912. Of the new applicants, approximately 1,720 were for testing in Australia, 250 for accreditation on the basis of course completion within Australia, 175 for overseas assessments and 210 for testing at overseas locations.

3.1.2 Tests

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

Table 1: NAATI Tests: 2000-2001

Type of Test	Annual Program Tests	Special On-Demand Tests	Overseas Tests	Total Number of Tests
Paraprof. Translator	6	0	0	6
Paraprof. Interpreter	326	60	0	386
Trans > English	581	228	69	879
Trans > LOTE	612	353	133	1097
Interpreter	201	37	9	247
Adv. Trans > Eng.	4	0	0	4
Adv. Trans > LOTE	3	0	0	3
TOTAL	1733	678	211	2622
No. Languages	34	36	26	-
Language Aide	158 Oral 91 Written	0	0	249

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

The 211 overseas tests were conducted in 29 locations. The three countries of highest demand for NAATI tests were China, Singapore and the United Arab Emirates.

Overseas testing has been facilitated through a contract with IDP Education Australia Ltd. This organisation is responsible for the delivery of the International English Language Testing System (IELTS) test of English language proficiency and therefore has comparable expertise in test delivery methods.

3.1.3 Approval of Courses

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

In 2000-2001, there were 12 active NAATI approved courses in Australia. The following approvals and re-approvals as shown in Table 2 were granted during the year:

Table 2: Course Approvals and Re-approvals 1-7-2000 to 30-6-2001

New Course Approval	
Advanced Diploma in Interpreting	
Adelaide Institute of TAFE	Cantonese, Italian, Japanese, Korean Mandarin, Spanish, Vietnamese From 1-1-2001 to 31-12-2001
Extensions of Existing Approval for National Diploma in Interpreting (Paraprofessional)	
Adelaide Institute of TAFE	from 1-1-2001 to 31-12-2001
RMIT, Melbourne	from 1-1-2001 to 31-12-2001
Institute of Aboriginal Development CMC, Perth	from 1-1-2001 to 31-12-2001
Sydney Institute of TAFE (Granville)	from 1-1-2001 to 31-12-2001
Sydney Institute of TAFE (Petersham)	from 1-1-2001 to 31-12-2001
Batchelor Institute of Indigenous Tertiary Education	from 1-1-2001 to 31-12-2001
AMES, Hobart TAFE	from 1-1-2001 to 31-12-2001

3 Accreditation Services

3.1.3 Approval of Courses continued

Course Re-Approvals

Advanced Diploma of Interpreting and/or Translating

CMC – Perth Cantonese, Croatian, Indonesian, Italian
Mandarin, Serbian

from 1 July 2001 to 1 July 2003

RMIT, Melbourne Arabic, Cantonese, Greek, Italian, Japanese,
Korean, Mandarin, Serbian, Somali, Spanish,
Turkish, Vietnamese

from 1-1-2001 to 31-12-2001

M.A. in Japanese I & T

University of Queensland Japanese

from 1-1-2001 to 31-12-2003

The course approval procedure and subsequent monitoring continue to cause NAATI concern as submissions for approval are often incomplete or do not meet the guidelines. Standards of graduate performance continue to exhibit wide variations among institutions. NAATI continues to seek solutions to this on-going problem.

3.1.4 Assessment of Overseas Qualifications

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

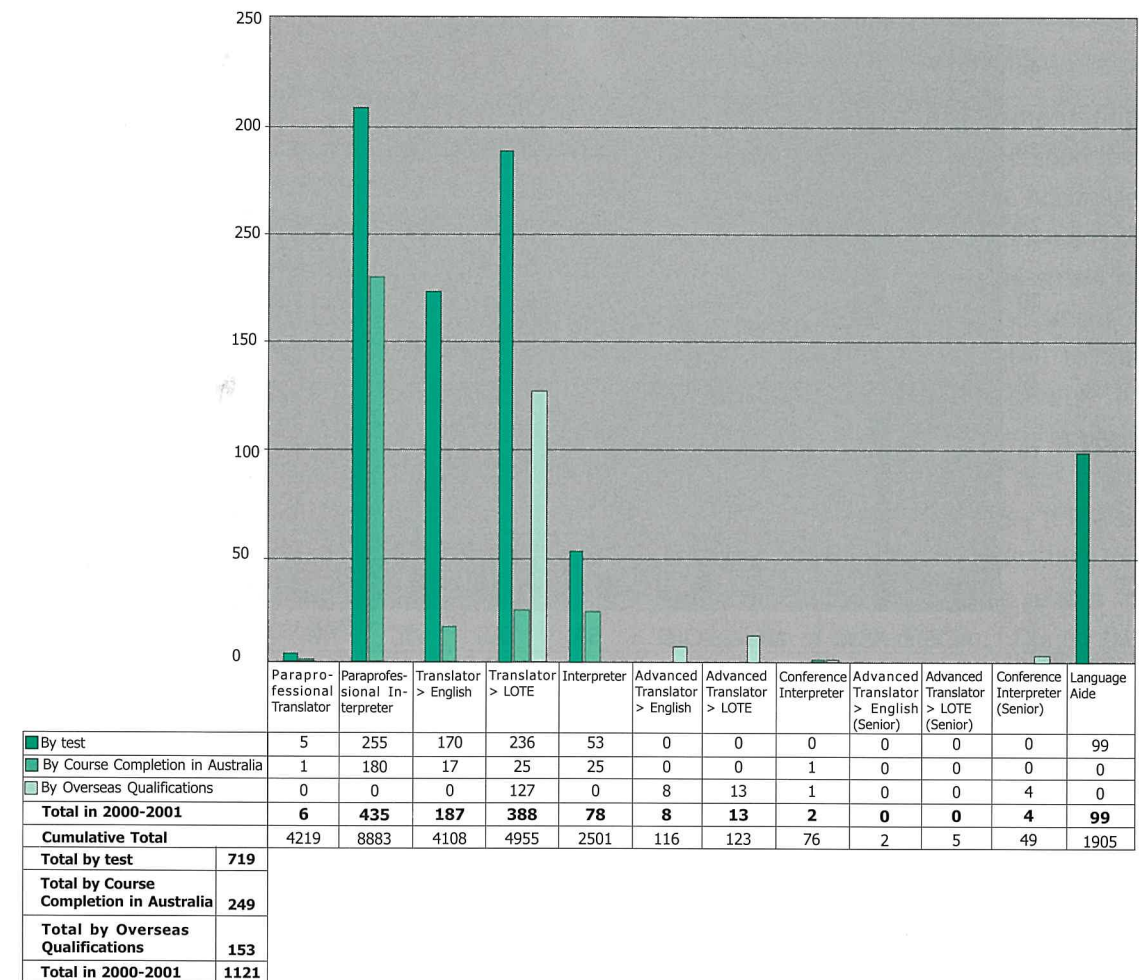
The demand for NAATI accreditation on the basis of overseas assessment increased sharply during 2000-2001 from 178 in the previous year to 219 in the current year. The increase relates to three areas of demand: firstly by Australian citizens and permanent residents who trained overseas and wish to work as translators and interpreters in Australia; secondly by professional practitioners residing overseas who seek a formal qualification in translation and interpreting; and thirdly by individuals seeking accreditation for the purpose of identifying a skilled occupation in relation to their applications for migration to Australia. During the year, NAATI received 219 applications for accreditation of which 153 were successful.

3 Performance, Outcomes & Outputs

3.1.5 Accreditations

In 2000-2001 NAATI granted 1,121 accreditations in translation and interpreting and 99 Language Aide qualifications as shown in Table 3.

Table 3: Accreditations 2000-2001 and Total Accreditations at 30 June 2001

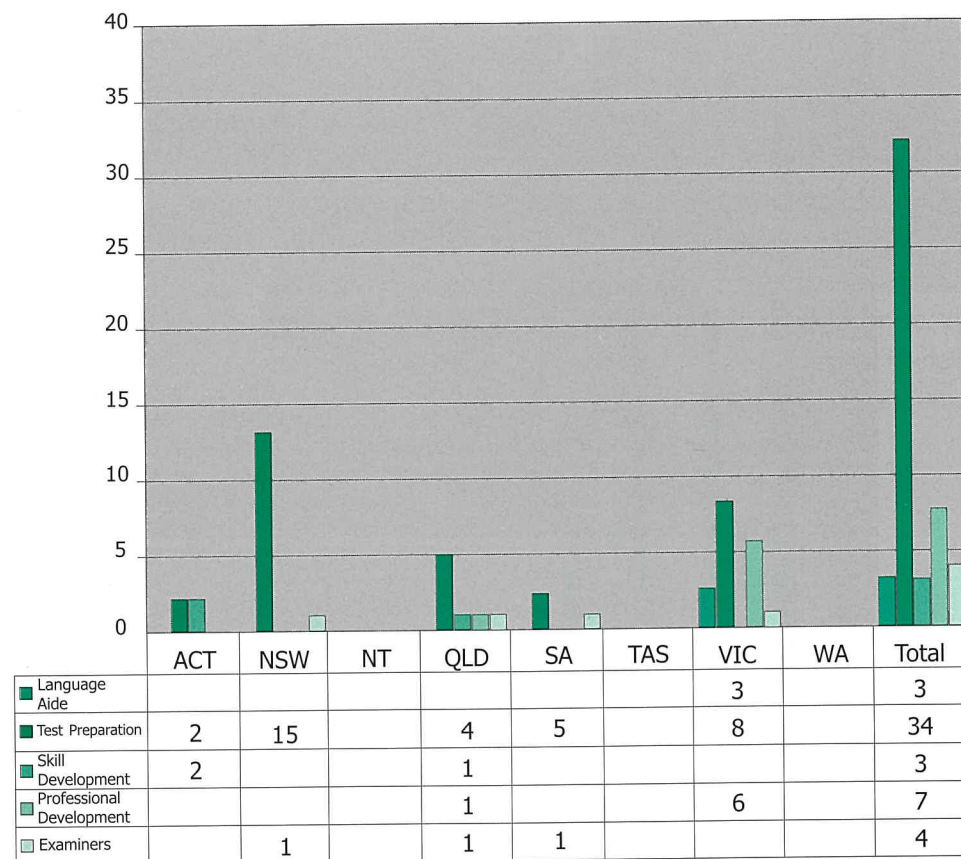


3 Accreditation Services

3.1.6 Workshops

NAATI conducts a variety of workshops for test candidates, accredited practitioners, employers and examiners. Workshops delivered in 2000 –2001 are shown in Table 4.

Table 4: NAATI Workshops: 2000-2001



Workshops were not conducted in the Northern Territory or Tasmania due to insufficient demand. In Western Australia, the workshop program was disrupted due to the timing of staff resignations.

3 Performance, Outcomes & Outputs

3.1.7 Professional Materials and Publications

During the year NAATI produced and updated various printed materials to assist clients to obtain accreditation. It also arranged for other publications to be accessed through NAATI. Key publications and materials for the benefit of candidates made available in 2000-2001 include:

- ♦ Ethics of Interpreting and Translation: A Guide to Professional Conduct in Australia (new publication)
- ♦ Overseas Testing Guidelines (revised publication)
- ♦ Manual for Candidates (revised publication)
- ♦ Assessment of Overseas Qualifications (new guidelines for applicants)
- ♦ Australian Translator & Interpreter Training Opportunities (revised publication)
- ♦ New application forms with changed format to facilitate electronic transfer to clients
- ♦ Update of website to include application forms, new information and more accessible information
- ♦ Conference Interpreting: Principles and Practices (new publication by Taylor-Bouladon now available to candidates through NAATI)

3.1.8 Establishment of Groups of Expert Advisers

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

Qualifications Assessment and Advisory Committee

The Qualifications Assessment and Advisory Committee (QAAC) responsible for the approval of courses at Australian tertiary institutions, the development of criteria and policy for the assessment of overseas qualifications, the assessment of overseas qualifications related to the advanced and senior levels of accreditation, the adjudication of appeals on overseas qualifications and more difficult test candidate appeals. It is also responsible for the recommendation to the Board of Directors of policies related to all aspects of accreditation. During the year, it played a very important role in the Test Review. For the year 2000-2001, the Board appointed five members to the committee (See Appendix 1).

Regional Advisory Committees

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

3 Accreditation Services

The primary role of the committees is to advise the NAATI Board and to promote NAATI, its accreditation system and the T & I profession. The committees identify local issues and needs and provide advice in relation to them; they carry out special projects as required by the Board and they promote NAATI policies and initiatives, and the T & I profession within their regions. During the year all committees provided comments on a proposed NAATI Award for T & I and a draft Publicity and Marketing Strategy. The most significant achievements for the RACs during 2000-2001 include:

ACT The development of an ACT Fact Sheet about Interpreting and Translation including information about various organisations, access to practitioners, duty of care and the importance of using accredited practitioners. RAC also developed and presented a Legal Workshop to the post-graduate law program at the Australian National University as a means of promoting "working with interpreters" to new legal practitioners.

NSW The identification of local issues such as changes to the Roads & Traffic Authority's policy for driver's tests; the issue of duty of care, and the need to minimise the number of incompetent and unethical T & I practitioners in NSW. As part of this work the RAC is researching how other professional institutions/bodies

deal with unethical and unprofessional behaviour. RAC worked toward the promotion of the use of accredited practitioners wherever possible.

NT RAC worked to promote and facilitate training and testing for all prospective translators and interpreters including those for Indigenous languages. Links have been maintained with the Aboriginal Interpreter Service to support the training and testing of Indigenous people with a view to increasing its pool of accredited interpreters.

QLD RAC designed and developed a two page information sheet to be given to all newly accredited practitioners. The sheet includes information about potential places of employment, the need to continue training and professional development and encouragement to join the professional association (AUSIT).

SA RAC prepared articles about T & I for publication in professional journals and newsletters including one for the Australian Chinese Medical Association. RAC also was instrumental in promoting the use of accredited translators and interpreters by serving as guest speakers at a variety of venues and events, including Law Week.

TAS RAC focused on raising the awareness of NAATI and T & I in the State. It provided an article for inclusion in the newsletter of Multicultural Tasmania and

3 Performance, Outcomes & Outputs

advised of points of contact for the NAATI State Office Manager to follow up.

VIC RAC focused on professional development workshops for accredited practitioners including one titled *Interpreting in the Health Field* and another titled *Small Business Skills for Interpreters and Translators*. It also encouraged training and workshops related to Ethics for T & I Practitioners.

In addition, RAC commenced planning for its third Translator and Interpreter Awareness Day held in November 2001. For the first time, the event had a business focus and brought together representatives from the business sector, government, T&I practitioners, educators, students and T&I service providers.

WA RAC contributed views in relation to the NAATI publication *Interpreting and Translation: a Guide to Ethics and Professional Conduct in Australia* and provided advice on problems associated with testing in minority languages.

Examiners

In May 2001, NAATI reviewed the examiner panels in terms of composition and performance. Some panels required additional members to ensure a sufficient number of examiners with the appropriate breadth of skills to meet the demand for

setting and marking tests. Vacant positions created by absentees or resignations were also filled. The Board of Directors appointed 298 examiners to 53 panels covering 57 languages. The larger panels include Auslan, Chinese, French, Indonesian and Spanish. Examiners generally have tertiary qualifications, NAATI accreditation and experience in T & I.

Special Project Consultative Group

In conducting the Test Review, NAATI obtained advice from forty-nine individuals in Australia who have expertise related to the interpreting and translation profession (See Appendix 3). These experts provided advice on general professional issues, market and workplace issues, service provision, accreditation issues and test design. Through consultation, discussion and debate, the expert groups assisted NAATI in developing a proposal for change which will improve its accreditation system and the tests while simultaneously providing benefits to the profession.

3.2 Outcome Two:

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

Outputs

3.2.1 Accreditation Policies

NAATI introduced three new policies during the year in relation to accreditation. These include:

- ◆ The change of abbreviation from I/T to T & I in reference to Translation and Interpreting as a means of reducing the confusion created by the reference of IT for Information Technology;
- ◆ New time limits imposed on applications for accreditation on the basis of completion of a NAATI approved T & I course as delivered by an Australian tertiary institution. From November 2001, all applications for accreditation made by graduates of NAATI-approved courses must be made within one year of the date on the graduation certificate; and
- ◆ From November 2001 NAATI will permit the use of electronic dictionaries at Translation tests.

3.2.2 Design of Tests

Since the Test Review was in progress throughout the year, all policy change related to the design of tests was deferred until the outcomes of the review become known.

3.2.3 Fee-pricing Structures

The Board of Directors approved fee-related policies as follows:

- ◆ fees for the annual program of tests will be set to include the annual CPI increase plus 2% to offset other increases in costs related to testing.
- ◆ Fees for Special On-demand tests will reflect full cost recovery.
- ◆ Fees for Overseas Tests will be set to make profit.

In recognition that governments provide funding to NAATI to assist Australians to obtain accreditation, a two-tiered fee structure has been set for special on-demand tests in Australia and for the assessment of overseas qualifications; one fee for Australian citizens and permanent residents and a higher fee for non-citizens and non-permanent residents.

3.3 Outcome Three

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

Outputs

3.3.1 Contribution to Government Language Services Programs

The NAATI Annual Testing Program for 2000-2001 included all languages and levels of accreditation categorised by government service providers as being in demand.

Through testing, course completion and overseas assessments NAATI awarded 1121 accreditations across 57 languages. These included accreditations in some languages of high need and low supply such as Albanian, Dari, Kurdish, Persian and Somali. This represents a significant addition to the pool of qualified practitioners in Australia.

NAATI also introduced greater flexibility in the delivery of the Language Aide Test for government departments, removing them from an annual program cycle and making them available on demand.

3.3.2 Overseas Testing

2000-2001 was the first full year during which testing was available at overseas locations. A significant proportion of the demand for overseas testing has been generated by the change in immigration policy which now requires prospective

migrants to have their occupational skill recognised by Australian assessing authorities before making application for immigration. In this role, NAATI assesses tertiary qualifications in T & I obtained from overseas institutions. However, where practitioners have learned the profession through work experience, their T & I skills are assessed through the NAATI testing system under the same policies and guidelines that apply within Australia.

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

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

3 Accreditation Services

Table 5: Overseas Testing 2000-2001

Country	City	Number of Tests		Interp	Total
		>LOTE*	>Eng		
Brazil	Sao Paulo	1	1		2
Bulgaria	Sofia	5	2		7
China	Beijing	37	3	1	41
	Shanghai	18	4	1	23
Fiji	Suva		1		1
Germany	Essen	2	1	1	4
Hong Kong	Hong Kong	9	1	3	13
Hungary	Budapest				
India	Chandigarh	4	5		9
	Chennai	1	3	1	5
	Mumbai	2	5		7
	New Delhi	4	3		7
Indonesia	Bali	1			1
	Jakarta	1			1
Korea	Seoul	7	5		12
Malaysia	Kuala Lumpur	1	3		4
	Sarawak	1	1		2
	Subang Jaya	1	1		2
Netherlands	Horst	1	1		2
Philippines	Manila	2	2		4
Mexico	Mexico City	1			1
Singapore	Singapore	7	12	1	20
Sri Lanka	Colombo	1	3		4
Spain	Madrid	1			1
Taiwan	Kaohsiung	1			1
	Taipei	4	1	1	6
Thailand	Bangkok	2			2
United Arab Emirates	Dubai	10	8		18
USA	Washington	4	2		6
Vietnam	Ho Chi Minh City	4	1		5
TOTAL		133	69	9	211

4 Corporate Management

4. Corporate Management: Performance Outcomes and Outputs

Outcomes

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

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

- ◆ Executive Business Management
- ◆ Human Resource Management
- ◆ Financial and Resource Management
- ◆ Information Technology and Telecommunications
- ◆ Core Business Rules for NAATI combined with a Performance Based Management culture facilitated by NAATI's second Certified Agreement made under the Workplace Relations Act 1996.

Only three of the above outcomes (first, fourth and last) were programmed for Year One of the Business Plan. Corresponding outputs are reported as follows:

Outcome One

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

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

4 Corporate Management

Outcome Two:

4.2 Management Practices

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

Outputs

4.2.1 Executive Business Management

During 2000-2001, NAATI focused on the improvement of business delivery through the reduction of administrative processing, reduced overheads, review and monitoring of business services and improved communications. The year was characterised by the introduction of streamlined office-wide business practices and a strong focus on a performance work culture. Business operating structures and decision-making frameworks were re-centralised to facilitate operations as a single business unit, rather than separate regional units. This has resulted in better support for staff in NAATI's State/Territory Offices, together with a more co-operative working relationship between all NAATI staff.

There has been a marked increase in modern management practice, consistency and quality of professionalism, client focus, office-wide consistent work practices and policies and the selling of NAATI's services and products. This change has been driven from within the company, by giving staff a more structured, disciplined business framework, clearer decision making hierarchy, and introducing a formal performance appraisal framework.

Specific achievements in this area include:

- ◆ Provision of direct access to the NAATI database to all State/Territory Offices of NAATI;
- ◆ Provision of merchant credit facilities to all NAATI offices;
- ◆ Development of a common induction manual for all NAATI staff;
- ◆ Review of office procedures to reduce processes and eliminate duplication;
- ◆ Amalgamation of State/Territory accounts for specific services into one company account; and
- ◆ Development of common information dissemination through the implementation of the 1300 telephone number.

4 Performance, Outcomes & Outputs

4.2.2 Human Resource Management

Significant improvements were achieved in the area of Human Resource Management during 2000-2001. The single most important development was the second Certified Agreement which was accepted by staff and certified in the Australian Industrial Relations Commission on 16 May 2001. This agreement has given NAATI improved conditions of employment, a sound workplace relations environment based on extensive consultation with employees and the Australian Services Union, with whom the Agreement was formed. The agreement includes:

- ◆ A set of Principles of Operation for the Workplace Relations Consultative Committee;
- ◆ An Occupational Health and Safety (OH&S) Agreement and Occupational Health and Safety Representative (formally trained and appointed by the Australian Services Union);
- ◆ A Broad Banded classification structure, with a Job Design/Job Review of the organisation structure under way;
- ◆ A Performance Appraisal Scheme and Staff Development Plan; and
- ◆ A Return to Work Strategy.

NAATI has also made specific OH & S improvements during the year based on workplace inspections and assessments for the Canberra, Sydney and Melbourne offices. This resulted in significant upgrades in these offices with re-arranged floor plans, new ergonomic furniture, repainting and recarpeting. All NAATI's offices have had some form of refurbishment during the year that has significantly raised the professional look of the offices.

A strategic approach to Human Resource Management, training and development has been successfully implemented throughout 2000-2001. To facilitate the progress of staff towards the change in culture and work practices, staff were afforded higher levels of training and development to encourage both depth of specialised knowledge as well as multi-skilling. Opportunities were provided to staff to undertake higher level positions and responsibilities, regular performance appraisal and both in-formal on-the-job training and formal training through courses and seminars. There is a growing recognition by all employees of the value of customer focus and the promotion of continuous improvement of work practices and procedures.

The Human Resource Management changes achieved during 2000-2001 were within budget, and have formed a sound

4 Corporate Management

foundation for further consolidation and improvement in the quality of NAATI's human capital and the business and organisation frameworks.

4.2.3 Financial and Resource Management

The Business Plan provides for change in order to achieve efficiencies in financial and resource management. Many significant achievements including the streamlining and enhancement of the financial processing, analysis and planning were made during 2000-2001 including:

- ◆ The smooth implementation of GST with all fee structures adjusted for it;
- ◆ Introduction of credit card facilities and direct debit/EFT processing;
- ◆ The introduction of a range of national accounts centrally controlled from Canberra to attract maximum discount plans;
- ◆ Property management of office leases to provide improved conditions at least cost to NAATI;
- ◆ Sound working relationships with financial institutions to maximise highest interest rates for investment monies;
- ◆ Comprehensive stock take with the subsequent development of an Assets Register;
- ◆ Higher standards of records

management; and

- ◆ Compliant and well structured financial framework to facilitate smooth end of year audits and preparation of financial statements.

This area now has a financial and resource management framework that facilitates daily and long term business health and strategic planning. It is well placed for further improvement in 2001-2002 and the achievement of further efficiencies.

4.2.4 Information Technology and Telecommunications

In 2000-2001, NAATI continued to work with the computer systems which were installed in 1999. The original systems displayed persistent problems which caused operations to function at a lower level than expected. Specifically, NAATI experienced difficulties with:

- ◆ The performance of its local and wide area network;
 - ◆ Major break downs of hardware;
 - ◆ Malfunction and high level of maintenance of its proprietary data base software (Accreditation Management System);
 - ◆ The liquidation of its internet service provider; and
 - ◆ The retention of technical support.
- NAATI responded well to these difficulties and was able to achieve the targets of the Business Plan. NAATI used in-house

4 Performance, Outcomes & Outputs

skills to design and implement a new improved website at a saving of \$10,000 which was used to offset the higher costs of keeping the network and hardware functional.

Key developments during the year include:

- ◆ Reprogramming elements of the AMS to improve business processes.
- ◆ Reprogramming for the Practitioner's Directory to operate on NAATI's Website with regular updates from the AMS,
- ◆ Installation of a replacement internet service provider;
- ◆ Installation and set up of configurations for new internet and connectivity arrangements in all regional offices;
- ◆ Upgrade of cabling for better performance of the network in Canberra, Sydney, and Melbourne;
- ◆ Replacement of out of date software, such as antivirus software; and
- ◆ Configuring a new server to allow for the use of remote network tools for problem diagnosis/fixes for State/Territory offices, and to provide an environment for efficient functioning of the AMS.

Hardware bought in 1998 reached the end of its useful life in 2000-2001. It has become no longer prudent to persist with replacement parts and temporary fixes. A four-year lease agreement was

negotiated for fleet replacement, with planned rollout from the beginning of the 2001-2002 financial year.

NAATI ended the financial year with achievements in information technology that now place it on a sound platform for the long term, with fairly low maintenance, high performance hardware and a satisfactory software environment. NAATI now has the capability and flexibility to respond to whatever business directions it may take on in the future.

4.3 Outcome Three

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

Outputs

A number of manuals have been produced during 2000-2001 to make transparent to staff the policies and practices associated with elements of the business, and to bring about consistency of approach and implementation on an office wide basis. These have been produced in-house by NAATI staff, and are currently being used as part of an induction process for new staff, training for existing staff, and as reference documents as required.

4 Corporate Management

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

- ◆ AMS Plain English Manual
- ◆ Induction Manual for Managers of State/Territory Offices
- ◆ Who does what in NAATI
- ◆ Frequently Asked Questions
- ◆ Guidelines for Invigilators and Deliverers of Tests in Overseas Locations
- ◆ Overseas Testing Guidelines
- ◆ Guidelines for Assessment of Overseas Qualifications
- ◆ Email Policy (current policy under

review)
◆ Guidelines for Financial Processing in AMS to reconcile with credit cards processing and banking

In addition, the Performance and Staff Appraisal and Staff Development Plan in conjunction with the Certified Agreement commenced the trial period from 1 January 2001. Most staff members are now working under performance agreements and regular performance appraisals. The plan provides for a two way performance exchange and evaluation for employees and their supervisors/managers. To date, the plan has been well accepted by all employees.

Canberra Office Staff



*Front from front: Jan van Der Broek, Linda Atkinson, Michael Hudson and Sherrill Bell.
Back from left: Lynne Goodyer, Janet Lane, Melini Cluff and Celia Kochevatkin.
Absent: Patrick Browne, Santa Jugovac, Geoff Mckergow, Pilar Christis and Anne Macfarlane.*

5 Publicity and Public Awareness

5. Publicity and Public Awareness

Publicity and public awareness is a significant element of the NAATI Business Plan 2000 – 2004. In Year One of the Business Plan NAATI undertook to achieve the following outcomes:

Outcomes:

- ◆ Increase liaison with community groups
- ◆ Ensure public awareness tasks are integral to daily duties and responsibilities of NAATI staff
- ◆ Upgrade the website to include interactive functions

Outputs

5.1 Liaison with community groups

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

- ◆ Participation in an ABC Panel on Languages
- ◆ Participation in ACT Government Interpreter Awareness Day and

- subsequent ACT Forum on T & I
- ◆ Meetings with T & I educators at Australian tertiary institutions
- ◆ Participation in the Victorian Settlement and Planning Committee Conference and Workshop
- ◆ Participation in National Office of Overseas Skills Recognition (NOOSR) Conference on Overseas Qualifications
- ◆ Attendance at local multicultural functions
- ◆ Participation at Multicultural Leaders Reception in Canberra
- ◆ Participation in Queensland Language Services Task Force
- ◆ Meetings with T & I service providers in various States and Territories
- ◆ Information provision at tertiary institutions career days
- ◆ Attendance at special events related to Translation and Interpreting and Languages
- ◆ Presentations at special events such as at Multicultural Network, non English speaking background (NESB) Forum at Australian Taxation Office (ATO), Interpreter Forums
- ◆ Working with employers re testing (eg. Adecco , Deaf Societies, Australian Bureau of Statistics).

5 Publicity and Public Awareness

5.2 Public Awareness Outcome Two

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

During 2000-2001, NAATI commenced work on a Publicity and Marketing Strategy by developing a draft plan which was circulated among the NAATI State and Territory offices and the Regional Advisory Committees for feedback. The Regional Advisory Committees were generally supportive of the ideas contained in the draft plan and made valuable suggestions for further development. The plan will be adjusted and refined for the approval of the Board in the coming financial year.

In the interim, NAATI proceeded with strategies as outlined in the Business Plan which were based on NAATI taking a more proactive approach to public awareness of professional translation and interpreting services in Australia. NAATI improved its external corporate image substantially by producing professional looking publications and brochures, launching a new website, providing intensive training workshops for NAATI's Examiners, participating in a range of awareness days and other display features, and improving the quality of NAATI News.

New strategic operating lease agreements with Konica, has provided NAATI with high quality office equipment, reducing printing and office machine costs, giving NAATI its own edge through internal design, development and production of the bulk of its own printed and literary products. These are significant achievements given the tightness of NAATI's budget in this area, and the limited number of staff available to produce such lasting ongoing improvements

Specific achievements in this area during 2000-2001 included:

- ◆ Customer service training provided to NAATI staff
- ◆ A review of all application forms to ensure all relevant information is contained thereon and to facilitate completion by applicants.
- ◆ A new format and layout for NAATI News
- ◆ Development of new information flyers
- ◆ Revision of the Concise Guide for Employers for release in the next financial year
- ◆ An initiative to increase awareness of Translation and Interpreting through publicising more widely the Interpreter Symbol. The production of a new brochure and a lapel pin has facilitated this process.
- ◆ Delivery of excess 1999-2000

5 Performance, Outcomes & Outputs

Practitioners Directory to public and private companies in February 2001 as "free-drops" to encourage future subscriptions

- ◆ Increased awareness of NAATI through its presence at overseas locations with IDP Education Australia Ltd where tests can now be delivered.

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

5.3 Outcome Three

Upgrade the website to include interactive functions

NAATI made significant changes and upgrades to its website during 2000-2001. These include:

- ◆ The re-design of the website changing the presentation and layout to make it more user friendly;
- ◆ The addition of more accreditation information with greater accessibility
- ◆ The inclusion of clearer information on the levels of accreditation and the standards they represent
- ◆ The addition of direct links between the Practitioners Directory and the

AMS data base to enable automatic and immediate updates of information

- ◆ The addition of better search functions in the Practitioners Directory
- ◆ The addition of the NAATI website on more international search engines increasing the potential visitors.

The new website consistently sustains approximately 2,200 visits per month compared with about 1,500 visits per month with the old website. It has given clients easier access to information about NAATI's services and products. The provision of application forms in PDF (portable document format) files so that they may be transported over the internet and via e-mail has been a major development during the year. NAATI is preparing to make the site interactive in the next financial year so that clients may apply on line and purchase products and services on line.

6. Financial Statements and Notes

At the commencement of 2000-0001 NAATI expected to receive the government contributions in accordance with past procedures. The amounts to be contributed by the governments of Australia were agreed upon at the Ministerial Council meeting in April 2000. Accordingly all governments made full or part contributions by October 2000 with the exception of NSW which indicated that due to new accountability procedures within this state, it was unable to release funds without a funding agreement. Since NAATI is not in a position to enter into such agreements with individual jurisdictions, it became necessary to develop a funding agreement between NAATI and all funding jurisdictions collectively. The Commonwealth Government took responsibility to facilitate the development of such an agreement which was finally agreed upon in early June 2001. NSW subsequently made its contribution.

Acknowledging that funding agreements will become the accepted method of government contributions, NAATI anticipates an earlier resolution to an agreement for 2001-2002.

The audited financial statements are presented on pages 34 to 60.



Independent Audit Report to the Members of the National Accreditation Authority for Translators and Interpreters Limited

Scope

Hardwicke's has audited the financial report of the National Accreditation Authority for Translators and Interpreters Limited for the financial year ended 30 June 2001 as set out on pages 7 to 25. NAATI's Directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the Members of NAATI.

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

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

Audit Opinion

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

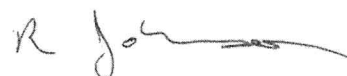
- (a) the Corporations Law, including:
 - (i) giving a true and fair view of NAATI's financial position as at 30 June 2001 and its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting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

**Independent Audit Report to the Members of the
National Accreditation Authority for Translators and Interpreters Limited
(continued)**

Emphasis of Matter

Without Qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 15 a significant portion of NAATI's annual revenue is derived from Commonwealth, State and Territory Government funding. A new funding agreement for 2001/02 is being negotiated with these funding bodies. Because this agreement has not been finalised no grant funding has yet been received by NAATI for the 2001/02 financial year. Currently there is no reason to believe that the funding will not be forthcoming, however if the matter is not resolved within the next two months the Directors will have to consider the future operations of NAATI.

HARDWICKE'S
Chartered Accountants



Robert Johnson, F.C.A.
Partner

25/9/01

Dated:
Canberra

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

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2001**

The NAATI Board of Directors submits its report made in accordance with a resolution of the Directors with respect to the financial accounts for the year ended 30 June 2001.

1. Board of Directors

The names of the Directors at the date of this report are:

Mr Adolfo Gentile (Chairman)
Mr Stefan Romaniw OAM
Mr Richard Acheson (Deputy Chairman)

(Refer to Attachment 1 to this report for individual Director's details).

2. Principal Activities

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

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

3. Operating Results

The net operating surplus after extraordinary items of NAATI for the financial year ended 30 June 2001 was \$44,720 (30 June 2000: \$12,822 deficit). The net operating deficit for the financial year before extraordinary items was \$(5,780).

4. Dividends Paid or Recommended

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

5. Review of Operations

This year NAATI returned a surplus of \$44,720. An extraordinary revenue item being an insurance recovery relating to a legal settlement totalling \$50,500 contributed to this surplus. Without this revenue, the operating deficit would have been \$(5,780). In 2000 NAATI returned a deficit of \$(12,822) after an extraordinary expense item of \$123,259 representing redundancy payments.

6. State of Affairs

NAATI finished the 2001 financial year with a surplus of \$44,720. Although the balance sheet in total has not changed significantly, cash has increased by approximately \$191,000 due to the accounting surplus, the non-cash depreciation charge and the increase in creditors.

7. After Balance Date Events

A new funding agreement for 2001/02 is being negotiated with the Commonwealth State and Territory Governments. Because this agreement has not been finalised no grant funding has yet been received by NAATI for the 2001/02 financial year. Currently there is no reason to believe that the funding will not be forthcoming, however if the matter is not resolved within the next two months the Directors will have to consider the future operations of NAATI.

Except for the effect of any of the matters discussed above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of NAATI, the results of those operations, or the state of affairs of NAATI in any future financial year.

8. Directors' Emoluments

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract between NAATI or a related body corporate with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors and shown in NAATI's accounts, prepared in accordance with the Commonwealth Corporations Law 1991, or the fixed salary of a full-time employee of NAATI.

9. Likely Developments and Results

NAATI's core business is not expected to change in its various components. However, negotiations for new funding arrangements with the Members of NAATI have significantly delayed the timing of receipt of government funds.

10. Directors and Auditors Indemnification

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

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

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

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2001

- (a) During the year an insurance premium was paid in respect of the persons listed below to insure against liability for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as director or officer of NAATI, other than conduct involving a wilful breach of duty in relation to NAATI.

Officers insured include:

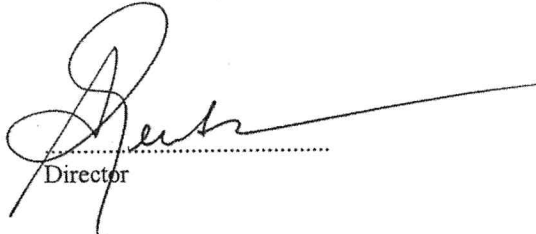
Mr A. Gentile	Mr S. Romaniw OAM
Mr S. Karas	Dr B. Pfitzner
Mr R. Acheson	Ms S. Bell
Ms L. Atkinson	

11. Meetings of Directors

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

No. of meetings eligible to attend	No. of meetings attended
Mr Adolfo Gentile	5
Mr Steve Karas	5
Mr Stefan Romaniw OAM	5
Mr Richard Acheson	4
Dr Bernice Pfitzner	3

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


.....
Director


.....
Director

Date: 25/9/01.....

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

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2001**

ATTACHMENT 1: INDIVIDUAL DIRECTOR'S DETAILS

NAME	QUALIFICATION	SPECIAL RESPONSIBILITIES	SHARES IN THE COMPANY	CONTRACTS/ PROPOSED CONTRACTS WITH COMPANY
Mr Adolfo Gentile	Former T&I Educator and Practitioner and current Member Refugee Review Tribunal	Director (Chair)	N/A	Nil
Mr Steve Karas	Senior Member Migration Review Tribunal	Director (Deputy Chair) Director	N/A	Nil
Mr Stefan Romaniw OAM	VIC State Government Senior Executive	Director	N/A	Nil
Mr Richard Acheson	NSW State Senior Government Administrator	Director	N/A	Nil
Dr Bernice Pfitzner	Medical Practitioner	Director	N/A	Nil

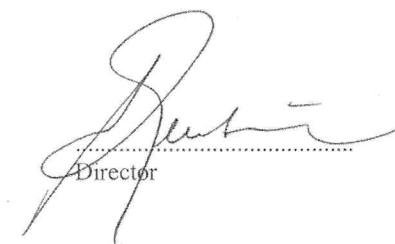
NATIONAL ACCREDITATION AUTHORITY FOR
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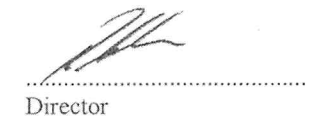
DIRECTORS' DECLARATION

The NAATI Board of Directors declares that:

1. the financial statements and notes, as set out on the following pages 8 to 25:
 - (a) comply with Accounting Standards and the Corporations Law; and
 - (b) give a true and fair view of the financial position as at 30 June 2001 and performance for the year ended on that date of NAATI;
2. subject to the satisfactory conclusion of funding negotiations with the Commonwealth, State and Territory Governments for 2001/02 it is the opinion of the Board of Directors that there are reasonable grounds to believe that NAATI will be able to pay its debts as and when they become due and payable.

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


.....
Director


.....
Director

Date: 25/9/01.....

6 Financial Statements

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

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2001

2000\$	Note	2001\$
1,965,706	Revenue from ordinary activities	2,033,428
(1,017,632)	Employee benefits expense	(971,322)
(70,646)	Depreciation expense	(78,598)
(766,991)	Other expenses from operating activities	(989,288)
	Profit/(Loss) from ordinary activities before income tax expense	(5,780)
110,437	Income tax expense relating to ordinary activities	-
-	Profit/(Loss) from ordinary activities after related income tax expense	(5,780)
110,437	Profit/(Loss) from extraordinary item after related income tax expense	50,500
(123,259)	Net profit/(loss)	44,720
(12,822)	Total changes in equity other than those resulting from transactions with owners as owners	44,720

6 Financial Statements

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2001

2000\$	Note	2001\$
	CURRENT ASSETS	
637,650	Cash Assets	829,001
5,505	Receivables	19,631
16,452	Other	14,919
659,607	TOTAL CURRENT ASSETS	863,551
	NON-CURRENT ASSETS	
281,442	Property, plant and equipment	229,406
281,442	TOTAL NON-CURRENT ASSETS	229,406
941,049	TOTAL ASSETS	1,092,957
	CURRENT LIABILITIES	
151,673	Payables	252,705
123,437	Provisions	129,593
275,110	TOTAL CURRENT LIABILITIES	382,298
275,110	TOTAL LIABILITIES	382,298
665,939	NET ASSETS	710,659
	ACCUMULATED FUNDS	
665,939	Retained surplus	710,659

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2001

2000\$	Note	2001\$
CASH FLOWS FROM OPERATING ACTIVITIES		
786,950	Government grants 18	901,549
711,848	Test related revenue	839,936
400,652	Other revenue	492,880
30,899	Interest received	48,791
(284,533)	Testing expenditure	(267,283)
(1,685,006)	Operating expenditure	(1,796,800)
(39,190)	Net cash (used in)/provided by operating activities 12(b)	219,073
CASH FLOWS FROM INVESTING ACTIVITIES		
(1,432)	Payment for property, plant & equipment	(27,722)
(19,052)	Payment for technology upgrade	-
(20,484)	Net cash used in investing activities	(27,722)
(59,674)	Net increase/(decrease) in cash held	191,351
697,324	Cash at beginning of year 4	637,650
637,650	Cash at end of year 12(a)	829,001

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Income Tax

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

Property, Plant & Equipment

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

Plant and Equipment

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

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

Depreciation

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

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

Employee Entitlements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

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

Cash

For the purpose of the statement of cash flows, cash includes:

- (i) cash on hand and at call deposits with financial institutions, net of overdrafts; and
- (ii) investments in money market instruments with less than twelve months to maturity.

Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year. However, due to a change in the method of reporting in the accounting system, some comparatives were unable to be determined from the information available in the prior year.

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the delivery of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of Goods and Services Tax (GST).

6 Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

2000\$	%	Note	%	2001\$	
NOTE 2 - REVENUE					
OPERATING ACTIVITIES					
822,825	42	Government funding	18	40	819,590
719,143	37	Test-related revenue		39	789,646
388,876	20	Other services revenue		19	381,858
34,862	1	Interest	2a	2	42,334
1,965,706	100			100	2,033,428
NON-OPERATING ACTIVITIES					
-		Proceeds from settlement of legal dispute			50,500
					50,500
1,965,706		TOTAL REVENUE			2,083,928
(a) Interest revenue from:					
34,862		- other entities			42,334
NOTE 3 - SURPLUS FROM ORDINARY ACTIVITIES					
Surplus from ordinary activities has been determined after:					
(a) Charging as expenses:					
10,247		Depreciation of plant and equipment			8,098
60,399		Depreciation of technology upgrade			70,500
70,646		Total depreciation			78,598
(8,903)		Provision for annual leave			1,543
(48,168)		Provision for long service leave			4,613
-		Net loss on disposal of plant and equipment			1,160
NOTE 4 - CASH					
1,685		Petty cash accounts			972
88,050		Operating accounts			289,387
547,915		Investment accounts			538,642
637,650					829,001

6 Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

2000\$	Note	2001\$		
NOTE 5 - RECEIVABLES				
Current				
5,505	Trade debtors	19,631		
5,505		19,631		
NOTE 6 - OTHER ASSETS				
Current				
9,446	Accrued income	2,989		
7,006	Prepayments	11,930		
16,452		14,919		
NOTE 7 - PROPERTY, PLANT & EQUIPMENT				
202,346	Office equipment - at cost	175,815		
178,710	Less: accumulated depreciation	157,710		
23,636		18,105		
62,519	Furniture & fittings - at cost	66,545		
39,984	Less: accumulated depreciation	41,578		
22,535		24,967		
325,277	Technology Upgrade - at cost	346,840		
90,006	Less: accumulated depreciation	160,506		
235,271		186,334		
281,442	Total property plant & equipment	229,406		
<i>Movement in Carrying Amounts</i>				
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year were as follows:				
	Office Equipment	Furniture & Fittings	Technology Upgrade	Total
Balance at the beginning of the year	23,636	22,535	235,271	281,442
Additions	820	5,339	21,563	27,722
Disposals	(971)	(189)	-	(1,160)
Depreciation expense	(5,380)	(2718)	(70,500)	(78,598)
Carrying amount at the end of the year	18,105	24,967	186,334	229,406

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

2000\$	Note	2001\$
NOTE 8 - PAYABLES		
CURRENT		
46,438	Trade creditors	112,651
35,047	Accrued charges	36,394
18,688	Test fees in advance	28,886
51,500	Practitioner Directory fees in advance	54,568
-	GST Liability	20,206
<u>151,673</u>		<u>252,705</u>

NOTE 9 - PROVISIONS

CURRENT		
62,475	Provision for annual leave	64,018
60,962	Provision for long service leave	65,575
<u>123,437</u>	Aggregate employee entitlements liability	<u>129,593</u>
27	Number of employees at year end	27

NOTE 10 - AUDITORS' REMUNERATION

Amounts received or due and receivable by the auditors of NAATI for:		
9,450	Auditing services	13,000
14,365	Other services	4,185
<u>23,815</u>		<u>17,185</u>

NOTE 11 - DIRECTORS' REMUNERATION

52,930	Income paid or payable to all Directors of NAATI	49,302
Number of Directors whose income from NAATI was within the following bands:		
4	\$0 - \$9,999	4
1	\$20,000 - \$29,999	1
-	\$30,000 - \$39,999	-

The names of the Directors who have held office during the financial year are:

Mr Adolfo Gentile	Mr Richard Acheson	Mr Stefan Romaniw OAM
Mr Steve Karas	Dr Bernice Pfitzner	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

2000\$	Note	2001\$
The terms of Mr Karas and Dr Pfitzner expired on 30 June 2001, while the terms of the remaining Directors were renewed from 1 July 2001 to 31 December 2001. No new appointments to fill the two vacancies have been made.		

NOTE 12 - CASH FLOW INFORMATION

a) Reconciliation of cash

Cash at the end of the financial period as shown in the statements of cash flows is reconciled to items in the balance sheet as follows:

1,685	Petty cash accounts	972
88,050	Operating accounts	289,387
547,915	Investment accounts	538,642
<u>637,650</u>		<u>829,001</u>

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

(12,822)	Operating surplus/deficit after extraordinary items	44,720
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Non cash flows in operating profit

10,247	Depreciation	8,098
60,399	Depreciation (technology upgrade)	70,500
(48,168)	Long service leave	4,613
(8,903)	Annual leave	1,543
-	Loss on disposal of fixed assets	1,160

Changes in Assets & Liabilities

(2,248)	(Increase)/decrease in debtors	(14,126)
(3,963)	(Increase)/decrease in accrued income	6,457
(2,030)	(Increase)/decrease in prepayments	(4,924)
(3,224)	Increase/(decrease) in creditors	86,419
668	Increase/(decrease) in accrued charges	1,347
(35,875)	Increase/(decrease) in grants in advance	-
2,978	Increase/(decrease) in test fees in advance	10,198
3,751	Increase/(decrease) in Practitioner Directory fees in advance	3,068
<u>(39,190)</u>	Net cash provided by/(used in) operating activities	<u>219,073</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

NOTE 13 - ACCUMULATED SURPLUS

NAATI shows an accumulated surplus of \$710,659 that includes the Technology Upgrade at a written down value of \$186,334 (Note 7). The adequacy of this surplus is constantly under review, as the company must ensure that it has sufficient working capital to meet its day to day operational cash flows.

This year NAATI has returned an accounting surplus after extraordinary items of \$44,720 (Note 18). In 2000, NAATI returned an accounting deficit of \$(12,822), but this included \$123,259 in redundancy payments following an organisation restructure after a review of human resource management in 1999.

NAATI's cash position has been slightly improved in 2001. As with prior years, NAATI's cash flow can be significantly affected by such factors as the timing of receipts of funding from the Commonwealth, State and Territory Governments, and the considerable up front costs that are incurred in delivering a test program, before any revenue is received. In addition, it is not possible to budget with certainty as to how many candidates will sit tests offered as part of the Annual Testing Program, or those tests offered as special on demand tests. NAATI has operating costs, not including tests, of approximately \$1.6 million per annum, or \$133,000 per month. If no government funding is received, and there is a delayed or unsuccessful test program then NAATI has sufficient available funds to operate for only five months. NAATI does not have the capacity in its own right to borrow from financial institutions, as it cannot offer any security. For these reasons, reasonable accumulated surpluses are required to assure operational stability. From recent business outcomes, it has been identified that NAATI must maintain reserves at a level equivalent to four to five months trading to provide a level of security and an environment for efficient decision making.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

NOTE 14 - SEGMENT INFORMATION

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

NOTE 15 - ECONOMIC DEPENDENCY

A significant portion of NAATI's annual revenue is derived from Commonwealth, State and Territory Government funding. A new funding agreement for 2001/02 is being negotiated with these funding bodies. Because this agreement has not been finalised no grant funding has yet been received by NAATI for the 2001/02 financial year. Currently there is no reason to believe that the funding will not be forthcoming, however if the matter is not resolved within the next two months the Directors will have to consider the future operations of NAATI.

6 Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

NOTE 16 - FINANCIAL INSTRUMENTS

a) Interest rate risk

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

Financial instruments 30 June 2001	Floating interest rate	Fixed interest rate maturing in:			Non interesting bearing	Total Carrying amount per account	Weighted average effective interest rate
		1 year or less	Over 1 year to 5 years	More than 5 years			
(i) Financial assets							
Cash & short term deposits	289,387	538,642	-	-	972	829,001	4.26%
Receivables	-	-	-	-	19,631	19,631	-
Total financial assets	289,387	538,642	-	-	20,603	848,632	4.16%
(ii) Financial liabilities							
Trade creditors and accruals	-	-	-	-	252,705	252,705	-
Total financial liabilities	-	-	-	-	252,705	252,705	-

Financial instruments 30 June 2001	Floating interest rate	Fixed interest rate maturing in:			Non interesting bearing	Total Carrying amount per account	Weighted average effective interest rate
		1 year or less	Over 1 year to 5 years	More than 5 years			
(i) Financial assets							
Cash & short term deposits	88,050	547,915	-	-	18,137	654,102	4.96%
Receivables	-	-	-	-	5,505	5,505	-
Total financial assets	88,050	547,915	-	-	23,642	659,607	4.92%
(ii) Financial liabilities							
Trade creditors and accruals	-	-	-	-	-	81,485	-
Total financial liabilities	-	-	-	-	-	81,485	-

6 Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

NOTE 16 - FINANCIAL INSTRUMENTS (CONT'D)

b) Credit risk

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

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

c) Net fair values

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

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

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

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

	2001\$		2000\$	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
Financial Assets				
Cash	829,001	829,001	637,650	637,650
Receivables	19,631	19,631	5,505	5,505
	<u>848,632</u>	<u>848,632</u>	<u>643,155</u>	<u>643,155</u>
Financial Liabilities				
Payables	<u>252,705</u>	<u>252,705</u>	<u>151,673</u>	<u>151,673</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 17 – PROCEEDS OF LEGAL SETTLEMENT

During 2001 NAATI was party to a legal dispute concerning a defamation claim. The proceeds represent an insurance recovery relating to the legal settlement.

NOTE 18 – CONTINGENCIES

In 1998-1999, Commonwealth, State and Territory Governments provided grants totalling \$230,350 for the purpose of a technology upgrade. The Commonwealth and Queensland Governments have a stated position that there will be cost recoveries in future years because of the upgrade. On this basis a reduction in government funding out to 2003-2004 to recover their initial capital funding is in place. The amount of the reduction in 2001 was:

Commonwealth Government	\$32,375
Queensland Government	\$3,400

The expected reduction for 2002 to 2004 will be

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

NOTE 19 – OVERSEAS TESTING

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

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

DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2001

2000\$	Note	2001\$
GOVERNMENT FUNDING		
417,200	Commonwealth Government	406,840
6,800	ACT Government	7,000
141,200	NSW Government	144,850
3,650	NT Government	3,750
65,150	QLD Government	63,450
35,300	SA Government	36,200
11,400	TAS Government	11,700
106,250	VIC Government	109,000
35,875	WA Government	36,800
822,825	Total Government Funding	819,590
TEST-RELATED REVENUE		
9,414	Cancellation fees	9,846
14,110	Language Aide	20,503
2,000	MAQ project grant	–
2,730	Paraprofessional – Translation	2,136
120,495	Interpreting	60,135
3,060	Review	236
131,185	T & I - Translation	131,911
69,735	Interpreting	43,269
3,710	Review	4,962
2,650	AT/CI - Translation	1,458
960	Interpreting	–
175	Review	118
13,320	Overseas - Translation	108,950
3,585	Interpreting	6,563
8,025	Application fees – overseas tests	25,241
–	Sale of overseas prospectus	27,999
121,063	On demand tests – resident	121,590
–	On demand tests – non-resident	92,653
82,106	Sale of sample tests	80,432
128,040	SOCOG testing revenue	12,165
2,405	Viewing of tests	3,169
375	Other test related revenue	36,310
719,143	Total testing revenue	789,646

6 Financial Statements

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

DETAILED INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2001

2000\$	Note	2001\$
OTHER REVENUE		
119,478	Application fees	116,034
2,305	Recognition fees	3,459
45,941	Education services	29,950
16,640	Australian Course Accreditation – by course	20,680
4,115	Australian Course Accreditation – by institution 3,065	
47,674	Practitioner Directory entry fee	53,059
4,438	Sale of Practitioner Directory	5,320
42,023	Overseas qualifications - Assessment fees – resident 5,596	
-	Overseas qualifications - Assessment fees – non-resident 43,605	
11,453	Sale of 'Ethics of the Profession'	16,769
960	Sale of 'Interpreting in Australia'	-
2,988	Sale of 'Introduction to Interpreting'	3,268
452	Sale of other publications	3,484
10,956	Sale of 'Terms on the Go'	5,523
876	Sale of 'Working with Interpreters'	3,040
19,550	Sale of Certificates	22,595
22,287	Sale of ID Cards	14,273
9,103	Sale of NAATI News	6,633
3,814	Sale of RMIT publications	10,018
15,325	Sale of Translator Stamps	8,512
180	Sale of 'Walking a Tightrope'	-
34,862	Interest	42,334
8,318	Other revenue	6,975
256,014	Total other revenue	274,749
1,965,706	TOTAL REVENUE	2,033,428

6 Financial Statements

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

DETAILED INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2001

2000\$	Note	2001\$
TEST-RELATED EXPENDITURE		
4,200	Language Aide – setting	2,649
3,715	Language Aide – oral marking	5,308
840	Language Aide – written marking	1,527
57	Language Aide – review & supervision	41
320	Paraprofessional – setting translation	322
6,632	Paraprofessional – setting interpreting	3,650
480	Paraprofessional – marking translation	116
22,629	Paraprofessional – marking interpreting	20,683
476	Paraprofessional – review of tests	194
1,110	Paraprofessional – monitoring interpreting	1,586
4,447	T & I – setting translation	3,916
13,036	T & I – setting interpreting	11,100
69,425	T & I – marking translation	78,008
14,357	T & I – marking interpreting	15,445
1,481	T & I – review of tests	1,628
650	T & I – monitoring translation	870
960	T & I – monitoring interpreting	1,648
2,617	Supervision – Translation	1,171
1,481	Supervision – Interpreting	1,912
4,516	AT/CI – setting translation	1,880
2,370	AT/CI – marking translation	1,391
-	AT/CI – review of tests	293
30,650	On Demand tests	58,693
3,278	Hire of test venues	4,487
-	Overseas administration costs 19	14,504
92	Overseas courier charges 19	4,779
2,380	Overseas marking – translation 19	6,300
270	Overseas marking – interpreter 19	715
1,932	Overseas Handbook printing 19	678
842	Overseas printing of tests 19	-
23,412	Printing of tests	815
35	Purchase & erasure of tapes	383
8,213	Tape production – master	6,652
4,543	Readers for Interpreting tests	6,696
120	Technician - Language aide & interpreting tests	75
11,072	Sample tests – stock	2,192
820	Sample tests – development & typing	822
6,704	Examiner payments	4,940
12,062	Chairperson honorarium fees	9,646
24,080	SOCOG test expenditure	30
2,055	Telephone/postage/courier – reimbursement	1,461
288,359	Total testing expenditure	279,206

6 Financial Statements

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

DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2001

2000\$	Note	2001\$
OPERATING EXPENDITURE		
8,057		10,731
23,815	10	17,185
599		925
6,963		6,125
2,000		-
-		36
51,058		8,443
4,378		5,713
80,300	11	75,159
2,922		4,712
25,516		28,863
13,365		12,871
5,702		11,144
4,070		2,341
7,296		40,446
30,103		65,175
13,884		11,887
139,017		142,177
12,352		9,032
2,020		935
-		45,000
-		5,600
-		9,287
52,834		58,553
-		673
-		137
-		1,558
-		9,539
12,594		8,412
29,176		47,534
-		1,783
-		12,668
-		18,227
5,824		10,453
829,375		779,118
-		2,871
(41,738)		4,613
(8,903)		1,544
5,098		5,014
10,679		22,258
38,868		27,205

6 Financial Statements

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

DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2001

2000\$	Note	2001\$
OPERATING EXPENDITURE (CONT'D)		
51,789		101,655
10,247		8,098
60,399		70,500
1,001		-
2,666		-
41,944		23,252
28,652		26,877
2,008		2,131
434		382
-		1,160
546		-
1,566,910		1,760,002
1,855,269		2,039,208
OPERATING SURPLUS/(DEFICIT) BEFORE EXTRAORDINARY REVENUE ITEMS		
110,437		(5,780)
-	18	50,500
OPERATING SURPLUS/(DEFICIT) BEFORE EXTRAORDINARY EXPENSE ITEMS		
110,437		44,720
(123,259)		-
OPERATING SURPLUS/(DEFICIT) AFTER EXTRAORDINARY ITEMS		
(12,822)		44,720

7. APPENDICES

Appendix 1: Members of the Qualifications Assessment and Advisory Committee: 2000 - 2001

Mr Adolfo Gentile (Chair of Committee)

President of the International Federation of Translators; former T & I educator at the professional level, practitioner as an Advanced Translator, former NAATI examiner.

Dr Emy Watt

Conference Interpreter, AIIC Member, T & I educator, knowledge of T & I courses at international locations; NAATI examiner.

Dr Judy Wakabayashi

Advanced Translator, T & I educator at University of Queensland (Conference interpreting and Advanced Translation in Japanese/English); NAATI examiner.

Ms Anna Grassi

T & I Educator (curriculum); representative for paraprofessional courses in Australia.

Ms Amalia Milman

Practitioner at Advanced Translator and Interpreter levels, T & I educator, experience with service provision, NAATI examiner.

Appendix 2: Members of the Regional Advisory Committees: 2000-2001

ACT: Mr Victor Duranti(to 29/8/00)
Mr P Blackburn (from 1/9/00)
Mr P R Ireland
Ms S Jamison
Ms A Milman (Deputy Chair)
Mr G McKergow (NAATI Manager - ACT)
Mr M Ovington (Chair)
Mr R Pintos-Lopez
Ms K O'Sullivan (from12/2/01)
Dr K Windle
Ms J Xiao (from 15/11/00)

NSW: Mr R Acheson (NAATI Director)
Mr A Aroustian
Ms M Barany
Mr J Blackburn
Mr P Bonser
Mr T Brown
Mr R Chakhachiro (to 20/11/00)
Mr M Doerfler
Mr P Djite (from 12/02/01)
Ms A Grassi (Chair)
Ms N Jozic (from 12/02/01)
Ms B Hermann (NAATI Manager NSW to 14/2/01)
Ms Rosy Lazzari
Ms D Williams
Ms Thida Yang

NT: Ms H Blundell (1/9/00 to 22/12/00)
Dr P Chakravarti
Mr R Coates (from 1/9/00)
Ms M Fletcher (from 1/9/00)
Ms J Fuchs (NAATI Manager – NT from 14/03/01)

7 Appendices

Ms C Goldie (from 1/9/00)
Ms N Hassan (from 1/9/00)
Mr A McGregor (from 1/9/00)
Ms D Mitchell
Ms B Mulder (NAATI Manager – NT to 28/02/01)
Ms A Quinn (Deputy Chair)
Ms K Sprigg (from 1/9/00)
Ms A Wait (Chair)

QLD: Dr M Brandle
Mr Jim Duncan (NAATI Manager QLD)
Ms B Houston
Ms S Jordan
Mr S Karas - (NAATI Deputy Chairman)
Mr P O'Brien
Ms M Spring (Chair)
Ms I Szymanska
Ms M R Tse
Mr A von Stein

SA: Ms C Appelkamp (NAATI Manager - SA)
Mr M Armiento (Chair)
Mr A Berelds
Ms E Briffa
Mr Andrew Gaal
Ms R Gillies (from 15/11/00)
Mr J Hallett
Mr N Marovich
Mr E Neophytou
Dr B Pfitzner - (NAATI Director)
Mrs L Singh (to.1/2/01)
Ms M Slatter (from15/11/00)
Mr J Venditto

TAS: Ms L Andersch
Mr G Duarte

7 Appendices

Ms Kate Harrison (NAATI Manager – TAS from 2/01/01))
Ms E Hodson
Mrs M Nolan (Chair)
Mr Mahendra Pathik
Mr S Robinson (from12/02/01)
Ms D Schurink-Mueller(NAATI Manager –TAS to 14/12/00)
Det. C Waterhouse

VIC: Ms S Akcelik
Mr I Akinci
Mr J Chen
Mr A Florez
Mr A Gentile - (NAATI Chairman)
Mr K Hermes
Ms T Housden (Chair to 2/1/01)
Ms M Maggio De Leo
Mr U Ozolins
Ms S Pavlovska (Chair from 12/2/01)
Mr S Romaniw (NAATI Director)
Ms C Toffoli-Zupan (NAATI Manager -VIC)
Ms K Wisniewska
Mr M Zafirooulos

WA: Mrs D Dixon (Chair)
Mr Gerard Daniells
Dr L Elicegui
Ms M Phillip Hunte (to 26/7/00)
Ms A Jeavons
Mr G Kent (NAATI Manager – WA from19/10/00)
Mrs P Cantor Lopez
Mr Charles Luckman
Ms Marian Palandri (NAATI Manager – WA from 15/4/01)
Mr R Skesteris
Ms K Sprigg (from 1/9/00)
Ms B Sorensen (NAATI Manager - WA to 19/10/00)

Appendix 3: Participants in NAATI Review of Test Formats and Methodologies

Mr Adolfo Gentile NAATI Chairman, President International Federation of Translators, NAATI Accredited Advanced Translator

Mr Robert Adam President Aust. Assoc. of the Deaf, Examiner

Mr Victor Baskir Manager, TIS Eastern

Mr January Blackburn Assistant Manager, On Site T & I, TIS Eastern

Dr Harry Blackmore Educator, Auslan Interpreter, Examiner

Mr Peter Bonser Auslan Interpreter, Examiner

Mr Skender Bregu Interpreter, President AUSIT

Ms Marianne Bridge Auslan Interpreter, Educator, Researcher, Examiner

Ms Jo Caffery Educator – Course coordinator (BIITE)

Dr Stuart Campbell Educator (USW), Researcher, Examiner

Dr Raymond Chakhachiro Educator (SI T), Interpreter, Examiner

Dr Prith Chakravarti Educator (formerly at BIITE), Interpreter, Examiner

Mr Jianming Chen Educator (RMIT)

Ms Terry Chesher Translator, Educator, Service Provider

Ms Mary Coley Educator (BIITE), Interpreter and Translator

Dr Michael Cooke Educator (formerly BIITE), Researcher, Interpreter, Translator

Ms Dagmar Dixon Educator (CMC-Perth), Interpreter & Translator, Examiner

Ms Mandy Dolejsi Auslan Interpreter, Educator, Examiner

Ms Radmila Domonkos Service Provider (NSW CRC) Translator, Paraprofessional Interpreter

Dr Songsri Foran Interpreter, Translator, Examiner

Ms Anna Grassi Educator (SIT), QAAC Member

Dr Matthew Gredley Translator, Interpreter, Examiner

Dr Sandra Hale Educator (UWS), Interpreter/Translator, Researcher, Examiner

Mr John Hallett Auslan Interpreter, Examiner

Mr Klaus Hermes Advanced Translator, former Educator and Examiner

Ms Susanna Hovell Conference Interpreter, AIIC member, Advanced Translator

Mr Andrew Jantke Educator (formerly BIITE)

Ms Claudia Koch Interpreter, Advanced Translator, Examiner

Mr J.C. Lloyd-Southwell Conference Interpreter, AIIC Member, Educator

Dr Maree Madden Auslan Interpreter, Educator, Researcher, Examiner

Ms Joyce Measures Educator (IAD)

Ms Barbara McGilvray Advanced Translator, Educator, Examiner

Ms Amalia Milman Advanced Translator, Interpreter, QAAC Member, Examiner

Mr Bill Milroy W.A. Justice Ministry

Ms Lorraine Norton Service Provider – Manager. HCIS – NSW, Interpreter

Mr Ari Pappas Service Provider – Manager, CHIS – Victoria, Interpreter

Mr Chris Poole Interpreter, Translator, freelance practitioner

Dr Hosain Riaz Interpreter, Translator, Examiner

Ms Colleen Rosas Service Provider - Manager, Aboriginal Interpreter Service, Darwin

Ms Magdalena Rowan Educator (AIT), Interpreter, Translator, Examiner

Ms Yuki Sayeg Conference Interpreter, AIIC member, Educator (U. Qld), Examiner

Ms Helen Slatyer Educator (Macq.U), Researcher – test design, Translator

Ms Merie Spring Auslan Interpreter, Examiner, AUSIT Branch President Qld

Ms Katarina Steiner Translator, Interpreter, Examiner Ms Christobel Swan Educator (IAD), Interpreter

Ms Lena Taylor Educator (IAD), Interpreter

Mr Barry Turner Educator (RMIT), Interpreter, Translator, Examiner

Dr Judy Wakabayashi Educator (U. Qld), Researcher, Advanced Translator, Examiner, QAAC Member

Dr Emy Watt Conference Interpreter Senior, AIIC member, Educator, Examiner, QAAC Member.

Ms Lorna Wilson Educator, Interpreter

7 Appendices

Appendix 4: **NAATI** **Administrative Staff at 30 June** **2001**

Canberra Office

Ms Sherrill Bell	
<i>Executive Director</i>	<i>FT</i>
Ms Linda Atkinson	
<i>Business Manager</i>	<i>FT</i>
Mr Jan van den Broek	
<i>Administration Manager</i>	<i>FT</i>
Mr Patrick Browne	
<i>Manager, Client Services</i>	<i>FT</i>
Ms Pilar Christis	
<i>Client Services Officer</i>	<i>FT</i>
Ms Celia Kochevatkin	
<i>Client Services Officer</i>	<i>FT</i>
Ms Marinka Dellar	
<i>Client Services Officer</i>	<i>FT</i>
Ms Melini Cluff	
<i>Administration Services Officer</i>	<i>FT</i>
Ms Lynne Goodyer	
<i>Publications Officer</i>	<i>FT</i>
Ms Santa Jugovac	
<i>Administration Services Officer</i>	<i>PT</i>
Ms Janet Lane	
<i>Client Services Officer</i>	<i>PT</i>
Ms Marita Anderson	
<i>Administration Services Officer</i>	<i>Casual</i>
Ms Anne Macfarlane	
<i>Client Services Officer</i>	<i>Casual</i>

Australian Capital Territory

Mr Geoff McKergow	
<i>Manager</i>	<i>PT</i>

New South Wales Office

Barbara Hermann	
<i>Manager until 23-2-2001</i>	<i>FT</i>
Ms Dea Perini	
<i>Testing Officer</i>	<i>FT</i>
Ms Maria Coloma	
<i>Administration Services Officer</i>	<i>FT</i>
Ms Jane Davis	
<i>Administration Services Officer</i>	<i>PT</i>
Mr Brendan Finnane	
<i>Administration Assistant</i>	<i>Casual</i>
Ms Giselle Benitez	
<i>Administration Assistant</i>	<i>Casual</i>
Ms Rowena Ward	
<i>Administration Assistant</i>	<i>Casual</i>

Northern Territory

Ms Jackie Fuchs	
<i>Manager</i>	<i>PT</i>

Queensland

Mr Jim Duncan	
<i>Manager</i>	<i>PT</i>
Ms Birgit King-Martin	
<i>Administration Services Officer</i>	<i>Casual</i>

South Australia

Ms Cheryl Appelkamp	
<i>Manager</i>	<i>PT</i>
Ms Daniela Kautsky	
<i>Administration Assistant</i>	<i>PT</i>

7 Appendices

Tasmania

Ms Kate Harrison	
<i>Manager</i>	<i>PT</i>

Victoria

Ms Cynthia Toffoli-Zupan	
<i>Manager</i>	<i>FT</i>
Ms Marie Scharley	
<i>Administration Services Officer</i>	<i>PT</i>
Ms Lorraine David	
<i>Administration Services Officer</i>	<i>Casual</i>
Ms Cristina Caluzzi	
<i>Administration Services Officer</i>	<i>Casual</i>

Western Australia

Ms Marian Palandri	
<i>Manager</i>	<i>PT</i>
Mr Stewart Cole	
<i>Administration Assistant</i>	<i>Casual</i>

8 Glossary of Abbreviations

8. Glossary of Abbreviations:

AIT	Adelaide Institute of TAFE
AIIC	International Association of Conference Interpreters
AUSIT	Australian Institute of Interpreters and Translators Inc
Auslan	Australian Sign Language
BIITE	Batchelor Institute of Indigenous Tertiary Studies
CHIS	Central Health Interpreter Service (Vic)
CMC	Central Metropolitan College of TAFE – Perth
HCIS	Health Care Interpreter Service (NSW)
IAD	Institute of Aboriginal Development
MacqU	Macquarie University
NSW CRC	NSW Community Relations Commission
QAAC	Qualifications Assessment and Advisory Committee (NAATI)
RMIT	Royal Melbourne Institute of Technology
SIT	Sydney Institute of Technology
TIS	Translating and Interpreting Service (Commonwealth)
UQld	University of Queensland
UWS	University of Western Sydney
FT	Full Time
PT	Part Time





National Accreditation Authority for Translators and Interpreters Ltd
(NAATI)

ABN 42 008 596 996
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