

27th
Annual Report
2005-2006



National
Accreditation
Authority for
Translators and
Interpreters Ltd



NAATI

27th Annual Report
2005 - 2006

Transmission letter

The Hon. Andrew Robb AO MP
Parliamentary Secretary to
Minister for Immigration and Multicultural Affairs
PO Box 6022
Parliament House
Canberra ACT 2600

Dear Mr Robb

Re: NAATI Annual Report 2005-2006

I take pleasure in submitting the twenty-seventh Annual Report of the National Accreditation Authority for Translators and Interpreters Limited for the year ended 30 June 2006.

The report reflects the company's operations during the year according to its operational plans and the Funding Agreement with the Commonwealth, State and Territory Governments. It also includes the independently audited financial statements and various tables.

As we move into our 30th anniversary year of celebrations, NAATI remains grateful to all the chairs, directors, staff and supporters who have contributed to the smooth running of NAATI over the decades. We are also grateful to the Members and Members' Representatives who have provided financial support and offered valuable guidance to the company



Susan Bures
Chair, NAATI Ltd
December 2006

National Accreditation Authority for Translators and Interpreters Ltd
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27th Annual Report

Produced by NAATI Canberra
Designed by Lynne Goodyer

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YEAR IN REVIEW

by the Chairperson of NAATI



Susan Bures
Chairperson

1.1 Overview

The financial year 2005-2006 was one of high growth and productivity for NAATI. The level and range of services were substantially extended through growth in the number of new candidates, the number of tests, the number of workshops, the number of accreditations, the number of approved courses and the overall revenue. The growth is demonstrated by the following table:

NAATI Growth of Services: 2004-2005 to 2005-2006

Indicator	2004-2005	2005-2006
Total Candidate Numbers	56,026	59,825
Number of New Candidates	3,364	3,799
Number of Annual Program Tests	1,709	1,663
Number of Special On Demand Tests	1,650	2,149
Number of Overseas Tests	404	309
TOTAL TESTS	3,763	4,121
Number of Test Preparation Workshops	126	151
Number of Examiner Workshops	13	16
Number of New Accreditations	1,436	1,943
Number of Course Accreditations	380	737
Number of Full Time Staff Equivalents	24	26
Total Revenue	\$3,206,915	\$3,703,422
Total Expenditure	\$2,970,412	\$3,396,734
Surplus	\$236,503	\$306,688

In addition to the growth in the on-going activities of NAATI, The Review of Administrative Processes Related to Testing, Including Quality Assurance Processes (i.e. the Cook Review), the Test Format Review and the Rater Reliability Study- Phase 1 (i.e. the Slatyer Study) were all completed. The Rural and Regional (R & R) and Metropolitan Emerging Languages Projects (MELP), in conjunction with DIMA and

other organisations were extended resulting in more Accredited and Recognised interpreters, not only in some established languages in selected rural and regional locations, but also among the newly emerging languages of demand in metropolitan centres. NAATI also delivered a training and testing program for Locally Engaged Employees in two locations for four Australian consular posts in China.

In 2006, NAATI delivered at least two "firsts" in the T & I industry, namely the Rater Reliability Study – this being the first study of its kind in the world and secondly the development of the first online basic course Introduction to Interpreting in Australia.

In total, NAATI delivered 4,121 T & I tests in 2005-2006, an increase of 358 over the delivery in the previous year. The demand for Special On Demand tests recovered to the levels experienced in the period preceding 2004-5. The demand for Annual Program tests maintained the level experienced over the past five years (between 1600 and 1700). Overseas tests decreased by 23% during this financial year to 309.

The financial outcomes for the year were good with a surplus \$306,688. This is \$70,185 higher than in the previous financial year.

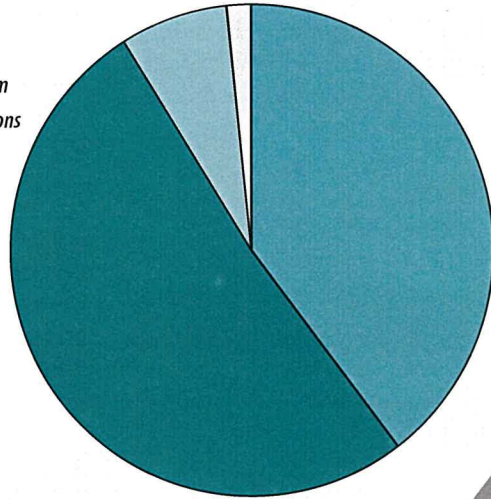
1.2 Highlights of NAATI Activities: 2005-2006

During the year, NAATI achieved the following in terms of service delivery:

Test/Accreditation Activities

Delivery of:

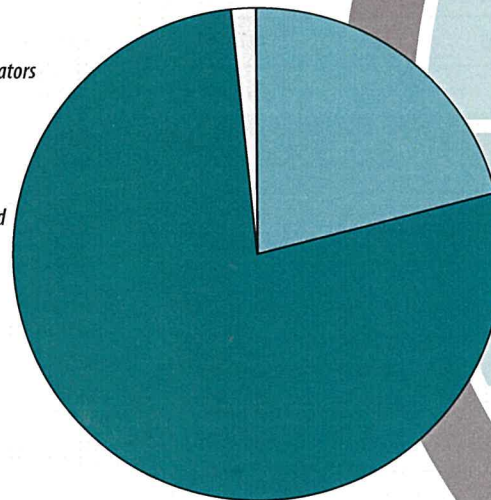
- 2149 Special On-Demand
- 1663 Annual Testing Program
- 309 Tests at Overseas Locations
- 69 Language Aide Tests



- Assessment of 325 overseas qualifications leading to 288 accreditations.
- Assessment of course graduate applications leading to 737 accreditations

The awarding of 1,943 accreditations as follows:

- 408 paraprofessional Translators and Interpreters
- 1504 Translators and Interpreters
- 31 Advanced Translators and Conference Interpreters



- Delivery of tests in eight regional centres in Australia
- Development of the Terms of Reference for the Linguistic Standards in English and Language other than English (LOTE) Review.

Test Preparation Activities

- Delivery of 151 workshops to assist candidates to prepare for accreditation testing
- Completion and release of the new Paraprofessional Sample tests
- Development of Stage 2 of an Online Test/Recognition Preparatory Workshop to final trial and ready for launch
- Production of the newly revised Manual for Workshop Facilitators and Participants and the Power Point presentation materials
- Completion of the Review of the NAATI "review and appeals" procedures ready for implementation from 1 July 2006

Examiner Activities

- Preparation and trialling of independent marking procedures for Translator tests
- Implementation of the Updated Examiners Manual
- Maintenance of the Examiners Quarterly Newsletter to facilitate communications and promote consistency
- Delivery of 10 examiner training workshops and 6 familiarisation training programs for newly appointed examiners in 6 capital cities of Australia

- Annual review of panel composition and performances followed by Board appointments
- Review and amendment of examiner terms and conditions of appointment including requirements to declare conflicts of interest, to adhere to an Examiner Code of Ethic and to attend a minimum of one examiner workshop per year.

Activities Associated with NAATI-Approved Courses

- Approval of 1 new tertiary course; re-approval of 7 courses and extension of approval for 1 course in T & I at Australian institutions
- Participation in the Steering Committee for the development of T & I competency units for courses within the VET sector
- Working with newly approved courses to ensure exit standards of graduates meet the NAATI requirements.

Research and Development

- Completion of the Test Format Review resulting in the maintenance of the current format for the Translator test but with changes to the Interpreter Test. This completes the first two stages of the test validation process (Test Content and Test Construct)
- Completion of the external Review of Administrative Processes Related to Testing, Including Quality

- Control Processes (the Cook Report)
- Completion of Phase 1 of the external Rater Reliability Study as part of the third part of the test validation project.
- Completion and release of the Second Discussion Paper proposing the introduction of a system for the periodic revalidation of accreditation
- Implementation and analysis of a survey of practitioner work practice

Business/Corporate Activities

- Enhancements to the IT System for Accreditation Management (SAM) to give greater functionality to meet growing business needs
- Implementation of new networking systems for the Sydney and Melbourne offices
- Delivery of a national training program for all NAATI state and territory managers together with Central Office managers
- Production of all corporate reports and their submission to the relevant authorities
- Development of the Terms of Reference for a Marketing Consultancy.

Industry/Community Activities

- Delivery of 51 workshops to enhance community and employer understanding of the NAATI accreditation system

- Production of the annual edition of the National Directory of Accredited and Recognised Practitioners of Translation and Interpreting, made freely available on the NAATI web site and by purchase in CD Rom format.
- Implementation of training and testing in rural and regional areas and for emerging languages
- Further development of information made available on the NAATI web site.

ABOUT NAATI

2.1 Establishment and Status of the Company

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

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

2.2 The NAATI Mission

Under its Constitution, NAATI's mission is to set and maintain high national standards in Translating and Interpreting to enable the existence of a pool of accredited translators and interpreters responsive to the changing needs and demography of the Australian culturally and linguistically diverse society.

2.3 NAATI's Broad Objectives

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

- To set and maintain high national standards in translating and interpreting
- To maintain and enhance a nationally recognised accreditation system that is responsive to the

changing needs of the Australian community and accreditation applicants

- To raise community awareness of the value and appropriate use of accredited Translators and Interpreters
- To establish accreditation processes that are accountable and externally validated through suitably recognised and independent institutions
- To provide opportunities for accredited Translators and Interpreters to re-validate/upgrade their accreditation level
- To provide advisory and consultancy services in relation to Translating and Interpreting.

2.4 NAATI Members and Their Representatives

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

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

Members/Members' Representatives of NAATI between 1 July 2005 and 30 June 2006 include:

Mr P Vardos, PSM	(Commonwealth)
Mr S Kerkyasharian, AM	(NSW)
Ms B Mountjouris	(VIC)
Mr S Maguire	(QLD)
Dr L de Mel	(WA)
Mr S Forrest	(SA)
Ms L Andersch	(TAS)
Mr J Laouris	(NT)
Mr Nic Manikis	(ACT)

2.5 NAATI Board of Directors

There are five NAATI Directors who are appointed by the Commonwealth Minister of Immigration and Multicultural Affairs on a resolution of the NAATI Members. For the 2005-2006 financial year, the following served on the Board:

Mr David Wheen Chair
(to 31 August 2005)
Ms Susan Bures AM Chair
(from 1 Sept. 2005)
Ms Vicki Mitsos Deputy Chair
Dr Max Brandle OAM Director
Mr John Kiosoglous MBE KSA AE SM Director
Mr Abeselom Nega Director (from 1 Sept. 2005)

Directors Profiles

NAATI Directors have a depth of expertise in a variety of fields as is demonstrated by the following profiles:

Mr David Wheen (Chair, 01/07/05 to 30/08/05)

Mr David Wheen has been a senior manager in the Australian Public Service and in community sector organisations. He is currently working as a management consultant. He has been associated with NAATI over many years in his former capacity as an officer of the then Department of Immigration and Multicultural Affairs.

Ms Susan Bures AM (Chair, from 01/09/05)

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

and was a contributor to The Making of a Multicultural Australia, which recorded Australian public policy on multiculturalism.

Ms Vicki Mitsos (Deputy Chair)

Vicki Mitsos is currently the manager of the Multicultural Education Centre at Goulburn Ovens Institute of TAFE. In this role she has initiated many worthwhile projects for which she is recognised. Many are now being replicated in other areas of Victoria. Vicki was appointed by Minister Lynn Kosky to the Adult Community and Further Education (ACFE) Board, as the first regional Victorian member.

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

Dr Max Brandle OAM (Director)

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

Dr Brandle retired from the University of Queensland as Associate Professor from his joint positions of Director, IML and Deputy Director of the CLTR. He currently holds the position of Adjunct A/Professor, CALL, Griffith University, board membership in two international chambers of commerce, Member on the Council for the Swiss Abroad, and active membership in the Ethnic Communities

Council of Queensland. In October 2006 he was appointed as Multicultural Coordinator for the Rotary Club of the Brisbane District. He has recently been awarded the Centenary Medal for contributions to multiculturalism in Queensland.

Mr John Kiosoglous MBE KSA AE SM

Mr Kiosoglous is the former Chairman of the South Australian Multicultural & Ethnic Affairs Commission and formerly a Senior Member of the Commonwealth Administrative Appeals Tribunal. His association with NAATI extends over 14 years, during which period he has served on several Boards as a Director and as Chairman during the period 1992-95. Mr Kiosoglous, a recipient of several honorary awards and medals, has extensive experience in the multicultural area having served as the Deputy Chairman of the South Australian Multicultural and Ethnic Affairs Commission, Chairman of the Ethnic Schools Board of South Australia, member of the Executive Board of the University Adelaide, Executive Member of the Greek Orthodox Archdiocese and Church of Australia, Honorary Chairman of the Council of the Greek Orthodox Communities and Parishes of South Australia, Deputy-Chairman of St Basils Greek Orthodox Homes for the Aged and Chairman of the Australian Hellenic Museum (SA).

Mr Abeselom Nega

Mr Nega was the General Manager, AMES Employment with the Adult Multicultural Education Services (AMES) in Melbourne until the end of the financial year and has served as Board member and National Convener of the National Employment Services Association's Non-English Speaking Background Special Interest Group.

He is the Chairperson of the Federation of African Communities Council, a member of the Australian Partnership of Ethnic and Religious Organisations and the Federation of Ethnic Communities Council of Australia's Policy Committee. He is currently serving as a member of the Centrelink National Multicultural Services Advisory Committee.

Mr Nega is an Associate Fellow of the Australian Institute of Management, a Chartered Member of the Australian Human Resources Institute.

In recent years, Mr Nega has served as a member or chairperson of various Boards and National Bodies. Currently Mr. Nega is working on various projects for the public and Not for Profit Sectors focusing on various social support services.

Chief Executive Officer

Ms Sherrill Bell serves NAATI Ltd in the capacity as the Chief Executive Officer and the Company Secretary. She came to NAATI after an academic career at the University of Canberra including experience in teaching, research and tertiary administration. She is responsible for the management of NAATI and providing research and advice for the Board's consideration. She has been a member of several advisory committees both at NAATI and at tertiary institutions and has represented NAATI at numerous national and international T & I events.

2.6 NAATI Committees

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

2.6.1 The Qualifications Assessment and Advisory Committee (QAAC)

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

- The approval of tertiary courses in interpreting and translation. Graduates of NAATI approved courses are normally eligible for NAATI accreditation.
- The development and revision of the Guidelines for the Approval of Courses
- The assessment of overseas qualifications emanating from institutions not previously assessed
- The assessment of qualifications for accreditation at the Advanced (Senior) levels on the basis of experience

- The development of eligibility criteria for accreditation at the various levels
- The consideration of serious appeal cases
- The development of policies relating to accreditation and testing
- The participation in reviews relating to accreditation and testing
- The consideration of general policy issues relating to standards of the profession.
- The Committee makes recommendations on the above issues for consideration by the Board of Directors.

- The work of the QAAC during 2005-2006 is provided at 6.2.

The Members of QAAC are listed at 9.1.

2.6.2 The Regional Advisory Committees (RAC)

The Regional Advisory Committees are NAATI's state and territory based committees which advise NAATI on local issues of interpreting and translation which may assist in the development of national policies. The Regional Advisory Committees have five key roles:

- to advise the NAATI Board on matters including:
 - T & I standards issues in the relevant state or territory;
 - The specific T & I needs of the state and territory and any particular regional variations;
 - T & I professional issues in the relevant state or territory; and
 - Other issues identified by the NAATI Board.
- to advise the NAATI Board, as requested, about proposed developments or policy changes being considered by the Board;
- to assist NAATI in the promotion of general community awareness of the NAATI

accreditation system and the value and appropriate use of accredited practitioners;

- to facilitate the exchange of information among the State or Territory networks of practising professionals, T & I educators, and providers of language services about developments in the T & I industry;

- to assist the NAATI Board in its periodic consultations with industry stakeholders.

The performances of these Committees are outlined in 6.3 of this report. The members of these Committees are listed in 9.2 of this report.

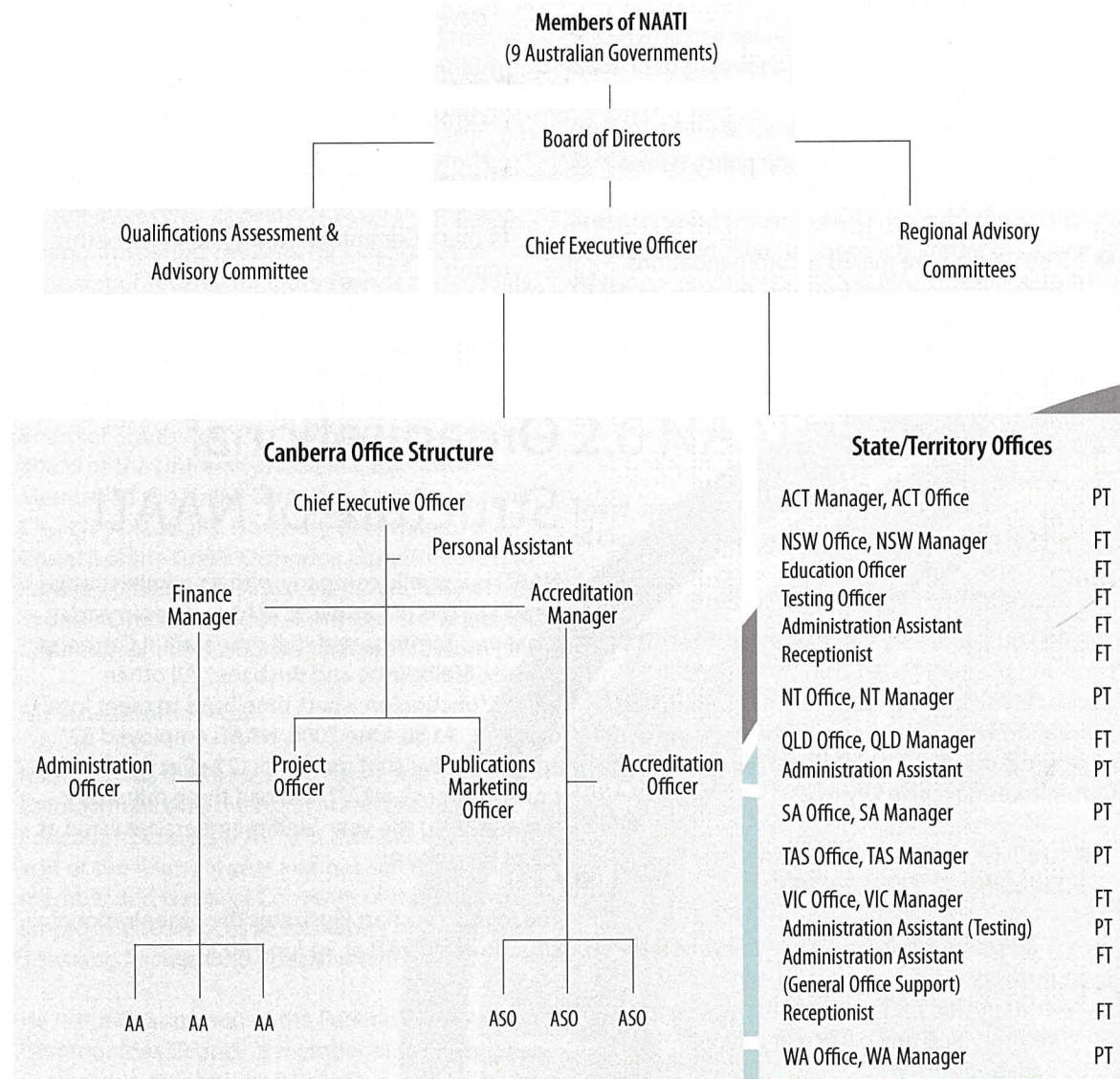
2.7 The Organisational Structure of NAATI

NAATI is a public company with its administrative headquarters in Canberra. It has offices in each State and Territory, with full time staff in Canberra, Sydney, Melbourne and Brisbane. All other offices function on a part time basis to meet local demand. At 30 June 2006, NAATI employed 32 administrative staff members (27 effective full time positions). NAATI also had three maternity leaves during the year. Staff members are listed at 9.3 of this report.

The following chart illustrates the organisational structure of NAATI at 30 June 2006.

NAATI ORGANISATIONAL STRUCTURE

The following chart illustrates the organisational structure of NAATI.



KEY

AA = Administration Assistant

ASO = Accreditation Services Officer

PERFORMANCE REPORT

The performance report for 2005-2006 will be set against the objectives and outputs of the constitution. Very detailed performance outcomes have been reported to NAATI's funding jurisdictions against specific items of the objectives and outputs which are included as deliverables in the Funding Agreement Report.

3.1 Set and maintain high national standards in translating and interpreting

NAATI has developed and published a set of standards relating to various levels of NAATI accreditation for translators and interpreters. The standards include the meaning of the standard and the tasks that practitioners accredited at each level may be expected to deliver in the workplace. These standards are published in the Candidates Manual, the Concise Guide for Working with Translators and Interpreters in Australia, in the Examiners Manual and in the Manual for Course Approval. The published set of standards is also freely available on the NAATI web site. They are shown at 9.4 of this report.

The standards of accreditation by testing demand that candidates can demonstrate a performance in interpreting and translation which accurately conveys a message from one language into or from English. On NAATI tests, candidates must achieve 70/100 for the paraprofessional and professional level tests and 80/100 for the Advanced Translator and Conference Interpreter tests. The need for accurate message transfer using good quality language demands that the standards are set at least at this level.

Review mechanisms are in place to ensure that standards are maintained. These include the use of two examiners for every test, the monitoring of examiner marking, the monitoring of final exams for NAATI approved courses, the opportunity for candidates to have their tests reviewed and periodic review of the test policies and procedures to ensure that they remain relevant to workplace requirements. In the current financial year, the new Test Formats for the professional level tests (Translator and Interpreter) were trialled among volunteer candidates with the results and feedback leading to the decision that the current Translator format should be retained, but that the Interpreter format should be amended to introduce sight translation and to break the consecutive passages into two segments rather than the current single segment. A new format for the Auslan Interpreter test has been completed and

remains to be trialled. The new test formats have been designed to ensure the tests more accurately reflect current work practice.

The T & I standards are enhanced through NAATI's links with professional associations such as the Australian Institute for Interpreters and Translators (AUSIT) and the Australian Sign Language Interpreters Association (ASLIA) whose Ordinary Memberships include the criteria of NAATI accreditation. NAATI also has worked with these associations to sponsor conferences and events to promote the use of accredited practitioners who can perform at a high standard.

As part of NAATI's commitment to ensure that accredited practitioners can perform at high standards, NAATI also offers periodic workshops in relation to Ethics of the Profession and Continuing Professional Development. Ethics of the profession is a compulsory component of the NAATI accreditation tests. Candidates must achieve a pass in this component of the test before accreditation is awarded.

3.2 Maintain and enhance a nationally recognised accreditation system that is responsive to the changing needs of the Australian community and accreditation applicants

In meeting this objective, NAATI sets an Annual Testing program each year which is developed in consideration of the needs of major service providers and in relation to candidate demands. In addition, because of the need to provide opportunities for testing throughout the year for those with urgent needs, NAATI offers Special On Demand tests and tests at overseas locations. NAATI accreditation tests are also used as a means of assessing occupational skills for intending migrants to Australia who claim interpreting or translation as their occupation. In addition, NAATI approves courses in T & I at tertiary institutions and assesses qualifications in T & I gained at overseas tertiary institutions.

In these three areas, the following achievements have been reached in 2005-2006:

3.2.1 Testing

Over the course of the past four years adjustments have had to be made in the target numbers of tests. The adjustments have been in line with the changing nature of the demand and these have been incorporated into the Funding Agreement with Governments. Over the past six years there has been a significant shift in demand from Annual Program tests to Special On Demand tests. In 2004-2005, there was a significant decline in the demand for Special On Demand tests, which appeared to be related to a change in the immigration policy related to on-shore students. The demand for such tests showed recovery in 2005 – 2006. The changes in demand are reflected in the table below:

Table 1: Changing Demand for NAATI Tests

Year	*Annual Program Tests		*Special On Demand Tests		Overseas Tests		Total Tests
	Tests	% of total	Tests	% of total	Tests	% of total	
2000-2001	1733	66.2	678	25.8	211	8.0	2622
2001-2002	1691	47.7	1607	45.4	244	6.9	3542
2002-2003	1854	43.9	1912	45.4	450	10.7	4216
2003-2004	1674	37.8	2206	51.1	409	9.5	4289
2004-2005	1709	44.4	1736	45.1	404	10.5	3849
2005-2006	1663	39.7	2218	52.9	309	7.4	4190

(*includes Language Aide Tests)

For 2005-2006, the target and actual number of tests are shown in the table below:

Table 2: Test Numbers: Targets vs Actuals

Type of Tests	Target for Delivery	Number Delivered	% Target
Annual Program T & I tests	1600	1663	106.6%
Special On Demand Tests	2000	2149	107.5%
Overseas Tests	400	309	77.3%
Language Aide Tests	85	69	81.2%
Total	4,085	4190	102.6%

The total number of tests delivered within Australia during 2005-2006 was 8.9% more than in the previous year (4190 vs 3849) brought about by the recovery of demand for Special On Demand tests and the maintenance of the level of demand for Annual Program tests. The demand for tests at overseas locations was maintained but that for Language Aide tests lessened during the year.

In the delivery of tests, NAATI offered 40 languages at three levels of accreditation in the annual program and 53 languages through Special On Demand testing. In addition four tests were delivered in two Indigenous languages. Testing in Australia was delivered in the eight metropolitan centres and eight regional centres including Albury, Coffs Harbour, Newcastle, Cairns, Townsville, Rockhampton, Toowoomba and Shepparton.

The demand for tests has also been reflected in the number of new candidates received by NAATI during the period under review. The current year has experienced an increase in the number of new candidates from 3364 in 2004-2005 to 3799 in 2005-2006. The majority of these have been test candidates.

Policy Changes:

Following receipt of the Cook Report in September 2005, it was decided that the first task for implementation would be the introduction of Independent Marking. Instead of Translation Test papers being sent to two examiners consecutively with the second marker having access to the first marker's annotations and scores, the test papers would be copied with the original remaining in the NAATI office and each of the two copies being sent simultaneously to the two examiners. This procedure was trialled in the latter half of the financial year with a view to full implementation by the November 2006 Translation exams.

There has also been a change in the procedures for a Review of test marks. From a system whereby only those candidates with marginal scores (65 or more with a fail result) were eligible for reviews, it was decided to open the review system up to allow any one to seek a re-mark or a report on their performance. From 1 July 2006, the new policy was introduced. Candidates will have options of seeking a remark only, a report only or both a re-mark and a report.

3.2.2 Course Approvals

NAATI approves Translation & Interpreting 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 2005 - 2006, NAATI granted one new approval, 7 re-approvals and one extension of approval to 9 translation and/or interpreting courses in Australia. Seventeen other courses had continuing approval from previous years. It also granted approval for additional languages for five courses (see Table 4). The total number of approved courses in Australia is twenty-six, at fourteen institutions. The courses fall into the following categories:

Table 3: Types and Numbers of NAATI-Approved Courses 2005-2006

Type of Course	NAATI Accreditation Level	Number of Institutions Offering course
Diploma of Interpreting	Paraprofessional Interpreter	9
Advanced Diploma of Interpreting and Translation	Translator and Interpreter	1
Advanced Diploma of Interpreting	Interpreter	5
Advanced Diploma of Translation	Translator	4
B.A. in T & I	Translator and Interpreter	1
Post Graduate Diploma in T & I	Translator and Interpreter	3
M.A. in T & I	Translator and Interpreter	2
M.A in Japanese Translation and Interpreter	Adv. Translator, Conf. Interp.	1

During the year, the following courses were approved:

Table 4: Course Approvals and Re-Approvals 1 July 2005 – 30 June 2006

New Course Approvals	
Advanced Diploma in Translation	
Australian Institute of Translating and Interpreting	01/01/06 to 31/12/06
Course Re-Approvals	
Advanced Diploma of Interpreting	
Sydney Institute of TAFE (Petersham)	01/01/06 to 31/12/07
Sydney Institute of TAFE (Granville)	01/01/06 to 31/12/07
B.A. in T & I	
University of Western Sydney	01/01/06 to 31/12/08

Post Graduate Diploma in T & I	
University of Western Sydney	01/01/06 to 31/12/08
Macquarie University (for Auslan)	01/01/06 to 31/12/08
University of Queensland	01/01/06 to 31/12/08
M.A. in T & I	
Macquarie University	01/01/06 to 31/12/08
Course Extensions of Approval	
Advanced Diploma of Translating	
WA TAFE (Central Campus)	01/01/06 to 31/12/07
Additional Languages	
B.A. and PG Diploma in T & I	
University of Western Sydney	01/01/06 to 31/12/08
Advanced Diploma of Interpreting	
Sydney Institute of TAFE (Granville)	01/07/06 to 31/12/07
Diploma of Interpreting	
Sydney Institute of TAFE (Granville)	01/07/06 to 31/12/06
WA TAFE (Central Campus)	01/01/06 to 31/12/06
RMIT	01/01/06 to 31/12/06

3.2.3 Assessment of Overseas Qualifications

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

The demand for NAATI accreditation on the basis of overseas assessment increased in 2005-2006 from 264 applications in the previous year to 325 in the current year. Of these applications 285 were successful resulting in 288 accreditations, an increase of 71 over the previous year.

Applications for this method of accreditation are submitted by three groups of individuals: Australian citizens and permanent residents who trained overseas and wish to work as translators and interpreters in Australia; professional practitioners residing overseas who seek a formal Australian qualification in interpreting and translation and individuals seeking accreditation for the purpose of identifying a skilled occupation in relation to their applications for migration to Australia. The last mentioned group represented the strongest demand during the year.

3.2.4 Accreditations

In 2005-2006, NAATI awarded 1943 accreditations compared with 1436 in the previous year. The increase is directly attributed to an increase in the number of accreditations resulting from the

completion of NAATI approved courses, and in particular to the development of courses by new commercial Registered Training Organisations which are specialising in courses for international students.

Table 5: Accreditations: 1 July 2005 to 30 June 2006

Level of Accreditation	By Testing	By Course Approval	By Overseas Qualifications	Total Accreditations
Paraprofessional Translation	7	0	0	7
Paraprofessional Interpreting	176	225	0	401
Translator into English	216	106	9	331
Translator into LOTE	455	284	248	987
Interpreter	64	122	0	186
Advance Translator	0	0	11	11
Conference Interpreter	0	0	14	14
Advanced Translator Senior	0	0	2	2
Conference Interpreter Senior	0	0	4	4
TOTAL	918	737	288	1943

The 1,943 accreditations were spread over 58 languages and the four levels of NAATI accreditation. They include 9 accreditations in 3 Indigenous languages.

3.2.5 Supporting Activities

Expanding Range of Languages for Accreditation

As part of meeting the main objective, NAATI has communicated regularly with the NAATI Members' Representatives in the past year and with the government and private service providers to enable it to identify their needs. NAATI also surveyed the service providers to identify the languages of greatest demand and shortest supply so that testing of these languages can be offered within Annual Programs. In addition, the surveys help to identify new and emerging languages for which accreditation testing would be useful.

In May 2004, NAATI through its communications with service providers and DIMIA (now DIMA) representatives, identified four languages for future development, these being Dinka, Oromo, Nuer and Armenian. A fifth language, Swahili, was identified in May 2005. NAATI has been proactive in searching for suitable examiners in these languages, even to the extent of seeking cooperative arrangements with the Institute of Linguists in the UK. This body reported to NAATI that it was unable to assist, due to the same problem, namely the inability to identify suitable examiners. Nevertheless, by 30 June 2006, NAATI had sourced and appointed

three examiners to the Oromo panel and one to each of the Dinka, Nuer and Armenian panels. It is necessary to have a minimum of three examiners for a panel to become functional. Recruitment processes will continue to find additional examiners to these three panels. New recruitment processes will begin for the Swahili panel.

Extending Services into Rural and Regional Areas and for New and Emerging Languages

During the 2005-2006 financial year NAATI implemented a series of programs to deliver short intensive training packages in regional and rural areas and/or for new and emerging languages. These programs were fully subsidised by DIMA or other government organisations. More details about this work are found at 4.2.

Extending Services Overseas

During the year, NAATI provided special training programs followed by accreditation testing for 80 candidates at two overseas locations. This project was delivered in response to a request by DIMA and DFAT for the training of locally engaged employees at Australian embassies and consulates in China. The programs were delivered at Beijing and Guangzhou with candidates coming from Beijing, Taipei, Shanghai, Guangzhou and Hong Kong. The program resulted in 4 Paraprofessional Interpreter and 5 Interpreter and Translator accreditations.

3.3 Raise community awareness of the value and appropriate use of accredited Translators and Interpreters

During 2005-2006, NAATI's state office managers conducted 51 free community-based information workshops to specifically promote awareness of the value and appropriate use of accredited Translators and Interpreters. They also organised and attended a number of liaison meetings with managers and directors of key organisations with interests in T & I as well as attending various special industry events. In total, 51 community information sessions were convened, 102 meetings with individual or organisational stakeholders and two meetings were held with international visitors with an interest in NAATI's accreditation system.

NAATI has also raised community awareness by presenting displays at the Multicultural Festival in Queensland, participating in the Ipswich Multicultural Employment Expo, participating on steering committees for language and settlement services and in Law Week in South Australia. NAATI also had several articles about accreditation and working with interpreters published in external newsletters or journals.

The CEO carried out a similar schedule of liaison work throughout Australia, by means of personal meetings, representation at national events, writing of articles for various journals and newsletters, and presenting papers at public forums or conferences. She also took the awareness building campaign internationally by hosting government officials from four countries during the year (Japan, Korea, Norway and Indonesia). In addition NAATI accepted an invitation to participate on an Advisory Committee for the Ontario Ministry of Justice in Canada as it prepares to introduce an accreditation testing system for court interpreters.

The thrust of the community awareness program extended to service providers and potential clients of these services including the Community Relations Commission in NSW, VITS in Victoria, Centrelink, city councils, hospitals, Refugee Centres, AMES offices, Anglicare, and Migrant Resource Centres. All are encouraged to use practitioners accredited at the professional level as the most preferred option and to only accept those with lower accreditations where necessary. NAATI provides service providers with an annual update of the languages for which accreditation tests are available

and encourages them to have their unaccredited contractors seek accreditation in them.

Another important project related to "awareness raising" was the development of a community information brochure titled Need an Interpreter?. The brochure was produced in conjunction with the NAATI Regional Advisory Committee of Victoria. The brochure is available in 9 leading community languages and explains the role of an interpreter, when one should be engaged and how to book an interpreter. It is targeted to non-English speaking members of the community who may need the services of an interpreter.

2005-2006 was also an important year for raising the awareness of the intention to introduce periodic accreditation with the requirement for revalidation on the basis of continuing work practice and professional development. For this purpose, NAATI convened eight public forums, one in each of the metropolitan cities. In total, some 400 individuals attended the forums.

NAATI continues to publish on CD Rom and on the web site the list of accredited translators and interpreters who are readily available for work. This is provided in the National Directory of Accredited and Recognised Practitioners of Translation and Interpreting. Entry to this directory is by payment of a small annual subscription fee which ensures that NAATI can maintain the currency of the contact details.

In 2005-2006, some 2300 practitioners subscribe to entry to this directory.

In addition to the freely accessible National Directory of Accredited and Recognised Practitioners of Translation and Interpreting, NAATI assists service providers seeking practitioners in low demand languages by making available to them upon request, a list of all accredited practitioners in the particular language together with one contact detail (provided permission has been agreed by the practitioner).

3.4 Establish accreditation processes that are accountable and externally validated through suitably recognised and independent institutions.

During 2005-2006, NAATI continued with the validation project. This project is one that will extend over a long period of time since research in this area is in its infancy. The project has been segmented into three major stages: Content and Construct aspects of validation, the research of which was completed in 2000-2002 and the recommendations developed in 2005-2006; the Rater Reliability Study which was commissioned during the previous year and the larger Test Validation project which will commence in due course. (See 4.4 for further details)

In addition to the above, NAATI forwarded a small number of tests during the year to the Institute of Linguists in the United Kingdom for an external assessment. This Institute is the only other testing body in the world with an examination system comparable to NAATI's.

Another part of establishing accountable and valid accreditation processes involved the completion of the Review of Administrative Processes Related to Testing, Including Quality Control Processes (The Cook Report). The Review commenced in February 2005 and was completed in September 2005. (See 4.5 for further details)

In working towards better workplace practices, NAATI continues to improve procedures and processes through streamlining, benchmarking and better use of advanced technology. With the growth of business functions including Independent Marking,

there has been a need for further development of the database system. In addition, infrastructure and network improvements have been made to facilitate more effective use of the central network by state and territory offices. The National Managers Training Conference held in March 2005 provided an opportunity for all managers to workshop issues of common concern and find common resolutions. During the year, NAATI reviewed and continued to maintain the currency of its office procedures manual

In May of each year, NAATI reviews the composition of all its examiner panels. Appointments for the following financial year are dependent upon examiner performance, the number of resignations during the year and the gaps in expertise that may occur on panels due to resignations. With a view to ensuring consistently high standards in all languages, all new appointments must meet the three key criteria of tertiary qualifications, NAATI accreditation (in languages related to the relevant examiner panel) and extensive experience as interpreters or translators or expertise as a linguist/academic.

As part of the review of the Examiner Panels, NAATI considered long term examiners who were appointed as foundation members of the panel, but who have not since pursued gaining NAATI accreditation. It acknowledged that a small number of panel members had been appointed on the basis of their academic qualifications which relate to linguistic expertise rather than T & I expertise. Since NAATI

benefits from such panel members, the NAATI Board of Directors, resolved that they should be retained on this basis. On the other hand, other examiners who are also practitioners, have been requested to gain NAATI accreditation within set time limits.

In 2005-2006, NAATI engaged 300 examiners across 55 panels covering 58 languages.

In relation to candidates, NAATI advises them of the testing process through the Candidates Manual, the various promotional flyers, the invitations to testing and on the web site. The Candidates Manual provides the primary source of information for candidates and contains detailed information about NAATI policies and procedures related to testing. All new candidates indicate on their application form, their preference for either a hard copy of the manual or the web version. The most recent version of the manual is available on the NAATI web site.

3.5 Provide opportunities for accredited Translators and Interpreters to revalidate/upgrade their accreditation level

3.5.1 Revalidation of Accreditation

During the year, significant progress was made on the Revalidation of Accreditation Proposal. A Second Discussion Paper was released in October 2005 and was followed by a public forum in each of the capital cities during February and March 2006. Some 400 people participated in these forums nationally. The public forums identified a number of key outcomes with several issues needing to be addressed. These included the periodicity of revalidation, criteria for work experience, criteria for professional development and administration issues.

To assist progress towards determining reasonable criteria for work experience, NAATI conducted a survey of its accredited translators and interpreters between March and May. This survey sought information about the average amount of work practitioners perform over the period of a year. The survey resulted in some 1500 responses which were analysed and reported upon on the NAATI web site. This report formed the basis of a later forum for service providers.

The public forums revealed a degree of opposition to the revalidation proposal in general and to the fact that NAATI was to implement. Such opposition was expressed by both practitioners and AUSIT, the national professional association. Given this situation, NAATI sought the views of its Members' Representatives who subsequently agreed that NAATI should proceed with the development of a system for revalidation of accreditation with continuing consultation with stakeholders and in particular with AUSIT.

By 30 June 2006, NAATI was moving forward with plans for further consultations with AUSIT as well as a special forum for major Service Providers. It viewed the Service Provider forum as being critical to identifying reasonable criteria for work practice and for soliciting support from the service providers for the concept.

At the end of the financial year, NAATI had set target dates for finalisation of the criteria for revalidation of accreditation and for the introduction of the new system. NAATI had also commenced to develop information materials as part of its campaign to inform all accredited people and all service providers of the impending changes. It had also commenced setting up the administrative processes for implementation.

3.5.2 Upgrading Accreditation

The upgrading of accreditation primarily relates to the interpreter skill from the Paraprofessional level to the Interpreter level. It is very rare to have such upgrading between these two levels for translators since NAATI does not offer accreditation at the Paraprofessional Translator level in the majority of languages. It is only available in the new and emerging languages. Upgrades from the professional level to the Advanced Translator and Conference Interpreter level are also low in numbers since most of the accreditations at the higher levels are as a result of overseas qualifications and they are awarded directly at this level.

With reference to the number of candidates who have upgraded their NAATI accreditation during 2005-2006, NAATI reports the following:

Table 6: Number of Upgraded Accreditations: 1 July 2005 to 30 June 2006.

Level of Upgrade	Number of Upgraded Accreditations 01/07/2005 to 30/06/2006
Paraprofessional Translator to Translator	4 of 1318
Translator to Advanced Translator	0 of 11
Advanced Translator to Advanced Translator (Sen).	2 of 2
Paraprofessional Interpreter to Interpreter	55 of 186
Interpreter to Conference Interpreter	0 of 14
Conference Interpreter to Conf Int (Senior)	0 of 4
Total Number of Upgrades	61 of 1535
No. first accreditations at Paraprofessional level –not eligible for upgrading	408
Total Upgrades/Total Accreditations	61 of 1943

3.6 Provide advisory and consultancy services in relation to Translating and Interpreting

During 2005-2006 NAATI provided special advisory services to a range of clients. The services included telephone, email, group and meeting situations. Examples of such work include:

- confirmation of accreditation status of practitioners upon request from clients and agencies
- advice regarding recruitment processes for T & I using NAATI accreditation as a benchmark
- meetings with representatives of international bodies wishing to establish similar accreditation systems
- special workshops for professionals and organisations on *Working with Interpreters*
- Information sessions to community groups about the NAATI accreditation system and the benefits of using accredited practitioners
- Advice on particular ethical queries or the role of interpreters raised by clients of translators or interpreters
- Advice to institutions planning to develop and deliver new courses in T & I

The outcome of the research on the Interpreter test was that benefits would be achieved by splitting the consecutive passage into two sections and adding to the test sight translation. However, no benefits were identified by adding chuchotage interpreting (whispered interpreting) to the test.

As a result of this work, the NAATI Board of Directors resolved that a new Interpreter test format incorporating the findings of the research would be introduced from January 2008.

During the next financial year, NAATI will train examiners to set and mark tests using this format and prepare new Sample Tests for candidates. This completes the first two stages of the test validation project.

SPECIAL PROJECTS AND DEVELOPMENTS

During the year, NAATI was involved in a number of special projects. They included the following:

4.1 Outcome of Pilot Test Formats

The review of the Test Formats represents the first two stages of the overall test validation project. This work consists of the test construct and test content validation procedures.

During the year, both the Translator and Interpreter pilot test format research was completed. The outcomes were that the Translator Test format would be retained but that amendments would be made to the Interpreter test format.

4.2 Independent Validation of the NAATI Accreditation Processes

4.2.1 Rater Reliability Study

The third component of the independent validation process was addressed during the year through the Rater (Examiner) Reliability Study, undertaken by Macquarie Access through

Helen Slatyer. The study proved to be inconclusive on a number of issues.

Part of the problem with the study was that the researchers could not depend upon previously developed methodologies or studies due to the lack of studies in this particular area. The NAATI study is one of the first of its kind in the world.

As an outcome of this Study the researchers recommended that:

- NAATI support a series of small research projects to follow up on the outcomes of the first Rater Reliability Study after independent marking has been introduced
- the next study focus on rater reliability and rater behaviour and comparability of test tasks across a range of languages
- new methodologies for investigating multilingual test data from translation and interpreting tests be defined for the next phase of research.

The NAATI Board endorsed these recommendations. The focus of Phase Two as specified in dot 2 above will be investigated through a combination of quantitative and qualitative research methodologies. This will enable investigators to identify a range of potentially confounding variables such as rater severity, mother tongue and order of administration for example, and study the interaction between variables.

In addition, a program for examiner training will be

defined. This will include task and examiner moderation in order to improve examiner performance. These will be innovative in the sense that no programs of this type have been implemented in relation to translator and interpreter performance tests anywhere in the world based on empirical data.

In view of the importance of this research to NAATI and the fact that it is the first of its kind in the world, the Board approved the Phase Two study to cover the issues mentioned above. This will be regarded as the second stage of the research project and will commence from August 2006.

4.2.2 Larger Validation Project

The fourth and largest component of the validation project (validation of tests), will be best done after the new test formats have been introduced and delivered over a period of two or three years to provide sufficient data for the study.

NAATI will need to assess the cost/benefits of proceeding with this part of the study. The Rater Reliability Study has clearly stated that the known methodology for both rater reliability studies and test validation studies has not yet been developed to have reliable application to the NAATI context. The Slatyer report specifically states that "the difficulty of making cross-linguistic comparisons of test tasks and the need for separate teams of raters for each language pair tests means that there are few known techniques that are applicable" for test validation studies in the NAATI context. Studies to date have investigated one language pair only. There is to date, no known validity studies in translation and/or interpreting testing which involves more than one language pair. The implications of the status of current research in this area have been clearly demonstrated by the outcomes of the Rater Reliability Study, whereby the outcomes were insufficiently conclusive to have real value without further research.

NAATI will reassess the feasibility of commencing the larger validation project after Phase 2 of the Rater Reliability Study has been completed.

4.3 Review of NAATI Test Administration Processes

The Review of the NAATI Test Administration Processes (known as the Cook Report) was completed in September 2005 and was considered at the NAATI AGM in November 2005.

The NAATI Board of Directors considered Cook's recommendations and identified and prioritised those which should be implemented. These have been incorporated into NAATI's next Three Year

Work Plan. The Cook Recommendations have been independently costed at some 1.75 million dollars over three years, excluding any suggested costs of implementing positive outcomes of feasibility studies. The recommendations and additional costs have been put forward to the NAATI Members for consideration of additional funds in the next funding period. The degree to which NAATI is able to implement the recommendations of the Cook Report will depend on the funds available.

Despite the need for additional funds to deliver all the recommendations in the Cook Report, NAATI commenced preparations for the introduction of several important changes. In the period January and June 2006, progress has been made as follows:

- setting of priorities for implementation
- establishment of procedures for independent marking
- piloting of independent marking
- recruitment of two additional staff members for commencement from July 2006
- review and implementation of new Examiner Appointment Criteria and the Terms and Conditions of Appointment
- commencement of more intensive examiner training programs
- sending of notices to unaccredited examiners to become accredited within given time periods

- making attendance at examiner training mandatory
- reviewing remuneration of examiners in the context of the annual budget; significant adjustment to test setting fees; marginal adjustments to test marking fees

Other major issues and recommendations of the Cook Report will be addressed in the context of the next Funding Agreement.

4.4 Rural and Regional and for Emerging Languages Projects

While NAATI focussed on Rural and Regional delivery of workshops and testing in the previous financial year, it diversified in 2005-2006 to include new and emerging languages, particularly in metropolitan centres. NAATI appreciates the special support which DIMA and other organisations such as MAQ and VOMA have given to these projects. The statistics below also include a special project which linked with a DIMA/Monash University project for African Languages.

At 30 June 2006, the following outcomes were achieved:

Table 7: Outcomes of NAATI Rural & Regional and Emerging Languages Projects at 30 June 2006

State	Workshop Participants	Tests	Accreditations	Recognitions
ACT	0	0	0	0
NSW	25	13	7	4
NT	22	18	5	1
QLD	129	47	21	13
SA	35	18	2	30
TAS	17	13	6	3
VIC	57	47	4	10
WA	29	15	1	11
Total	332	174	46	72

In summary, NAATI delivered workshops to 332 participants which led to 174 tests and 76 applications for Recognition. The overall outcome was 46 new accreditations and 72 new Recognitions of which 33 were in the African languages.

4.5 Development of On-line Workshop Modules

During 2005-2006, NAATI developed a basic online preparation course titled Introduction to Interpreting. The first phase was developed as a text-based workshop package which contained three modules – Interpreting and Translation in Australia, Ethics of the Profession and Interpreting Techniques. The second phase involved modifications to include graphics, video/CD clips and participant interaction components.

This development was part of NAATI's commitment to meet the growing need for accreditation preparation materials to be more readily accessible to its candidature. This course complements NAATI's face-to-face workshops and provides an understanding of the practices and values required to work as an interpreter in Australia.

NAATI will continue to develop this course in the next financial year. It will introduce a tutor for the program who will provide additional help to candidates. NAATI has also scheduled the development of each of the main components of the course into stand-alone modules. This will complete the project. Future plans will include the development of additional modules.

This initiative is a very important one in providing universal access to a particular NAATI workshop and in preparing candidates for Recognition and/or accreditation testing. It is also the first of its kind in Australia.

4.6 New Sample Test Kits for Paraprofessional Interpreter

During the year, NAATI commenced the redevelopment of its Sample Test Kits by producing a new set of Paraprofessional Interpreter Sample Tests in 55 languages. The kits provide an actual NAATI test together with extra practice dialogues and a handbook to assist with test preparation. The handbook was re-written to provide more effective assistance to NAATI candidates. The Sample Test package is produced in both script and DC formats.

This development represents the first stage of sample test redevelopment with the new Translator tests scheduled for the first half of the 2006-2007 financial year and the new Interpreter tests

scheduled for commencement in the second half of the same year.

4.7 NAATI Human Resource Activities

In March 2006, NAATI held the third national training program for its managers, including all the state and territory managers and senior managers of the NAATI Central Office. The two-day program focused on NAATI policies and procedures with a view to ensuring greater consistency in delivering NAATI services.

Managers were trained in policy interpretation, administration procedures, updates to the database system and client service.

STATE AND TERRITORY OFFICE ACTIVITIES

In 2006-2007, NAATI operated in all states and territories of Australia. The primary focus of these offices is the delivery of tests and workshops. However, they also have the important function of being the "face of NAATI" to the majority of NAATI's candidates and to industry stakeholders in their region. The

managers of these offices also work with the Regional Advisory Committees to help promote NAATI accreditation and the use of accredited practitioners in Australia.

The level of service delivered by each of the states and territories is reflective of the population of the state or territory and the proportions of non-English speaking people in them. On this basis, New South Wales has the highest level of service delivery followed by Victoria, Queensland, Western Australia, South Australia, Tasmania, Northern Territory and the ACT.

During the period February to March 2006, all state managers organised public forums related to the Revalidation of Accreditation proposal. In addition, each office made contributions as follows:

Australian Capital Territory

In the ACT, the state manager focussed on the delivery of local tests, test preparation workshops and candidate inquiries. There was significant growth in Special On Demand tests in the ACT during the year from 40 in the previous year to 72 in the current year. The state manager is also the point of contact for NAATI's test administrators in New Zealand. During the year the manager delivered 132 tests for Australian candidates and 59 tests for those in New Zealand.

New South Wales

In NSW, the manager and staff coordinated and supervised 1536 tests during the year as well as delivering 44 test preparation workshops and 27 general information workshops. More than 1500 individuals received information through the information sessions, community presentations and the NAATI workshops. This office was also responsible for the delivery of a Rural and Regional program in Newcastle and for the development of the online course Introduction to Interpreting. The liaison work with NAATI stakeholders was also a significant contribution during the year.

Northern Territory

In the Northern Territory, the major achievement of the year was the delivery of a special program for prospective interpreters in new and emerging languages. For a very small office, the results were impressive with 22 participants in the workshop, 18 tests and 5 accreditations. During the year, the manager delivered 25 tests and 2 test preparation workshops. NAATI was appreciative of the continuing support given to the delivery of its workshops by the Northern Territory Interpreter and Translator Service.

Queensland

As in the previous year, Queensland demonstrated a strong demand for NAATI accreditation testing and a high level of general inquiries. Queensland staff delivered 359 tests and 27 test preparatory workshops. The manager also conducted the largest number of rural and regional and emerging language projects in Australia with programs delivered in 7 locations to 129 participants.

The manager also worked to promote NAATI accreditation and the use of accredited practitioners in the state by having an extensive consultation and networking schedule throughout the year, including participation in the Queensland Multicultural Festival and the Ipswich Multicultural Employment Expo.

South Australia

In South Australia, the manager conducted 159 tests and 10 test-related workshops. She delivered 3 workshops related to the new and emerging language project, The manager also liaised with a wide range of stakeholders to promote the use of NAATI accredited practitioners.

Tasmania

The Tasmanian office delivered a number of successful activities during the year which has contributed to raising the profile of NAATI in Tasmania. Over a period of 3 years, the manager has doubled the number of tests (to 26); and during the year conducted 3 test preparation workshops and a successful program for new and emerging languages. The manager also convened a public forum for the revalidation proposal and a networking event for Tasmanian practitioners and stakeholders to meet the Board of Directors when it met in Hobart in February 2006.

Victoria

During 2005-2006 Victoria made a significant contribution in terms of testing, workshops and promotional work. Staff in this office conducted 1358 tests compared with 1101 tests in the previous year. It also conducted

32 test preparatory workshops. The manager conducted one rural and regional program in Shepparton and one emerging languages program in Melbourne during the year. NAATI was represented by the Victorian manager at the Adult Learners Expos and at the launch of the Interpreter Symbol and Interpreter Card. She also managed the organisation of the one day conference for the Translator and Interpreter Awareness Day scheduled for 26 July 2006.

Western Australia

During the year, the manager in this office delivered 158 tests, 31 test preparation workshops and 6 community and employer workshops. She also delivered one rural and regional workshop in Bunbury and two emerging languages programs in Perth. In response to a special request, the manager also organised the delivery of two special workshops in Cocos & Christmas Islands. The manager focused on liaison and networking tasks during the year, communicating with 13 local organisations including hospitals, government departments/agencies, service providers and other individuals. The state manager also made a significant contribution to the collation of feedback from the participants at the public forums for Revalidation of Accreditation.

BOARD AND COMMITTEE ACTIVITIES

6.1 NAATI Board of Directors

The NAATI Board of Directors met eight times during the year as follows:

- 19 July 2005 (by teleconference)
- 5 August 2005 in Sydney
- 23 September 2005 in Sydney
- 23-25 November in Canberra
- 16 December 2005 in Melbourne (Planning Day)
- 23-24 February 2006 in Hobart
- 25-26 May 2006 in Canberra
- 10 June 2006 in Melbourne

The work of the Board was primarily to give leadership and direction to the operations of NAATI as outlined throughout this report.

6.2 Qualifications Assessment and Advisory Committee

The Qualifications Assessment and Advisory committee met 3 times during the year as follows:

- 12 November 2005
- 11 February 2006
- 13 May 2006

The work of the QAAC during the year included the following:

- Course approvals
- Issues relating to the Rater Reliability Study
- Issues relating to the revalidation of accreditation
- Analysis of pilot tests using the new format and formulating recommendations to the Board
- Appeals by candidates
- Complex overseas assessments
- Responses to the Cook report and recommendations about it
- Issues related to the development of competency units in the TAFE sector
- Consideration and recommendations related to changes to the review and appeal system

- Consideration and recommendations related to changes to the eligibility criteria for Recognition
- Recommendations for an Inclusive Language Policy for NAATI tests
- Recommendations on minimum standards of English

6.3 Regional Advisory Committees

Throughout the year, the Regional Advisory Committees made some significant contributions to NAATI's operations. These include activities related to state-based two-year work plans and individual activities as follows:

Australian Capital Territory

The RAC convened six meetings during the year which included discussion and actions related to:

- the use of accredited interpreters by medical practitioners
- language services in the ACT Emergency Plan.
- forging links with the ACT Transcultural Mental Health Network
- assistance in sourcing suitable examiners for new and emerging languages

New South Wales

The RAC convened seven meetings during the year which included discussion and actions related to:

- a proposed Translation and Interpreting Awareness Day with a focus on Risk Management in Health Care Settings.
- the possible delivery of informative sessions on the use of accredited interpreters in hospitals to be delivered on site
- the Revalidation of Accreditation public forum

Northern Territory

The NT RAC convened two meetings during the year which included discussion and actions related to:

- assistance in the delivery of the emerging languages special project
- training and accreditation facilities for indigenous languages
- the need for more Indonesian language specific workshops to facilitate the accreditation of more interpreters in this language

Queensland

The Queensland RAC convened nine meetings during the year which included discussion and actions related to:

- assistance with NAATI participation in the Queensland Multicultural Festival
- the development and production of the Queensland NAATI Bulletin
- the commencement of a T & Industry Network Forum
- the raising of awareness of NAATI and accredited practitioners through the promotion of a project to develop a poster

South Australia

The South Australian RAC convened six meetings during the year which included discussion and actions related to:

- the assessment of language of demand related to recent arrivals in SA
- the organisation of a seminar at the Law Society as part of its Continuing Legal Education seminars
- planning for a networking event

Tasmania

The Tasmanian RAC convened five meetings during the year which included discussion and actions related to:

- assistance with the networking event in February in association with the visit by the Board of Directors
- assistance with the emerging language project

Victoria

The Victorian RAC convened seven meetings during the year and its subcommittees met 5 times. Discussion and actions emanating from these meetings include:

- the development and publication of the brochure Need and Interpreter?
- the organisation of a major Translator and Interpreter Awareness Day event scheduled for July 2006
- liaison with the Victorian Office of Multicultural Affairs in relation to the current Language Services Strategy
- the formulation of recommendations for changes to the system of NAATI Recognition

Western Australia

The WA RAC convened three meetings during the year which included discussion and actions related to:

- the organisation of a competition to develop a poster and sticker to promote the use of accredited practitioners
- the recommendation that NAATI submit information to careers centres of the universities in WA, especially since career days are now held online
- assistance with the sourcing of suitable examiners for new and emerging languages
- assistance with a networking event

FINANCIAL OUTCOMES

In developing the budget for 2005-2006, NAATI included a number of special projects and consultancies related to the accreditation area. These included the production of the New Sample Test Kits for Paraprofessional Interpreter, the Rater Reliability Study, the Revalidation of Accreditation public forums, the final payments of the Test Administration Review and the online courseware development. In addition, NAATI allocated an additional and substantial amount to examiner training. Since NAATI recurrent expenditure continues to increase and the Board did not wish to increase the test fees, the Board decided that any deficit in the budget should be met through the use of some of the accumulated surplus. On this basis, the budget forecast an initial deficit of \$122,165.

NAATI generated 111.8% of its target revenue. Total revenue was 15.5% more than the total revenue of the previous year. Of the revenue generated, 26.1% was derived from governments, 43.8% from testing and 30.1% from other services and sources. On the expenditure side, NAATI used 98.9% of its budget. Expenditure was 11.5% higher than in the previous year. Overall, this resulted in a surplus of \$236,503 for the year. This surplus is more than

the surplus achieved in 2004-2005 by \$70,185 and is a good outcome.

The surplus in 2005-2006 has resulted in NAATI having a cumulative retained surplus of \$2,184,883. Of this, NAATI needs to ensure ready access to at least \$1,000,000 - four months operational costs. NAATI has developed a work plan which allocates some of the retained surplus to meet developmental costs of major projects, to implement some of the anticipated recommendations of the Cook report and to meet some of the community needs that may be linked with government programs.

2006-2007 represented the third and final year of the three year funding agreement. The three year agreement has enabled NAATI to plan its longer term budget strategy with greater confidence. The audited financial statements are presented at Item 8 of this report.



Financial
Statements

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2006

The NAATI Board of Directors present their report on the company for the financial year ended 30 June 2006.

Board of Directors

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

Name of Director	Qualifications	Shares in NAATI	Contracts with NAATI	
Ms Susan Bures AM (Chair)	Administrator Great Synagogue of Sydney, Secretary, Management Committee of the Waverly Action for Youth Services	N/A	Nil	Appointed 1/09/2002
Ms Vicki Mitsos (Deputy Chair)	Centre Manager Multi Cultural Education Centre Goulburn Ovens Institute of Tafe Manager & Administrator for Language Policy & Multiculturalism in regional & rural Victoria, Commissioner for Victorian Multicultural Commission	N/A	Nil	Appointed 1/09/2002
Dr Maximilian Brandle OAM	Applied Linguist Consultant on Multiculturalism, Vice Chair, ECC QLD to 30/6/05 then Hon. Advisor to ECCQ; Visiting Fellow School of Languages and Linguistics, Griffith University; Board Member for Australian Council for Europe (Qld.)	N/A	Nil	Appointed 1/09/2002
Mr John Kiosoglous MBE KSA AE SM	Auxillary Magistrate, Chair – Ethnic Schools Board (SA); Former Chair South Australian Multicultural and Ethnic Affairs Commission	N/A	Nil	Appointed 30/8/2003
Mr Abeselom Nega	Management Consultant in strategic planning, business development, employment services and performance management and Chair, Federation of African Communities Councils	N/A	Nil	Appointed 31/8/2005
Mr David Wheen (Chair to 30/8/05)	Management Consultant	N/A	Nil	Appointed 16/10/2001 Term expired 30/8/2005

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

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.

The accompanying notes form part of these financial statements.

DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2006

Principal Activities (cont'd)

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

Operating Results

The net operating surplus of NAATI for the financial year ended 30 June 2006 was \$306,688 (30 June 2005: surplus \$236,503).

Review of Operations

The net operating profit for NAATI for the financial year ended 30 June 2006 was \$306,688. This is up \$70,185 on 2005. The improved profit came with the increase in test related revenue which was up \$290K and in particular on demand non resident's income. Other income was up \$300K and this included a significant increase in special project income. Against these incomes, test expenditure rose \$140K which included increases in on demand test expenses and accreditation consultancy expenses. In addition operating expenses rose \$287K which included wage increases for the one additional staff member allocated to the Melbourne office as well as the general increase associated with the Certified Agreement.

Dividends Paid or Proposed

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

Significant Changes in the State of Affairs

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

After Balance Date Events

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

Future Developments and Results

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

Directors' Benefits

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

The accompanying notes form part of these financial statements.

DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2006

Indemnifying Officers or Auditor

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

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

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

Officers insured include:

Ms Susan Bures	Mr John Kiosoglous
Ms Vicki Mitsos	Ms S. Bell
Dr Maximilian Brandle	Mr David Wheen
Mr Abeselom Nega	

Meetings of Directors

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

	No. of meetings eligible to attend	No. of meetings attended
Ms Susan Bures	8	7
Ms Vicki Mitsos	8	8
Dr Maximilian Brandle	8	8
Mr John Kiosoglous	8	6
Mr Abeselom Nega (appointed 31/08/2005)	6	5
Mr David Wheen (term expired 30/8/2005)	2	2

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2006 has been received and can be found following the directors' report.

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


.....
Director

Date: 24/10/06

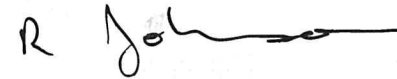
The accompanying notes form part of these financial statements.

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

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

HARDWICKE'S
Chartered Accountants



ROBERT J JOHNSON, B. Comm., F.C.A.
Partner

25/10/06

The accompanying notes form part of these financial statements.

INDEPENDENT AUDIT REPORT

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

Scope

We have audited the financial report of the National Accreditation Authority for Translators and Interpreters Limited for the financial year ended 30 June 2006 as set out on pages 7 to 25. NAATI's Directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the Members of NAATI.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the Corporations Act 2001 including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia 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.

Independence

In conducting our audit we followed applicable independence requirements of Australian professional and ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out in the financial report has not changed as at the date of providing our audit opinion.

Audit Opinion

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

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of NAATI's financial position as at 30 June 2006 and its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and other mandatory professional reporting requirements in Australia.

Dated:
Canberra

25/10/06

HARDWICKE'S
Chartered Accountants

Robert Johnson, F.C.A.
Partner

The accompanying notes form part of these financial statements.

DIRECTORS' DECLARATION

The NAATI Board of Directors declares that:

1. the financial statements and notes, as set out on pages 8 to 25, are in accordance with the Corporations Act 2001:
 - i) comply with Accounting Standards and the Corporations Regulations 2001; and
 - ii) give a true and fair view of the financial position as at 30th June 2006 and of the performance for the year ended on that date of NAATI;
2. it is the opinion of the Board of Directors that there are reasonable grounds to believe that NAATI will be able to pay its debts as and when they become due and payable.

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


.....
Director

Date:

24/10/06

The accompanying notes form part of these financial statements.

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2006**

2005 \$		Note	2006 \$
3,206,915	Revenue from ordinary activities	3	3,703,422
(1,353,478)	Employee benefits expense		(1,572,276)
(77,271)	Depreciation expense		(92,231)
(1,539,663)	Other expenses from ordinary activities		(1,732,227)
<u>236,503</u>	Surplus from ordinary activities before income tax expense		<u>306,688</u>
-	Income tax expense relating to ordinary activities	2	-
<u>236,503</u>	Surplus from ordinary activities after related income tax expense	11	<u>306,688</u>
<u>236,503</u>	Total changes in equity other than those resulting from transactions with owners as owners		<u>306,688</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006**

	Accumulated Surplus \$	Total \$
Balance at 1 July 2004	1,641,692	1,641,692
Surplus	236,503	236,503
Balance at 30 June 2005	<u>1,878,195</u>	<u>1,878,195</u>
Surplus	306,688	306,688
Balance at 30 June 2006	<u>2,184,883</u>	<u>2,184,883</u>

The accompanying notes form part of these financial statements.

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

**BALANCE SHEET
AS AT 30 JUNE 2006**

2005 \$		Note	2006 \$
CURRENT ASSETS			
2,030,118	Cash assets	5	2,246,068
175,107	Receivables	6	135,171
31,234	Other	7	60,728
<u>2,236,459</u>	Total Current Assets		<u>2,441,967</u>
NON-CURRENT ASSETS			
246,376	Property, plant and equipment	8	289,087
<u>246,376</u>	Total Non-Current Assets		<u>289,087</u>
<u>2,482,835</u>	TOTAL ASSETS		<u>2,731,054</u>
CURRENT LIABILITIES			
383,766	Payables	9	300,174
220,874	Provisions	10	245,997
<u>604,640</u>	Total Current Liabilities		<u>546,171</u>
<u>604,640</u>	TOTAL LIABILITIES		<u>546,171</u>
<u>1,878,195</u>	NET ASSETS		<u>2,184,883</u>
<u>1,878,195</u>	ACCUMULATED FUNDS		
	Retained surplus	11	<u>2,184,883</u>

The accompanying notes form part of these financial statements.

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

2005 \$		Note	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
1,007,010	Government grants	16	928,376
1,571,502	Test related revenue		1,749,245
777,983	Other revenue		1,143,644
81,063	Interest received		114,602
(652,515)	Testing expenditure		(748,464)
<u>(2,488,765)</u>	Operating expenditure		<u>(2,836,509)</u>
296,278	Net cash provided by operating activities	12(b)	350,894
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>(14,881)</u>	Purchase of plant & equipment	8	<u>(134,944)</u>
(14,881)	Net cash used in investing activities		(134,944)
<u>281,397</u>	Net increase in cash held		<u>215,950</u>
1,748,721	Cash at the beginning of the financial year		2,030,118
<u>2,030,118</u>	Cash at the end of the financial year	12(a)	<u>2,246,068</u>

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

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

The financial report covers NAATI as an individual entity. NAATI is an organisation registered under the Corporations Law, and domiciled in Australia.

The financial report of NAATI complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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.

Basis of preparation

First-time adoption of Australian Equivalents to International Financial Reporting Standards

NAATI has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from July 2005.

In accordance with the requirements of AASB 1: First-time adoption of Australian Equivalents to International Financial Reporting Standards, the optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of NAATI to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented.

There have been no adjustments required to the Balance Sheet or Income Statement for the AIFRS therefore, no reconciliation of the transition from previous Australian GAAP to AIFRS is provided.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets for which fair value basis of accounting has been applied.

a) Cash

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

The accompanying notes form part of these financial statements.

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

b) Plant & equipment

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

Plant & equipment

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

Depreciation

The depreciable amount of all fixed assets are depreciated over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation method and rates used for each class of depreciable assets are:

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

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

c) Impairment of assets

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

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

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

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

d) Employee entitlements

Provision is made in respect of NAATI's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount. Consistent with the current NAATI Certified Agreement, all permanent full-time employees, permanent part-time employees, temporary employees and casual employees, who have sustained continuous employment with NAATI for a period of ten years, are eligible for Long Service Leave of thirteen weeks. Employees become eligible for a further six and a half weeks of long service leave after another five years continuous employment. NAATI does not have any employees in the casual or temporary category at the end of the financial year.

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

e) Revenue

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

f) Goods and services tax (GST)

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

NOTE 2 INCOME TAX

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

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2005 \$	2006 \$
NOTE 9 PAYABLES		
		Current
132,496		Trade creditors 129,780
15,500		Accrued charges 32,540
21,702		Test fees in advance 34,087
58,008		Practitioner Directory fees in advance 78,212
123,260		Grants in advance -
32,800		GST liability 25,555
<u>383,766</u>		<u>300,174</u>

NOTE 10 PROVISIONS

		2005 \$	2006 \$
	Current		
103,271	Provision for annual leave		125,147
117,603	Provision for long service leave		120,850
<u>220,874</u>	Aggregate employee entitlements liability		<u>245,997</u>
24	Number of full time equivalent employees at year end (one position vacant)		26

NOTE 11 RETAINED SURPLUS

NAATI shows an accumulated surplus of \$2,184,883. The adequacy of this surplus is constantly under review, as the company must ensure that it has sufficient working capital to meet its day to day operational cash flows. As with prior years, NAATI's cash flow can be significantly affected by such factors as the timing of grant funding from the Commonwealth, State and Territory Governments, and the considerable up front costs that are incurred in delivering a test program, before any revenue is received. If no government funding is received and there is a delayed or unsuccessful test program NAATI has to maintain reasonable accumulated surpluses to assure operational stability. From a review of the investment policy, it has been identified that NAATI would ideally maintain reserves of at least four months trading to provide a level of security and an environment for efficient decision making.

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2005 \$	2006 \$
NOTE 12 CASH FLOW INFORMATION		
a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to items in the statement of financial position as follows:		
812	Petty cash accounts	1,405
51,906	Operating accounts	45,065
1,977,400	Investment accounts	2,199,598
<u>2,030,118</u>		<u>2,246,068</u>

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

236,503	Surplus after extraordinary items	306,688
	Non cash flows in surplus from ordinary activities	
13,158	Depreciation	14,008
64,113	Depreciation (technology upgrade)	78,225
1,740	Loss on disposal of fixed assets	-
	Changes in assets & liabilities	
(29,638)	(Increase)/decrease in debtors	39,936
(14,578)	(Increase)/decrease in other debtors	(18,400)
(4,919)	(Increase)/decrease in prepayments	(11,094)
(1,317)	Increase/(decrease) in employee entitlements	25,123
22,034	Increase/(decrease) in creditors & GST	(9,961)
200	Increase/(decrease) in accrued charges	17,040
2,935	Increase/(decrease) in grants in advance	(123,260)
9,111	Increase/(decrease) in test fees in advance	12,385
(3,064)	Increase/(decrease) in directory fees in advance	20,204
<u>296,278</u>	Net cash provided by operating activities	<u>350,894</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

2005	2006
\$	\$
NOTE 13 AUDITORS' REMUNERATION	
	Remuneration of the auditor for:
9,800	— auditing the financial report 17,000
7,900	— other services 300
<u>17,700</u>	<u>17,300</u>

With the emphasis on audit independence the type of services recorded above as "other services" was examined and it was determined that they should actually be disclosed as audit services. Other services currently only include assistance with ASIC documentation. Audit services are for the audit and assistance with financial statement presentation.

NOTE 14 RELATED PARTY DISCLOSURES

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

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

b) Director's Remuneration

47,270	Income paid or payable to all Directors of NAATI by the company and any related parties	49,900
Number of Directors whose income from NAATI and any related parties was within the following bands:		
4	\$0 - \$9,999	5
1	\$10,000 - \$19,999	1

NOTE 15 SEGMENT INFORMATION

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

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 16 ECONOMIC DEPENDENCY

A significant portion of NAATI's annual revenue is derived from Commonwealth, State and Territory Government funding. A new funding agreement is currently being negotiated to cover the period 1 July 2006 through until 30 June 2009.

In "Note 3 Revenue" government funding is shown on an accrual basis in the year it is meant to fund and not on a cash receipts basis. The "Cash Flow Statement" on page 10 recognises that in 2005 two years grants were received from Victoria, the second at the end of the year being in advance for 2006. The Cash Flow Statement does recognise transactions on a cash received and paid basis and also includes GST.

NOTE 17 FINANCIAL INSTRUMENTS

a) Interest rate risk

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

2006	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing			Non-interest Bearing	Total
			Within one year	1 to 5 years	Over 5 years		
		\$	\$	\$	\$	\$	
Financial Assets							
Cash	5.41	1,906,122	338,541	-	-	1,405	2,246,068
Receivables		-	-	-	-	135,171	135,171
Total Financial Assets		<u>1,906,122</u>	<u>338,541</u>	<u>-</u>	<u>-</u>	<u>136,576</u>	<u>2,381,239</u>
Financial Liabilities							
Payables		-	-	-	-	129,780	129,780
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,780</u>	<u>129,780</u>

2005	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing			Non-interest Bearing	Total
			Within one year	1 to 5 years	Over 5 years		
		\$	\$	\$	\$	\$	
Financial Assets							
Cash	5.15	1,690,765	338,541	-	-	812	2,030,118
Receivables		-	-	-	-	175,107	175,107
Total Financial Assets		<u>1,690,765</u>	<u>338,541</u>	<u>-</u>	<u>-</u>	<u>175,919</u>	<u>2,205,225</u>
Financial Liabilities							
Payables		-	-	-	-	132,496	132,496
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,496</u>	<u>132,496</u>

The accompanying notes form part of these financial statements.

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

**DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

2005 \$	Note	2006 \$
OTHER REVENUE		
196,782		228,088
3,955		5,536
88,819		96,783
12,856		18,433
-		43,660
65,815		95,865
-		73,535
-		9,527
-		8,518
32,641		65,502
7,683		12,965
78,855		66,123
1,645		1,882
14,396		3,418
71,555		106,124
26,475		25,421
3,548		4,269
2,188		3,135
3,852		3,362
1,103		358
34,959		46,833
18,522		22,009
10,796		11,788
11,552		10,732
20,635		28,053
95,510		120,260
1,820		151
805,962		1,112,330
3,206,915		3,703,422
TOTAL REVENUE		

The accompanying notes form part of these financial statements.

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

**DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

2005 \$	Note	2006 \$
TEST-RELATED EXPENDITURE		
3,568		2,562
535		445
512		826
8,980		14,599
451		167
27,800		20,388
1,214		2,449
9,099		16,674
12,426		25,671
96,586		100,203
30,462		23,064
2,782		5,345
1,046		992
4,908		2,694
1,400		3,994
2,700		2,808
1,332		1,192
160,856		228,034
5,327		3,362
49,160	18	41,520
27,140	18	26,780
25,982	18	34,364
14,360	18	18,717
1,306		1,089
1,191		1,199
5,736		8,214
150		-
7,584		8,294
10,535		7,608
9,776		26,812
23,895		23,493
13,300		12,800
126		983
13,050		994
7,000		-
10,964		24,976
3,489		27,302
2,500		10,589
2,024		5,166
5,531		10,080
606,783		746,449

The accompanying notes form part of these financial statements.

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

**DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

2005 \$		Note	2006 \$
OPERATING EXPENDITURE			
39,657	Bank charges		45,312
17,700	Accounting & Audit fees	13	17,300
22,114	Insurance – contents & liability		23,692
1,410	Subscriptions		1,807
6,126	Legal costs		11,415
8,300	Travelling expenses		12,864
68,374	Directors' remuneration & other costs	14	85,073
2,465	Insurance – directors		2,060
32,795	Equipment – photocopier lease & charges		42,908
50,456	Education services		57,883
-	Special project (China)		2,352
24,786	Special project (Rural & Regional Project)		16,665
-	Special projects (Other)		11,119
12,539	QAAC sitting fees & other costs		17,117
5,644	Translator stamps		9,350
45,621	Office – general expenses (includes stationery & minor acquisitions)		34,392
86,433	Postage/courier		94,477
14,110	Electricity		15,346
47,820	Telecommunications		60,871
201,360	Property – rental		204,707
14,570	Property – upkeep (including cleaning)		15,216
644	Equipment – repairs and maintenance		400
5,808	Outgoings – Melbourne		5,667
2,592	Office security		2,639
32,753	SAM enhancements and maintenance		-
13,083	IT consumables		13,369
25,629	IT support/maintenance		40,837
11,225	IT licences & subscriptions		3,723
806	IT postage & courier		73
12,748	IT network connectivity & internet		9,305
42,009	IT lease agreement		39,575
12,001	Communications – internet		7,544
-	Certified agreement costs		627
2,652	OH&S costs		518
24,898	Recruitment costs		17,323
4,728	Human Resource Development		11,716
6,581	RO Training conference		5,897
1,104,825	Salaries – permanent/contract		1,254,393

The accompanying notes form part of these financial statements.

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

**DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

2005 \$		Note	2006 \$
OPERATING EXPENDITURE (CONT'D)			
44,805	Salaries – casual		52,671
(8,804)	Salaries – movement provision LSL		3,247
7,487	Salaries – movement provision AL		21,876
29,947	Insurance – workers' compensation		30,125
35,878	Payroll tax		55,470
100,481	Superannuation contributions		118,412
13,158	Depreciation		14,008
64,113	Depreciation – technology upgrade		78,225
33,908	Printing – directory/newsletter/stationery		21,827
19,850	Printing – other publications		26,803
14,793	Publicity and functions		31,259
1,072	RAC costs		830
1,679	Loss on disposal of fixed assets		-
2,363,629	Total operating expenditure		2,650,285
2,970,412	TOTAL EXPENDITURE		3,396,734
236,503	OPERATING SURPLUS AFTER EXTRAORDINARY ITEMS		306,688

The accompanying notes form part of these financial statements.



Appendices

The accompanying notes form part of these financial statements.

Members of the Qualifications Assessment and Advisory Committee 1 July 2005 to 30 June 2006

Dr Emy Watt
B.A., M.A. PhD

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

Ms Anna Grassi
B.A.

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

Ms Amalia Milman
Dip. Teaching, Assoc
Dip Teaching

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

Dr Jemina Napier
B.A., M.A., PhD

Educator, researcher, NAATI examiner,
Practitioner (Auslan), Representative of courses at the
professional and graduate level

Ms Helen Slatyer
B.A., Dip TEFLA
M.A. PhD (in progress)

Senior Researcher in the National Centre for
English Language Teaching and Research,
Macquarie University, special expertise in test validation

Mr Ari Pappas
Grad. Dip in Health
Sciences Management
Dip T & I, Dip Welfare Studies

Manager of a key service provider agency,
Education Liaison Officer and project
for Schools Commission Program

Members of the Regional Advisory Committees at 30 June 2006

Under the post 30 June 2005 arrangements for two-year appointments to the Regional Advisory Committees, organisations are now able to nominate representatives to the committee. However, as individuals often change positions within their organisations, the representatives to the Committees may change several times over the period of the appointment. The list below includes all individuals who participated on the Committees during the 2005-2006 financial year.

REGIONAL ADVISORY COMMITTEE MEMBERSHIP: 2005-2006

ACT	Ms K O'Sullivan (Convenor)	NSW	Ms A Grassi (Convenor)
	Ms C Aubury		Ms N Arrage
	Mr K Banda		Mr S Campisi
	Ms C Crane		Mr M Doerfler
	Ms A Dolejsi		Ms A Groth
	Ms C Duffy		Ms T Markos
	Ms M Gomez		Ms F Mueller
	Mr N Manikis		Mr P Sinclair
	Ms M Oldfield		Mrs K Steiner
	Dr C Phillips		Ms B Vukojevic
	Ms A Stensletten		Ms C Webster
	Dr K Windle		Mr A Raisbeck (State Office Manager)
	Ms G McKergow (State Office Manager)		Ms S Bures (NAATI Director) Ex-Officio
NT	Dr P Chakravarti (Convenor)	QLD	Ms M Spring (Convenor)
	Ms F Abbott		Ms P Avila
	Dr P Black		Mr L Burness
	Ms D Clarke/ Alfredo Patajo Substitute		Linda Henniker
	Mr t McMahan		Dr L Ko
	Ms A Quinn		Ms P McArthur
	Ms Jenny Hardy		Mr I Muil
	Ms B Teo		Mr E Nimri
	Ms U Vorst		Ms D O'Shea
	Ms A Wait		Ms N Parisi
	Ms Lynda Cui (State Office Manager)		Ms I Szymanska

		QLD	Mr T Tran Mr T Tri Mr A von Stein Mr Jim Duncan (State Office Manager) Dr M Brandle (NAATI Director) Ex-Officio
SA	Mr M Armiento (Convenor) Dr Borhan Saaid Mr M Ciezkowski Mr M Cronshaw Ms Marj Ellis Ms R Gillies Mr M Gostich Mr R Grympa Mr N Marovich Mr E Neophytou Ms L Pugh Ms M Slatter Ms K Todd Ms C Voelkel-Hutchinson Ms Cheryl Appelkamp (State Office Manager) Mr J Kiosoglous (NAATI Director) Ex-Officio	TAS	Det. C Waterhouse (Convenor) Ms L Andersch Mr G Duarte Mr C Mackie Mr M Pathik Dr B Peeters Mr B Smith Ms S Wickham Ms M Nolan (State Office Manager)
VIC	Ms M Maggio De Leo (Convenor) A Smith Mr Tim Rose Mr A Florez Mr Ari Pappas Ms S Koutes Ms Pip Cody Ms U Nguyen Mr U Ozolins Ms S Pavlovska Ms Julie Gould Mr Ayzit Ibrahim Mr M Zafropoulos Ms C Toffoli-Zupan (State Office Manager) Ms V Mitsos (NAATI Director) Ex-Officio	WA	Mrs T Nicholls (Convenor) Ms K Sprigg Ms M Dreyfus Ms Krys Brigg Dr W Frick Mrs M Gruszka Dr H Jaccomard Dr T Lawrence Mrs H Murphy Ms R Perera Dr J Puls Mrs R Tsapazi Ms D Vukcevic Dr W Yeung Ms V van Loggerenberg (State Office Manager)

Administrative Staff at 30 June 2006

Head Office - Canberra

Ms Sherrill Bell	Chief Executive Officer	Full time
Mr Robert Foote	Accreditation Manager	Full time
Ms Maria King	Finance Manager	Full time
Vacant Position	Accreditation Officer	Full time (Vacant from 26 June 2006)
Ms Kym Bush	Accreditation Services Officer	Full time (Maternity leave)
Ms Renuka Ganesan	Accreditation Services Officer	Full time (Maternity leave replacement)
Vacant Position	Accreditation Services Officer	Full time (Vacant from 26 June 2006)
Ms Jane Swan	Administration Officer	Full time
Ms Megan Rallings	Administrative Assistant	Full time
Ms Rachele Dugan	Receptionist/ Administrative Assistant	Full time
Ms Lynne Goodyer	Publications and Promotions Officer	Full time (Maternity leave)
Mr James Davison	Publications and Promotions Officer	Full time (Maternity leave replacement)
Ms Santa Jugovac	PA to Chief Executive Officer	Part time
Vacant Position	Project Officer	Full time (Contract)

ACT

Mr Geoff McKergow	Manager	Part time
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NSW

Mr Alan Raisbeck	Manager	Full time
Mr Gary Harkins	Education Officer	Full time
Ms Dea Perini	Testing Officer	Full time
Ms Maria Coloma	Receptionist/ Client Services Officer	Full time
Ms Amanda Hawkes	Client Services Officer	Full time

NT

Ms Stephanie Wall	Manager	Part time
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QLD

Mr Jim Duncan	Manager	Full time
Ms Satomi Logothetis	Administrative Assistant	Part time

SA

Ms Cheryl Appelkamp	Manager	Full time
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NAATI STANDARDS FOR TRANSLATION AND INTERPRETING

STANDARD	MEANING	RELATED TASKS
<p>Conference Interpreter</p> <p>Advanced Translator</p>	<p>This represents the advanced professional level and a level of competence sufficient to handle complex, technical and sophisticated interpreting and translation.</p> <p>Conference interpreters practise both consecutive and simultaneous interpreting in diverse situations including at conferences, high-level negotiations, and court proceedings. Conference interpreters operate at levels compatible with recognised international standards.</p> <p>Advanced Translators handle complex, technical and sophisticated material, compatible with recognised international standards. They may choose to specialise in certain areas, usually into one language only, that being their first language.</p>	<p>tasks involving international conferences, diplomatic missions, trade negotiations, and other high level negotiations</p> <p>tasks involving complex court proceedings</p> <p>interpreting in situations where a depth of linguistic ability in both languages is required</p> <p>tasks involving accurate translation of complex, technical and sophisticated material</p> <p>translations of specialist material for specialists eg, international conference papers, scientific papers in journals, legal documents, diplomatic agreements, etc</p> <p>acting as revisors of work done by other translators</p>
<p>Conference Interpreter (Senior)</p> <p>Advanced Translator (Senior)</p>	<p>This is the highest level of NAATI accreditation and reflects both competence and experience in interpreters. It represents an international standard together with demonstrated extensive experience and leadership.</p> <p>This is the highest level of NAATI accreditation and reflects both competence and experience in translators. It represents an international standard together with demonstrated extensive experience and leadership.</p>	<p>Interpreting tasks as for Conference Interpreters</p> <p>tasks involving the organisation of international conferences</p> <p>providing advice for interpreting services within and outside Australia</p> <p>Translation tasks as for Advanced Translators</p> <p>tasks involving the management of translations of papers for international conferences</p> <p>providing advice for translation services within and outside Australia</p>



