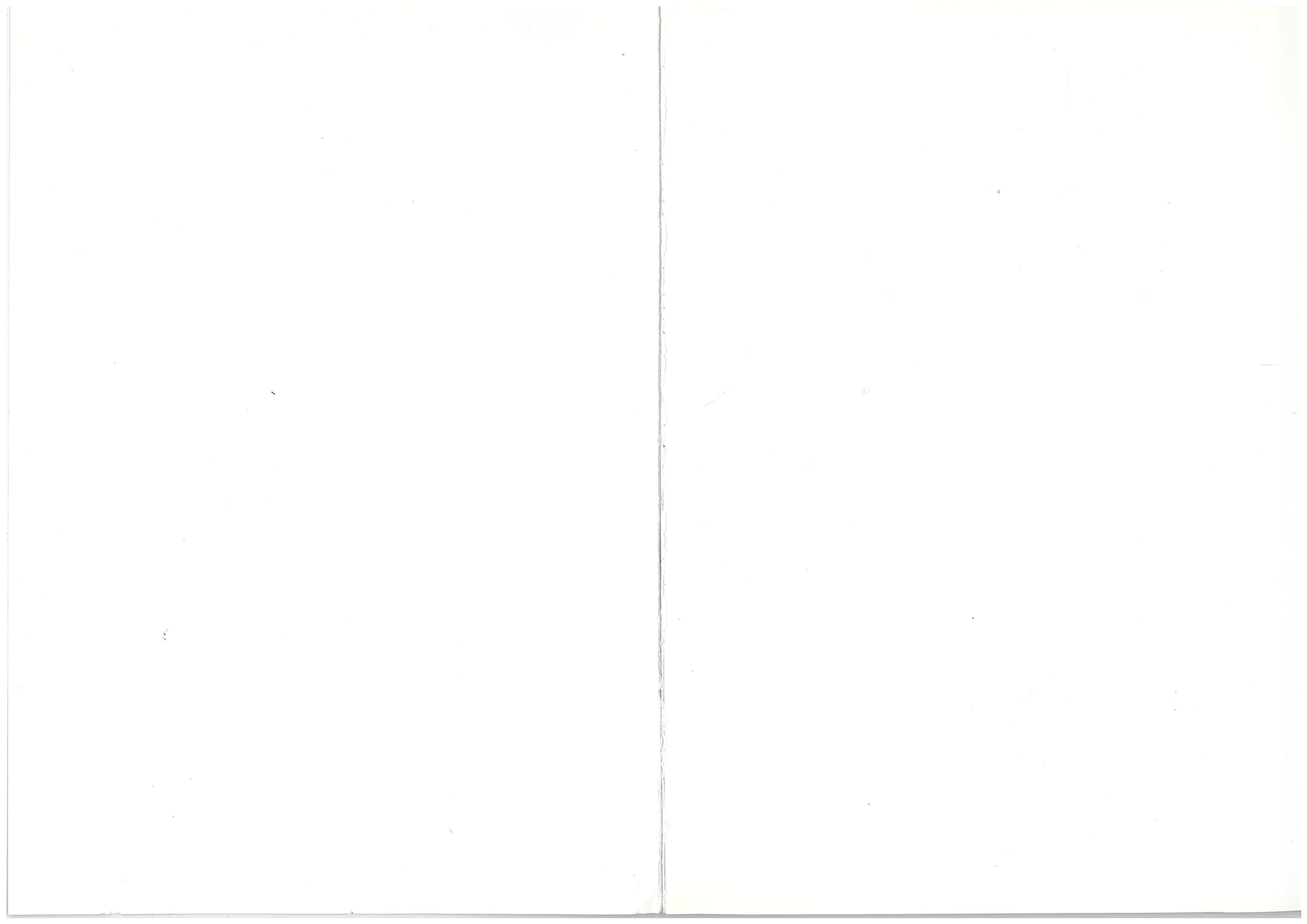


NAATI ANNUAL REPORT
2011-2012





National Accreditation Authority for Translators and Interpreters Ltd

The Key to Language Diversity

What is NAATI?

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

NAATI's Community Purpose

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

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

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

About NAATI

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

NAATI Credentials

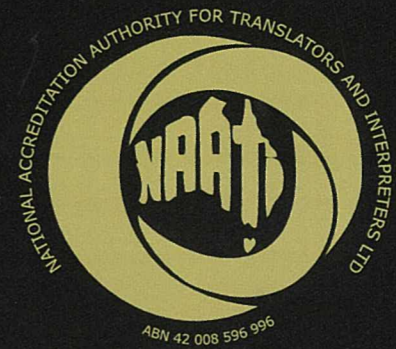
NAATI awards two categories of credential for translators and interpreters:

- NAATI Accreditation
- NAATI Recognition.

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

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

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



**ANNUAL REPORT
2011-2012**

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From the Chair of the Board



I am pleased to present NAATI's 2011/12 Annual Report. Last report I foreshadowed 2011/12 was the start of the next chapter in the NAATI story and that is how the year turned out. It was both a busy year for NAATI's current operations and a year of planning for the future.

As well as ongoing consideration of sustainable NAATI funding and updated governance arrangements there were three important developments in the national credentialing system. They are: the Improvements to NAATI Testing Project or INT as it is widely known; NAATI's renewed efforts in Indigenous interpreting; and preparations for the start of Revalidation.

The Board and Members continued to examine how to secure sustainable NAATI funding in 2011/12. Thanks to an additional equity injection by the Commonwealth following the removal of translating and interpreting from the Skilled Occupation List and increased revenue generated by testing for the new Credentialed Community Languages points, NAATI finished 2010/11 in a strong financial position. The decision by most of the Members to increase their contributions in 2011/12 and continued strong demand for testing enabled NAATI for the first time to make provision for Reserves in the Financial Statements which form part of this Report.

However, while NAATI is presently financially sound, the volatility of NAATI funding, particularly from non-government revenues, remains a concern. The Board is grateful for the efforts of Members, particularly the Minister for Multicultural Affairs, Senator the Hon Kate Lundy to secure an appropriate ongoing funding base from government to provide NAATI with funding stability and the predictability needed as we improve the national accreditation system. As foreshadowed in my last report, 2011/12 saw the start of the INT Project. Following a call for expressions of interest NAATI selected a team of Australian and international experts led by Professor Sandra Hale of the University of New South Wales to undertake Phase 1 of what is expected to be a three phase project to be conducted over several years and is due to be completed by the end of November 2012. We are all very excited about the possibilities of building on the current system and making significant improvements.

NAATI has awarded interpreting credentials in more than 45 Indigenous languages to date but, following changes in Australian Government administrative arrangements some years ago, ongoing funding for NAATI now comes through the Immigration and Citizenship portfolio. Consequently that funding cannot properly be used for another portfolio purpose. This limits NAATI testing in Indigenous languages, a situation unacceptable to NAATI stakeholders and NAATI. We made remedying it a priority in 2011/12.

Also in 2011/12 NAATI agreed with its Members that the deferred implementation of Revalidation of NAATI credentials would begin from 1 July 2012. As 2011/12 closed NAATI was well advanced in these key initiatives as well as the incremental development of business systems and operations. I must acknowledge my gratitude to the Ministers who are NAATI's Members and their officials who are NAATI's Members Representatives and with whom we work collegially. I thank my fellow Directors, Mr Abeselom Nega; Professor Ludmila Stern and Dr Hass Dellal for their wisdom and unflagging support to me as Chair. I thank especially NAATI's staff, under the leadership of John Beever, who continue to help us chart NAATI's future while managing high demand for NAATI services.

As we move into 2012/13 it is clear the pace of change in NAATI will be maintained as we strive to keep Australia's national accreditation system at the forefront of similar systems internationally.

Kerry Stubbs
Chair, NAATI Board of Directors

From the Chief Executive Officer



This was my first full year as NAATI CEO and was in large part spent listening to and learning from NAATI's stakeholders. All the while NAATI operated at unprecedented levels while negotiating a change process that will further improve the national credentialing system.

Coming as I did from working with one of the health professions it has been exciting to work with a profession that is moving from emerging to established. The future of any profession is ultimately in the hands of its practitioners themselves but as the national accreditation authority NAATI will continue to support and encourage translators and interpreters in their professional aspirations. I will seek to continue to work collegially with the national professional associations AUSIT, ASLIA and APESMA in 2012/13.

In last year's Report I said the demand for NAATI services seemed to be stabilising as 2011/12 opened but I could not have been more wrong. Throughout the year demand for NAATI credentials surged. As 2011/12 ended NAATI testing was at about twice the level at which the year started. This demonstrates well the volatility of demand referred to by the NAATI Chair on the previous page. NAATI managed this increase with almost the same staff as it started the year by refining business processes and by exploiting IT systems recently installed or upgraded. This would not have been possible without the sustained efforts of NAATI staff.

At the same time NAATI began the Improvement to NAATI Testing (INT) Project. In 2011/12 the INT Research Team conducted a literature review and analyses of relevant Australian federal and state/territory policies and of comparable international systems. The Research Team then convened specialist working groups to produce what we expect will be landmark research in this field. and sought stakeholders' views through surveys. For more detail please see the Accreditation section of this report.

Late in 2011/12 NAATI negotiated with the leading Indigenous interpreting agency, the Northern Territory Aboriginal Interpreter Service, funding to improve access to NAATI credentials in the languages of the NT. The Australian Government complemented the NT initiative with funding for similar work in the languages of communities in adjoining States. The Indigenous interpreting projects will enable NAATI and the Australian and NT Governments to award more credentials in more languages. Those projects were due to commence in 2012/13. Also, late in 2011/12 NAATI gave evidence to the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs which subsequently supported restoration of ongoing funding to enable NAATI to treat Indigenous languages on the same basis as international languages. Given the all-party support from this Committee we hope NAATI will in future be able to support Indigenous interpreters on an ongoing rather than project basis.

Revalidation aligned how translators and interpreters demonstrate regular professional development and currency of practice with the arrangements of other professions. While not universally popular now, we believe Revalidation will in time be seen as one of the significant steps toward translating and interpreting being recognised as a profession. The start of Revalidation went smoothly and applications are higher than expected.

In conclusion I must thank the Board for their leadership and support in my first year and also NAATI's Qualifications Assessment Advisory Committee (QAAC), the Professional Reference Group (PRG) and Regional Advisory Committees (RACs) for their continued commitment to our shared purpose.

John Beever
Chief Executive Officer

Members and Directors

The Members of NAATI and their Representatives

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

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

- QLD – The Hon Glen Elmes MP, Minister for Multicultural Affairs, Minister for Aboriginal & Torres Strait Islander Affairs, Minister Assisting the Premier
- SA – The Hon Jennifer Rankine MP, Minister for Multicultural Affairs, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety

Changes in Members' representation occurred during the year as follows with the appointments of:

- Commonwealth – Mr Garry Fleming, First Assistant Secretary, Department of Immigration and Citizenship
- NT – Mr Robert Kendrick, Senior Executive Director, Department of Housing, Local Government and Regional Services
- TAS – Mr Nick Evans, Director, Department of Premier and Cabinet

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

	Member	Title	Representative	Title
Cwth	The Hon Chris Bowen MP (ceased as Commonwealth Member on 23 May 2012)	Minister for Immigration & Citizenship	Mr Garry Fleming	First Assistant Secretary Citizenship, Settlement & Multicultural Affairs
Cwth	Senator The Hon Kate Lundy MP (appointed Commonwealth Member on 23 May 2012)	Minister for Sport Minister for Multicultural Affairs Minister Assisting for Industry and Innovation		
ACT	Ms Joy Burch MLA	Minister for Industrial Relations Minister for Corrections Minister for Multicultural Affairs Minister for Disability and Housing Minister for Ageing	Mr Nic Manikis	Director Office of Multicultural and Aboriginal and Torres Strait Islander Affairs
NSW	The Hon Victor Dominello MP	Minister for Citizenship & Communities Minister for Aboriginal Affairs	Mr Stepan Kerkyasharian AM	Chairman Community Relations Commission for a Multicultural NSW
NT	The Hon Malarndirri McCarthy MLA	Minister for Local Government Minister Assisting the Chief Minister on Multicultural Affairs Minister for Children and Families Minister for Child Protection Minister for Statehood Minister for Women's Policy Minister for Senior Territorians Minister for Young Territorians	Mr Robert Kendrick	Senior Executive Director Local Government, Regional & Community Services Department of Local Government, Regional & Community Services
QLD	The Hon Glen Elmes MP	Minister for Disability Services and Multicultural Affairs	Mr Garry Page	Executive Director Multicultural Affairs Queensland
SA	The Hon Jennifer Rankine MP	Minister for Police Minister for Correctional Services Minister for Emergency Services Minister for Road Safety Minister for Multicultural Affairs	Mr Roger Lean	Director Multicultural SA
TAS	Ms Cassandra O'Connor MP	Ministerial for Human Services Minister for Community Development Minister for Aboriginal Affairs Minister for Climate Change	Mr Nick Evans	A/Manager Multicultural Tasmania
VIC	The Hon Nicholas Kotsiras MLA	Minister for Multicultural Affairs & Citizenship	Mr Hakan Akyol	Chairperson Office of Multicultural Affairs and Citizenship
WA	The Hon John Castrilli MLA	Minister for Local Government Minister for Heritage Minister for Citizenship and Multicultural Interests	Ms Maria Osman	Executive Director Office of Multicultural Interests

The Board of Directors



Ms Kerry Stubbs (Appointed Chair 15 November 2010)

Kerry Stubbs is CEO and Managing Director of Northcott Disability Services. Ms Stubbs has extensive board and committee experience, including Board Chair and Chair of audit and finance committees. From 2001 – 2008 she was the Executive Director of St Vincent's Hospital and Sacred Heart. She was the founding member and a steering committee member of the Network for Intercultural Communication, a group of practitioners formed to share experiences and information and develop expertise for people working in the fields of multicultural issues. She was also a member of the English in the Workplace Taskforce and of the Office of the Director of Equal Opportunity in Public Employment advisory subcommittee on issues affecting people of non-English-speaking background in the public sector. Ms Stubbs has a Master of Arts in Government and Public Administration. In 2007 she was named the NSW Telstra Businesswoman of the Year in Community and Government Sector and has had numerous publications including the award winning Multiculturalism in Conflict training handbook. Ms Stubbs is a Member of the Australian Institute of Company Directors and holds the following directorships: Managing Director, The Northcott Society Ltd; Director, eWater Ltd; Director, Health Services Association of NSW Ltd; Director, Cerebral Palsy Association Ltd; Director, Ability First Australia Ltd. Ms Stubbs's term expires on 1 March 2013.



Mr Abeselom Nega AFAIM, CAHRI, GACID

Mr Abeselom Nega was first appointed to the role of Director on 31 August 2005 and was re-appointed on 1 September 2011. Mr Nega came to this country as a refugee. Since his arrival, his community work roles have included Founding Deputy Chair of Queensland Program of Assistance to Survivors of Torture and Trauma; Founding Deputy Chair of the Annerley Community Centre; Board member of the Brisbane Migrant Resource Centre; Board member of the Cabramatta Community Centre in Sydney; Founding Chair of the Federation African Communities Council; member of the Australian Human Rights Commission: African Australians and Social Inclusion Steering Committee; Executive Member of the Federation of Ethnic Communities' Councils of Australia and Chair of the New and Emerging Communities policy advisory committee. Mr Nega has held Senior Executive positions in both the public and private sectors and is now the CEO of iEmpower – a service for young people from diverse cultural and linguistic backgrounds. Previously, Mr Nega was General Manager of AMES Employment, which serviced over 36,000 job seekers and managed over 380 staff. Mr Nega's term expires on 1 September 2013.



Dr Bulent (Hass) Dellal OAM

Dr Hass Dellal was appointed to the role of Director on 1 September 2010. Dr Dellal was appointed Executive Director of the Australian Multicultural Foundation in 1989 an organisation established to promote a strong commitment to Australia as one people drawn from many cultures. He was also appointed as Special Adviser for the Australasian Police Multicultural Advisory Bureau by the Conference of Commissioners of Police, Australasia and the South West Pacific Region in 2002-2004. Dr Dellal has had extensive experience throughout Australia and internationally on multicultural affairs; including the establishment of the European Multicultural Foundation and the Diversity Matters Forums for the Commonwealth Nations. He has spearheaded a number of initiatives for the benefit and development of the general community to include the Muslim Youth Summits for the Commonwealth Government, the Muslim Youth Leadership programs and the Community Policing Partnership projects. He serves on a number of committees and boards that deal with community relations, business, police relations, access and equity, religious diversity, skill recognition, second language development, philanthropy and the arts. Dr Dellal was awarded the Medal of the Order of Australia in the General Division for services to Multicultural Organisations, the Arts, and the Community on the Queen's Birthday Honours List 1997. He was also awarded the Centenary of Federation Medal in 2003, and was conferred with an Honorary Doctorate in Social Sciences by RMIT University on 13 December 2006. In 2010, Dr Dellal was also appointed as Deputy Chair of SBS (Special Broadcasting Services) and to the Commonwealth's Australian Multicultural Council. Dr Dellal's term expires on 31 October 2013.



Associate Professor Ludmila Stern BA(Hons) PhD (UNSW)

Dr Ludmila Stern was appointed to the role of Director on 1 March 2010. Dr Stern is an Associate Professor and Head of School of International Studies at the University of New South Wales (UNSW). Before embarking on an academic career, Dr Stern worked as an interpreter and translator. As part of her research she examines interpreting practices in national and international courts and tribunals, and their impact on courtroom communication (e.g., the Australian War Crimes Prosecutions, at the International Criminal Tribunal for the Former Yugoslavia and the International Criminal Court). Dr Stern was Chair and examiner of the NAATI Russian panel. She was the founder and the first coordinator of the NAATI-approved Master's degree in Interpreting and Translations Studies at UNSW (2005-2010), for which she was awarded the 2010 Dean's Award and the Vice Chancellor's Award for Teaching Excellence. The author of articles on interpreting in national and international courts, Dr Stern has been a consultant and an educator of interpreters and interpreter users for Australian and international courts and other organisations (DPP, Bar Association, NJCA, Judicial Commission, ICC). Dr Stern's term expires on 1 March 2013.

Accreditation

The financial year 2011-2012 was another year of increased productivity and change for NAATI in the accreditation area.

The highlights included:

Broadening the range of languages available for accreditation by testing

- Nepali Paraprofessional Interpreter accreditation testing materials and sample test materials produced with accreditation testing starting in December 2011.
- Completed investigations into re-establishing accreditation testing for Kurdish (Sorani) and Kurdish (Kurmanji).

On-going monitoring of Examiner performance

- Completed on-going analyses of marking performance on a language by language basis against four criteria – pass/fail rate, third marking rate, pass/fail agreement rate, average difference between the examiners.
- Targeted language specific professional development sessions for seven Examiner panels.

Improvement of testing technology

- Used digital recording of interpreting test candidates to deliver greater audio clarity for examiners.
- Updated video recording technology enabling digital transfer of Auslan tests from the state offices to the national office and examiners.
- Established a system of electronic transfer of recorded interpreter test materials between state and national offices.
- Maintained a system for dispatch of test materials for marking in digital format.
- Maintained a system of electronic distribution, assessment and feedback of practice translation materials.

Special Projects

- Continuation of the Commonwealth New Interpreters Project (NIP) to assist with the supply of interpreters in 'new and emerging' languages.
- Involved in a process of assessing telephone interpreter performance.
- Completion of the review and rewriting of the A Guide to Approval of Courses in Translating and Interpreting (VET Sector)

Outlook for the Future

The outlook is one of further change including a comprehensive review and improvement to testing and assessment pathways within the credentialing system and major improvements in access to the system for Indigenous interpreters.

Improvements to NAATI Testing

In April 2011 NAATI called for expressions of interest from independent experts to carry out a project to improve various aspects of NAATI's testing process and related matters. The project became generally known as the INT Project and was intended to be the first comprehensive review of the accreditation system since its inception.

The call for expressions of interest was for the Phase 1 of what was expected to be a three phase project to be conducted over several years. Phase 1 was envisaged as the exploratory phase which would develop a conceptual overview of the elements of a new model for NAATI's standards, testing and assessment with special emphasis on validity, reliability and practicality. Phase 2 envisaged developing the framework into a workable practical form and Phase 3 implementation of a new approach to testing based on changes to be agreed with NAATI.

INT Researchers

NAATI selected an expression of interest for Phase 1 submitted by a research team led by Professor Sandra Hale of the University of NSW as Chief Investigator. The NAATI Board approved the details of Phase 1 in September 2011 and work began the following month with a deadline of late 2012.

The INT Team comprised Dr Mira Kim (University of NSW), Dr Jim Hlavac (Monash University), Adjunct Professor Barry Turner (RMIT University), Miranda Lai (RMIT University), Dr Ignacio Garcia (University of Western Sydney) as co-investigators; Helen Slatyer (Macquarie University), Professor Claudia Angelelli (San Diego State University, USA), Professor Gyde Hansen (Copenhagen School of Business, Denmark) and Associate Professor Catherine Elder (Language Testing Research centre, Melbourne University) as consultants and Associate Professor Jemina Napier (Macquarie University), Dr Michael Cooke (Aboriginal interpreting expert) and Marc Orlando (Monash University) as advisors to the project.

Initial work included a thorough review of the relevant literature, of current government language and translator/interpreter policies and of the results of earlier reviews of aspects of NAATI operations. Consultations were held with most of the Commonwealth, State and Territory Governments and detailed questionnaires were devised to seek further consultation from translating and interpreting practitioners, educators, examiners and agencies.

The INT Team then split into five specialist working groups led by one of the researchers who invited experts in each area to participate. The groups investigated and advised on:

- rubrics, descriptors and competency-based assessment
- technology and interpreting testing
- technology and translation testing
- test reliability
- prerequisites and specialisations.

By the end of 2011/12 the INT Project was proceeding on time and on plan.

Indigenous Interpreting

NAATI first issued credentials to Indigenous interpreters in 1981. Some 250 credentials have been issued in languages included in the list at page 15. However following changes in administrative arrangements NAATI government funding has in recent years come from appropriations for immigration and multicultural departments. Such funding can only properly be used for the purposes for which it is appropriated which means funding for Indigenous interpreting had to be on a project by project basis when funds were available.

Late in 2011/12 NAATI gave evidence to the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs (HoRSCATSIA) on interpreting aspects of their inquiry into Language and Learning in Indigenous Communities. Subsequently HoRSCATSIA included among its recommendations in the Our Land Our Languages report a recommendation that NAATI receive dedicated and ongoing funding for Indigenous interpreting.

Also late in 2011/12, NAATI negotiated with the pre-eminent Indigenous interpreting agency, the Aboriginal Interpreter Service (AIS) of the Northern Territory Government project funding to improve access to accreditation for Indigenous interpreters in languages of the Northern Territory. The AIS and NAATI had collaborated in a 2008 project in which AIS interpreters became the first to be awarded Professional Interpreter level credentials in Australian Indigenous language.

The Northern Territory project was then extended by another for the Australian Government to do complementary work in the languages of remote communities in adjoining States. A particular requirement of this project is that NAATI ensure changes following the INT Project take due account of the needs of Indigenous interpreting. Work on both projects was due to begin in 2012/13.

New Interpreters Project

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

The aim of the Project is to support the communities which speak those languages to be able to participate fully in Australian society through improved communication.

Project Overview

The Project formally commenced in July 2008. It has created a great deal of interest in its target communities. The Project covers the costs for participants associated with attending workshops, testing, recognitions and accreditation.

Development of Linkages

The linkages initially set up to establish support for the Project continue, including:

- liaison through NAATI State Offices and committees,
- promotion through the NAATI News and other stakeholders' publications, and
- development of stakeholder-relations strategies and extensive networking in each jurisdiction, supported by information sessions with detailed face-to-face support for potential applicants.

Resource Development

The current version of the poster and other resources are available on the NAATI website (<http://www.naati.com.au>).

Information Sessions

There were no information sessions held during 2011/12 as there are more candidates than could be accepted due to the interest which had been generated since its inception.

Locations of Workshops

Successful preparatory workshops were held in Brisbane, Hobart, Melbourne and Sydney in 2011/12.

These workshops were developed specifically for the NIP (based on previous pilot studies). The workshops held to date have all been fully subscribed and all have been highly regarded by the participants.

Applicants Seeking NAATI Testing

The Project has attracted a wide range of applicants, and this has broadened further as interest in the Project has grown and DIAC continues to review its list of eligible languages as necessary.

People Successful in Gaining NAATI Accreditation

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

A total of 7 Accreditations and 9 Recognitions were awarded during 2011/12, bringing the total number of Accreditations awarded to 102 and Recognitions to 101 since the commencement of the project (as at June 30, 2012).

States and Territories

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

The Commonwealth New Interpreters Project continues to be delivered through State and Territory offices in all capital cities and in some regional locations. There continued to be improvements to client services implemented by the State and Territory offices as part of NAATI's overall commitment to improved products and services. An indicative selection from many highlights in 2011-2012 follows.

AUSTRALIAN CAPITAL TERRITORY

- There were 137 tests undertaken

COMMONWEALTH

- The promotion of The Hon Kate Lundy MP from Parliamentary Secretary to Minister for Multicultural Affairs
- Negotiation of a project for 2012/13 to increase access for WA, SA and Queensland Indigenous interpreters to accreditation

NEW SOUTH WALES

- There were 1108 tests undertaken

NORTHERN TERRITORY

- Negotiation of a project for 2012/13 to increase access for Northern Territory Indigenous interpreters to accreditation
- There were 39 tests undertaken
- Support continues to be provided from the National Office

QUEENSLAND

- There were 439 tests undertaken
- Relocation of the office to new premises
- The appointment of The Hon Glen Elmes MP as Minister for Minister for Multicultural Affairs

SOUTH AUSTRALIA

- There were 194 tests undertaken
- The SA RAC is planning a Translator and Interpreter Awareness Day for November 2012

TASMANIA

- There were 29 tests undertaken

VICTORIA

- There were 980 tests undertaken

WESTERN AUSTRALIA

- There were 221 tests undertaken

Administration and Business Development

The 2011-2012 year proved to be challenging for the Corporate Services functions of NAATI.

General Developments

Some of the more significant developments were:

- Queensland State Office, relocated to new premises,
- continued improvements to the NAATI website,
- development and release of further enhancements to the online business portal "ePortal, including the ability for individuals to make online applications for testing and accreditation by approved course,
- continued development of Phase 2 of the ePortal, and the integration with the NAATI database SAM (System for Accreditation Management),
- intranet facility was introduced to staff and was used for uploading of training tools for the introduction of the SAM upgrade,
- secure ID Cards were released,
- recruitment of various positions in State/Territory offices due to staff movement, and increased activities,
- photocopier Lease was negotiated and implemented across all NAATI offices, with minimal disruption to activities, and
- negotiated contract for scanning and archival of over 10,000 paper files, this project will extend to next year, where it is hoped to incorporate the scanned files into our SAM database for easy retrieval.

System for Accreditation Management (SAM) database

Enhancements and modifications to SAM were again focussed on effectiveness and access, with particular emphasis given to the new online trading portal. Areas under development are the ability to migrate data entered via the online application wizard from the ePortal directly into SAM, thus creating greater efficiencies in staff time.

Enhancements for Phase 2 of the ePortal, giving the ability for individuals to apply for testing on line, and then migrate the information to the database has also been developed and all of these functions are currently undergoing vigorous user testing prior to release, release is hoped to occur in the first half of next year.

Online Directory of Accredited and Recognised Translators and Interpreters

The directory listed 5531 accreditations at June 30, 2012. The new wizard style directory released in 2010/11 has proven to be a success, and has created great efficiencies within the NAATI National office.

Outlook for the future

The 2012-2013 year promises a number of new challenges including:

- continuing review and enhancement of the organisation's functions and capabilities,
- further planning and development of Phase 2 of the ePortal, to enable more online business and further integration with the SAM database,
- development of an online credential verification system, to allow verification of individual credentials,
- further enhancements to the NAATI website to allow for more interactive business,
- continue work on the intranet facility, to include secure access to the NAATI board, QAAC and PRG committees to directly access electronic meeting papers from the portal,
- release of new unique numbered accreditation transcripts, currently being tested with Phase 2 of the ePortal and SAM enhancements,
- continuation of the record management archival began in 2011/12,
- negotiation of new server lease, and implementation of servers, it is also expected to integrate the desktop equipment with the server lease,
- recruitment and training of some more staff due to increased level of activity within all of the NAATI offices, and
- explore the possibility of giving NAATI a social media presence.

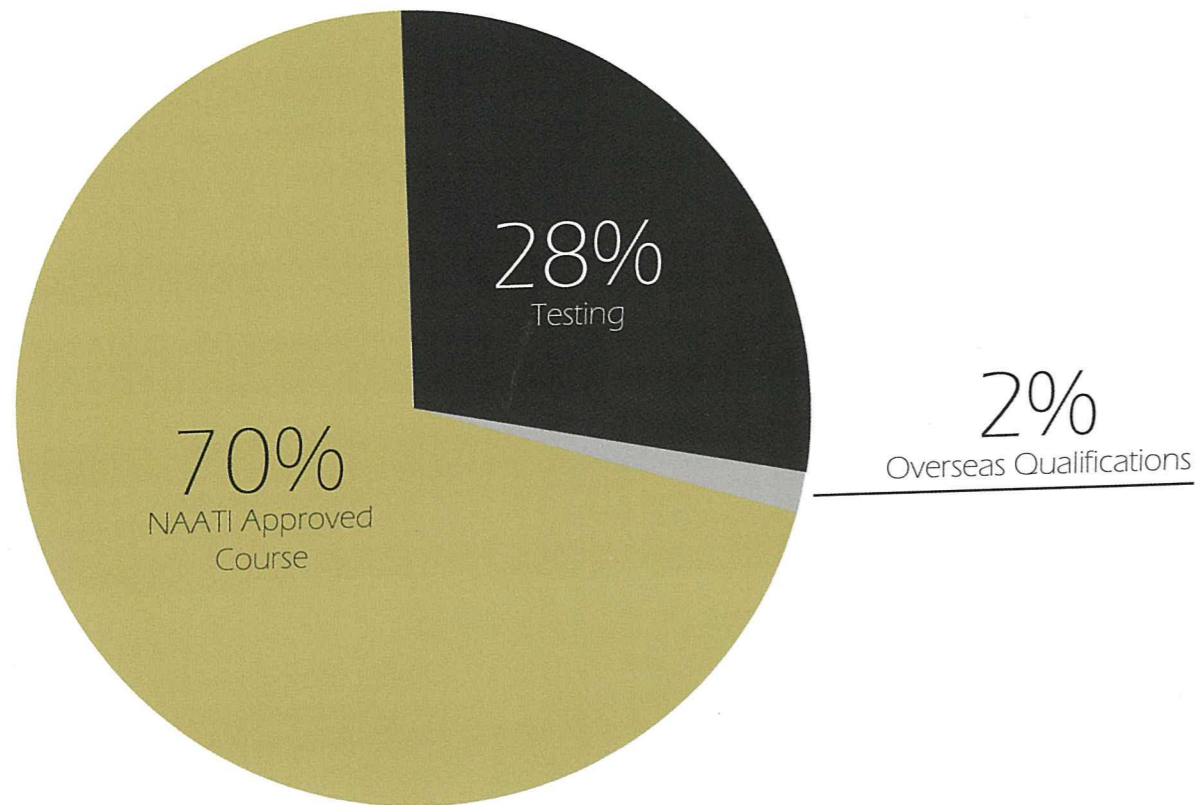
Business Performance

Credentialing

NAATI awarded 2555 credentials and achieved the following service delivery and outcomes during the year.

Accreditation

- 2485 accreditations awarded in total.
- 703 accreditations awarded by testing.
- 38 accreditations awarded by assessment of overseas qualifications.
- 1744 accreditations awarded on completion of NAATI-approved Australian courses.



- One Advanced Translator accreditation was awarded.

Other Credentials Awarded

- 70 Recognitions were awarded across 26 languages.
- Seven Language Aide certificates were awarded across five languages.

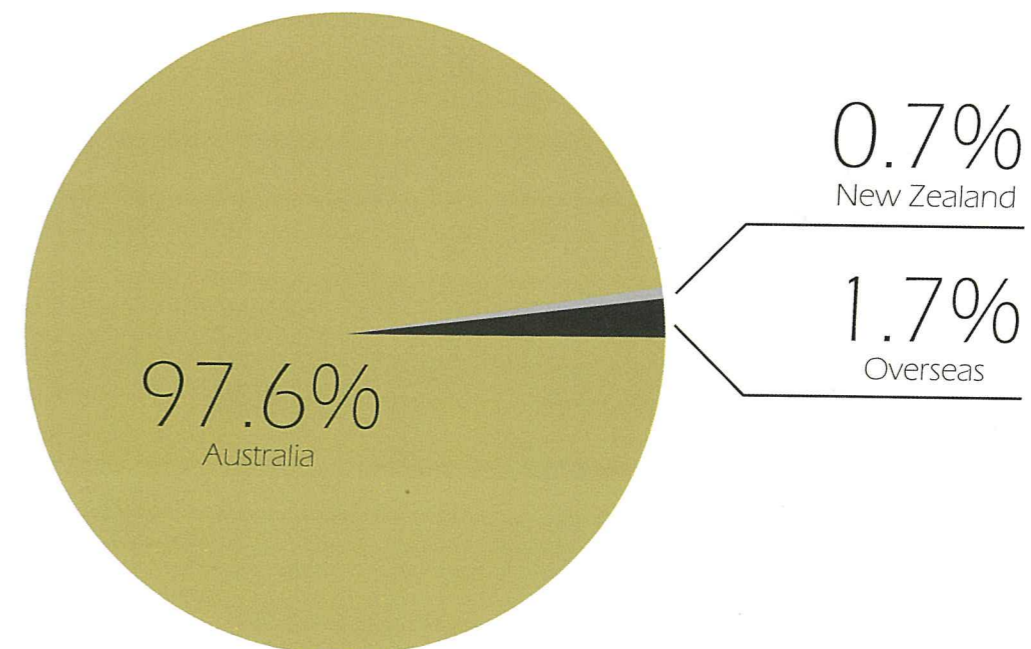
Language Accreditations

By 30 June 2012 NAATI had issued accreditations in 115 International and Indigenous languages.

Afrikaans	Dinka	Japanese	Murrinh-Patha	Swahili
Albanian	Djambarrpuynngu	Jaru	Nepali	Swedish
Alyawarra	Djapu	Kala Lagaw Ya	Ngaanyatjarra	Tamil
Amharic	Dutch	Karen	Norwegian	Tetum
Anindilyakwa	Eastern Aranda	Kaytej	Nuer	Thai
Anmatyerr	Eastern Arrernte	Khmer	Nunggubuyu	Tigrinya
Arabic	Filipino	Kija	Nyangumarta	Tiwi
Armenian	Finnish	Korean	Oromo	Tongan
Assyrian	French	Kriol	Persian	Torres Strait Island Creole
Auslan	Georgian	Kukatja	Pitjantjatjara	Turkish
Bangla	German	Kunwinjku	Polish	Ukrainian
Bosnian	Greek	Kurdish (Kumanji)	Portuguese	Urdu
Bulgarian	Gumatj	Kurdish (Sorani)	Punjabi	Vietnamese
Burarra	Gunwinkgu	Lao	Pushto	Walmajarri
Burmese	Gupapuyngu	Liyagalawumirr	Romanian	Wangkatha
Cantonese	Hakka	Luritja	Russian	Warlpiri
Chin (Haka)	Hazaragi	Macedonian	Samoan	Warumungu
Chinese	Hebrew	Malay	Serbian	Western Aranda (Arrernte)
Chinese, Min Non	Hindi	Maltese	Sinhalese	Western Arrernte
Croatian	Hungarian	Mandarin	Slovak	Wik-Mungkan
Czech	Indonesian	Martu Wangka	Slovene	Yankunytjatjara
Danish	Italian	Modern Tiwi	Somali	Yindjibarndi
Dari	Iwaidja	Mongolian	Spanish	

Testing

- 3223 tests were sat.



Test Preparation Activities

- Delivery of 94 workshops to assist candidates to prepare for accreditation testing.

Examiner Activities

- Maintaining independent marking across all languages for Professional Translator tests.
- Produced regular Examiners' Newsletter to facilitate communications and promote consistency.
- Maintained a process and system to performance monitor examiners.

External Benchmarking Activities

- Obtained independent reviews to ensure quality marking and setting of materials for accreditation tests.

Activities Associated with NAATI-Approved Courses

- Consideration of applications for approval of 16 new courses.
- Approval of 12 new tertiary courses; re-approval of 8 courses.
- The number of NAATI-approved courses declined to 26 across 9 institutions.
- There were 7 NAATI-approved courses available in translation, 8 in interpreting and 11 in a combination of translation and interpreting.
- Currently there are 20 language-streams approved within translation courses and 48 language streams within interpreting courses, encompassing 46 and 101 course/language combinations respectively.
- NAATI continued to monitor approved courses to ensure that the conduct of the courses and the exit standards of graduates meet NAATI's requirements, investigating any complaints that may have arisen.

Research and Development

- Commissioned Phase One of the Improvements to NAATI Testing (INT) Project

Industry/Community Activities

- Delivery of three information sessions to enhance community and employer understanding of the NAATI accreditation system and the importance and benefits of using accredited practitioners.
- Continuation of training and testing in rural and regional areas and for 'new and emerging' languages.

Financial Performance

This reporting period was subject to a new funding agreement with the Members.

The year saw an increase in total revenue of 22.3% accompanied by an increase in expenditure of 29% on the previous period. The increase in expenditure was as a result of the increased testing activity experienced along with the special arrangements being required for the Mandarin and Chinese testing, during this year. When discounted for the capital injection from the Commonwealth and some states giving NAATI additional funding in this period, there was an increase in operating revenue for the current period of 2.7%.

Government revenue for the period represented 34.5% of total income, a decrease from 53.5% in the previous period. The net result for the period was an operating profit of \$1,206,237, including the Commonwealth's capital injection and the states additional funding received. If the Commonwealth capital injection is not included the operating result would have been a profit of \$410,113.

Outlook

NAATI will continue to build on its strong foundations established over more than 30 years as it plans for the future. It will seek to do this in a collegial way with its stakeholders.

In 2012/13 NAATI will continue to draw on the support of the Members and their Representatives and implement or assist government language services initiatives.

NAATI will continue to rely on the expert guidance of the Qualifications Assessment and Advisory Committee (QAAC), the Professional Reference Group (PRG) and Regional Advisory Committees (RACs). It will continue to work closely with its expert panels of examiners and to apply their specialised knowledge and enthusiasm to seek continued improvements in this key foundation of the credentialing system.

NAATI will continue to cooperate effectively with national professional groups and with educators of translators and interpreters in the development of a skilled professional capable of meeting the communications needs of the Australian community.

Enabling all this, NAATI will continue to depend upon the skills and commitment of its staff to deliver the Board's vision for the organisation now and in the future.

The major challenges and opportunities for 2012/13 include:

- completion of Phase One of the INT Project.
- consultation with stakeholders to ensure their inputs are considered in decisions about what changes following INT might be implemented, how and when.
- further development of the tertiary Approved Courses system.
- implementation of the 2012/13 Indigenous interpreting projects.
- further development of support for new and emerging languages.
- continuing business process improvements, particularly through use of information systems.

NAATI and the Company

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

NAATI's Mission:

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

NAATI Company Objectives:

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

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

Strategic Priorities

LEADERSHIP

KPI - LEADERSHIP

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

- Setting national accreditation standards
- Providing policy leadership and advice

PERFORMANCE

KPI - PERFORMANCE

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

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

RELATIONSHIPS

KPI - RELATIONSHIPS

NAATI is respected and valued by its Members and stakeholders.

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

RESPONSIVENESS

KPI - RESPONSIVENESS

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

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

PEOPLE

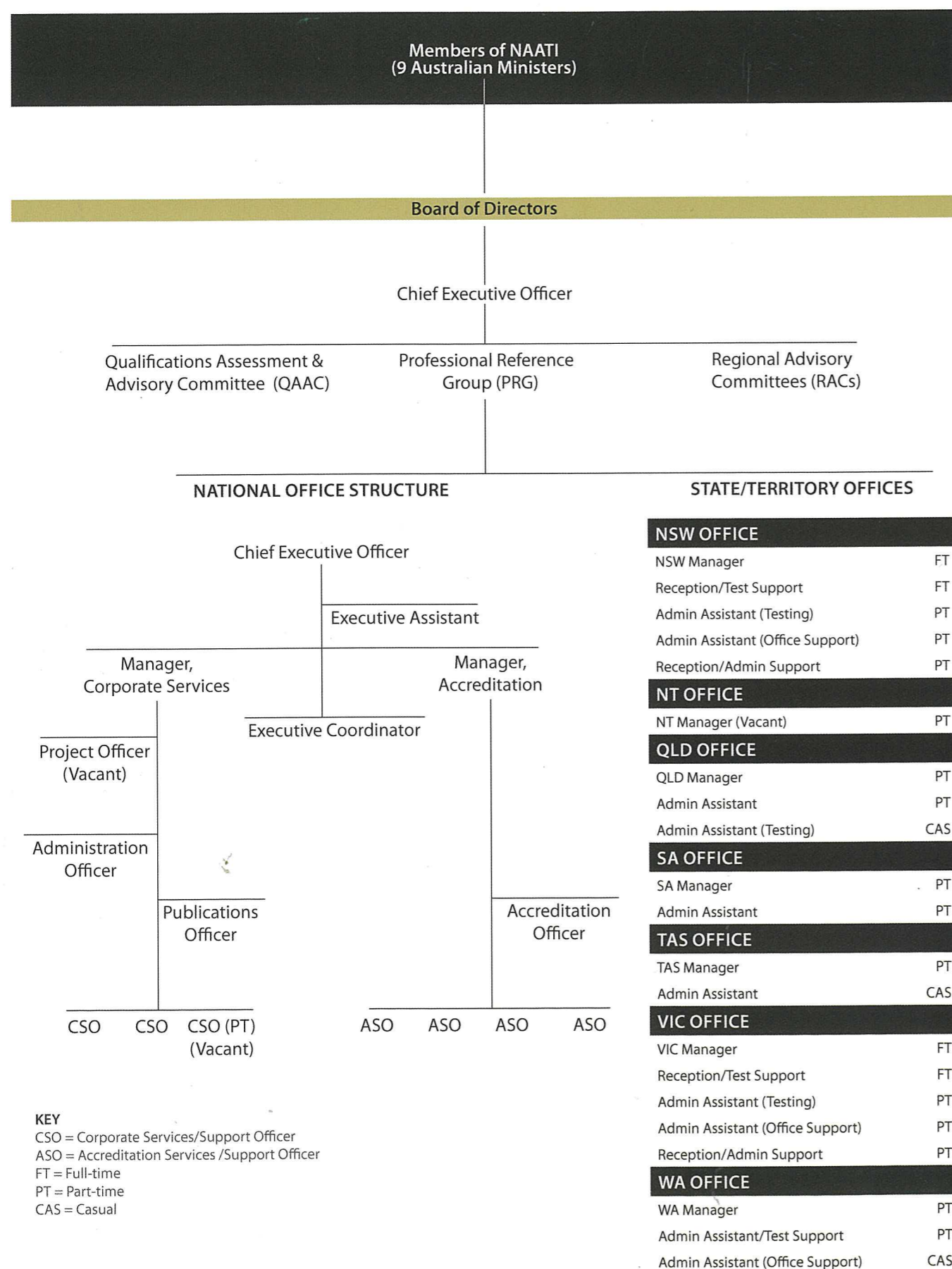
KPI - PEOPLE

NAATI is regarded as an employer of choice.

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

Organisational Structure

NAATI's national office is in Canberra and there are also offices in each State and Territory with the Northern Territory office being a virtual office. As at June 30, 2012, NAATI employed 37 staff (24.7 effective-full-time-positions) as shown below.



NAATI Committees and Panels

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

Qualifications Assessment and Advisory Committee

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

The Committee is responsible for advice on the following:

- approval of tertiary courses in translating and interpreting
- development and revision of NAATI's Guidelines for the Approval of Courses
- assessment of overseas qualifications
- assessment of qualifications for accreditation at advanced levels
- development of eligibility criteria for accreditation at the various levels
- consideration of appeals
- development of policies relating to accreditation and testing
- participation in reviews relating to accreditation and testing
- consideration of general policy issues relating to the standards of the profession.

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

As at 30 June, 2012 the membership of the QAAC was:

Member	Background
Ms Anna Grassi (Chair) BA	VET sector programs and systems and representative of Paraprofessional courses in Australia.
Mr Ari Pappas (Deputy Chair) (resigned 29/03/2012) Grad Dip Health Science Management, Dip T & Dip Welfare Studies	Manager of a key service provider agency, Education Liaison Officer and member of project for Schools Commission Program. NAATI-accredited Interpreter at the Professional Level.
Ms Amalia Milman Dip Teaching, Assoc Dip Interpreting and Translation	Practitioner, T & I educator, experience with service provision. NAATI-accredited Advanced Translator and Interpreter.
Associate Professor Jemina Napier (resigned 12/05/2012) BA, MA, PhD, MEd in Professional & Higher Education	Educator, researcher, practitioner (Auslan), Representative of courses at the Professional and Graduate Level. NAATI-accredited Interpreter at the Professional Level.
Ms Helen Slatyer BA, RSADipTEFL, MAppLing	Translator, Lecturer, Department of Linguistics, Macquarie University, research expertise in language testing. NAATI-accredited Professional Translator and Paraprofessional Interpreter.
Mr Adolfo Gentile BA, Dip Tert Ed, MEdAdmin (Appointed Deputy Chair on 18 May 2012)	Adjunct Professor, Interpreting and Translating, University of Queensland; Adjunct Senior Research Fellow Monash University. Former Head of School of Languages, Interpreting and Translating at Deakin University and the Director of the University's Centre for Research and Development in Interpreting and Translating. Former President of the Fédération Internationale des Traducteurs (FIT). Adolfo has written extensively and consulted on the training and practice of translating and interpreting. NAATI-accredited Advanced Translator.
Ms Yuki Sayeg MA(AppL), MLitSt., BA (Hons), Graduate Certificate in Conference Interpreter Training (Geneva), AIIC Member	Coordinator, MA in Japanese Interpreting & Translation (MAJIT), University of Queensland; freelance conference interpreter and translator. NAATI-accredited Conference Interpreter (Senior) and Advanced Translator.
Ms Magdalena Rowan BA, BEd	Translating and interpreting educator and coordinator of translating and interpreting courses at TAFESA and a practising interpreter and translator. Magdalena designed and wrote the curriculum for the TAFESA Advanced Diploma in Translating and was on the steering committee for the new national VET T&I qualifications. NAATI-accredited Professional Translator and Interpreter.

Professional Reference Group

The Professional Reference Group (PRG) was set up in 2012 to provide advice to the Board to complement and supplement the advice received from the Qualifications Assessment Advisory Committee (QAAC) and the Regional Advisory Committees (RACs). The Board gratefully acknowledges the advice it receives from the PRG.

The PRG is responsible for advice on the following:

- development of policies relating to accreditation and testing,
- participation in reviews relating to accreditation and testing,
- consideration of general policy issues relating to the standards of the profession,
- more informed decision-making on matters of practical importance to the profession,
- a structured mechanism to receive and consider views from the profession,
- consensus with the profession on future directions that relate to NAATI's work, and
- improved long-term relationships with the profession.

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

As at 30 June, 2012 the membership of the PRG was:

Member	Background
Mr Ari Pappas Grad Dip Health Science Management, Dip T & Dip Welfare Studies	Manager of a key service provider agency, former member of the QAAC, Education Liaison Officer and member of project for Schools Commission Program. NAATI-accredited Interpreter at the Professional Level.
Ms Sam Berner B.Ed&Sc, M.Inf Mgmt	Principal Partner of Arabic Communication Experts, AUSIT Senior Practitioner, NAATI-accredited Professional Translator.
Mrs Barbara McGilvray BA (Melb), MA (Syd)	Literary and film translator. Vice President of AUSIT and member of AALITRA. Occasional lecturer in translation. NAATI-accredited Advanced Translator.
Ms Philippa Cody BA, Grad Dip	Auslan/English Interpreter (NAATI accredited at Professional level), Interpreting and Translating Lecturer, TAFE SA, Member of ASLIA, committee member of ASLIA SA.
Mr Trevor C Neroy BSc (Hons), MBM	Director Translating and Interpreting Service (TIS) National. Specialist in Strategic Transformation, Change Management and Complex Project delivery with more than 20 years commercial experience from various Service Delivery industries.
Mr Sam Campisi (resigned April 2012)	National Manager of the Multicultural Services Branch in the Department of Human Services (the Department). Responsible for national administration of interpreter and translating services for all the programs in the Department, which together make up one of the largest language services operations in Australia. Involved in a support and advisory capacity with NAATI since its inception.

Regional Advisory Committees

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

The major roles of the Regional Advisory Committees are:

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

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

ACT	QLD	VIC
Ms C Crane Dr M Leader Mr N Manikis Ms M Mau-Oldfield Mr M Palic Dr C Phillips Ms A Stensletten	Ms P Avila Dr M Brandle Ms T Dietterich Mr J Duncan (QLD Manager) Mr S Hinkler Mr U Ildes Ms M Ko Ms N Parisi Ms J Ryan Ms C Ruiz Ms Y Sayeg Ms I Szymanska	Mr I Akinci Mr I Ayzit Mr R Barnett Mr G Bisas Ms L Bongiovanni (Convenor) Mr J Butterfield Dr B Dellal (NAATI Director Ex-Officio) Mr J Gare Mr D Hately Ms L Horvat Mr S Mulayim (omitted from 2010/11 report in error) Mr A Nega (NAATI Director Ex-Officio) Mr T Neroy Mr M Orlando Mr A Pappas Ms P Tissera Ms C Toffoli-Zupan (VIC Manager) Ms R Wilmot
NSW	SA	WA
Ms N Arrange Ms A Grassi (Convenor) Mr M Doerfler Ms V Dragoje Mr G Harkins (NSW Manager) Mr H Harman Mr S Harris Mr S Keith Ms T Markos Mr G McCoy Ms M McMahan Assoc Prof L Stern (NAATI Director Ex-Officio) Ms K Stubbs (NAATI Director Ex-Officio) Ms M Taibi Ms C Webster Ms K Wright	Ms C Appelkamp (SA Manager) Mr M Armiento (Convenor) Ms D Ankor Mr D McAteer Ms L Berkis Ms R English Ms A Garcia Dr I Harmstorf Mr D Haller Mr P Hellander Ms D Kelly Ms H Loades Ms M Rowan Mr A Skuza Mr J Tayler Ms Y Zurawska	Ms M Beasley (WA Manager) Ms B Buise Ms E Davies Mr M Delahoy Dr W Frick Ms K Gilchrist Mrs M Gruszka Ms M Gurgone (Convenor) Ms A Johnston Mr S Mancini (WA Manager, retired 16.8.2011) Ms K McKeon Mrs H Murphy Dr T Nicholls Ms C Sheeves Ms N Weerakoon Ms G Zhang
NT	TAS	
Ms F Abbott Dr P Black (Convenor) Ms J Guy Ms L Kohaupt Ms A Quinn Ms J Ventic Ms U Vorst	Mr A Ali Ms V Bashford Ms L Brown Ms W Buza (Convenor) Ms J Forward Ms B Hartley Mr P Huxtable Ms F Lieutier Ms M Stephens (TAS, Manager) Ms M Williams Ms N White	

Panels of Examiners

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

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

As at 30 June, 2012 panels were being maintained for the following languages:

A Albanian Amharic Arabic Armenian Assyrian Auslan	B Bangla Bosnian Bulgarian Burmese	C Cantonese Chinese Croatian Czech	D Dari Dinka Dutch
E English	F Filipino Finnish French	G German Greek	H Hazaragi Hindi Hungarian
I Indonesian Italian	J Japanese	K Khmer Korean	L Lao
M Macedonian Maltese Malay Mandarin	N Nepali Nuer	O Oromo	P Persian Polish Portugese Punjabi Pushto
R Romanian Russian	S Samoan Serbian Sinhalese Somali Spanish Swahili	T Tamil Tetum Thai Tigrinya Tongan Turkish	U Ukranian Urdu
V Vietnamese			

Your directors present their report on National Accreditation Authority for Translators and Interpreters Limited (NAATI) for the financial year ended 30 June 2012.

1. General Information

Information on Directors

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

Kerry Stubbs	Chair
Qualifications	BA (Hons) MA (Hons) Graduate Certificate in Writing MAICD
Experience	CEO and Managing Director Northcott Disability Services Ltd, Director, eWater Ltd, Ability First Australia Ltd, Cerebral Palsy Australia Ltd, Heath Services Association of NSW Ltd, Chair SpineCare Ltd, Former Executive Director of St Vincent's Hospital and Sacred Heart, Founding member of the Network for Intercultural Communication, Former member of the English in Workplace Taskforce, Former subcommittee member in the Office of the Director of Equal Opportunity in Public Employment, 2007 NSW Telstra Businesswoman of the Year in Community and Government Sector.
Abeselom Nega	
Qualifications	AFAIM CAHRI
Experience	Management consultant in strategic planning, business development, employment services and performance management, Former Chair of Federation of African Communities Councils.
Assoc. Prof. Ludmila Stern	
Qualifications	BA (Hons) PhD
Experience	Associate Professor, Head of School of Languages and Linguistics at The University of NSW (UNSW). NAATI accredited translator and interpreter, former Chair of the NAATI Russian panel, researcher (court interpreting in international courts).
Dr Bulent (Hass) Dellal OAM	
Qualifications	Doctor of Social Science honoris causa, RMIT University A.C.M.M
Experience	Executive Director of the Australian Multicultural Foundation, former Commissioner of the Victorian Multicultural Commission. Appointed Special Adviser for the Australasian Police Multicultural Advisory Bureau 2002 by the Conference of Commissioners of Police, Australasia and the South West Pacific Region. Member Board of Trustees, European Multicultural Foundation, Deputy Chair of Special Broadcasting Service (SBS).
Appointed/Resigned	Appointed 1/09/2010

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

1. General information continued

Principal Activities

The principal activity of the National Accreditation Authority for Translators and Interpreters Limited (NAATI) in 2011/2012 was strengthening inclusion and participation in Australian society by assisting to meet the nation's diverse and changing communications needs and expectations. The Governments of Australia regard this as an essential community service for enhancing the settlement of migrants to Australia and support NAATI accordingly.

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

Long-term Objectives

The broad, long term objectives of the company are to:

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

Short-term Objectives

By agreement with its members, the company's priority short term objectives in 2011/2012 were the first three of the above long term objectives plus:

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

Strategy for Achieving these Objectives

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

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

1. General information continued

Performance Measures

The company measures performance through monitoring benchmarks in respect of:

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

Meetings of Directors

During the financial year, 5 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

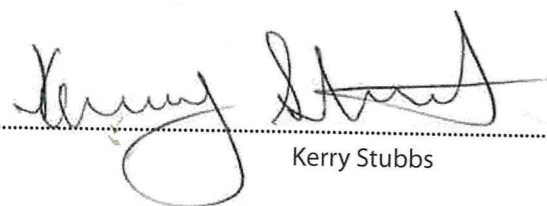
	Directors' Meetings	
	Number eligible to attend	Number attended
Kerry Stubbs	5	5
Abeselom Nega	5	4
Associate Professor Ludmila Stern	5	5
Dr Bulent (Hass) Dellal OAM	5	5

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2012 has been received and can be found on page 4 of the financial report.

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

Director:



Kerry Stubbs

Dated: 7 September 2012



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E info@hardwickes.com.au
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Hardwickes
ABN 35 973 938 183

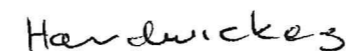
Hardwickes Partners Pty Ltd
ABN 21 008 401 536

Liability limited by a scheme
approved under Professional
Standards Legislation

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011, there have been:

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



Hardwickes
Chartered Accountants



Robert Johnson FCA

3 October 2012

Deakin ACT

Statement of Comprehensive Income
 For the Year Ended 30 June 2012

	Note	2012 \$	2011 \$
Other income	13	5,653,982	4,611,006
Employee benefits expense		(1,805,822)	(1,566,891)
Other expenses		(2,332,049)	(1,617,579)
Depreciation		(309,874)	(251,453)
Profit before income tax		1,206,237	1,175,083
Income tax expense		-	-
Total comprehensive income for the period		1,206,237	1,175,083

Statement of Cash Flows
 For the Year Ended 30 June 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		6,630,338	4,554,519
Payments to suppliers and employees		(4,475,924)	(3,422,300)
Interest received		184,752	172,846
Net cash provided by (used in) operating activities	17	2,339,166	1,305,065
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(317,123)	(301,869)
Net cash provided by (used in) investing activities		(317,123)	(301,869)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(69,699)	(62,824)
Net cash used by financing activities		(69,699)	(62,824)
Net increase (decrease) in cash and cash equivalents held		1,952,344	940,372
Cash and cash equivalents at beginning of year		2,556,899	1,616,527
Cash and cash equivalents at end of financial year	2	4,509,243	2,556,899

Notes to the Financial Statements
For the Year Ended 30 June 2012

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

1. Summary of Significant Accounting Policies

Basis of Preparation

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

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

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

(a) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

(b) Property, Plant and Equipment

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

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less depreciation and impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Notes to the Financial Statements
For the Year Ended 30 June 2012

1. Summary of Significant Accounting Policies continued

(b) Property, Plant and Equipment continued

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding leasehold land, is depreciated on a reducing balance basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

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 or losses are included in the statement of comprehensive income.

(c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (d) less any reduction for impairment

1. Summary of Significant Accounting Policies continued

(c) Financial Instruments continued

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held to maturity assets.

The company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(iii) *Held to maturity investments*

Held to maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held to maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held to maturity investments category would be tainted and reclassified as available-for-sale.

1. Summary of Significant Accounting Policies continued

(c) Financial Instruments continued

(iv) *Available for sale financial assets*

Available for sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

(v) *Financial liabilities*

Non derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

However, any reversal in the value of an impaired available for sale asset is taken through other comprehensive income rather than profit and loss.

Impairment losses are recognised through an allowance account for loans and receivables in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non cash assets or liabilities assumed, is recognised in profit or loss.

When available for sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

1. Summary of Significant Accounting Policies continued

(d) Impairment of Assets

At the end of each reporting year, 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. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

(f) Employee Benefits

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

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

(g) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Income Tax

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(i) Leases

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

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

1. Summary of Significant Accounting Policies continued

(i) Leases continued

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

(j) Revenue and Other Income

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of National Accreditation Authority for Translators and Interpreters Limited (NAATI)'s activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Grant revenue

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

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

Donation revenue

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Provision of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

Notes to the Financial Statements
For the Year Ended 30 June 2012

1. Summary of Significant Accounting Policies continued

(k) 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 Tax 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 inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(m) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the company:

Standard name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2009 11 / AASB 2010 7	30 June 2016	- Changes to the classification and measurement requirements for financial assets and financial liabilities. - New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 2010 8 Amendment to Australian Accounting Standards – Deferred tax: Recovery of underlying assets	30 June 2013	Adds a presumption to AASB 112 that the recovery of the carrying amount of an investment property at fair value will be through sale.	No impact expected.
AASB 2011 2 Amendments to Australian Accounting Standards arising from Trans Tasman convergence – Reduced Disclosure Requirements	30 June 2014	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	The entity is not adopting the RDR and therefore this standard is not relevant.
AASB 2011 3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to ABS GFS Manual and Related Amendments	30 June 2013	Standard is applicable for whole of government and general government financial statements only. AASB 2011 provides details of changes in accounting treatment due to the Government Finance Statistics manual.	Standard is not applicable and therefore there will be no impact on adoption.

Notes to the Financial Statements
For the Year Ended 30 June 2012

1. Summary of Significant Accounting Policies continued

(m) New accounting standards for application in future periods continued

AASB 10 Consolidated Financial Statements / AASB 11 Joint Arrangements / AASB 12 Disclosures of Interests in Other Entities, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates.	30 June 2014	AASB 10 includes a new definition of control, which is used to determine which entities are consolidated, and describes consolidation procedures. The Standard provides additional guidance to assist in the determination of control where this is difficult to assess. AASB 11 focuses on the rights and obligations of a joint venture arrangement, rather than its legal form (as is currently the case). IFRS 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice. AASB 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.	The Group will review its controlled entities to determine whether they should be consolidated under AASB 10, no changes are anticipated. All joint ventures of the group are equity accounted and therefore minimal impact is expected due to the adoption of AASB 11. Additional disclosures will be required under AASB 12 but there will be no changes to reported position and performance.
AASB 13 Fair Value Measurement. AASB 2011 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009 11, 2010 7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	30 June 2014	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted. There are a number of additional disclosure requirements.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required. The entity has not yet determined the magnitude of any changes which may be needed. Some additional disclosures will be needed.
AASB 2011 – 4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	30 June 2014	Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.	Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration. Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration.

Notes to the Financial Statements
For the Year Ended 30 June 2012

1. Summary of Significant Accounting Policies continued

(m) New accounting standards for application in future periods continued

AASB 2011 – 6 – Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, AASB 128 & AASB 131]	30 June 2014	This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements.	Since the entity does not comply with the Reduced Disclosure Regime there is no impact on the adoption of this standard.
AASB 2011 7 – Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009 11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	30 June 2014	This standard provides many consequential changes due to the release of the new consolidation and joint venture standards.	The impact of this standard is expected to be minimal.
AASB 2011 9 Amendments to Australian Accounting Standards Presentation of Items of Other Comprehensive Income.	30 June 2013	Entities will be required to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).	The items shown in other comprehensive income will be separated into two categories.
AASB 119 Employee Benefits (September 2011) AASB 2011 10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011 11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	30 June 2014	The main changes in this standard relate to the accounting for defined benefit plans and are as follows: - elimination of the option to defer the recognition of gains and losses (the 'corridor method'); - requiring remeasurements to be presented in other comprehensive income; and - enhancing the disclosure requirements.	Since the entity does not have a defined benefit plan, the adoption of these standards will not have any impact.

Notes to the Financial Statements
For the Year Ended 30 June 2012

1. Summary of Significant Accounting Policies continued

(m) New accounting standards for application in future periods continued

AASB 1053	30 June 2014	This standard allows certain entities to reduce disclosures.	National Accreditation Authority for Translators and Interpreters Limited (NAATI) is not able to apply this standard or the impact of this standard has not yet been determined as the entity has a choice on whether to apply.
AASB 2010 10	30 June 2014	Makes amendments to AASB 1	No impact since the entity is not a first time adopter of IFRS.

2. Cash and Cash Equivalents

	2012 \$	2011 \$
Cash at bank and in hand	1,157,318	1,560
Short-term bank deposits	3,351,925	2,594,790
	4,509,243	2,596,350

Reconciliation of cash

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

	Note	2012 \$	2011 \$
Cash and cash equivalents		4,509,243	2,596,350
Bank overdrafts	7	-	(39,451)
Balance as per statement of cash flows		4,509,243	2,556,899

3. Trade and Other Receivables

	2012 \$	2011 \$
CURRENT		
Trade receivables	20,992	52,240
Other receivables	49,958	42,510
Total current trade and other receivables	70,950	94,750

Notes to the Financial Statements
For the Year Ended 30 June 2012

3. Trade and Other Receivables continued

(a) Provision for impairment of receivables

Movement in provision for impairment of receivables is as follows:

	2012 \$	2011 \$
Balance at beginning of the year	-	11,193
Reversal of impairment	-	(11,193)

Credit risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the company.

4. Property, Plant and Equipment

	2012 \$	2011 \$
PLANT AND EQUIPMENT		
Furniture, fixture and fittings		
At cost	128,059	111,963
Accumulated depreciation	(58,956)	(31,640)
Total furniture and fittings	69,103	80,323
Office equipment		
At cost	79,454	43,038
Accumulated depreciation	(49,899)	(22,521)
Total office equipment	29,555	20,517
Improvements		
At cost	424,709	369,138
Accumulated depreciation	(295,866)	(184,924)
Total improvements	128,843	184,214
Technology upgrade		
At cost	1,254,264	727,271
Accumulated depreciation	(710,160)	(246,810)
Total technology upgrade	544,104	480,461
Total plant and equipment	771,605	765,515
Total property, plant and equipment	771,605	765,515

Notes to the Financial Statements
For the Year Ended 30 June 2012

4. Property, Plant and Equipment continued

(a) Movements in Carrying Amounts

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

	Furniture, Fixtures and Fittings \$	Office Equipment \$	Improvements \$	Technology Upgrade \$	Total \$
Balance at 30 June 2012					
Balance at the beginning of year	80,323	20,517	184,214	480,461	765,515
Additions	2,438	18,208	-	295,319	315,965
Depreciation expense	(13,658)	(9,170)	(55,371)	(231,676)	(309,875)
Balance at 30 June 2012	69,103	29,555	128,843	544,104	771,605
Balance at 30 June 2011					
Balance at the beginning of year	93,843	27,740	239,585	353,931	715,299
Additions	-	-	-	301,869	301,869
Disposals - written down value				(23,211)	(23,211)
Depreciation expense	(13,520)	(7,223)	(55,371)	(152,128)	(228,242)
Balance at 30 June 2011	80,323	20,517	184,214	480,461	765,515

5. Other Assets

	2012 \$	2011 \$
CURRENT		
Prepayments	35,397	12,447
	35,397	12,447

6. Trade and Other Payables

	2012 \$	2011 \$
CURRENT		
Unsecured liabilities		
Trade payables	126,705	62,002
Sundry payables and accrued expenses	71,975	43,910
Practitioner Directory & test fees in advance	435,759	153,590
Other payables	-	1,973
	634,439	261,475

Notes to the Financial Statements
For the Year Ended 30 June 2012

7. Borrowings

	Note	2012 \$	2011 \$
CURRENT			
Secured liabilities			
Bank overdraft		-	39,451
Lease liability secured	11	104,189	104,189
Total current borrowings		104,189	143,640

	Note	2012 \$	2011 \$
NON-CURRENT			
Secured liabilities			
Lease liability secured	11	105,270	174,968
Total non-current borrowings		105,270	174,968
Total borrowings		209,459	318,608

8. Employee Benefits

	2012 \$	2011 \$
CURRENT		
Long service leave	38,533	63,345
Provision for employee benefits	105,358	101,913
	143,891	165,258

	2012 \$	2011 \$
NON-CURRENT		
Long service leave	206,046	130,917

9. Employee Benefits

	2012 \$	2011 \$
CURRENT		
Government project funding	348,099	-

Notes to the Financial Statements
For the Year Ended 30 June 2012

10. Reserves

	2012 \$	2011 \$
General reserve		
Transfers in	2,000,000	-
Total reserves	2,000,000	-

(a) General reserve

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

11. Capital and Leasing Commitments

Finance lease commitments

	2012 \$	2011 \$
Payable - minimum lease payments:		
- no later than 1 year	94,717	94,717
- between 1 year and 5 years	142,096	236,793
Minimum lease payments	236,813	331,510
Less: finance charges	27,354	52,354
Present value of minimum lease payments	209,459	279,156

12. Financial Risk Management

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

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, bank loans and overdrafts, and leases.

12. Financial Risk Management continued

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

	Note	2012 \$	2011 \$
Financial Assets			
Cash and cash equivalents	2	4,509,243	2,596,350
Trade and other receivables	3	70,951	94,749
Total Financial Assets		4,580,194	2,691,099
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	6	563,857	281,292
- Borrowings	7	209,459	318,608
- Other financial liabilities	9	348,099	-
Total Financial Liabilities		1,121,415	599,900

Financial risk management policies

The Board of Directors has overall responsibility for the establishment of National Accreditation Authority for Translators and Interpreters Limited (NAATI)'s financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk, credit risk and future cash flow requirements.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

Mitigation strategies for specific risks faced are described below:

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to National Accreditation Authority for Translators and Interpreters Limited (NAATI) and arises principally from National Accreditation Authority for Translators and Interpreters Limited (NAATI)'s receivables.

The company is exposed to credit risk in that approximately 50% of its revenue comes from provision of testing and accreditation services. Such services are exposed to fluctuations in demand and Government policy. However, some of the risk is mitigated by the receipt of grants from state and federal governments in accordance with fixed term funding agreements.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The company has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 3.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 3.

12. Financial Risk Management continued

(b) Liquidity risk

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

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

Typically, National Accreditation Authority for Translators and Interpreters Limited (NAATI) ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 180 days.

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

Financial guarantee liabilities are treated as payable on demand since National Accreditation Authority for Translators and Interpreters Limited (NAATI) has no control over the timing of any potential settlement of the liabilities.

12. Financial Risk Management continued

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

	Within 1 Year		1 to 5 Years		Total	
	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Bank overdrafts and loans	-	39,451	-	-	-	39,451
Trade and other payables (excluding estimated annual leave)	911,956	250,330	-	-	911,956	250,330
Finance lease liabilities	94,717	94,717	142,096	236,793	236,813	331,510
Total contractual outflows	1,006,673	384,498	142,096	236,793	1,148,769	621,291

The timing of expected outflows is not expected to be materially different from contracted cash flows.

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

(c) Market risk

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

i. Interest rate risk

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

Interest rate risk sensitivity analysis

At 30 June 2012, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2012	2011
	\$	\$
Change in profit		
- Increase in interest rates	42,994	22,777
- Decrease in interest rates	42,994	22,777
Change in equity		
- Increase in interest rates	42,994	22,777
- Decrease in interest rates	42,994	22,777

There have been no changes to any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Net fair values

Fair value estimation

The fair values of financial assets and financial liabilities approximate their carrying values presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

13. Other Income

	2012	2011
	\$	\$
Test related revenue	2,962,062	1,459,247
Other services revenue	555,338	502,454
Government grants	1,951,830	2,476,459
Interest revenue	184,752	172,846
Total Other Income	5,653,982	4,611,006

14. Tax

	2012	2011
	\$	\$
GST payable	66,039	19,817
	66,039	19,817

15. Interests of Key Management Personnel

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

	2012	2011
	\$	\$
Short-term employee benefits	375,371	424,181
Long-term benefits	32,633	39,185
	408,004	463,366

Notes to the Financial Statements
 For the Year Ended 30 June 2012

16. Auditors' Remuneration

	2012 \$	2011 \$
Remuneration of the auditor of the company, Hardwicks Chartered Accountants, for: -auditing or reviewing the financial statements	18,200	18,562

17. Cash Flow Information

Reconciliation of result for the year to cash flows from operating activities

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

	2012 \$	2011 \$
Profit for the year	1,206,237	1,175,083
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	309,874	251,453
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	24,958	(60,635)
- (increase)/decrease in prepayments	(22,950)	(1,788)
- (increase)/decrease in income in advance	630,268	(54,668)
- increase/(decrease) in trade and other payables	149,871	(25,571)
- increase/(decrease) in provisions	40,907	21,191
Cash flow from operations	2,339,165	1,305,065

18. Company Details

The registered office of the company is:
 17A/2 King Street
 Deakin ACT 2600

Directors' Declaration

The directors of the entity declare that:

- The financial statements and notes, as set out on pages 6 to 29, are in accordance with the *Corporations Act 2001* and:
 - comply with Australian Accounting Standards; and
 - give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the entity.
- In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director



Dated: 7 October 2012

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

Report on the Financial Report

We have audited the accompanying financial report of National Accreditation Authority for Translators and Interpreters Limited (NAATI), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

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

Independence

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

Opinion

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

- giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001.

Hardwickes

Hardwickes
Chartered Accountants



Robert Johnson FCA
Partner

Deakin ACT

the key to language diversity



2011-2012

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