

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARING: 21-22 MAY 2012

IMMIGRATION AND CITIZENSHIP PORTFOLIO

(BE12/0500) Program 5.1: Settlement Services for Migrants and Refugees

Senator Cash (L&CA 99) asked:

In regard to previous Estimates discussions in relation to the fact that NAATI was in trouble and the Commonwealth had to step in and give them what might be considered a substantial cash injection to ensure their viability going forward, did the department look at why that occurred and whether or not someone should be held responsible for getting NAATI into that situation?

Answer:

The department (on behalf of NAATI members) commissioned Walter Turnbull to review NAATI's finances in 2008-09 to assess its financial viability for the remainder of the financial year and into 2009-10. This investigation showed a continuing decline in testing revenue with no sign of stabilisation.

The review also found that an operating deficit of approximately \$413 000 would continue to exist even after suggested savings measures were introduced.

Changes to the Skilled Occupation List (SOL) on 17 May 2010, based on recommendations from Skills Australia, excluded translators and interpreters, despite submissions lodged by NAATI advocating consideration be given to maintaining both of these professions on the SOL. NAATI advised members that these changes to the SOL could lead to a net loss of up to \$865 000 per year.

NAATI's business is subject to fluctuations in the service landscape in which it operates. Changes in migration policy and the composition of the migration and humanitarian programs affect demand for NAATI services and impact on NAATI's revenue.

These factors have contributed to NAATI's vulnerable financial position in the past, and continue to be beyond NAATI's control.