



ANNUAL REPORT
2019

ACCREDITATION: ADDING VALUE TO SUPPLY CHAINS

ACCREDITATION: Adding value to supply chains

The theme for this year's Annual Report is the theme of World Accreditation Day 2019 and reflects the importance of accreditation in adding value to supply chains.

Accreditation ensures a consistent and reliable approach and provides confidence, that service providers are meeting the needs of the consumer and community.

Quotations that appear in the Annual Report are from members who have expressed their opinion about how accreditation supports their organisation's goals. The quotations represent their personal opinion.

Notice of Meeting

The 2019 Annual General Meeting of the National Association of Testing Authorities, Australia (NATA) (ACN 59004379748) will be held at NATA's Sydney Office, 7 Leeds Street, Sydney NSW 2138 on Wednesday 16 October 2019, commencing at 12:00 noon.

Members are requested to notify the Association of their intention to attend the Annual General Meeting at the NATA Sydney Office in person or via the webinar service by completing and returning the form.

For further information, please refer to the Notice and agenda despatched to members.



Jennifer Evans
Chief Executive Officer
6 September 2019

Contents

4	Chair's Overview	28	Business Unit Reports 2018-19
6	CEO's Review	32	Technical Assessors Honoured
8	Who We Are	34	Directors' Report
10	Statement of Corporate Intent	37	Report of the Audit and Risk Committee
14	Performance 2018-19	38	Financial Statements
18	Technical, Operational and Quality Matters	42	Notes to the Financial Statements
22	Sector and Program Reports 2018-19	58	Glossary of Terms



Chair's Overview

GEOFF HOGG

In 2019, NATA continued its organisational transformation that on completion should significantly improve NATA's capability and adaptability in meeting the needs and expectations of members and stakeholders.

I draw your attention to the CEO's Review wherein the good financial result has allowed the sharing of the benefits with members by moderating the increase in the annual fee. Despite the best endeavours and efforts of management and staff, the additional impost of the work involved in the organisation transformation has affected our fully achieving the Charter of Service targets.

The Board is confident that the action plans put in place by management and staff should address this in 2020.

One of the less understood aspects of accreditation is the economic value of its contributions to an economy. The main reason could be because the value of the contribution may only be measured indirectly. NATA and our counterparts in New Zealand and the United Kingdom have in recent years commissioned independent research to quantify the significant economic value of accreditation to their respective economy.

I reported last year that the estimated economic value of NATA accreditation to the Australian economy was on average approximately \$368M per annum.

The 2019 World Accreditation Day's theme is 'Accreditation: Adding Value to Supply Chains'. As our economy is part of the global economy, I thought it would be useful to reflect on the pivotal but not always recognised role of accreditation in the global supply chains.

The success of the global supply chain is one of the critical contributing factors for the economic miracle that in the past three decades has seen rising living standards and prosperity spread to hundreds of millions of people across the world.

The marvels of the modern global supply chains wrought by science and technology are underpinned by technical infrastructure comprising international standards, metrology (the science of measurement), conformance assessment bodies, and accreditation bodies. Advances such as those in precision engineering, automation, high speed communication, internet technology, advanced manufacturing process and sophisticated logistics have given rise to a global supply chain that is not only efficient and cost competitive but also robust and flexible.

This flexible and robust global supply chain has allowed manufacturers and suppliers to produce goods that are fit for purpose over a range of price points. These in turn allow further lowering of unit costs through better utilisation of fixed overhead facilities to supply affordable goods to consumers.

The end result is a greater reach of the goods to more consumers worldwide and better financial results for the producers. In short, these bring the world community one step closer to the economic ideal of bringing the greatest good to the greatest number of people.

The successful global supply chains are underpinned by technical infrastructure where conformance assessment bodies, such as testing laboratories and inspection bodies, working alongside accreditation bodies such as NATA play an important role.

“The marvels of the modern global supply chain wrought by science and technology are underpinned by technical infrastructure”

In order for conformance assessment bodies to provide confidence in their independent testing function on the product concerned, they must be recognised as competent in conducting the assessment.

The evaluation of the competence of the conformance assessment bodies and the provision of an objective recognition of such competence are the genesis of accreditation and provided the impetus for the creation of NATA 72 years ago in 1947.

NATA's competence as an accreditation body in turn has been successfully reaffirmed as meeting international standards.

The NATA accreditation community – members, stakeholders, technical assessors, committee members, Board members, and staff – should be very proud of our achievements and contributions to the community.

On behalf of the Board and Members I wish to acknowledge the contributions of Matt Callanan and Chris Brownlow who will step down from the Board at the conclusion of the 16th October 2019 Annual General Meeting. Matt has served the Board for twenty one years and Chris for three.

Matt's steadfast support of NATA has included many roles, the last eight years as Board Vice Chair along with his long, hopefully ongoing, service as a technical assessor. Both Chris and Matt brought their valuable business acumen to the Board.

I would like to welcome Lawrence Bott and Tracey Farrar as newly elected member-nominated directors.

David Turner continues as a director following endorsement by members as a Board-nominated director.

Fiscal year 2020 should see the early stage of the completion of the multiyear organisation transformation and I look forward to working with the Board, management and staff under the CEO's leadership.

Finally I thank my fellow directors for their support and contributions, and, on behalf of the Board I thank management and staff for their hard work and achievements in 2019.

Geoff Hogg
NATA Chair



CEO's Review

JENNIFER EVANS

This year has been a year of solid progress and substantial challenges for NATA. We have had another pleasing financial result with a \$3.7M surplus and made good progress in the transformation of NATA into an efficient and agile organisation that focuses on meeting and, where possible, exceeding the expectations of our clients and stakeholders. However, the transformation initiatives also imposed additional stress on our staff who already have a reasonably heavy workload in delivering services to our members, stakeholders and the community.

NATA is fortunate to have received payroll tax exemptions and concession from States in which we operate and this has contributed to the better than expected financial result. The Board has decided to share the financial benefits with our members by moderating the membership annual fee increase for financial year 30 June 2020 to 1.2% instead of the 2.2% increase based on composite index on which we usually set our annual fee change.

The top three strategic imperatives for NATA in 2019 and the next few years are our social licence obligations, growth, and organisational transformation. The financial benefits of the payroll tax exemptions and concession have been deployed to support these strategic imperatives.

As the nation's peak accreditation body, NATA must meet the requirements and expectations of its members, stakeholders, and the community. NATA's principal purpose activities therefore include accreditation programs and activities that are for the members and public benefit. Some of these activities may not generate financial returns in the context of for profit commercial enterprise and may not be provided by an enterprise whose main objective is to generate private wealth for its owners/shareholders.

Similarly, our growth objective is not defined in the narrow financial and commercial scope of revenue and/or market share. Instead, our goals are to develop new capability and additional capacity in order to match the changing needs and expectations of our members, stakeholders, and the community.

Technology has been opening up new opportunities, driving rapid changes to the way our members conduct their business, and the way we conduct our core accreditation and related activities. Therefore we must have the capability and capacity to manage the change, develop new programs, and harness the technology for the same purpose. While we expect new revenue to come from these growth initiatives, we will also include non-financial benefits in the evaluation of growth initiatives.

Underpinning these two strategic imperatives is the transformation of NATA into a client focused and agile organisation with an adequate pool of technical skill, change management capability, and deep reserve of financial resources.

Last year we embarked on the transformation project with the assistance of an external expert. In 2019 we completed the early phases of the High Performance Work Force Project with the assistance of KPMG Management Consulting. This included revision of our recruitment policy based on a balanced skill portfolio to give due emphasis to customer service skills alongside technical skills, the onboarding procedures to provide a welcoming experience to our new recruits, the launch of our revised Vision, Mission, and Values, and an overhaul of the Performance Management Review (PMR) procedures to focus on timely and meaningful feedback on performance and structured learning and development for our staff.

“The top three strategic imperatives for NATA in 2019 and the next few years are our social licence obligations, growth, and organisational transformation”

An unanticipated difficulty resulting from the emphasis on the quality and development of our staff in 2019 was that it took us longer than usual to recruit staff with the suitable skill and experience. We also experienced a slightly higher than trend staff turnover as we pursued a more robust probationary review policy before confirming the position of new recruits.

The Accreditation Information Management System (AIMS) Project that will transform our back office support and work flow management for our accreditation activities continued to progress in 2019. We have also commenced a complete revamp of the Member Portal to leverage off the superior functionalities of AIMS. This will enable more efficient access by members, and extend access to technical assessors and committee members.

To highlight the complexity and scale of the AIMS Project and related activities, in 2019 our staff completed the tabular scope master list for our 3,000 facilities with approximately 13,000 determinants and 4,400 techniques. In all, the system now contains more than 1.1 million relational mappings. The additional workload was completed by our staff who also processed more than 470,000 customer related accreditation documents and completed approximately 2,600 onsite/desktop assessments with a further 800 in progress at the year-end date.

The other noteworthy activity during 2019 was the successful outcome of the four yearly international evaluation of NATA as a signatory to the International Laboratory Accreditation Cooperation (ILAC) and Asia Pacific Accreditation Cooperation (APAC) Mutual Recognition Arrangements (MRAs). The evaluation team included assessors from USA, Canada, Saudi Arabia, Hong Kong, and Malaysia and conducted its evaluation between 24 February and 1 March.

We are very pleased with the evaluation result that has affirmed the continuation of NATA's signatory status for testing, calibration, inspection, reference materials producers, medical testing, and proficiency testing scheme providers. A particularly pleasing aspect of the evaluation is the evaluation team leader's observation that in conducting its assessment activities, NATA has developed and maintained a collaborative approach and collegial rapport with its members. This, according to the team leader, is quite unique and refreshing among the compliance-focused regulatory environments common among the overseas accreditation bodies and their constituents. We should all be proud of this achievement that is still true to our heritage as the global pioneer accreditation body.

The ambitious projects and programs I set out in this report unfortunately have had an adverse impact on the service delivery to our members in 2019. We fell short of our 90% Charter of Service (CoS) Standard by 6%, only achieving 84% of the CoS target.

While the AIMS and the transformation initiatives are critical to the future of NATA, we understand the importance of the service delivery to our members and will redouble our efforts to achieve the CoS target in 2020.

In closing, I thank the Board for its guidance and support, and all staff for their hard work and dedication in 2019. While 2020 will have its usual share of challenges, anticipated or otherwise, I am confident that we will rise to the occasion to continue to deliver on our commitment to the members, stakeholders, and community.

Jennifer Evans
Chief Executive Officer

Who We Are

What we do

NATA is a key part of Australia's technical infrastructure that is responsible for setting standards, ensuring conformance, and assessing competence. Our role serves the national and public interest by ensuring that member facilities are competent to provide consistently reliable testing, calibration, measurement and inspection data to government, industry and the wider community.

NATA's expert independent third-party assessments help our customers identify and manage risk, increase community confidence and trust, and facilitate trade.

In short, NATA is the authority that assesses technical competence of our member facilities in carrying out testing, calibration, measurement and inspection. It also provides confidence to the customers of our member facilities that their services and products are reliable and consistent.

The authority in accreditation

NATA has memoranda of understanding with the Australian Government and several state and territory governments.

We are recognised by the Australian Government as the national authority for accrediting test and measurement laboratories and reference material producers, and as a peak body for accrediting inspection bodies and proficiency testing scheme providers.

NATA is also recognised by the Australian Government as the compliance monitoring authority for the OECD Principles of GLP.

The Commonwealth Government uses NATA-accredited facilities wherever possible and encourages state and territory governments and other instrumentalities to do likewise.

Our service

NATA is dedicated to providing a high quality, innovative and flexible service to its members. In so doing we build confidence in both the Association and its stakeholders which include members, their customers and the broader national and international community.

NATA's key role is to enhance the public good by providing assurance that its members are technically competent and reliable.

NATA is committed to maintaining its position as Australia's national accreditation authority by delivering real, tangible value.

What we will be

We are working towards becoming more responsive, innovative and customer-focused. This will allow us to remain competitive in a changing market and a dynamic economic environment.

We will be innovative in creating new business approaches to help our customers capitalise on their technical competence.

We will continue to influence and promote policy in relation to technical competence assessment, both within Australia and internationally.

We are also aware of the importance of building on NATA's long track record through continuous quality improvement, such as by providing high quality staff training.

Our objectives

We will support our customers with effective and efficient accreditation services that promote their growth. As the national accreditation authority, NATA will be recognised as a contributor to Australia's international trade and interest.

Our public interest role will be understood and supported by the community. We will consult stakeholders on key issues so they are committed to our goals and contribute to our success. We will achieve our public interest goals and meet stakeholders' expectations.

Our business model will be innovative and provide quality services that meet customers' needs at a competitive price. Our practices, systems and technology will adapt to better serve our stakeholders.

Our prudent financial structure will underpin a sound financial foundation that is consistent with NATA's status and meets our future needs. Our staff will be motivated and skilled, committed to high performance and achieving NATA's goals.

Our volunteer Technical Assessors, members of the Technical Committee and members of the Board will remain an integral part of NATA with their contributions recognised and valued by NATA and the community.

Our services

NATA provides a range of services in addition to accreditation. These include training courses in laboratory management, auditing, microbiological and quality control and management systems.

The Association maintains a public database of accredited facilities, and publishes a range of technical documents covering laboratory practice and evaluation, as well as publishing NATA News, a bi-monthly magazine for members.

NATA is represented in international fora and in the development of international standards related to accreditation. It also promotes its member facilities to domestic and foreign consumers.

What we believe

To be of value to our customers, we must remain competent, impartial, fair, responsive and efficient.

To do this we have a culture that attracts and retains high-calibre staff who care about our customers and about the broader community that relies on the results of our members' technical competence in the conduct of their business.

Our Technical Assessors

NATA's work and reputation rely to a great extent on the thousands of industry experts who generously give their time to participate in technical assessments and technical committees. To them we offer our thanks and appreciation.

International services

NATA provides a range of training and advisory services to overseas clients. These range from conducting individual training courses to playing a key role in the establishment of new accreditation bodies.

Our staff

NATA employs around 200 staff in Sydney (head office), Melbourne, Brisbane, Adelaide and Perth.

NATA people share a commitment to work for the public good. We have a strong belief that we can make a difference through applying our core skills in technical assessment.

Our members

NATA is a not-for-profit company operating as an association owned by its members. These consist of approximately 3,000 facilities in Australia and around 50 in other economies.

What is NATA accreditation?

Accreditation is a means of determining, formally recognising and promoting the competence of facilities to perform specific types of testing, measurement, calibration and inspection against the relevant national and international standards.

Key elements of the NATA accreditation process include:

- Ongoing, on-site assessment of staff and facilities;
- Assessment teams consisting of Lead Assessors (NATA staff members) and Technical Assessors (peers) who have a sound understanding of the tests, measurements, inspections or other activities for which accreditation is sought or held;
- Evaluation of both management systems and technical processes;
- A focus on demonstrated and practical competence;
- A cooperative, constructive approach; and
- A strong foundation for ongoing quality improvement.

NATA provides accreditation for a wide range of facilities in such areas as pathology, diagnostic imaging, environmental analysis, food, water, pharmaceuticals, concrete, asbestos, toxicology, electrical equipment, IT, biotechnology, and many more.

We currently offer accreditation in a number of programs:

- Laboratory Accreditation
- Inspection Body Accreditation
- Reference Material Producers Accreditation
- Proficiency Testing Scheme Providers Accreditation
- Medical Testing Accreditation
- Research & Development Accreditation
- Medical Imaging Practice Accreditation
- Sleep Disorders Services Accreditation

Statement of Corporate Intent



NATA's Role

NATA's role is to:

- Provide, in the national interest, accreditation and supporting services which meet the needs of stakeholders and facilitate the domestic and international recognition and acceptance of our members' products and services;
- Be the national authority for the accreditation of testing and calibration laboratories and reference materials producers, a peak authority for the accreditation of inspection bodies and proficiency scheme providers, and the national authority responsible for monitoring compliance with the OECD Principles of Good Laboratory Practice; and
- Promote and contribute to the science and practice of accreditation, testing and inspection, both nationally and internationally.

In providing its services, NATA aims to:

- Treat our members and other stakeholders honestly, fairly and professionally;
- Provide timely access to qualified staff;
- Give timely and accurate advice and information;
- Avoid any potential conflicts of interest of our staff, voluntary Technical Assessors, technical committee members, and others involved in our services;
- Maintain confidentiality (within the provisions of NATA Rules) of any document, information or process entrusted to us;
- Conduct our accreditation services in compliance with international codes of best practice;
- Provide a range of effective training programs to support our members and Technical Assessors in activities relevant to NATA's role;
- Help our members promote the values and significance of accreditation; and
- Provide a forum for members of NATA to explore issues of interest or special needs.

Strategic Direction 2019-2021



OUR VISION
To support Australia's technical infrastructure, NATA accreditation underpins all activities that rely on testing, measurement, inspection and related services.

“NATA’s role and contribution are valued and recognised by the domestic stakeholders, members, and the international accreditation community”

NATA Strategic Plan 2019-2021

This is the Strategic Plan (Plan) of NATA for the three financial years commencing 1 July 2018 (financial year 2019) to 30 June 2021 (financial year 2021). This Plan is reviewed and updated annually and covers the medium to long term goals and objectives of NATA.

The Plan was approved by the Board on the 20 June 2018.

Our Mission

To deliver best practice and cost effective accreditation and complementary services that serve members and the national interest.

Strategic Plan Summary

1) Stakeholder Engagement

- NATA will meet the requirements and expectations of its stakeholders by providing accreditation programs aligned with international best practice, and complementary activities.
- NATA will continue to demonstrate its value to stakeholders by raising awareness, education, and being responsive to emerging needs and opportunities.
- NATA will achieve this through collaboration and consultation with stakeholders and other interested parties.

2) Service Delivery

NATA will provide value adding services and innovative business solutions that meet the needs of our members and customers, and fulfil the expectations of the community. NATA will achieve this by maintaining and developing our highly trained staff, drawing on the expertise and deep knowledge of our volunteers, and harnessing the capability of our technology platform.

3) Leadership

NATA is committed to promoting accreditation and related services as public good for the community and quality assurance that adds value to the business of our members and customers. NATA’s role and contribution are valued and recognised by domestic stakeholders, members, and the international accreditation community.

4) People

- Maintain and develop a workforce who are adaptable to technology and change, have the technical knowledge, customer service skills and motivation to deliver quality service to our members and customers.
- Ensure our volunteer Technical Assessors and committee members are recognised for their technical expertise and valued for their contributions to NATA and the community.
- Our people, both staff and volunteers, have an appropriate mix of skill, experience and expertise, and are maintained by effective succession planning.

5) Growth

Pursue sustainable growth to provide opportunities for optimising NATA’s contributions, fostering creative thinking, and improving core activities for future viability.

6) Finance and Security

- Maintain and enhance a sound financial structure and adequate reserve to secure NATA’s future.
- Pursue optimal utilisation of investment assets to ensure optimal risk adjusted returns from investment assets.
- Maintain and enhance a prudent risk management framework to manage risks that may interfere with our financial security and future viability.

Performance 2018-19

“Supply chain accreditation saves money on inevitably rising logistics costs in medical testing since we know that our accredited suppliers will be supplying the right product, at the right time and at the right temperature, for the right cost.”

Gary Chadbond
Quality Manager
Garvan Institute of Medical Research

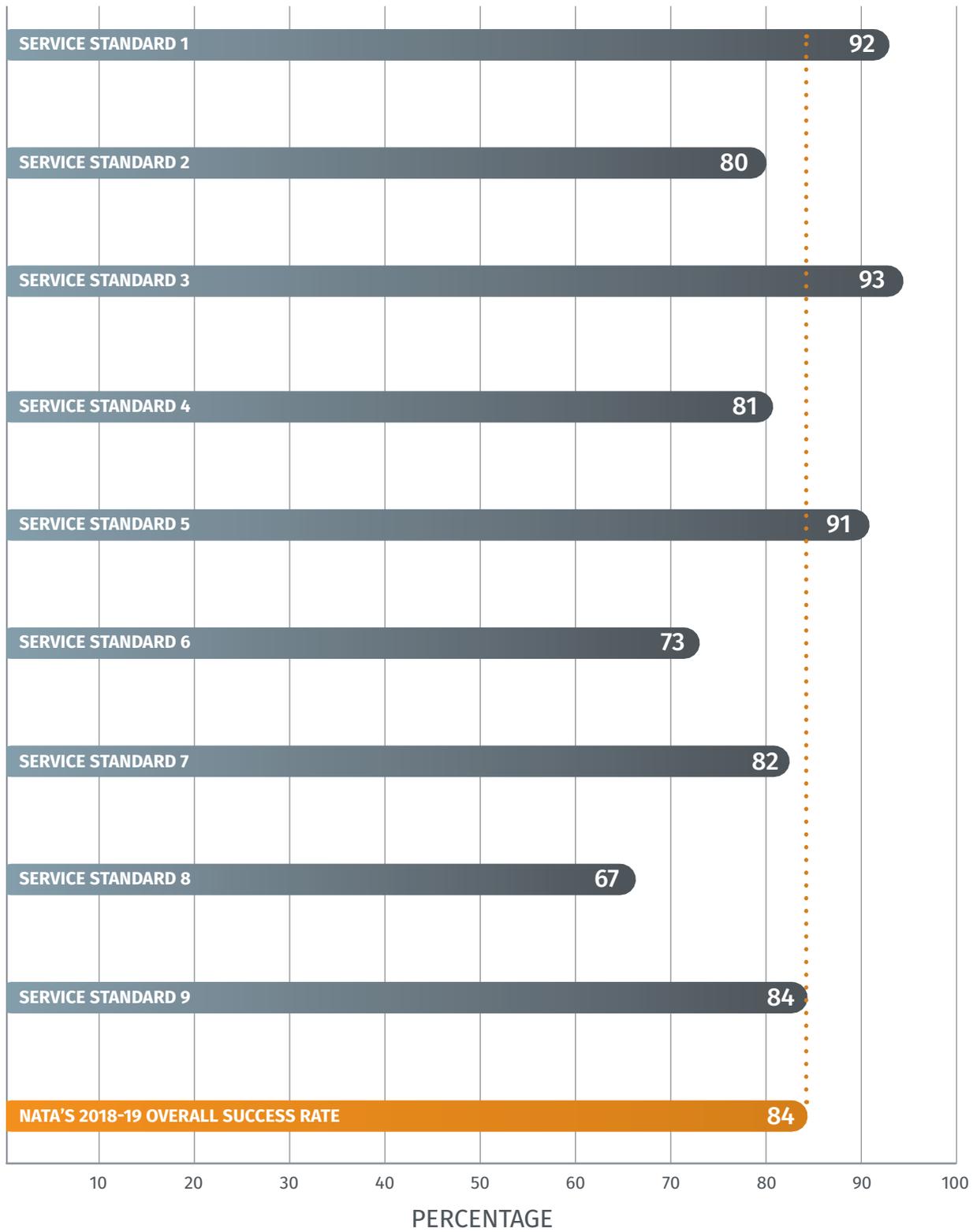
Charter of Service Outcomes

The Charter of Service describes NATA's aims in servicing the needs of its clients in a timely and effective manner.

In our Accreditation Activities we aim to:

- Conduct an advisory visit within four weeks of receipt of a request for such a visit;
- Provide a formal report of our findings from an on-site advisory visit within two weeks of the visit. (For Medical Testing laboratories Medicare Australia requires NATA to provide a special report within one week);
- Conduct an assessment of an applicant's facility within eight weeks of receipt of an application form and appropriate supporting documentation;
- Provide a final report of our findings for each on-site assessment, reassessment, or variation (including signatory interview) visit within two weeks of the visit;
- Conduct a desk-top variation within four weeks of receipt of a written request and appropriate supporting documentation;
- Conduct a variation (including signatory interview) visit within four weeks of receipt of a written request and appropriate supporting documentation;
- Review and report on submissions received from applicants following assessments and members following re-assessments or variation (including signatory interview) visits within four weeks of receipt of the information;
- Confirm the granting of accreditation of an applicant facility within four weeks of confirmation of appropriate remedial action; and
- Confirm a member's accreditation status within two weeks of confirmation of remedial action. When requested, for special commercial or other needs of a member, best endeavours will be made to confirm the accreditation status as soon as possible.

Service Standards



SERVICE STANDARD 1 - Conduct an Advisory Visit within specified timeframe.

Total processes: **107**

SERVICE STANDARD 2 - Formal Report provided to customer within specified timeframe after on-site Advisory Visit.

Total processes: **107**

SERVICE STANDARD 3 - Assessment conducted within specified timeframe from receipt of application and appropriate supporting documentation.

Total processes: **141**

SERVICE STANDARD 4 - Final report provided for on-site assessment(s), reassessment(s) & variations (including signatory interviews) within specified timeframe, relative to field of testing.

Total processes: **2469**

SERVICE STANDARD 5 - Desk-top variation conducted within specified timeframe from written request of application and appropriate supporting documentation.

Total processes: **459**

SERVICE STANDARD 6 - Conduct variations (including signatory interviews) within specified timeframe from written request of application and appropriate supporting documentation.

Total processes: **179**

SERVICE STANDARD 7 - Review and report of submissions following on-site assessment(s), reassessment(s) and variations (including signatory interviews) within specified timeframe.

Total processes: **4007**

SERVICE STANDARD 8 - Confirm granting of accreditation of an applicant facility within specified timeframe after confirmation of appropriate remedial action.

Total processes: **102**

SERVICE STANDARD 9 - Confirm member's accreditation status within specified timeframe after confirmation of appropriate remedial action.

Total processes: **2280**

Technical, Operational & Quality Matters

“NATA accreditation allows for local Australian companies to deliver results of the highest standard to support medical innovation.”

Tung-Ling Chung
General Manager
Veracity Biolabs

ACCREDITATION SERVICES

APAC Evaluation of NATA

NATA is a signatory to the International Laboratory Accreditation Cooperation (ILAC) and Asia Pacific Accreditation Cooperation (APAC) Mutual Recognition Arrangements (MRAs). Our signatory status is evaluated every four years by APAC (the recognised ILAC regional cooperation body in the Asia Pacific region) and includes international peers in a process very similar to a reassessment.

The APAC four yearly evaluation of NATA was held on 24 February - 1 March 2019. The evaluation team consisted of six evaluators. A highly favourable evaluation outcome was achieved with only four non-conformities identified together with four concerns. These provided improvement opportunities to NATA's existing processes.

NATA responded to the nonconformities and concerns and NATA's signatory status for testing and calibration (ISO/IEC 17025), inspection (ISO/IEC 17020), reference materials producers (ISO/IEC 17034), proficiency testing providers (ISO 17043), and medical testing (ISO 15189) was reconfirmed by APAC.

ISO/IEC 17025:2017 Transition Update

ILAC has specified a three year transition period for the new version of the Standard from the date of its publication in November 2017.

NATA commenced assessments against the new Standard on 1 August 2018.

NATA is well on track in having all accredited facilities assessed against the new Standard by November 2020.

Technical Assessor Engagement

Technical assessors are one of NATA's key and most valued resources, allowing us to meet our objective of undertaking assessments by competent technical experts.

NATA is currently reviewing how we can enhance the experience for technical assessors to ensure more frequent opportunities are provided to:

- 1) keep technical assessors abreast of changes to accreditation requirements and how these apply or affect specific industries;
- 2) receive feedback from technical assessors on current issues/topics pertinent to industry and the assessment process; and
- 3) identify enhanced assessment training needs and skills.

A working group has been established to further develop the framework, including the means of engagement, frequency and the type of topics / information to include.

Biobanking

ISO 20387 Biotechnology - Biobanking - General requirements for biobanking was released in August 2018. ILAC has resolved that the standard can be used as the sole standard to accredit biobanks.

NATA has received interest from biobanking providers and is actively engaging with these to develop an accreditation program.

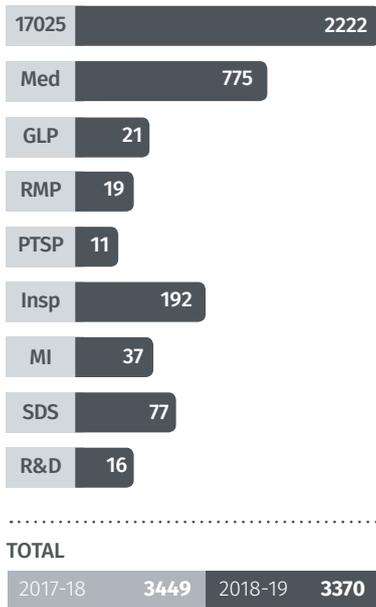
Chairmen of the Accreditation Advisory Committee (CAAC) meeting

The twenty third meeting of CAAC was held at the NATA Melbourne Office on Thursday 20 September 2018. As a result of the publication of ISO/IEC 17025:2017 and the new requirements contained within, the sampling process and its contributions to MU dominated the conversation.

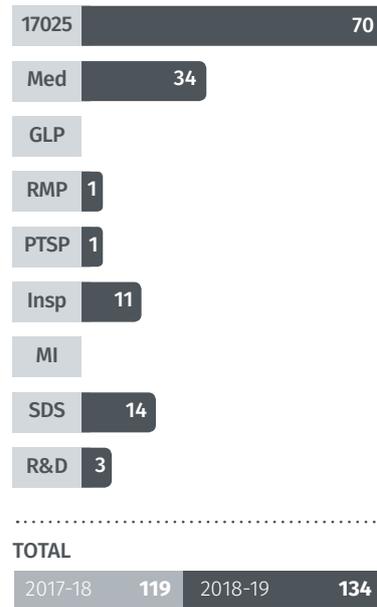
Acknowledgements

As noted in previous years, NATA continues to benefit from the valuable input of its volunteer technical committees and technical assessors. Our success in maintaining our ILAC and APAC signatory statuses and thus international recognition is due, in no small part, to the contributions made by this technical community. NATA therefore extends its thanks to its technical committee members and assessors and their organisations for the ongoing support to NATA and Australia's national accreditation and measurement infrastructure.

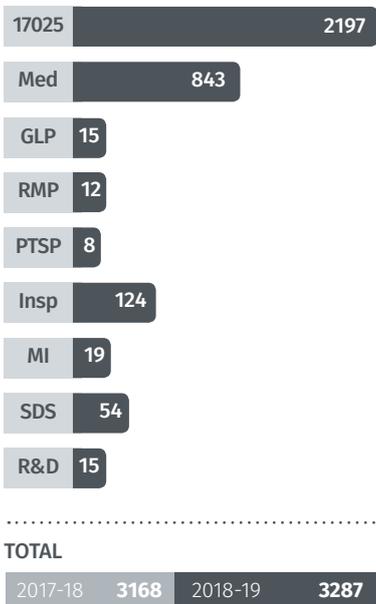
Number of Accredited Sites 2018-2019



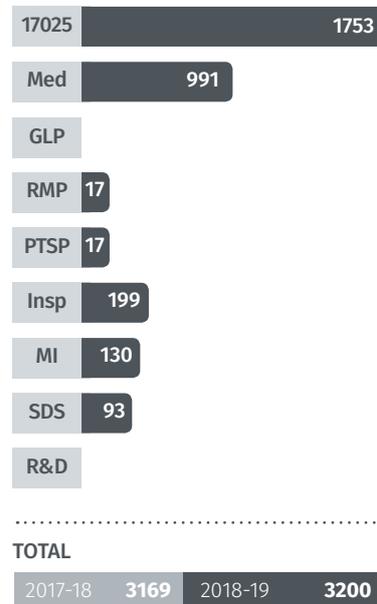
Number of Newly Accredited Sites 2018-2019



Number of Sites Visited 2018-2019



Number of Technical Assessors 2018-2019



Acknowledgement and Thanks

Dr Barry Inglis PSM



From his beginnings as a Cadet Engineer in 1957 to his appointment as Australia's Chief Metrologist, Dr Barry Inglis has worked hard to earn his outstanding international reputation in metrology.

Barry's involvement with NATA began in 1976 when he was appointed a NATA assessor in the field of electrical testing. He was a member of the Electrical Registration Advisory Committee from 1979 -1998, was Vice-Chairman from 1984 - 1988 and Chairman from 1988 - 1998. He also joined the NATA Council in 1992 and the Executive/Board in 1995 before being elected as Chair in 2003.

He has a strong commitment to capacity building in developing economies and has been active in metrology issues in the Asia Pacific region including as Regional Coordinator / Chairman of the Asia Pacific Metrology Programme (APMP) from 1994 to 1999. In this capacity, he provided leadership for metrology in the Asia Pacific region and represented APMP in many forums.

Barry also has wide experience in the development of technical infrastructure (standards, quality assurance, accreditation and metrology) and has undertaken many international projects in this area including studies for the governments of South Africa, Hong Kong and Singapore.

In 2010, Barry became the 15th president of the International Committee for Weights and Measures (CIPM). He is the first Australian to achieve this honour since the signing of the Metre Convention in 1875 and only the second non-European. It was during his Presidency that the newly defined metric system was finally approved in a vote by the General Conference on Weights and Measures (CGPM).

It is a fitting tribute to his work and his reputation that Australian measurement's highest honour is the annually awarded Barry Inglis Medal and NATA is proud to have had his guidance and stewardship for so many years.

Matt Callahan



Our long-time colleague Matt Callahan has decided to step down from the Board after 21 years, the last eight years as Vice Chair. Matt's support for and association with NATA predated his appointment to the Board in 1998 as Matt started

as a Technical Assessor in 1993. Matt also represented NATA at the International Laboratory Accreditation Cooperation (ILAC) Laboratory Committee between 2005 and 2010.

Matt started his Non Destructive Test (NDT) company in the 1970s and, like many of our members, believed that NATA accreditation would give his business a competitive advantage and confidence to his customers. Matt was a successful proprietor of a NDT accredited facility until he merged his company with an international enterprise in 2010.

One of Matt's many valuable contributions to NATA in general and the Board in particular is his business acumen and the ability to focus on issues that matter to members. He is mindful that most of our members run their testing facilities for commercial purpose and understands that our members' interests are best served if we consider accreditation as a solution to members' problems as well as a regulatory and compliance requirement.

We will miss Matt's wise counsel, strategic insights, and good humour. We thank Matt and wish him all the best in his undoubtedly active and fruitful retirement.

Our Effort to Reduce Our Carbon Footprint

As a professional service organisation, NATA's operations have relative limited impact on the environment in comparison to say a manufacturing entity. However, we are conscious of our corporate responsibility in minimising our carbon footprint. The highlights of the environment friendly initiatives taken include:

- 1 **Recycling** of papers and plastics, and use of Keep Cup;
- 2 **Procurement policy** that prefers suppliers with high commitment to environment protection, e.g. our multi function devices and print cartridges are recycled;
- 3 Installation of **motion sensor lights** where practicable to reduce electricity consumption;
- 4 **Office design** in our Camberwell office to maximise natural sunlight and improve air flows;
- 5 Locating **future offices** to have good access to public transport;
- 6 **Co-ordinate site visit** to clients to reduce carbon footprint from air and road transport; and
- 7 Developing **online course options** and providing certificates online.



Sector & Program Reports 2018-19

An aerial, high-angle photograph of a container ship's deck. The ship is moving through dark blue water, creating a white wake. The deck is densely packed with shipping containers in various colors, including red, blue, green, and orange. The ship's structure, including railings and equipment, is visible along the right side of the deck.

“Accreditation is the evidence. Evidence externally for clients/customers of our organisations qualifications. Evidence internally to strengthen pride in work and importance of best practices. Evidence of officially recognised suppliers and services to be utilised when needed by our organisation. Accreditation is at the forefront of every step in the supply chain.”

Rachel Truman
Quality Systems Coordinator
Ingham's Group Limited

Reports from the five sectors and the programs of Proficiency Testing Scheme Providers, Reference Material Producers and Research and Development are presented below.

Calibration Sector

The International System on Units (SI)

In a landmark decision, the Member States of the International Bureau of Weights and Measures (BIPM) voted on 16 November 2018 to revise the SI, changing the world's definition of the kilogram, the ampere, the kelvin and the mole.

This decision, made at the 26th meeting of the General Conference on Weights and Measures (CGPM), means that from 20 May 2019 all SI are defined in terms of constants that describe the natural world. This will assure the future stability of the SI and open the opportunity for the use of new technologies, including quantum technologies, to implement the definitions.

The seven defining constants of the SI are the:

- Caesium hyperfine frequency $\Delta\nu_{Cs}$;
- Speed of light in vacuum c ;
- Planck constant h ;
- Elementary charge e ;
- Boltzmann constant k ;
- Avogadro constant N_A ; and
- Luminous efficacy of a defined visible radiation K_{cd} .

The SI were previously defined in terms of seven base units and derived units defined as products of powers of the base units. The seven base units were chosen for historical reasons, and were, by convention, regarded as dimensionally independent: the metre, the kilogram, the second, the ampere, the kelvin, the mole, and the candela. This role for the base units continues in the present SI even though the SI itself is now defined in terms of the defining constants above.

Proficiency Testing and Reference Material Programs

The Proficiency Testing and Reference Material Programs AAC held their first meeting as a committee in November 2018. In previous years these two programs met as two separate AACs. Technical matters discussed during the meeting included:

- Users of reference materials asking for traceability to the National Institute of Standards and Technology (NIST) rather than including the appropriate local National Measurement Institute (NMI);

- The use of Certified Reference Materials (CRMs) accredited to ISO/IEC 17025 due to historical reasons and for laboratories to give preference to the use of CRMs which are accredited to ISO 17034;
- Developments at ISO/REMCO;
- The needs for reference grains and developments in the grains testing industry;
- International developments at APAC and ILAC, including the publication of ISO 20387 (Biobanking) and use of this new standard in accreditation.

Calibration

The 7th Calibration AAC met in March 2019. Arising from the meeting were a number of changes to NATA's accreditation criteria and guidance documents including:

- Reissue of the General Accreditation Guidance document for Liquid-in-glass thermometers (May 2019)
- Changes to the technical Annexes of the Calibration Application Document (Temperature, Electrical, Dimensional Metrologies) and the Mass and related quantities Annex (May 2019)

Technical matters discussed included the changes to the SI, the use of Assmann and Sling Psychrometers and reporting on measurement uncertainties.

In August 2018, Keysight Technologies Inc. (NYSE:KEYS) announced it acquired Melbourne based Thales Calibration Services, a subsidiary of Thales Group. The acquisition was effective from 2 July 2018 and establishes Keysight as one of the largest calibration and support services organisations in Australia. International calibration services specialist Trescal announced in June 2019 that they were taking a new step into the Asia Pacific region with the acquisition of Australian Calibration Services in Australia and New Zealand. These two acquisitions are significant developments in local technical infrastructure enhancing Australia as a major hub of calibration services in the region.

The National Measurement Institute and Standards Australia's technical committees remain as key engagements for the sector.



Sector and Program Reports

Materials Assets and Products (MAP) Sector

The Sector maintains Accreditation Advisory Committees (AACs) across five industry groups:

- Physical Performance Testing
- Electro-technology Testing
- Geotechnical and Civil Construction Materials Testing
- Integrity of Equipment and Structures
- Material Characterisation

Meetings of the Geotechnical and Civil Construction Materials Testing (GCCMT, March 2019), and Integrity of Equipment and Structures (IES, April 2019) committees were held. A summary of the key outcomes of each AAC meeting is available on the NATA website following each meeting.

During the year, Tony Sweetland and James Young were reappointed to the GCCMT AAC, and Geoff Williams was reappointed to the IES AAC. The retirement of Robert Kimmins as Chair of the IES AAC is acknowledged for his significant contributions to NATA and our accredited laboratories, through the AAC, during his term. Also stepping down from his valued role on the GCCMT AAC is Garth Musk. Garth has recently joined NATA as a Client Coordinator in Physical Performance Testing, so we are pleased to continue working with him, albeit in a different sphere.

In 2018, all accreditation criteria and guidance documents for the Sector were remapped to the clause numbers of the new version of ISO/IEC 17025 (2017), and reissued. No changes to criteria were included at this time, so that, despite the different appearance of the new version of the Standard, requirements in existing criteria and guidance documents remain unchanged.

Key issues that come to light consistently in discussions with stakeholders across the Sector relate to the integrity of supply chains. Endorsed reports, from NATA accredited facilities, and from other MRA partners, support sound choices. Reports that are credible, reliable and trusted are critical to the infrastructure and manufacturing in Australia.

NATA maintains close engagement with a large range of public and private sector organisations which have an interest in product safety and the safety and integrity of major assets. During the year, NATA participated in activities and continued its close working relationships with organisations including: Standards Australia, Australian Industry Group, Energy Safe Victoria, Queensland Department of Transport Main Roads, Roads and Maritime Services (NSW), VicRoads, the Australian Institute for Non-destructive Testing, among others.

Inspection Sector

Mr John Rose was welcomed as the new chairman of the AAC and Mr Cliff Simmons was farewelled after 25 years on the AAC and 20 years as Chairman.

NATA staff have participated in a number of industry meetings including the AICIP Board; the Ex Technical Association (ExTA) and JAS-ANZ advisory committee for ANZEx Equipment and a number of Standards Australia committee meetings such as ME-001 for pressure equipment, EL-023 for electrical systems in underground mining applications and ME18.04 for explosion-protected Diesel engine systems.

Life Sciences Sector

The Life Sciences sector includes the industry sectors of Agribusiness, Animal Health, Environment, Food and Beverage, Pharmaceutical and Media Products, and Organisation for Economic Co-operation and Development Good Laboratory Practice (OECD GLP). Several of these industry groups include testing as part of complex supply chains.

Dr Susan Jaensch, Vetnostics, was appointed Chair of the Animal Health Accreditation Advisory Committee (AAC). Dr Karin Kassahn, SA Pathology, joined the committee to provide expertise in the area of molecular testing and bioinformatics.

The Animal Health AAC met in September 2018 and considered the following matters:

- Review of accreditation criteria;
- How accreditation can assist with the fight against antimicrobial resistance; and
- Recruitment of new technical assessors.

Mr Simon Mills, Envirolab, and Ms Julie Maczuga, DTS Food Assurance, were appointed Chair and Deputy Chair of the Life Sciences AAC.

New appointments to the committee also included:

- Dr Donald Neal, Department of Environment and Science QLD in the area of air quality;
- Dr Karin Kassahn, SA Pathology in the area of molecular testing/bioinformatics;
- Mr David Sheehan, Coliban Water, Water Microbiology;
- Dr Lindsay Swinden, Consultant Food and Environmental Chemistry; and
- Dr Mark Dawson, Merieux Nutrisciences, Food Microbiology.

The Life Sciences AAC met in February 2019 and the following matters were discussed:

- Accreditation criteria for molecular testing to be developed to include new techniques such as digital PCR;
- Identification and sizing of microplastics as a potential new area of accreditation;
- Guidelines under development for a total oxidisable pre-cursor assay (TOPA) for per- and polyfluoroalkyl substances (PFAS); and
- Accreditation criteria review.

In the area of GLP, a report on Saving Costs in Chemicals Management; How the OECD Ensures Benefits to Society was published 28 January 2019. The report notes that a large portion of the savings to governments and industry are attributable to the Mutual Acceptance of Data (MAD) system.

NATA is aware of the complexity of supply chains in today's global economy and undertakes stakeholder engagement to ensure accreditation criteria contribute to timely and accurate testing to support the movement of raw materials and finished products both nationally and internationally. Stakeholder engagement related to the revision of assessment criteria for asbestos testing and the collection of air samples and volume measurement are being undertaken. In addition, meetings with GLP regulators (TGA, APVMA and NICNAS) and the Department of Environment and Energy will be undertaken shortly.

Legal and Clinical Services Sector

NATA/RCPA Human Pathology

The 28th Medical Testing AAC (MTAAC) was held in July 2018. The following members were appointed by the NATA Board in 2018/19:

- A/Prof G Coombs - Microbiology (term extended)
- Mr N Horton - General Scientist (AIMS)
- Ms S Simpson - Assisted reproductive technology
- A/Prof D Roxby - Immunohaematology (term extended)
- Dr D Langguth - Immunopathology

The 29th Medical Testing AAC (MTAAC) was held in July 2019.

In January 2019 NATA began to apply a risk rating to every assessment finding based on a three by three risk matrix. The risk rating extrapolates the finding directly to the risk to the patient. Feedback thus far from technical assessors and laboratories has been positive with general comment that it has refocused the assessment to significant issues.

A new assessment type on a limited number of organisations which focuses on the holistic governance arrangements was also completed. Due to the positive feedback from these assessments they will now be applied to all networked organisation in the first instance and eventually to all organisations within Human Pathology.

ISO 17025 Legal (including Forensic Science)

The 26th Forensic Science AAC (FSAAC) was held in May 2019. The following members were appointed by the NATA Board in 2018/19:

- Snr Sgt P Peacock – Fingerprint expert
- Mr I Franca - Crime scene expert

The next FSAAC meeting will be held May 2020.

Digital facial identification has been considered for accreditation following a request. An informative presentation from the requesting organisation was given at the 2019 AAC meeting and the FSAAC are comfortable moving forward with this proposal as an accreditable activity.

RANZCR/NATA Medical Imaging Accreditation Program (MIAP)

Diagnostic Imaging Accreditation Scheme (DIAS)

NATA has continued to consolidate the strong relationship with the Commonwealth Department of Health who oversee the DIAS.

ASA/NATA Sleep Disorders Services (SDS) Accreditation Program

The 12th meeting of the SDS AAC was held 16 November 2018. Dr D Lee, Sleep and Respiratory Physician, was appointed to the SDS AAC by the NATA Board in 2018/9.

The SDS program continues to attract strong support from the sector with a number of new facilities applying for accreditation.

Research and Development Accreditation Program

An analysis of NATA's current business and external influences as applicable to the Research and Development (R&D) Accreditation Program and how these influences might drive our future engagement strategies, has guided stakeholder engagement over this past year, particularly within the clinical trial industry.

There is limited familiarity with accreditation and the ISO Standards ISO/IEC 17025 and ISO 15189 within the clinical trial industry. There is also a misunderstanding of the requirements of certification to OECD or FDA Good Laboratory Practice (GLP) versus formal recognition of a quality management system and good laboratory practice. In this context, enquirers, facilities and stakeholders have requested the option of R&D accreditation that is specifically tailored to the clinical trial industry with the incorporation of the concepts of Good Clinical Laboratory Practice (GCLP) into the accreditation process.

This option is now available and has been achieved by incorporating the principles of Good Clinical Laboratory Practice (GCLP) into the accreditation requirements for a R&D accreditation to ISO/IEC 17025 only or in combination with ISO 15189. Through this collaboration and consultation with stakeholders, the R&D Program has been able to provide an accreditation program that is aligned with an emerging need and which will bring about tangible benefits to government, industry and the wider community.



Business Unit Reports 2018-19

“What is the single most important factor in an industry with different goals and objectives? For me and my organization, it is that I can ‘TRUST’ the work that I receive from the supply chain. Accreditation not only allows us to maintain the technical competence and integrity of the job that we do, but also builds this trust and cohesiveness in the product that we deliver.”

Rohan Koottala

Service, Support & Engineering Manager
Viccom Australia Pty Ltd

Information Communications Technology (ICT)

ICT services develop and manage NATA's network infrastructure, ICT services, ICT operational policies (including information security policies), ICT projects and ICT assets.

During 2018-19, ICT undertook several key projects and initiatives, including:

- Commencement of the final stage of development for the accreditation information management system (AIMS) to provide a suite of product enhancements that will enable NATA to have a more flexible and efficient assessment planning and job management capability.
- Commencement of the development of a new client web portal to provide a more intuitive user interface which enables easier access to client assessment information.
- Implementation of an information security management framework.
- Expansion of the corporate reports portal to improve data analysis and operational activity monitoring.
- Migration of NATA's IT disaster recovery environment to an Australian based ISO 27001 certified, UTI Tier III data centre.
- Procurement of corporate mobile phones to replace the personal phones used by NATA's accreditation staff.

Future direction

In 2019-20, ICT will:

- Complete the implementation of AIMS and the client web portal projects.
- Upgrade NATA's WAN and VOIP services to provide link redundancy and optimisation of network traffic. The VOIP solution will replace NATA's currently outdated phone system with a fully featured IP telephony solution.
- Upgrade and relocate NATA in-house servers to an Australian based ISO 27001 certified, UTI Tier III data centre. This will provide faster recovery of virtual machines, data centre redundancy, the highest level of physical security, redundant power and air conditioning.
- Undertake annual information security assessments.
- Complete NATA's migration to Microsoft Office 365, providing NATA staff with access to the latest release of Microsoft's office productivity applications.
- Migrate desktop operating system to Windows 10 before Microsoft support for Windows 7 ends in January 2020.

Business Unit Reports

International

Funding by the Department of Industry, Innovation and Science (DIIS) through the Support for Industry Service Organisations (SISO) program (recently moved to the Grants Hub Innovation Program) continues to allow NATA to be involved and represented at a high level in essential activities relating to the international accreditation community.

This includes NATA staff attending International Laboratory Accreditation Cooperation (ILAC) and Asia Pacific Accreditation Cooperation (APAC) meetings.

The Chief Executive is a member of the ILAC Executive Committee, and the Chair of the ILAC Arrangement Management Committee and the ILAC Arrangement Council. She is also a member of the IAF-ILAC Task Force Group on Peer Evaluation Rethinking which is reviewing and will potentially reshape the procedures supporting Mutual Recognition Arrangements (MRAs). (MRAs facilitate the acceptance of conformity assessment results around the globe reducing the need and time for retesting.) The Chief Executive is also a Co-Chair of APAC.

As an APAC and ILAC MRA signatory NATA underwent the APAC MRA re-evaluation in 2019. There were six evaluators from APAC economies covering all of the MRA areas for which NATA is approved i.e. testing, calibration, medical, reference material producers, proficiency testing providers and inspection. This was the first evaluation for NATA against the 2017 versions of ISO/IEC 17011. The evaluation confirmed generally good compliance with ISO/IEC 17011:2017, and relevant specific policies and standards used in accreditation such as ISO/IEC 17025: 2017.

NATA also continues as Australia's Good Laboratory Practice (GLP) Compliance Monitoring Authority and represents Australia's interests in the OECD Panel on Good Laboratory Practice. Our GLP Program Manager has recently taken up the Vice Chair of the OECD GLP Working Group on GLP. This was conferred in recognition of her contributions to the Working Group over the past 10 years.

This year, NATA has also been involved in a number of new areas at the request of the DIIS and through them, the Department of Foreign Affairs and Trade (DFAT).

One such example is the WTO TBT Thematic Sessions held in Geneva, Switzerland in March 2019. NATA's Chief Executive accompanied the Australian delegation to two thematic sessions and provided presentations on Good Regulatory Practice and Conformity Assessment Procedures. These focussed on the structure of Australia's National Quality Infrastructure (NQI), its experience and breadth of coverage and how it interacts with the Federal Government. Some practical examples of how consultation between the Government and NATA's input can support TBT objectives and avert unintended consequences, were also outlined in the presentation.

NATA staff continue to be involved in relevant ISO revisions. At this time this includes the revision of ISO 15189 (Medical laboratories-Requirements for quality and competence) and the Revision of QS-CAS-PROC/33 Common Elements in ISO/CASCO Standards which covers (among other things) the required inclusions in ISO standards and documents and how these should be presented to ensure consistency.

As in previous years, NATA continues to advise DIIS and DFAT at a technical level (as may be relevant).

NATA and our New Zealand counterparts (IANZ) also continued the technical exchange of many years in the sharing of accreditation experiences through our technical committees.



Training Services Group

In the past financial year, NATA's Training Services Group (TSG) delivered 120 courses which totalled 199 training days.

Our core courses accounted for 64 of the 120 courses delivered. These courses are:

- Understanding NATA's ISO/IEC 17025 Requirements
- Understanding ISO 15189 – Accreditation Requirements for Medical Laboratories
- Internal Audits
- Quality Management in the Laboratory

TSG delivered 31 in-house courses (courses customised to meet the particular needs of an organisation). These in-house courses included a customised Technical Assessor course and Laboratory Assessor/Lead Assessor course based on ISO/IEC 17025:2017 delivered in Hong Kong for Hong Kong Accreditation Service.

We also delivered 12 Technical Assessor Development Program (TADP) courses (face-to-face format) in which 124 Technical Assessors were trained.

The total number of participants trained over the financial year was 1549.

Nine courses were delivered at regional locations including Wagga Wagga, Darwin, Cairns and Townsville as part of our commitment to delivering our training services nationwide.

Technical Assessors Honoured

NATA relies on the knowledge and experience of its 3,000 volunteer Technical Assessors to provide its services to members and the community.

During the 2018-19 year many of these highly-skilled individuals achieved recognition in their fields. The three featured here represent the exceptional calibre of all the dedicated Technical Assessors giving their support to NATA.



Bob Kimmins has been part of the Australian Non-Destructive Testing (NDT) industry for many many years, beginning with his role as a trainee metallurgist at the Port Kembla Steelworks.

Bob started carrying out NATA assessments at the age of 23. It is estimated that during his more than 50 years as a Technical Assessor, Bob has carried out in excess of 600 assessments.

As an NDT practitioner, Bob began using one of the earliest ultrasonics sets in Australia and by 1971 he was teaching Australia's first ultrasonics course at Sydney Tech College. Over the next 10 years, while holding his day-job at BHP, he made an important contribution as an educator at both Sydney and Wollongong Tech Colleges.

His career highlights include as a BHP advisor for the first platforms in Bass Strait; part of the inspection team on the post-tow inspection of the Maui 'A' (the first NZ offshore platform) and as Senior NDT Engineer with Woodside he was in charge of the first North West Shelf Project. In this

role, his insistence that all NDT work carried out on the project be done by qualified (AINDT or CSWIP) engineers saw the percentage of qualified technicians rise from less than 10% to over 80% within two years.

He has been a member of NATA's NDT Accreditation Advisory Committee (AAC) for the past 40 years (the past five as Chairman) and was on the Inspection AAC for 20 years and Vice-Chairman for 12 of those. Bob recently stepped down from his role as Chair.

In addition to his support of NATA, Bob was Chair of the Standards Australia Ultrasonics Committee for seven years.

In acknowledgement of his tireless efforts and commitment, Bob has been presented with most of the awards offered by the Australian Institute for Non-Destructive Testing (AINDT) including its highest accolade, The JH Cole Award and Honorary Membership.

Nominators all mentioned his invaluable support and their gratitude for his mentoring and excellent advice.



When **Catherine Harris** graduated from the University of NSW with an MBBS degree, she had originally intended to work in the area of food and biotechnology.

However, she secured a role at the Royal North Shore blood bank when they opened their new building and the rest, as they say, is history.

Catherine spent 18 years with Sydney Diagnostic Services (SDS) during which time she saw significant changes in pathology practice. She spent over 10 years at The Children's Hospital Westmead and became Head of Department and Laboratory Director.

She has now moved to a new challenge with 4Cyte Pathology, developing a general laboratory covering all disciplines from scratch. This has been a steep learning

curve as it has occurred at a time when significant changes in NPAAC supervision requirements have been released.

In addition to this role, Catherine regularly speaks at training courses and conferences, lectures at the University of Western Sydney and contributes to publications.

Catherine became a Technical Assessor in 2009 and views assessments as a way of learning and improving practice in her own laboratories both by observation of the laboratory being assessed and by discussing issues with other technical assessors.

Nominators mentioned their gratitude for her generosity and always making time for assessments, especially considering her heavy schedule of commitments.



Lee Kennedy became a NATA assessor in 1994 and has carried out over 100 activities for NATA in that time.

Lee's career journey to Senior Chemist with DTS Food Laboratories took a rather circuitous route.

Although his initial training was in plastics, after graduating from the University of Melbourne his first job was in a steel mill.

From there he travelled to Libya to oversee the building of a plastics factory (although he didn't make any plastics). He moved back to Australia to work in a

chemistry lab, then to the Coroner's Court doing post-mortem drug analysis before settling into food testing as a partner in Dun, Son & Stone for almost 20 years.

When the lab was sold, Lee decided to take a break to travel and do his Honours in Psychology before taking on his current role with DTS.

Nominators all mentioned Lee's composed, pleasant and non-confrontational demeanour on assessment. His calm manner puts new and less experienced lab staff at ease and he is generous with sharing his experience and knowledge.

Lee advises that he has yet to use his plastics degree.

Directors' Report

National Association Of Testing Authorities, Australia & Controlled Entity

A.B.N 59 004 379 748

Financial Report – 30 June 2019

The parent entity, National Association of Testing Authorities, Australia (NATA) is registered as a company limited by guarantee and not having a share capital under the provisions of the Australian Charities and Not-for-profits Commission Act 2012.

The Directors present the financial report on the parent entity and its controlled entity, Proficiency Testing Australia (PTA), which are together referred to in this report as the consolidated group, for the year ended 30 June 2019 and report as follows:

Directors

The names of and other information on the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.



Dr Geoff G Hogg - Chair (since 2016)

Year appointed: 2008

Qualifications and experience:

BVSc, MVS, BMedSci, BMBS, FRACP, FRCPA, JD, GDLP, GAICD
Director, ITS Public Health R & D Pty Ltd

Special responsibilities: Member of Audit, Risk & Compliance Committee



Mr Matt B Callanan - Vice Chair (since 2011)

Year appointed: 1998

Qualifications and experience:

City & Guilds Advanced Fdry Practice, AINDT, MAICD
Technologist, Member BINDT
Director, Littoral Zone Pty Ltd

Special responsibilities: Nil



Dr Joseph J Patroni - Director

Year appointed: 2012

Qualifications and experience:

BSc (Hons), PhD, MAICD
Manager, Industry Development Directorate, Department of Jobs, Tourism,
Science and Innovation, Western Australia Government

Special Responsibilities: Member of Audit, Risk & Compliance Committee



Mr David R Turner - Director

Year appointed: 2004

Qualifications and experience:

BE, MEngSc, MBA, FIEAust, FAOQ, RPEQ, CPEng, MAICD
Technical Director, Simtars, Department of Natural Resources Mines
and Energy, Queensland Government

Special responsibilities: Chair of Audit, Risk & Compliance Committee



Mr Christopher L Brownlow - Director

Year appointed: 2017

Qualifications and experience:

BBus, MAICD
CEO, NSW, Australian Clinical Labs

Special Responsibilities: Nil



Dr Sanmarie Schlebusch - Director

Year appointed: October 2018

Qualifications and experience:

MBChB, AMC Cert., FRCPA, MASM, GradCertBus., AFCHSM, GAICD
Staff Specialist Microbiology/Clinical Microbiologist for Forensic and Scientific Services, Health Support Queensland.
Medical microbiologist at Pathology Queensland. Board Member for Women's Health Queensland Inc.

Special Responsibilities: Nil



Mrs Agnes Tan - Director

Year appointed: October 2018

Qualifications and experience:

B. Tech (Food)(Hons), M. Hlth Admin, FAIFST, AAICD
Approved Analyst for Microbiological Analysis of Food, Victorian Food Act. Chair of Standards Australia Committees on Food Microbiology and Legionella Methodology.

Special responsibilities: Nil



Dr Anthony J Landgren - Director

Year appointed: 2016 (Resigned 17 Oct 2018)

Qualifications and experience:

MBBS, LLB, FRCPA, FACLM, MRACMA, MAICD
Chief Pathologist, Australian Clinical Labs

Special Responsibilities: Nil



Insp. David H Neville - Director

Year appointed: 2016 (Resigned 17 Oct 2018)

Qualifications and experience:

MSc, BAppSci, MAICD
Quality Manager, Queensland Police Forensic Services Group

Special responsibilities: Nil

Directors' Report

Principal Activities

The principal activity of the consolidated group during the financial year was the organisation of a national accreditation service to meet the needs of government, industry, commerce and the community by the accreditation of testing laboratories and related services, throughout the Commonwealth of Australia and elsewhere. These activities include alignment with the parent entity's short and long term objectives as detailed below by providing independent assurance of technical competence through a proven network of best practice industry experts for customers who require confidence in the delivery of their products and services.

Short and Long Term Objectives

The short term objectives of the parent entity are to promote and provide accreditation and related services which underpin the quality of a range of products and services in business, industry and government, both in Australia and internationally. The consolidated group's work increases community confidence and trust in a facility's services, mitigates risk, improves tendering success and facilitates trade.

The long term objectives of the parent entity are:

- a. To promote and contribute to the quality of testing, inspection and related services in Australia.
- b. To promote national testing, inspection, calibration and related services to meet the needs of science, industry, trade, commerce, government and matters related to national interest.
- c. To promote the science and practice of testing, inspection, calibration and related services for the benefit of Australia and for the benefit of trade and commerce.
- d. To provide appropriate accreditation services to facilitate acceptance of Australian products and services within Australia and internationally.
- e. To provide international recognition of accredited laboratories' and accredited service facilities' reports and certificates through Mutual Recognition Arrangements with appropriate bodies located in other countries.

To achieve these objectives the parent entity has adopted the following strategies:

- **Leadership** – the parent entity is committed to promoting accreditation as a public good to help improvement in public safety, productivity and technical infrastructure in Australia. Internationally, the parent entity represents Australia's interest in the accreditation community and promotion of trade through reduction in technical trade barriers.

- **Stakeholder Engagement** - the parent company considers the contribution from its stakeholders its major strength and will consult and collaborate with stakeholders on key issues in a transparent and efficient manner. The parent company will continue to provide accreditation programmes and related activities that meet the needs of its stakeholders to retain their support and commitment.
- **Service Delivery** - the parent company is committed to delivering quality service at a reasonable cost using an innovative business model that meets clients' needs and is responsive to their future requirements.
- **People** - the parent company employs staff with technical knowledge, customer service skills and motivation to deliver quality service to our clients. The parent company recognises the volunteer Technical Assessors and committee members for their expertise and values their contributions to the parent company and the community. The parent company is committed to effective succession planning for both our staff and volunteers.
- **Growth** - the parent company pursues and maintains sustainable growth to provide opportunities for optimising its contributions, fostering creativity, and improving core activities for future viability.
- **Finance and Security** - the parent company aims to optimise returns from its investment assets, develops and maintains a sound financial structure with adequate reserve to ensure its financial security. The parent company maintains and enhances a prudent risk management framework to manage risks that may have material adverse impact on its financial security and future viability.

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



GG Hogg
Chair



MB Callanan
Vice Chair

Melbourne, 18 September 2019

Report Of The Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee (the Committee) is established by the Board to assist the Board in the risk management and compliance with legislative and regulatory requirements of the NATA Group. The terms of reference (Charter) are reviewed periodically. The Charter was last reviewed in June 2019.

Membership

The membership of the Committee is made up of three Board members. The Chair of the Committee is a Committee member who is not the Chair of the Board.

During the year ended 30 June 2019 and to the date of this report, the Committee comprised:

Chair: Mr David Turner.

Members: Dr Geoff Hogg (Chair of the Board), and Dr Joseph Patroni.

Meetings

The Chief Executive Officer, the General Manager, Business Services and Chief Finance Officer, and external auditor, StewartBrown, Chartered Accountants, are invited by the Committee to attend its meetings. When appropriate, the Committee may invite other staff to attend its meeting to address specific issue. The Committee may also discuss and consider relevant issues with the external auditor in the absence of management or other parties.

The Committee met four times during the year ended 30 June 2019.

Main activities of the Committee

The Committee serves as an advisory body to the Board in managing the compliance risks, financial risks, reputational and operational risks including cyber security of NATA and its subsidiary, Proficiency Testing Australia (Consolidated Entity). The Committee does not have executive power, supervisory functions or decision making authority in relation to the operations of the Consolidated Entity.

The role of the Committee lies in its review and oversight capacity and includes:

- Enhancement of the risk management strategy, internal control framework, and receive and consider Management Exception Report;
- Improving the objectivity, accuracy, and reliability of externally published financial information;
- Assisting the NATA Board to comply with all legislative and other obligations; and
- Monitor and review the performance of external auditor.

The Committee's focus is on the accuracy, completeness and validity of statutory financial reports and the monitoring of financial, compliance, reputational and operational risk. The Committee has unrestricted access to all staff through the normal governance protocol, and can request external advice on specific matters.

External Auditor

The Committee monitors the performance of external auditor and reviews the auditor's policy in upholding its professional ethics, integrity and managing conflicts of interest to ensure its objectivity and independence.

The Committee ensures that the external auditor has been provided with unrestricted access to NATA staff and the Board, and has received adequate support from NATA in carrying out its duties.

The Committee considers the long term relationship with the auditor effective and remains satisfied with the performance of the auditor.



David Turner

Chair of the Audit, Risk and Compliance Committee

17 September 2019

Statement Of Financial Position

As At 30 June 2019

	Note	Consolidated Group		Parent Entity	
		2019	2018	2019	2018
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	6	9,398,540	5,303,654	8,221,393	4,573,732
Trade and other receivables	7	2,377,912	2,185,643	1,922,390	1,853,148
Total current assets		11,776,452	7,489,297	10,143,783	6,426,880
Non-current assets					
Property, plant and equipment	8	24,399,734	24,884,686	24,301,997	24,783,911
Intangible assets	9	3,189,506	3,040,468	3,189,506	3,040,364
Total non-current assets		27,589,240	27,925,154	27,491,503	27,824,275
TOTAL ASSETS		39,365,692	35,414,451	37,635,286	34,251,155
LIABILITIES					
Current liabilities					
Trade and other payables	10	4,669,160	4,648,445	4,129,639	4,215,308
Borrowings	11	-	207,957	-	207,957
Provisions	12	2,152,000	1,893,000	2,042,000	1,796,000
Total current liabilities		6,821,160	6,749,402	6,171,639	6,219,265
Non-current liabilities					
Borrowings	11	-	164,671	-	164,671
Provisions	12	943,500	1,037,500	906,500	1,002,500
Total non-current liabilities		943,500	1,202,171	906,500	1,167,171
TOTAL LIABILITIES		7,764,660	7,951,573	7,078,139	7,386,436
NET ASSETS		31,601,032	27,462,878	30,557,147	26,864,719
FUNDS					
Accumulated funds		20,276,533	16,138,379	19,232,648	15,540,220
Reserves	13	11,324,499	11,324,499	11,324,499	11,324,499
TOTAL FUNDS		31,601,032	27,462,878	30,557,147	26,864,719

The accompanying notes form part of these financial statements

Statement Of Profit Or Loss And Other Comprehensive Income

For The Year Ended 30 June 2019

	Note	Consolidated Group		Parent Entity	
		2019	2018	2019	2018
		\$	\$	\$	\$
Revenue	4	34,806,428	32,368,985	32,723,132	30,722,653
Other income	4	773	11,139	4,477	11,177
		<u>34,807,201</u>	<u>32,380,124</u>	<u>32,727,609</u>	<u>30,733,830</u>
Expenses					
Accreditation & certification		(4,031,099)	(4,160,369)	(3,600,477)	(3,697,248)
Administration expenses		(5,051,541)	(4,393,265)	(4,714,871)	(4,492,358)
Business development & planning		(42,677)	(15,191)	(41,759)	(14,033)
Consultancy and training		(218,204)	(306,322)	(218,204)	(306,322)
Depreciation and amortisation	5	(1,697,425)	(1,233,216)	(1,667,208)	(1,209,332)
Finance costs	5	(2,251)	(30,311)	(2,251)	(30,311)
Salaries and employee benefits		(19,625,850)	(19,667,718)	(18,790,411)	(18,563,716)
		<u>(30,669,047)</u>	<u>(29,806,392)</u>	<u>(29,035,181)</u>	<u>(28,313,320)</u>
Surplus before income tax		4,138,154	2,573,732	3,692,428	2,420,510
Income tax expense		-	-	-	-
Surplus for the year		4,138,154	2,573,732	3,692,428	2,420,510
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		<u>4,138,154</u>	<u>2,573,732</u>	<u>3,692,428</u>	<u>2,420,510</u>

The accompanying notes form part of these financial statements

Statement Of Changes In Funds

For The Year Ended 30 June 2019

	Consolidated Group			Parent Entity		
	Accumulated Funds	Asset Realisation Reserve	Total	Accumulated Funds	Asset Realisation Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	13,564,647	11,324,499	24,889,146	13,119,710	11,324,499	24,444,209
Comprehensive income						
Surplus for the year	2,573,732	-	2,573,732	2,420,510	-	2,420,510
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	2,573,732	-	2,573,732	2,420,510	-	2,420,510
Balance at 30 June 2018	16,138,379	11,324,499	27,462,878	15,540,220	11,324,499	26,864,719
Balance at 1 July 2018	16,138,379	11,324,499	27,462,878	15,540,220	11,324,499	26,864,719
Comprehensive income						
Surplus for the year	4,138,154	-	4,138,154	3,692,428	-	3,692,428
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	4,138,154	-	4,138,154	3,692,428	-	3,692,428
Balance at 30 June 2019	20,276,533	11,324,499	31,601,032	19,232,648	11,324,499	30,557,147

The accompanying notes form part of these financial statements

Statement Of Cash Flows

For The Year Ended 30 June 2019

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
Note	\$	\$	\$	\$
Cash flows from operating activities				
Receipts from members, customers and government	37,547,240	35,445,855	35,376,617	33,660,537
Payments to suppliers and employees	(31,995,618)	(31,331,552)	(30,287,179)	(29,691,264)
Interest received	278,881	136,688	263,061	127,746
Interest paid	(2,251)	(30,311)	(2,251)	(30,311)
Net cash flows from operating activities	<u>5,828,252</u>	<u>4,220,680</u>	<u>5,350,248</u>	<u>4,066,708</u>
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	37,272	58,494	12,727	58,494
Purchase of property, plant and equipment	(494,323)	(539,976)	(438,999)	(506,745)
Purchase of intangible assets	(903,687)	(619,477)	(903,687)	(619,477)
Net cash flows from investing activities	<u>(1,360,738)</u>	<u>(1,100,959)</u>	<u>(1,329,959)</u>	<u>(1,067,728)</u>
Cash flows from financing activities				
Net repayment of borrowings	(372,628)	(195,428)	(372,628)	(195,428)
Net cash flows from financing activities	<u>(372,628)</u>	<u>(195,428)</u>	<u>(372,628)</u>	<u>(195,428)</u>
Net increase in cash and cash equivalents	4,094,886	2,924,293	3,647,661	2,803,552
Cash and cash equivalents at the beginning of the financial year	<u>5,303,654</u>	<u>2,379,361</u>	<u>4,573,732</u>	<u>1,770,180</u>
Cash and cash equivalents at the end of the financial year	6 <u>9,398,540</u>	<u>5,303,654</u>	<u>8,221,393</u>	<u>4,573,732</u>

The accompanying notes form part of these financial statements

Notes to the Financial Statements for the Year Ended 30 June 2019



Note 1 - Reporting entity

The financial report includes the consolidated financial statements and notes of the National Association of Testing Authorities, Australia and its controlled entity (consolidated group), and the separate financial statements and notes of National Association of Testing Authorities, Australia as an individual parent entity (parent entity).

The financial statements were approved by the Board of Directors on 18 September 2019.

Note 2 - Basis of preparation

Statement of compliance

National Association of Testing Authorities, Australia and its controlled entity has adopted Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The parent entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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.

Basis of measurement

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.

Comparatives

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

Where the consolidated group has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements 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 consolidated group.

Key estimates

Impairment

The Directors assess impairment at the end of each reporting period by evaluation of conditions and events specific to the consolidated group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

New and revised standards that are effective for these financial statements

AASB 9 Financial Instruments is effective for the year ended 30 June 2019 however its application has not significantly impacted the consolidated group's financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been early adopted by the consolidated group. These include:

- AASB 15 Revenue from Contracts with Customers (effective for the year ending 30 June 2020)
- AASB 1058 Income of Not-for-profit Entities (effective for the year ending 30 June 2020)
- AASB 16 Leases (effective for the year ending 30 June 2020)

The Directors' assessment of the impact of these new standards (to the extent applicable to the consolidated group) is that none are expected to significantly impact the consolidated group's financial statements in future reporting periods.

Notes To The Financial Statements

For The Year Ended 30 June 2019

Note 3 - Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Both the functional and presentation currency of the parent entity and consolidated group is Australian dollars.

Principles of Consolidation

The consolidated financial statements comprise the financial statements of the parent entity, being the National Association of Testing Authorities, Australia and its controlled entity and together are referred to in this report as the consolidated group. Control exists where the parent entity has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. Despite this power to govern, it is the parent entity's policy to allow its controlled entities to act independently. A list of controlled entities is contained in note 19 to the financial statements.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Where controlled entities have entered or left the consolidated group during the year, their operating results have been included from the date control was obtained or until the date control ceased. There are no outside interests in the funds or results of the controlled entities.

Income tax

The parent entity and controlled entity (Proficiency Testing Australia) are endorsed as income tax exempt charitable entities under Division 50 of the Income Tax Assessment Act 1997.

Goods and services tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Accreditation revenue

Accreditation revenue not otherwise covered by the annual subscription is recognised when time is charged to a member's accreditation engagement. Revenue is measured at the fair value of the consideration or contributions received or receivable, taking into account the amount of any write-ups or write-downs required to reflect the recoverable amount.

Government contracts

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

If conditions are attached to the contract which must be satisfied before it is eligible to receive the contribution, the recognition of the contract as revenue will be deferred until those conditions are satisfied.

Subscription revenue

Subscription revenue from members is billed annually and is recognised as income in the financial year to which the subscription period relates.

Payroll tax refunded

Payroll tax refunded as a consequence of successful applications for exemption lodged with various State bodies has been recognised upon receipt.

Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Rental income

Rental income is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

Notes To The Financial Statements

For The Year Ended 30 June 2019

Note 3 - Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment in relation to doubtful receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

Property, plant and equipment

Basis of measurement of carrying amount

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. It is the policy of the consolidated group to have an independent valuation of land and buildings at least every three years, however unless this revaluation results in an impairment loss it is not recognised in the financial statements other than by way of note.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all property, plant and equipment including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity 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.

The depreciation rates used for each class of depreciable assets are:

Buildings	2.5% - 20%
Furniture and equipment	10% - 40%
Motor vehicles	15% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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 carrying amount. These are included in the statement of profit or loss and other comprehensive income.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership), which are transferred to entities in the consolidated group, 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 for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

Notes To The Financial Statements

For The Year Ended 30 June 2019

Note 3 - Significant accounting policies (continued)

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the consolidated group becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the consolidated group commits itself to either purchase or sell the asset. 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. Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial assets

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- amortised cost
- equity instruments at fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset
- the business model for managing the financial asset

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVPL):

- the financial asset is managed solely to collect contractual cash flows
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

Equity instruments at fair value through other comprehensive income

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in

fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss unless the dividend clearly represents return of capital. By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than to "hold and collect" or "hold to collect and sell" are categorised at fair value through profit or loss. The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment of financial assets

The impairment requirements as applicable under AASB 9 use more forward looking information to recognise expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Directors considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk
- financial instruments that have deteriorated significantly in credit quality since initial recognition and the credit risk is not low
- financial assets that have objective evidence of impairment at reporting date

The loss allowance for the first category is measured as "12-month expected credit loss" and for the second category is measured as "lifetime expected credit losses".

Notes To The Financial Statements

For The Year Ended 30 June 2019

Note 3 - Significant accounting policies (continued)

Intangible assets

Software

Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the software over its estimated useful life of five years.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

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 consolidated group 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. The carrying amount of trade and other payables is deemed to reflect fair value.

Income received in advance

Income, other than government contract income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of profit or loss and other comprehensive income.

Employee benefits

Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be 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.

Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Fair value of assets and liabilities

The consolidated group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Notes To The Financial Statements

For The Year Ended 30 June 2019

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	\$	\$	\$	\$
NOTE 4 - REVENUE AND OTHER INCOME				
Revenue				
Service revenue	28,618,187	27,428,314	26,611,353	25,608,635
Government contract revenue	1,415,000	1,415,000	1,415,000	1,415,000
Foreign currency translations	43,344	23,244	43,344	23,244
Payroll tax refund	3,046,440	1,999,692	2,797,120	1,999,692
Rent received	1,404,523	1,364,245	1,404,523	1,364,245
Other operating revenue - wholly owned entities	-	-	188,678	182,289
Other operating revenue	53	1,802	53	1,802
	<u>34,527,547</u>	<u>32,232,297</u>	<u>32,460,071</u>	<u>30,594,907</u>
Other revenue				
Interest income	278,881	136,688	263,061	127,746
	<u>278,881</u>	<u>136,688</u>	<u>263,061</u>	<u>127,746</u>
Total revenue	<u>34,806,428</u>	<u>32,368,985</u>	<u>32,723,132</u>	<u>30,722,653</u>
Other income				
Net gain on disposal of property, plant and equipment	773	11,139	4,477	11,177
Total other income	<u>773</u>	<u>11,139</u>	<u>4,477</u>	<u>11,177</u>
Total revenue and other income	<u><u>34,807,201</u></u>	<u><u>32,380,124</u></u>	<u><u>32,727,609</u></u>	<u><u>30,733,830</u></u>

Notes To The Financial Statements

For The Year Ended 30 June 2019

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	\$	\$	\$	\$
NOTE 5 - EXPENSES				
Depreciation				
Buildings	614,181	618,060	614,181	618,060
Plant and equipment	328,595	309,154	298,482	285,490
Total depreciation	942,776	927,214	912,663	903,550
Amortisation				
Software	754,649	306,002	754,545	305,782
Total amortisation	754,649	306,002	754,545	305,782
Total depreciation and amortisation	1,697,425	1,233,216	1,667,208	1,209,332
Bad and doubtful debts expense				
Bad debts	27,230	49,767	22,186	37,353
Provision for impairment	(37,327)	(7,622)	(37,327)	(7,622)
Total bad and doubtful debts	(10,097)	42,145	(15,141)	29,731
Interest and finance charges paid and payable	2,251	30,311	2,251	30,311
Rental expenses relating to operating leases	189,406	201,294	189,406	201,294
NOTE 6 - CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	835,578	1,177,156	608,431	997,234
Cash on deposit	8,562,962	4,126,498	7,612,962	3,576,498
Total cash and cash equivalents	9,398,540	5,303,654	8,221,393	4,573,732

Notes To The Financial Statements

For The Year Ended 30 June 2019

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	\$	\$	\$	\$
NOTE 7 - TRADE AND OTHER RECEIVABLES				
<u>Current</u>				
Trade receivables	1,171,123	926,342	726,541	614,338
Provision for impairment	(41,000)	(78,327)	(41,000)	(78,327)
	1,130,123	848,015	685,541	536,011
Other receivables	229,673	315,977	218,733	300,436
Work in progress	386,888	423,304	386,888	423,304
Prepayments	631,228	598,347	631,228	593,397
Total current trade and other receivables	2,377,912	2,185,643	1,922,390	1,853,148
Provision for impairment				
Opening net carrying value	78,327	85,949	78,327	85,949
Charge for the year	(37,327)	(7,622)	(37,327)	(7,622)
Closing net carrying value	41,000	78,327	41,000	78,327

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT				
	Land	Buildings	Plant and equipment	Total
	\$	\$	\$	\$
Consolidated Group				
At 30 June 2018				
Cost	12,257,812	18,930,684	4,816,407	36,004,903
Accumulated depreciation	-	(7,034,656)	(4,085,561)	(11,120,217)
Net carrying amount	12,257,812	11,896,028	730,846	24,884,686
Movements in carrying amounts				
Opening net carrying amount	12,257,812	11,896,028	730,846	24,884,686
Additions	-	11,750	482,573	494,323
Disposals	-	-	(36,499)	(36,499)
Depreciation charge for the year	-	(614,181)	(328,595)	(942,776)
Closing net carrying amount	12,257,812	11,293,597	848,325	24,399,734
At 30 June 2019				
Cost	12,257,812	18,942,434	4,989,896	36,190,142
Accumulated depreciation	-	(7,648,837)	(4,141,571)	(11,790,408)
Net carrying amount	12,257,812	11,293,597	848,325	24,399,734

Notes To The Financial Statements

For The Year Ended 30 June 2019

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)				
	Land	Buildings	Plant and equipment	Total
Parent Entity	\$	\$	\$	\$
At 30 June 2018				
Cost	12,257,812	18,930,684	4,588,469	35,776,965
Accumulated depreciation	-	(7,034,656)	(3,958,398)	(10,993,054)
Net carrying amount	<u>12,257,812</u>	<u>11,896,028</u>	<u>630,071</u>	<u>24,783,911</u>
Movements in carrying amounts				
Opening net carrying amount	12,257,812	11,896,028	630,071	24,783,911
Additions	-	11,750	427,249	438,999
Disposals	-	-	(8,250)	(8,250)
Depreciation charge for the year	-	(614,181)	(298,482)	(912,663)
Closing net carrying amount	<u>12,257,812</u>	<u>11,293,597</u>	<u>750,588</u>	<u>24,301,997</u>
At 30 June 2019				
Cost	12,257,812	18,942,434	4,752,256	35,952,502
Accumulated depreciation	-	(7,648,837)	(4,001,668)	(11,650,505)
Net carrying amount	<u>12,257,812</u>	<u>11,293,597</u>	<u>750,588</u>	<u>24,301,997</u>

Valuation of land and buildings

An independent valuation of the freehold land and buildings in Sydney was completed on 29 June 2015 by Mr. John Kovacic, Ass Dip Val, AAPI of Macquarie Bell Pty Limited. The valuation was based on vacant possession free of all encumbrances and amounted to \$8,000,000, compared with a carrying value of \$1,553,208. This increase in value of \$6,446,792 has not been recognised in the financial report other than by way of this note. This property is the subject of draft rezoning released by the New South Wales Department of Planning and Environment in September 2017. The current market value is well in excess of the \$8,000,000 valuation in June 2015.

An independent valuation of the freehold land and buildings in Brisbane was completed on 30 July 2018 by Ms. Michelle Burke, AAPI, of CBRE Valuations Pty Limited. This valuation was based on (market value - as is - assuming notional lease) free of all encumbrances and amounted to \$3,150,000, compared with a carrying value of \$1,682,997. This increase in value of \$1,467,003 has not been recognised in the financial report other than by way of this note.

An independent valuation of the freehold land and buildings in Melbourne was completed on 3 July 2018 by Mr. Ben Koops, AAPI, of Savills Valuations Pty Limited. This valuation was based on (market value - as is - fully leased) free of all encumbrances and amounted to \$26,500,000, compared with a carrying value of \$20,315,204. This increase in value of \$6,184,796 has not been recognised in the financial report other than by way of this note.

These valuations were obtained in accordance with the long-standing policy to review the fair value of land and buildings every three years. However, with regards to the Sydney property, the Directors believed it was not necessary to incur the costs of obtaining a new valuation because they had obtained other sufficient evidence that its value exceeded the last valuation of \$8,000,000 as referred to above.

Notes To The Financial Statements

For The Year Ended 30 June 2019

NOTE 9 - INTANGIBLE ASSETS			
	Software	Work in Progress	Total
Consolidated Group	\$	\$	\$
At 30 June 2018			
Cost	3,742,505	-	3,742,505
Accumulated amortisation	(702,037)	-	(702,037)
Net carrying amount	<u>3,040,468</u>	<u>-</u>	<u>3,040,468</u>
Movements in carrying amounts			
Opening net carrying amount	3,040,468	-	3,040,468
Additions	521,818	381,869	903,687
Amortisation charge for the year	(754,649)	-	(754,649)
Closing net carrying amount	<u>2,807,637</u>	<u>381,869</u>	<u>3,189,506</u>
At 30 June 2019			
Cost	4,264,323	381,869	4,646,192
Accumulated amortisation	(1,456,686)	-	(1,456,686)
Net carrying amount	<u>2,807,637</u>	<u>381,869</u>	<u>3,189,506</u>
Parent Entity			
At 30 June 2018			
Cost	3,715,995	-	3,715,995
Accumulated amortisation	(675,631)	-	(675,631)
Net carrying amount	<u>3,040,364</u>	<u>-</u>	<u>3,040,364</u>
Movements in carrying amounts			
Opening net carrying amount	3,040,364	-	3,040,364
Additions	521,818	381,869	903,687
Amortisation charge for the year	(754,545)	-	(754,545)
Closing net carrying amount	<u>2,807,637</u>	<u>381,869</u>	<u>3,189,506</u>
At 30 June 2019			
Cost	4,237,813	381,869	4,619,682
Accumulated amortisation	(1,430,176)	-	(1,430,176)
Net carrying amount	<u>2,807,637</u>	<u>381,869</u>	<u>3,189,506</u>

Notes To The Financial Statements

For The Year Ended 30 June 2019

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	\$	\$	\$	\$
NOTE 10 - TRADE AND OTHER PAYABLES				
<u>Current</u>				
Trade payables	527,389	562,556	486,885	530,349
Liabilities to employees	1,646,022	1,581,461	1,570,627	1,510,341
Subscriptions in advance	1,466,013	1,427,463	1,466,013	1,427,463
Other income in advance	616,925	520,320	248,713	228,724
Other payables	412,811	556,645	357,401	518,431
Total current trade and other payables	<u>4,669,160</u>	<u>4,648,445</u>	<u>4,129,639</u>	<u>4,215,308</u>
NOTE 11 - BORROWINGS				
<u>Current</u>				
Bank loan - equipment	-	207,957	-	207,957
Total current borrowings	<u>-</u>	<u>207,957</u>	<u>-</u>	<u>207,957</u>
<u>Non-current</u>				
Bank loan - equipment	-	164,671	-	164,671
Total non-current borrowings	<u>-</u>	<u>164,671</u>	<u>-</u>	<u>164,671</u>
Security				
The parent entity's bank overdraft facility of \$0.5M is secured by a registered first mortgage over its Sydney premises.				
NOTE 12 - PROVISIONS				
<u>Current</u>				
Employee entitlements - long service leave	2,152,000	1,893,000	2,042,000	1,796,000
Total current provisions	<u>2,152,000</u>	<u>1,893,000</u>	<u>2,042,000</u>	<u>1,796,000</u>
<u>Non-current</u>				
Employee entitlements - long service leave	923,000	1,017,000	886,000	982,000
Restoration (make good)	20,500	20,500	20,500	20,500
Total non-current provisions	<u>943,500</u>	<u>1,037,500</u>	<u>906,500</u>	<u>1,002,500</u>
Movement in provisions				
<u>Restoration (make good provision)</u>				
Opening net carrying amount	20,500	42,500	20,500	42,500
Provision utilised during the year	-	(22,000)	-	(22,000)
Closing net carrying amount	<u>20,500</u>	<u>20,500</u>	<u>20,500</u>	<u>20,500</u>

The parent entity is required to restore certain of its leased office premises to their original condition at the end of the respective lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements.

Notes To The Financial Statements

For The Year Ended 30 June 2019

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	\$	\$	\$	\$
NOTE 13 - RESERVES				
Asset realisation reserve	11,324,499	11,324,499	11,324,499	11,324,499
Total reserves	11,324,499	11,324,499	11,324,499	11,324,499
Nature and purpose of reserves				
The asset realisation reserve records realised gains on sale of certain non-current assets.				
NOTE 14 - KEY MANAGEMENT PERSONNEL COMPENSATION				
The aggregate amount of compensation paid to key personnel during the year was:	1,820,746	1,779,299	1,652,335	1,621,483
NOTE 15 - COMMITMENTS				
Operating lease commitments				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	132,221	128,370	132,221	128,370
Later than one year but not later than five years	124,838	257,059	124,838	257,059
	257,059	385,429	257,059	385,429
Capital commitments				
IT capital commitments	415,104	-	415,104	-
The operating lease commitments relate to a non-cancellable property lease with a remaining term of two years from year-end, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments to be increased by 3% per annum. An option exists to renew the lease at the end of its term.				

Notes To The Financial Statements

For The Year Ended 30 June 2019

NOTE 16 - EVENTS OCCURRING AFTER THE REPORTING PERIOD

No material events have occurred after the reporting period. The financial report was authorised for issue on 18 September 2019 by the Board of Directors.

NOTE 17 - LIMITATION OF MEMBERS' LIABILITY

The parent entity is registered under the Australian Charities and Not-for-Profits Commission Act 2012 as a company limited by guarantee. If the parent entity is wound up, its constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the parent entity. At 30 June 2019 the number of members was 3,360 (2018: 3,362).

NOTE 18 - CONTROLLED ENTITIES

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)	
		2019	2018
Parent Entity			
National Association of Testing Authorities, Australia	Australia	n/a	n/a
Controlled Entities			
Proficiency Testing Australia	Australia	100%	100%

NOTE 19 - RELATED PARTY TRANSACTIONS

Parent and controlled entities

The consolidated group consists of the parent entity, National Association of Testing Authorities, Australia (NATA) and its wholly-owned controlled entity Proficiency Testing Australia.

Key management personnel

Aggregate compensation payments to key management personnel are included in note 14.

There were no other transactions with key management personnel or their related entities with the consolidated group during the current or previous financial year other than membership subscription and accreditation services revenue.

Transactions with related parties

	Parent Entity	
	2019	2018
Transactions between the parent entity and its controlled entities during the year consisted of:	\$	\$
Other expenses recharged by the parent entity	188,678	182,289

The above transactions were made on normal commercial terms and conditions and at market rates.

Directors' Declaration

The Directors of the National Association of Testing Authorities, Australia declare that:

- 1 The financial statements, which comprises the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a comply with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013; and
 - b give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the company and consolidated group.
- 2 In the opinion of the Directors there are reasonable grounds to believe that the company and the consolidated group 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.



GG Hogg
Chair



MB Callanan
Vice Chair

Melbourne, 18 September 2019

Independent Auditor's Report to the Members of National Association of Testing Authorities, Australia

Opinion

We have audited the financial report of National Association of Testing Authorities, Australia (the parent entity) and National Association of Testing Authorities, Australia and its controlled entity (the consolidated group) which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in funds 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.

In our opinion, the accompanying financial report of National Association of Testing Authorities, Australia (the parent entity) and National Association of Testing Authorities, Australia and its controlled entity (the consolidated group) is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) giving a true and fair view of the company and the consolidated group's financial position as at 30 June 2019 and of its financial performance for the year then ended, and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Report section of our report. We are independent of the company and the consolidated group in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the Directors of the company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Directors' Responsibility for the Financial Report

The Directors of the company and consolidated group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the company and consolidated group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the company and consolidated group's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Auditing and Assurance Standards Board and the website address is <http://www.auasb.gov.au/Home.aspx>

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Stewart Brown
Chartered Accountants



R.J. McGree
Partner

Sydney, 18 September 2019

Glossary Of Terms

accreditation

The formal recognition given by NATA that a laboratory has met a certain standard of operation, with particular regard to the technical competence required for the testing undertaken.

Accreditation Advisory Committee (AAC)

A group of volunteer technical experts with expertise relating to a particular type of testing, measurement or inspection, appointed by the NATA Board to advise each field/program on matters relating to accreditation.

AIMS

NATA's Accreditation Information Management System.

APLAC

Asia Pacific Laboratory Accreditation Cooperation (www.aplac.org).

applicant facility

A laboratory or other facility that has applied to NATA for accreditation.

ARK

NATA's Assessor Resource Kit.

assessment

The on-site visit to each laboratory, attended by a selected team of Technical Assessors plus a representative from NATA. This team reviews the overall procedures and technical competence of the testing conducted by the laboratory.

Assessor (or Technical Assessor)

A volunteer professional selected to participate in an assessment because of his/her recognised relevant expertise and experience in a particular area of laboratory testing, measurement or inspection activity.

calibration

A process by which a device is checked or adjusted against a known reference device.

certification

The formal recognition of a management system that complies with a national, or international, standard. This is confirmed by the issue of a formal certificate and scope document by a properly accredited body.

corrective action

Action taken by the laboratory to correct a problem or deficiency.

Diagnostic Imaging Accreditation Scheme (DIAS)

The Diagnostic Imaging Accreditation Scheme (DIAS) is a mandatory accreditation that links payment of Medicare benefits for imaging services to a facility's compliance with the DIAS practice accreditation standards.

document review

A process conducted by NATA staff to compare each particular laboratory's documentation and procedures with the relevant accreditation requirements.

evaluation (international)

An audit/review undertaken by (an) international counterpart(s), usually to determine the compliance or competence of an organisation to participate in a bilateral or multi-lateral recognition agreement.

EDRMS

NATA's Electronic Document and Records Management System.

GLP

GLP refers to the OECD Principles of Good Laboratory Practice, which were developed in the late 1970s to promote the development of quality test data associated with non-clinical studies. They also form the basis for the mutual acceptance of test data from such studies amongst OECD countries. Any facility claiming to be compliant with the Principles of Good Laboratory Practice of the Organization for Economic Cooperation and Development (OECD) under the Australian GLP compliance monitoring program must be recognised by NATA for that compliance.

ILAC

International Laboratory Accreditation Cooperation (www.ilac.org).

inspection accreditation

The formal recognition offered by NATA of the competence of an inspection body and its inspectors. ISO/IEC 17020 — General criteria for the operation of various types of bodies performing inspection is the internationally recognised inspection accreditation standard. It is this document that is used by NATA to accredit inspection bodies.

Glossary Of Terms

Integrated Accreditation

Integrated Accreditation is the separation of the management of accreditation (surveillance) activities (and related products) from the management of NATA's internal technical infrastructure (such as the technical input from Accreditation Advisory Committees (AAC) and/or other sources). It is intended to achieve better engagement with members and responsiveness to their needs, greater consistency in accreditation policies and procedures, and improvements to NATA's technical capacity.

international standards

ISO/IEC 17025 is the internationally recognized standard which provides the criteria used by NATA for laboratory accreditation. Other international standards provide the criteria for other programs such as accreditation of Inspection bodies, Medical Testing Facilities, Reference Materials Producers and Proficiency Testing Scheme Providers.

laboratory

A facility that is engaged in the evaluation, measurement or testing of a product or material so as to determine its characteristics.

measurement, standards and conformance infrastructure

In Australia, the measurement, standards and conformance infrastructure (or technical infrastructure) consists of the primary bodies responsible for the development, operation, maintenance and supervision of Australia's national physical and documentary standards. It also embraces the certification and accreditation of organisations and individuals on whom we depend for the quality and accuracy of products and services involving measurement, analysis, testing and calibration.

measurement audit

For the calibration fields the proficiency testing activity used to assess laboratory performance is a Measurement Audit.

measurement uncertainty (MU)

Every measurement made has an error associated with it, and the parameter that defines the boundaries of the error of a measurement is termed the 'measurement uncertainty' or 'uncertainty of measurement'.

members

Laboratories and other facilities holding NATA accreditation. NATA is an association of its member facilities.

members portal

The NATA web portal which facilitates communications and exchange of documents with members

NAR(s)

The abbreviation for NATA's Accreditation Requirements (for each field/program).

NATA Board

NATA is guided and monitored by a Board of Directors. They supervise the management of the property, business and affairs of the Association. The Board may make Regulations which regulate the affairs of the Association and may amend and repeal Regulations.

NMI

National Measurement Institute—responsible for establishing and maintaining Australia's units and standards of measurement and for coordinating Australia's national measurement system (www.measurement.gov.au). NMI is also used to mean the National Measurement Institutes of other countries.

overdue facilities

In its surveillance program for accredited facilities, NATA sets a specific period for future surveillance visits to each facility. If, for some reason, such a visit is delayed beyond the specified period the surveillance of that facility is termed as 'overdue'.

proficiency testing

A means of assessing the ability of laboratories to competently perform specific tests.

Glossary Of Terms

quality control procedures

All the activities undertaken by a facility to ensure that its sampling, handling, testing, measurement and reporting practices are in accord with its quality assurance system.

quality management system

In a laboratory, the (documented) system that details the practices and procedures used to ensure the production of quality test or calibration data.

reassessment

The assessments organised to accredited facilities, as part of NATA's ongoing surveillance program.

reference materials

A material or substance, one or more property values of which are sufficiently homogeneous and well established to be used for the calibration of an apparatus, the assessment of a measurement method, or for assigning values to materials.

scope of accreditation

NATA accreditation for any laboratory is described in terminology that details the particular types of testing covered by the accreditation. The collective description of the scope of a laboratory's accreditation is termed the 'scope of accreditation' (previously known as 'terms of accreditation').

sector

Fields and programs which have a similar industry or sector focus are grouped together into sectors with a Sector Manager having responsibility for their technical management.

strategic plan

The Strategic Plan describes NATA's priorities and intentions in three year periods.

Supplementary Application Document (SAD)

A NATA document that helps a laboratory or other facility to apply the requirements of an international standard (such as ISO/IEC 17025) to their field or discipline.

supplementary requirements for accreditation

Each field/program for which NATA offers accreditation has produced one of these documents which helps a laboratory or other facility to apply the requirements of an international standard (such as ISO/IEC 17025) to their particular field or discipline.

surveillance program

The ongoing evaluation of all accredited facilities to ensure that the requirements for accreditation are being met.

suspended accreditation

An accreditation made temporarily invalid, either in full or for part of the scope of the accreditation.

Technical Assessor forums

Meetings organised by NATA for assessors from individual fields/programs to discuss developments in their field relating to accreditation.

technical committee

A general term for the committees of volunteers which assist NATA in undertaking its accreditation activities. Some examples are Accreditation Advisory Committees and Technical Groups.

withdrawn facility

A facility whose accreditation has been voluntarily or involuntarily terminated, in full.

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