



Transport Accident
Investigation
Commission

Statement of Performance Expectations Te tauākī tūmanako whakatutuki

2021/22

Prepared and published in accordance with the
requirements of the Crown Entities Act 2004



Transport Accident Investigation Commission
Te Kōmihana Tiroiro Aituā Waka
Statement of Performance Expectations 2021/22

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Transport Accident
Investigation
Commission

4 June 2021

Hon Michael Wood
Minister of Transport
Executive Wing
Parliament Buildings
Wellington

Dear Minister

Statement of Performance Expectations

We present the Statement of Performance Expectations of the Transport Accident Investigation Commission for the twelve months beginning 1 July 2021.

It has been prepared and is signed in accordance with the provisions of the Crown Entities Act 2004.

The strategic context for this document is set out in the Transport Accident Investigation Commission *Statement of Intent 2021-2025*.

Jane Meares
Chief Commissioner

Stephen Davies Howard
Deputy Chief Commissioner

Our vision

Tō mātou tirohanga

No repeat accidents – ever! Whakakore aituā tukurua!

Our mission

Tā mātou whāinga

Safer transport through investigation, learning and influence

Our values

Ā mātou uara

Fairness
Impartiality
Independence
Competence
Integrity
Timeliness
Certainty

Our purpose

Tā tātou kaupapa

Ko te aronga a Te Kōmihana Tiro tiro Aituā Waka, ki te whakatau me te āta tiro tiro he aha te pūtake o ngā Aituā Waka. A me pēhea rā te karo, kia kore ai aua takanga e pa mai anō a tōna wā.

The purpose of the Transport Accident Investigation Commission is to determine the circumstances and causes of accidents and incidents with a view to avoiding similar occurrences in the future.

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Output class: accident and incident investigation and reporting

Aituā kāwai putanga, te whakawā me te ripoata maiki

What the output class is intended to achieve

We are a standing commission of inquiry and an independent Crown entity

The Transport Accident Investigation Commission (the Commission) is a standing commission of inquiry and an independent Crown entity. Our enabling legislation is the Transport Accident Investigation Commission Act 1990 (the Act). We were established so that New Zealand could achieve greater compliance with the Convention on International Civil Aviation (ICAO Convention), particularly Annex 13, which relates to safety-focused accident investigations.

We also support New Zealand's obligations as a member of the International Maritime Organization (IMO) and the International Convention for the Safety of Life at Sea (SOLAS). The IMO's Maritime Casualty Investigation Code requires signatory states to have an independent body to investigate maritime accidents and incidents to avoid further occurrences rather than to apportion blame or liability.

Our mandate is to undertake independent, no-blame, investigations into certain transport accidents and incidents

The Act embodies these obligations by prescribing the Commission's purpose, which is 'to determine the circumstances and causes of accidents and incidents with a view to avoiding similar occurrences in the future, rather than to ascribe blame to any person'. Our mandate is to help avoid transport accidents by undertaking independent, no-blame, investigations into certain transport accidents and incidents (occurrences). For each occurrence we investigate, we publish a report of our findings and recommendations. The Commission works in the aviation, rail and maritime transport modes.

We have a single output class

We are funded for a single output: accident and incident investigation and reporting.

This appropriation is intended to achieve the conduct and completion of independent inquiries into selected aviation, rail and maritime safety occurrences with the intent of helping to avoid recurrences.

How performance for the output class will be assessed

Output measures centre on cost, volume, and timeliness

Table 1 shows performance measures for the output class: accident and incident investigation and reporting. Refer to the section on impact measures for quality-related indicators of performance.

The expected revenue and proposed expense for the output is equal to that stated in the prospective statement of comprehensive revenue and expense on page 17.

Table 1: Performance measures: financial, volume, and timeliness

| Financial measure | Instrument | 2021/22 target | 2020/21 estimated actual | 2020/21 target |
|--|---------------------------------------|------------------|--------------------------|------------------|
| Average cost of domestic inquiries closed | Timesheet and financial data analysis | \$350-400K | \$370K | \$300-350K |
| The average cost of inquiries is calculated by allocating all costs (including general overheads) to inquiries. A proportion of overheads is allocated to all open inquiries. A further proportion is allocated according to time spent on each inquiry. The cost of an inquiry is taken over the whole of its life. The target for 2021/22 has increased to account for the new KTS funding, which will be allocated across inquiries as an overhead. | | | | |
| Volume measures | Instrument | 2021/22 expected | 2019/20 estimated actual | 2020/21 expected |
| No. of reports published for domestic inquiries (incl. interim reports) | Casebook analysis, manual count | 15-25 | 9 | 15-25 |
| No. of inquiries by overseas jurisdictions assisted | Casebook data analysis | 4-8 | 9 | 4-8 |
| No. of domestic inquiries in progress at each month's end (12 month rolling average at 30 June) | Casebook data analysis | 30 | 24 | 30 |
| Volume measures are demand driven and shown as an 'expected' range rather than a 'target'. | | | | |
| Timeliness measures | Instrument | 2021/22 target | 2020/21 estimated actual | 2020/21 target |
| Proportion of closed domestic inquiries completed within 440 working days | Casebook data analysis | 70% | 60% | 70% |
| A year is calculated as 220 working days. The Commission aims to close inquiries within 440 working days, but more complex inquiries may take longer. Complexity can arise because of, for example, technical aspects of an investigation, or the number and/or substance of submissions received on draft reports. | | | | |

How the output contributes to strategic intentions

We contribute to transport sector outcome of protecting people from transport related injuries

The transport sector outcome we contribute to is:

Protecting people from transport related injuries

This outcome is part of the Healthy and Safe People strand of the Transport Outcomes Framework developed by the Ministry of Transport. The outcome reflects the Government's safety priority of delivering a transport system where no-one is killed or seriously injured.

To achieve the transport sector outcome, the Commission has adopted a vision – an aspirational goal – that reflects our statutory purpose and drives all we do:

No repeat accidents – ever!

The Commission's mission statement focuses attention on what we are seeking to achieve and how.

Safer transport through investigation, learning and influence

Our purpose and strategic direction remains unchanged

The Commission's *Statement of Intent 2021–2025* sets out our strategic intentions. Our purpose, strategic framework, and overall direction remain unchanged from the previous planning cycle; but over the period of this statement of intent we seek to significantly improve systems and processes and build on the organisational gains we have made in recent years.

We seek to influence the safety of the transport system through our strategic intentions to be accessible, credible, and ready

Because our recommendations are not mandatory, we contribute to safer transport systems by influencing others to act to reduce risk. Influence – our impact on the system – is achieved by having a clear and authoritative voice.

To achieve influence, our strategic intentions are to:

- be accessible by making it easier for people or organisations to access our findings and recommendations – the easier it is for them to find the information they need, the more likely they are to act
- be credible by maintaining the highest standards in investigation processes
- be ready to respond to a large-scale event and enhance our capacity to contribute to national resilience.

Resilience remains core to maintaining organisational performance

Resilience is core to maintaining organisational performance. It has two broad aspects. One is maintaining professional standards as the transport system evolves rapidly and in significant ways, driven by advancing technology. We must continue to be able to meet our statutory purpose even as new technologies result in different types of accidents, and demand different investigative techniques.

The other aspect to resilience is our ability to withstand a sudden shock. That could mean responding effectively to a major accident or continuing operations when a natural disaster occurs.

The strategic focus for building and maintaining resilience remains on strengthening human and information capital.

The Knowledge Transfer System is the basis for progressing the strategic intentions

The strategic intentions are being realised through our Knowledge Transfer System. Knowledge transfer is about capturing and organising data and information, and creating and distributing information and knowledge. Physical assets, people, and processes work together to enable knowledge transfer.

Although the Commission is focused on the digital aspects of knowledge transfer, it is more than IT assets. It includes the people who provide support; and those who can make the most of the opportunities new systems offer to improve what we do – for example, analysing trends in notifications data or developing video presentation of findings.

The Knowledge Transfer System is therefore about strengthening human and information capital.

Performance measurement **Inenga mahi**

Measuring impact

Measuring our impact on transport safety is difficult; we take mainly qualitative approach

Direct measurement of the Commission's influence on sector outcomes is difficult. Our recommendations are not mandatory – we contribute to improved safety by making information available to others in the transport system so they can act.

We have taken a qualitative approach to measuring our impact because transport is complex adaptive system and because our role within it is independent. We will use case studies to demonstrate our effectiveness, setting out the actions that sector participants, including recipients of our recommendations, have taken to improve safety. This approach allows us to describe in depth what our influence has been.

Measuring progress in strategic intentions

Implementation of the Knowledge Transfer System is key to achieving strategic objectives

An increase in baseline funding from 2020/21 means we are now able to complete the detailed planning for the Knowledge Transfer System and to begin implementation in earnest. Planning began in 2020/21, but the COVID-19 'lockdown' period meant some delay in contracting expertise to assist us in technical aspects. Nevertheless, by the end of 2021/22 we will have completed the detailed planning and finalised implementation milestones.

Table 2 shows targets for 2021/22 for progress in strategic intentions. The shaded lines indicate those targets that refer to Knowledge Transfer System milestones for the year. The table also describes the 'end state' – what we plan to have achieved through our strategic intentions by the end of this planning cycle, that is 30 June 2025.

Measuring organisational health and capability

Measures of organisational health and capability are centred on resilience, and human and IT capital

Measures of organisational health and capability centre on resilience, especially progress in strengthening human and IT capital (as above, linked to Knowledge Transfer System milestones).

We take our obligations to be a good employer seriously. Employment policies, procedures, and practices are underpinned by the principles of natural justice and fairness in all circumstances. To help infuse these principles into the culture of the organisation, we recently (early 2019) involved all staff in a review of our corporate values, now reflected in our Code of

Conduct. A suite of policies, guidelines and procedures related to professional conduct and behaviour, including the Code of Conduct, were updated over the 2019/20 year.

We have also begun a work programme centred on diversity and inclusion, cultural awareness, and consideration of what it means for us to be a good partner under Te Tiriti o Waitangi. Much of our activity is guided by Papa Pounamu, the Public Service Commission's work programme for the wider public service.

In 2018 we conducted a culture survey of staff. This is being conducted again, with additional questions related to cultural competency. The survey is due for completion in June 2021, and we will report key results in the 2020/21 annual report. The outcome will be used to inform further work plans in this area. The survey will be repeated at least once within the next three years, so we can track and report progress.

These activities are part of our continual striving to meet the Government Expectations on Employment Relations in the State Sector. We also regularly review all our policies and practices against government guidelines.

Table 3 shows targets for 2021/22 for progress in achieving organisational health and capability goals. The shaded lines indicate those targets that refer to Knowledge Transfer System milestones for the year. The table also describes what we plan to have achieved by 30 June 2025.

Performance measures: strategic intentions

Shaded cells are Knowledge Transfer System (KTS) implementation measures

Table 2: Performance measures for strategic intentions

| Strategic intention | Indicator | Target for 30 June 2022 | Status at 30 June 2025 |
|----------------------|---|--|---|
| Be accessible | Stakeholder communications supports knowledge transfer | Communications Strategy implementation milestones met: <ul style="list-style-type: none"> conduct stakeholder survey develop stakeholder engagement plan* six-monthly meetings with regulators* social media support for selected inquiries* *Funded from baseline funding (not KTS project) | The Communications Strategy is fully implemented |
| | The Research Strategy supports knowledge transfer | Research Strategy implementation milestones met (to be specified when the Research Strategy is completed, due mid-2021) | TAIC's body of knowledge is searchable and internal and external stakeholders can retrieve the information they need about transport safety issues |
| Be credible | Investigation processes are: <ul style="list-style-type: none"> fully documented integrated with TAIC workflows continually improved | There are no: <ul style="list-style-type: none"> judicial reviews of Commission inquiries that identify process issues, or successful challenges from an Ombudsman, the Privacy Commissioner or the Human Rights Commission of an administrative decision or action. At least one investigation process is documented. | Investigation processes are of the highest standard Digital evidence handling processes will be more robust and less prone to challenge All eight investigation processes are fully documented, with a review cycle in place (at 30 June 2021 four had been documented) |

| Strategic intention | Indicator | Target for 30 June 2022 | Status at 30 June 2025 |
|---------------------|--|---|--|
| | TAIC can undertake system risk trend analysis and target case selection to the highest safety risks | Planning begins for developing a risk-based approach to setting criteria for opening inquiries | Data analysis supports identification of the most pressing safety issues |
| | Stakeholders view us positively | Results from the stakeholder survey (see above) form baseline results for future Knowledge Transfer System benefits review | Stakeholders view TAIC's information about transport safety issues as credible and influential |
| Be ready | We have plans and processes for responding to a major accident | Documentation started | Commissioners have inquiry protocols appropriate for a large-scale event Investigation Services and Business Services have documented internal plans in the event of a major accident Documented standards support major accident response |
| | IT systems are scalable | Refer IT capital performance measure below: Data Strategy implementation milestones are met including meeting the requirement of scalability. | IT systems can scale and integrate with other systems |
| | The Commission is active in the national community of emergency response agencies and our role and functions are well understood | Commission representative attends all meetings of relevant working groups Commission staff participate in all relevant desktop exercises | Commission staff are a vital part of the national community of emergency response agencies and contribute to the national resilience framework |

Performance measures: Organisational health and capability

Shaded cells are Knowledge Transfer System (KTS) implementation measures

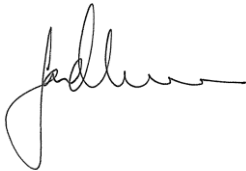
Table 3: Performance measures for organisational health and capability

| Resilience factor | Indicator | Target for 31 June 2022 | Status at 30 June 2025 |
|-------------------|--|--|--|
| Human capital | We have the expertise we need | All new roles funded under the KTS (5) are filled | We have in-house: <ul style="list-style-type: none"> IT and data interrogation expertise legal advice for legal challenges to evidence and access to third-party held technology and data human factors expertise |
| | We have an effective investigation team | New competency-based training package developed for investigators | At least 80% of Investigation Services staff have completed the basic training for their role and have the necessary experience (at two years for investigators) |
| IT capital | Data and information systems support TAIC's work, including data scaling demands | Data Strategy implementation milestones are met: <ul style="list-style-type: none"> IT solution selected that meets KTS guiding principles development testing and implementation underway | The Data Strategy is fully implemented |

Statement of responsibility Te tauākī kawenga

The Board of the Transport Accident Investigation Commission is responsible for the preparation of this Statement of Performance Expectations in accordance with the requirements of the Crown Entities Act 2004.

On behalf of the Board, we confirm that the information contained in this Statement of Performance Expectations reflects the operations, prospective financial position and associated assumptions of the Transport Accident Investigation Commission for the period 1 July 2021 to 30 June 2022.



Jane Meares

Chief Commissioner



Stephen Davies Howard

Deputy Chief Commissioner

26 May 2021

Statement of accounting policies

Tauākī kaupapahere mahi kaute

Reporting entity

The Transport Accident Investigation Commission (TAIC) is an independent Crown entity established under the Transport Accident Investigation Commission Act 1990. Its main purpose is to inquire into maritime, aviation and rail occurrences within New Zealand with a view to determining their causes and circumstances rather than ascribe blame.

TAIC may also co-ordinate with overseas accident investigation authorities or represent New Zealand during accident investigations conducted by overseas authorities in which New Zealand has a specific interest.

TAIC's investigation capability is occasionally extended on either a pro bono public or a cost-recovery basis to Pacific Island States. This is negotiated case-by-case, based on Ministry of Foreign Affairs and Trade guidelines.

TAIC has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The Prospective Financial Statements of TAIC is for the year 2021-2022. The Prospective Financial Statements were authorised for issue by the Board on 26 May 2021. The Board is responsible for the Prospective Financial Statements presented, including the appropriateness of the assumptions underlying the Prospective Financial Statements and all other required disclosures.

Accounting policies

Overall considerations

The Prospective Financial Statements have been prepared in accordance with the Transport Accident Investigation Commission Act 1990, the Crown Entities Act 2004, PBE Financial Reporting Standard FRS-42 and New Zealand's generally accepted accounting practice as it relates to prospective financial statements.

The Prospective Financial Statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

The Prospective Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars.

The Prospective Financial Statements will not be further updated subsequent to publication.

The Prospective Financial Statements contain information that may not be appropriate for purposes other than those described in the statement of responsibility.

Changes in accounting policies

The accounting policies are consistent with those used in previous Prospective Financial Statements.

Particular accounting policies

The following particular accounting policies that materially affect the measurement of financial performance and financial position have been applied:

Revenue

Revenue from the Crown

TAIC is primarily funded by the Crown (forecast 99 per cent in 2020/21). The funding is restricted in its use for the purpose of meeting the objectives specified in TAIC's founding legislation and the scope of the relevant appropriations of the funder.

TAIC considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

The fair value of revenue from the Crown has been determined as equivalent to the amounts due in the funding arrangements.

Interest

Interest revenue is recognised using the effective interest method.

Rental revenue

Lease receipts under an operating sublease are recognised as revenue on a straight-line basis over the lease term.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars (the functional currency) using the spot exchange rate from the settlement of such transactions and from the translation at year end. Exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus of deficit.

Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Lease incentives received are recognised in the Prospective Statement of Comprehensive Revenue and Expense Surplus as a reduction in rental expense over the lease term.

Receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses. TAIC applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Investments

Bank term deposits

Investments in bank term deposits are initially measured at the amounts invested.

Property, plant and equipment

Property, plant and equipment consist of the following asset classes: buildings, computer equipment, furniture and office equipment.

Additions

The cost of an item of property, plant, or equipment is recognised as an asset if, and only if, it is probable that the future economic benefits or service potential associated with the item will flow to TAIC and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts of the assets. Gains and losses on disposals are included in the Prospective Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with the item will flow to TAIC and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight line basis at rates that will write the assets off over their estimated useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

| Fixed asset type | Useful life (years) | Depreciation rate (%) |
|-------------------------|------------------------|--------------------------|
| Buildings (store) | 5–50 | 2%–20% |
| Computer equipment | 2–10 | 10%–50% |
| Furniture and equipment | 2.1–14 | 7%–48% |

Intangible assets

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the Prospective Statement of Comprehensive Revenue and Expense.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

| Asset type | Useful life (years) | Depreciation rate % |
|------------|------------------------|------------------------|
| Software | 2.1–10 | 10%–48% |

Impairment of property, plant and equipment and intangible assets

Non-cash-generating assets

Property, plant and equipment and intangible assets that have finite useful lives 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 service amount. The recoverable service amount is the higher of the asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and the availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the Prospective Statement of Comprehensive Revenue and Expense.

Payables

Short-term payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which employees render the related services are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date and annual leave earned, but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which an employee provides a related service, such as long service leave, have been calculated based on:

- likely future entitlements accruing to employees based on years of service, year to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave and vested long service leave are classified as a current liability. Non-vested long service leave expected to be settled within 12 months of balance date is classified as a current liability. All other employee entitlements are classified as non-current liabilities.

Superannuation scheme

Defined contribution scheme

Obligations for contributions to KiwiSaver are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the Prospective Statement of Comprehensive Revenue and Expense as incurred.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Good and services tax

All items in the Prospective Financial Statements are stated exclusive of GST except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the Prospective Statement of Financial Position.

The net GST paid to, or received from, the Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Prospective Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Taxation

TAIC is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Critical accounting estimates and assumptions

In preparing these Prospective Financial Statements TAIC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

Estimating useful lives and residual values of property, plant and equipment

At each balance date, the useful lives and residual values of TAIC's property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires a number of factors to be considered such as the physical condition of the assets, expected periods of use of the assets by TAIC, and expected disposal proceeds from the future sales of the assets.

TAIC has not made any significant changes to past assumptions concerning useful lives and residual values.

Critical judgements in applying TAIC's accounting policies

Management has exercised the following critical judgements in applying accounting policies.

Lease classification

Determining whether a lease agreement is a finance or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to TAIC. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

Classification as a finance lease means the asset is recognised in the Prospective Statement of Financial Position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

TAIC has exercised its judgement on the appropriate classification of equipment leases, and has determined it has no finance leases.

Actual results

Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material.

Prospective financial statements

Ngā tauākī pūtea āmua

Note: in the tables below, actual figures for the year ended 30 June 2020 are from the audited financial statements in the 2019-20 annual report.

Figures exclude GST unless specified

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

| For the year ending 30 June | Actual 2020 \$000 | Forecast 2021 \$000 | Budget 2022 \$000 |
|--|----------------------|------------------------|----------------------|
| Revenue | | | |
| Funding from the Crown | 5,520 | 6,255 | 7,092 |
| Interest revenue | 16 | 6 | 6 |
| Other revenue | 70 | 45 | 45 |
| Total Revenue | 5,606 | 6,306 | 7,143 |
| | | | |
| Expenditure | | | |
| Audit Fees | 21 | 21 | 22 |
| Commissioners' fees | 235 | 266 | 298 |
| Depreciation and amortisation expense | 157 | 154 | 158 |
| Lease, rentals and outgoings | 594 | 741 | 750 |
| Personnel costs | 3,321 | 3,724 | 4,052 |
| Other expenses | 865 | 1,276 | 1,863 |
| Total Expenditure | 5,193 | 6,182 | 7,143 |
| Net Surplus/(Deficit) | 413 | 124 | - |
| Other Comprehensive revenue and expense | - | - | - |
| | | | |
| Total Comprehensive revenue and expense | 413 | 124 | - |

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

PROSPECTIVE STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE

| For the year ending 30 June | Actual 2020 \$000 | Forecast 2021 \$000 | Budget 2022 \$000 |
|--------------------------------|----------------------|------------------------|----------------------|
| Current assets | | | |
| Cash and cash equivalents | 1,997 | 2,088 | 2,173 |
| Receivables | 7 | 2 | 2 |
| Prepayments | 32 | 48 | 35 |
| Total current assets | 2,036 | 2,138 | 2,210 |
| | | | |
| Non-current assets | | | |
| Property, plant and equipment | 180 | 278 | 279 |
| Intangible assets | 183 | 89 | 27 |
| Total non-current assets | 363 | 367 | 306 |
| Total assets | 2,399 | 2,505 | 2,516 |
| | | | |
| Current liabilities | | | |
| Payables and deferred revenue | 225 | 189 | 200 |
| Employee entitlements | 327 | 345 | 345 |
| Total current liabilities | 552 | 534 | 545 |
| | | | |
| Non-current liabilities | | | |
| Employee entitlements | 28 | 28 | 28 |
| Total non-current liabilities | 28 | 28 | 28 |
| Total liabilities | 580 | 562 | 573 |
| Net assets | 1,819 | 1,943 | 1,943 |
| | | | |
| Equity | | | |
| General funds | 1,819 | 1,943 | 1,943 |
| Total equity | 1,819 | 1,943 | 1,943 |

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE

| For the year ending 30 June | Actual 2020 \$000 | Forecast 2021 \$000 | Budget 2022 \$000 |
|--|------------------------------|--------------------------------|------------------------------|
| Balance at 1 July | 1,406 | 1,819 | 1,943 |
| Total comprehensive revenue and expense for the year | 413 | 124 | - |
| Balance at 30 June | 1,819 | 1,943 | 1,943 |

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE

| For the year ending 30 June | Actual 2020 \$000 | Forecast 2021 \$000 | Budget 2022 \$000 |
|--|----------------------|------------------------|----------------------|
| Cash flows from operating activities | | | |
| Receipts from the Crown | 5,520 | 6,255 | 7,092 |
| Interest received | 17 | 6 | 6 |
| Receipts from other revenue | 68 | 50 | 45 |
| Payments to suppliers | (1,758) | (2,358) | (2,941) |
| Payments to employees | (3,249) | (3,706) | (4,052) |
| Net cash flows from operating activities | 598 | 247 | 150 |
| | | | |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | (10) | (156) | (65) |
| Purchase of intangible assets | - | - | - |
| Sale of property, plant and equipment | - | - | - |
| Net cash flows from investing activities | (10) | (156) | (65) |
| | | | |
| Cash Flows from Financing Activities | | | |
| Net Cash Flows from Financing Activities | - | - | - |
| Net (decrease)/increase in cash and cash equivalents | 588 | 91 | 85 |
| Cash and cash equivalents at the beginning of the year | 1,409 | 1,997 | 2,088 |
| Cash and cash equivalents at the end of the year | 1,997 | 2,088 | 2,173 |

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

PROSPECTIVE CAPITAL EXPENDITURE FOR THE YEAR ENDED 30 JUNE

| For the year ending 30 June | Actual 2020 \$000 | Forecast 2021 \$000 | Budget 2022 \$000 |
|---|----------------------|------------------------|----------------------|
| Asset programme | | | |
| Depreciation and amortisation expense | 157 | 154 | 158 |
| Buildings | - | - | - |
| AIMS Hardware and Software | - | - | - |
| Computer equipment | 5 | 77 | - |
| Investigation, furniture and fittings, office equipment | 5 | 82 | 65 |
| Total acquisition cost | 10 | 159 | 65 |

Statement of significant underlying assumptions

Tauākī mō ngā whakaaro hōhonu

Te korero e whai ake nei mō ngā whakapae nui

The following assumptions have been applied in preparing the financial statements for TAIC.

Personnel costs

For 2021/22, salary forecast increases are no more than 3% in line with government pay constraints as the result of the COVID-19 response.

Other operating costs

The budget for staff training costs in 2021/22 is at similar levels to 2020/21. The budget for 2021/22 also includes costs for progressing the knowledge transfer system.

Revenue

Crown revenue has increased to \$7,072m due to funding for the knowledge transfer system.

Investigations

Assumption for 2021/22's investigation costs is they will be at a similar level to those in 2020/21. It is assumed that consultants will continue to be engaged to provide specialist investigative advice when required.

Commissioners' fees

In 2021/22, the budget for commissioner numbers is four, the same number as 2020/21. The budget reflects an increase in agreed paid days per month for the commissioners.

Lease, rentals and outgoings

In 2021/22, it is assumed that rental operating expenses will increase from 2020/21. In 2019/20 rental expenses were less because of a rent abatement provided by the landlord due to earthquake strengthening work. It is assumed that no rent abatements will be received in 2021/22.

Statement of Performance Expectations 2021/22

Transport Accident Investigation Commission
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