



Transport Accident
Investigation
Commission

Statement of Performance Expectations Te tauākī tūmanako whakatutuki

2025/26

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



Transport Accident Investigation Commission
Te Kōmihana Tirotiroti Aituā Waka
Statement of Performance Expectations 2025/26

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Transport Accident
Investigation
Commission

03 June 2025

Hon James Meager
Associate 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 2025.

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 2024-2028*.

David Clarke
Chief Commissioner

Stephen Davies Howard
Deputy Chief Commissioner

Our vision

Tō mātou matawhānui

No repeat accidents – ever!
Whakakore aituā tukurua!

Our mission

Tā mātou koromakinga

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 kaupapa a Te Kōmihana Tirotiro Aituā Waka, he whakatau me te āta tirotiro he aha te pūtake o ngā aituā waka me ngā hauata. Ā, me pēhea rā te karo i ērā, kia kore ai e tūpono anō ā muri ake.

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.

Contents

Rārangi take

Chief Commissioner's overview	1
Output class: accident and incident investigation and reporting	3
What the output class is intended to achieve	3
How the output contributes to strategic intentions.....	5
How performance for the output class will be assessed	7
Performance measurement	8
Measuring impact.....	8
Measuring progress in strategic intentions.....	9
Measuring organisational health and capability.....	10
Performance measures and targets for 2025/26.....	11
Service performance information judgements and assumptions	16
Statement of responsibility	19
Statement of accounting policies	20
Prospective financial statements	26
Statement of significant underlying assumptions.....	31

Chief Commissioner's overview

Te tirohanga a te Kōmihana matua



I am pleased to present the statement of performance expectations for the Transport Accident Investigation Commission (TAIC) for the year ended 30 June 2026.

TAIC has a single function: accident and incident investigation and reporting in the aviation, rail, and maritime modes of transport. Our purpose is to investigate and analyse accidents and incidents without ascribing blame, and to influence improvements to the transport system (nationally and international) by sharing our findings and insights.

We make recommendations to regulators and other entities involved in the transport sector to make the New Zealand transport system safer. The lessons we identify, and the recommendations we make, contribute not only to the safety of people, but also to New Zealand's economic prosperity through a safer transport system that supports commerce and trade.

International aviation and maritime treaties to which New Zealand is a signatory State, recognise the vital importance of independent, no-blame safety investigation. TAIC gives effect to New Zealand's obligations under these treaties to have an independent investigation body. In doing so, we help ensure international standards are met, providing confidence in New Zealand's transport system to the international community—critical for a trade-dependent island nation.

Each year our programme of work is focused on effectively and efficiently delivering our statutory role and responding to the challenges we face as increasingly complex transport technologies are developed and introduced by operators. All staff and Commissioners are dedicated to producing and disseminating valuable safety knowledge, as well as to meeting our Crown entity obligations. We take seriously our accountability and responsibility to the New Zealand public with respect to fiscal discipline and to identification and implementation of opportunities for continually increasing quality and efficiency.

As a Crown entity board, we are also committed to ongoing governance improvement, with a well-established programme of board performance review and assessment, including independent evaluation.

In 2025/26 we will continue to contribute to safer and more efficient transport systems and will remain focused on ensuring we do so in a way that maximises the value to the New Zealand public.



David Clarke
Chief Commissioner

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 meet its obligations under the Convention on International Civil Aviation (ICAO Convention), particularly Annex 13, which requires signatory States to undertake independent 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 occurrences (accidents and incidents) to avoid further occurrences rather than to apportion blame or liability.

Our mandate is to undertake independent investigations into certain transport accidents and incidents to improve transport safety

The Act embodies these obligations by prescribing the Commission's purpose: "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, safety-focused, investigations into selected aviation, rail and maritime transport occurrences. For each occurrence we investigate, we deploy to the scene, gather evidence, formulate and test hypotheses, and publish a report of our findings and recommendations.

The Commission's mandate places us in a unique and powerful position to support the collective efforts of the national and international transport communities to improve transport safety. We help maximise the social and economic benefits of the transport system; and keep people safe from harm in New Zealand and wherever in the world New Zealand-made technologies are in use.

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 them happening again.

How the output contributes to strategic intentions

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

Our independent investigations into selected aviation, rail and maritime safety occurrences, aimed at avoiding them happening again, contribute to the transport sector outcome of:

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.

We contribute to the Government's strategic transport priorities of safety, economic growth and productivity, and a resilient transport network.¹ Our outcome—a safer transport system—helps ensure New Zealand maintains access to tourism and trade and is critical for an efficient and well-functioning economy.

Our mission is safer transport through investigation learning and influence

To achieve the transport sector outcome, the Commission has adopted a vision 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

The Commission seeks to influence the safety of the transport system through strategic intentions to be accessible, credible, and ready

The Commission's recommendations are not mandatory, so 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 credible, clear and authoritative voice.

The Commission's *Statement of Intent 2024–2028* sets out our strategic intentions to achieve influence by being:

- credible (maintaining high standards in our work)
- accessible (ensuring the transfer of safety knowledge and insights to others in the transport system)
- ready (to respond to a large-scale accident and enhance our capacity to contribute to national and international resilience).

¹ Government Policy Statement on Land Transport 2024-2034

We remain committed to delivering high quality reports and working with others in the transport system to maximise the benefits from the insights and lessons from our inquiries

The Commission is committed to delivering our statutory role by maintaining a resilient organisation; delivering timely, high-quality inquiry reports; and sharing our findings and insights to influence transport safety. Over 2025/26, we will continue to:

- complete inquiries to a high standard
- aim to close the majority of inquiries within 440 working days and communicate when we might experience difficulties in meeting this target
- ensure there are appropriate plans and procedures for responding to 'shocks' such as a major accident or natural disaster
- explore modal trend analysis and insight sharing to identify emerging risks, in addition to case studies and the publication of the *Watchlist*.

We intend to continue working with others in the transport system to maximise the benefit derived from the insights and lessons from our inquiries; and in particular to:

- influence improvements to the transport system by effectively sharing our insights and knowledge with participants
- ensure effective communication with key stakeholders, including families and next-of-kin, so they are appropriately informed during the investigation process
- support the Ministry of Transport's work programme and any cross-government initiatives exploring options for system improvements.

We are mindful of the need to improve delivery within tight fiscal constraints

The Commission, Chief Executive and management team are mindful of the Government's focus on delivering better public services while managing within tight fiscal constraints. We focus solely on our core functions and as an organisation, we continually:

- strive to achieve greater value from our resources
- clearly account for costs and performance in our reporting
- take a continuous improvement approach to all that we do.

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'. 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 26.

Refer to the following section for information about measuring impact. For more information about the measures we use and the judgements we made in choosing them, see page 16.

Table 1: Performance measures – cost, volume, and timeliness

Cost measure	Instrument	2025/26 target	2024/25 estimated actual	2024/25 target
Average cost of domestic inquiries closed	Timesheet and financial data analysis	\$400-450K	\$485K	\$400-450K
Volume measures	Instrument	2025/26 expected	2024/25 estimated actual	2024/25 expected
No. of reports published for domestic inquiries (incl. interim reports)	Casebook analysis, manual count	19-29	19	17-27
No. of inquiries by overseas jurisdictions assisted	Casebook data analysis	4-8	7	4-8
No. of domestic inquiries in progress at each month's end (12 month rolling average on 30 June)	Casebook data analysis	30	30	30
Timeliness measure	Instrument	2025/26 target	2024/25 estimated actual	2024/25 target
Proportion of closed domestic inquiries completed within 440 working days	Casebook data analysis	70%	70%	70%

Performance measurement

Inenga mahi

Measuring impact

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

Direct measurement of the Commission's influence on sector outcomes is complex: transport is a complex adaptive system, our role within it is independent, and our recommendations are not mandatory. We contribute to improved safety by making information available to others in the transport system so they can act. Therefore, we take a mainly qualitative approach to measuring our impact.

We use case studies to demonstrate our effectiveness. The case studies are examples of safety issues identified from our inquiries and actions that sector participants took in response. This approach gives a clearer picture of our role in, and influence on, safety in the transport system than quantitative measures alone.

To complement the case studies, we also use results from the biennial stakeholder survey to assess our influence on transport safety.

Measuring progress in strategic intentions

Implementing and realising the benefits of the Knowledge Transfer System are key to achieving success

We demonstrate progress towards achieving our strategic goals by reporting on activities that strengthen credibility, accessibility and readiness.

Much of this activity relates to the digital transformation of the organisation, given effect through the Knowledge Transfer System.² To date, we have reported on activities laying the foundations of the Knowledge Transfer System—improving IT systems (including acquiring and implementing a new case management system), and ensuring we have the capability to make the most of those systems.

Over 2025/26, we will build on these foundations and realise the broader organisational benefits of the system. Examples are further developing efficiency in Business Services systems and processes (such as management dashboards), and using research and communications functions to conduct trend analysis (quantitative and qualitative) and to improve knowledge transfer to external audiences.

Achievement is measured using external measures

To measure whether our activities have achieved what was intended, we use external measures where possible, including the results of the stakeholder survey, which is conducted every two years.

² 'Knowledge transfer' is about capturing and organising data and information, and creating and distributing information and knowledge. The 'system' that enables knowledge transfer is made up of physical assets, people, and processes working together. Planning for development of the Knowledge Transfer System started in 2018/19.

Measuring organisational health and capability

Resilience remains core to maintaining organisational performance

Measures of organisational health and capability centre on resilience, especially progress in strengthening human and IT capital. This focus is enabled by the Knowledge Transfer System discussed above.

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. The other aspect is our ability to operate effectively even if faced with a sudden shock such as a major accident or a natural disaster.

In 2025/26, we will be further strengthening resilience by building on work started in 2024/25 to renew our approach to risk management. The new approach views risk from the perspective of uncertainty – which offers opportunity as well as threat, and explicitly focuses planning and decision-making on purpose, mandate, and priorities.

We meet our obligations to be a good employer

We meet our obligations to be a good employer. Efforts to meet the Government Workforce Policy Statement include:

- Regular review of all our policies and practices against government guidelines. Employment policies, procedures, and practices are underpinned by the principles of natural justice and fairness in all circumstances.
- 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 the programme is guided by Papa Pounamu, the Public Service Commission's work programme for the wider public service.
- Continued engagement with the Public Service Association on pay and conditions for its members.

We note the Office of the Auditor-General's current focus on supporting integrity in public organisations. In 2025/26, staff will be consulted on a review of our Code of Conduct. We will consider ways to enhance how we measure organisational integrity. We will be guided in this by the Office of the Auditor General's good practice guidelines *Monitoring integrity in public organisations*, published in January 2025.

Performance measures and targets for 2025/26

Performance indicators continue from last year

The tables on the following pages show targets for 2025/26 for progress in achieving strategic intentions and organisational health and capability goals.

We have used the same indicators and success measures as in 2024/25. The table also describes what we plan to have achieved in the medium term (by June 2028).

For more information about these measures and the judgements we made in choosing them, see page 16.

To demonstrate performance against funding from recent funding initiatives:

- indicators in **bold** relate to the application of funding received from 1 July 2021 for the Knowledge Transfer System (refer page 9)
- indicators in ***bold italic*** relate to the application of funding received from 1 July 2023 for additional investigative and specialist capacity
- the measures of success reflect the difference the funding has made for stakeholders.

Table 2: Performance measures for influence on the transport system

Measure	Target for 30 June 2026	Instrument
Case studies demonstrate how TAIC inquiries influence improvements in transport safety	3 case studies	TAIC internal research.
Proportion of stakeholders who view TAIC's information about transport safety issues as influential	Most stakeholders view TAIC's information about transport safety issues as influential	Stakeholder survey taken once every two years. The long-term target is for an increasing trend in positive responses to questions related to influence. Small sample size means survey-to-survey change is not statistically meaningful.

Table 3: Performance measures for strategic intention to be credible

Indicator	Target for 30 June 2026	Medium-term intention
Investigation processes are: <ul style="list-style-type: none"> fully documented integrated with TAIC workflows continually improved 	External agency peer review of at least one inquiry Identify and implement process improvements arising from ICAO audit	Continue to foster stakeholders' confidence that TAIC's findings and recommendations are credible and targeted at the most pressing risks in the transport system.
TAIC can undertake system risk trend analysis and target case selection to the highest safety risks	Develop research methodology to support risk analysis for case selection and Watchlist reviews Engage with regulators to learn about their areas of focus	

Measure	Target for 30 June 2026	Instrument
Successful judicial reviews of Commission inquiries that identify process issues	None	
Successful challenges from an Ombudsman, the Privacy Commissioner or the Human Rights Commission of an administrative decision or action	None	
Proportion of stakeholders who view TAIC's information about transport safety issues as credible	Most stakeholders view TAIC's information about transport safety issues as credible	Stakeholder survey taken once every two years. The long-term target is for an increasing trend in positive responses to questions related to credibility. Small sample size means survey-to-survey change is not statistically meaningful.

Table 4: Performance measures for strategic intention to be accessible

Indicator	Target for 30 June 2026	Medium-term intentions
Stakeholder communications support knowledge transfer	Review stakeholder engagement plan Complete website upgrade so that: <ul style="list-style-type: none"> information is 'digital first' users can search and sort information in multiple ways 	Website users are better able to find the information they need about safety issues.
The Research Strategy supports knowledge transfer	Develop packages of TAIC information (reports, key lessons, recommendations) relevant to groups of transport sector participants	Users of our inquiry information can more easily learn from and act on it.

Measure	Target for 30 June 2026	Instrument
Proportion of stakeholders who can find the information they need from us	Most stakeholders can easily find the information they need	Stakeholder survey taken once every two years. The long-term target is for an increasing trend in positive responses to questions related to the ease of finding information and its usefulness. Small sample size means survey-to-survey change is not statistically meaningful.
Number of downloads of inquiry reports	An increase from in the number of downloads compared with 2024/25 baselines	Web management tool.

Table 5: Performance measures for strategic intention to be ready

Indicator	Target for 30 June 2026	Medium-term intentions
We have plans and processes for responding to a large-scale aviation, rail, or maritime accident	Update the Major Accident Plan (MAP) and the Major Accident Readiness Plan (MARP) ³ to reflect enhancements identified from the 2024/25 simulation exercise	Emergency response agencies understand TAIC's role and the importance of preserving evidence.
The Commission is active in the national community of emergency response agencies and our role and functions are well understood	Commission representatives are incorporated into all meetings of relevant working groups Commission staff participate in all relevant desktop exercises	National emergency response plans for a large-scale aviation, rail or maritime accident incorporate TAIC and the Commission.

Measure	Target for 30 June 2026	Instrument
Evaluation from simulations and desktop exercises	Improved assessment from any simulation or desktop exercised undertaken compared with 2024/25 baseline	Qualitative assessments.

³ The Major Accident Plan is about what to do in the event of a large-scale accident; the Major Accident Readiness Plan is about how to maintain readiness for a large-scale accident. The plans are about managing the response to a large-scale accident rather than investigation.

Table 6: Performance measures for organisational health and capability—human capital

Indicator	Target for 30 June 2026	Medium-term intention
<i>We have the expertise we need</i>	Complete basic training of new Investigation Services staff (investigators x 2, specialists x 2)	We have the investigation capacity and capability to meet statutory functions.

Measure	Target for 30 June 2026	Instrument
Proportion of investigators (including Chief Investigator of Accidents and Investigation Services Managers) who are designated investigator-in-charge or senior investigator	80%	Training and Competency Framework grading.

Table 7: Performance measures for organisational health and capability—IT capital

Indicator	Target for 30 June 2026	Medium-term intention
Data and information systems support TAIC's work, including data scaling demands	<p>Complete implementation of systems to support Business Services' work:</p> <ul style="list-style-type: none"> • HR management hub • Performance reporting dashboard • Learning Management System <p>Identify and begin development of other business support systems such as integrity measures</p>	Improved performance management tools and access to data and information.

Measure of success	Target for 30 June 2026	Instrument
Proportion of employees who consider they have the IT systems and tools to do their job	At least 50% of respondents to the annual staff survey consider they have the IT systems and tools to do their job	<p>The annual Ask Your Team staff survey.</p> <p>The long-term target is for an increasing trend in positive responses to questions related to staff access to IT systems and tools that support their work. Small sample sizes mean this is a more meaningful measures than survey-to-survey change.</p>

Service performance information judgements and assumptions

In preparing this statement of performance expectations, we have considered what service performance information is most appropriate and meaningful to users. The aim of service performance information is to ‘tell the story’ of what we want to achieve and how well we are achieving our aims and objectives.

Output (efficiency) measures

We have only one output class: accident and incident investigation and reporting. Our output measures therefore focus on the efficiency in completing investigations and publishing inquiry reports (cost, volume, and timeliness). An explanation of the measures is shown in the table below.

Table 8: Explanation of output measures

Measure	Explanation
Average cost of inquiries closed	<p>The average cost of inquiries closed is the average across all inquiries closed over the reporting period. The cost of an inquiry is calculated over the whole of its life (that is, from launch date until publication of the final report). The cost includes:</p> <ul style="list-style-type: none">• All direct costs.• A proportion of indirect costs (including general overheads) that is set equally across all inquiries.• A proportion of indirect costs that is determined by the time spent on the inquiry. <p>Apportioning indirect costs over the life of the inquiry means that the time an inquiry is in progress affects its overall cost.</p> <p>Cost data are aggregated across all modes for the measure, but we report on individual inquiries in the annual report where further explanation is helpful for assessing performance; for example, if there are differences across modes and if one or more inquiries has cost significantly more than the average.</p>
Volume expectations	<p>Volume measures are indicators of capacity. Our workload is ‘demand’ driven, based on the number of occurrences notified to us that reach the threshold where we are legally obliged to launch an inquiry. Generally, each launched inquiry results in the publication of findings and recommendations—our output.⁴ To take account of the unpredictability and ‘lumpiness’ of demand, the output measure is expressed as an expected range rather than a target. Similarly, the number of requests for assistance to international peer agencies is demand driven and expressed as an expected range.</p>

⁴ In general, each launched inquiry results in one final report. But there are exceptions that mean output capacity is referenced to reports published:

- If public interest in the occurrence is high, or the Commission has identified safety issues needing urgent action, an interim report may be published.
- If two or more inquiries involve similar occurrences or safety issues, the Commission may publish a single report.
- If new evidence is presented that could alter already published findings and recommendations, the Commission may publish a further report.
- An inquiry may not result in a full report if the Commission determines that further investigation would not result in findings and recommendations that would help avoid similar occurrences in the future.

Measure	Explanation
	The final volume measure in table 1 is the trend in the number of inquiries in progress at month end. This is an indicator of demand on resources over the year. A 12-month rolling average is chosen to smooth out the effects of the 'lumpiness' of demand.
Timeliness	<p>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. The measure recognises that a portion of our inquiries will always fall into this more complex category.</p> <p>Complexity can arise for many reasons. Often it is because of technical aspects of an investigation, or the number and/or substance of submissions received on draft reports.</p> <p>Of the inquiries that extend beyond 440 working days, most are in the aviation mode.⁵ We have considered separate timeliness targets for these inquiries, but the small volumes involved mean that a percentage calculation is too coarse to represent performance faithfully.⁶</p>

Measuring progress in achieving strategic intentions

The **indicators** used as performance measures are important contributors to achieving our strategic goals. Annual targets are internally focussed activities and projects, mostly linked to the application of funding initiatives (refer to page 11).

For continuity, the indicators are the same as those in statements of performance expectations since 2021/22. For each indicator, we have included medium-term intentions for the current planning period to 30 June 2028 to give readers context about our overall direction.

Alongside these internally focussed indicators we have chosen externally focussed **measures** of whether we are achieving our strategic intentions. Together, the indicators and measures show readers what funding initiatives we received, how we applied those funds, and what difference it made to our stakeholders.

The main instrument used to measure success is a survey of external stakeholders. The survey is run every two years (starting from 2021/22) and has quantitative and qualitative aspects. To reduce bias, an independent researcher conducts the survey, analyses results, and makes recommendations for future performance improvements.

Reporting the results of the survey in a way that faithfully represents performance is difficult because of the small numbers involved. The number of stakeholders we can approach for feedback on our performance is relatively small—we do not offer public services in the same way that many other government organisations do. Small sample sizes mean that we report

⁵ The longer time to completion for aviation accidents is because they are more likely to feature: remote accident sites; badly damaged wreckage; higher numbers of fatalities, witnesses and families, sometimes of multiple nationalities; and a requirement to contact overseas agencies because aircraft components come from a range of international manufacturers.

⁶ Even at the aggregated level, the measure is relatively coarse – for example, assuming 20 inquiries completed, one inquiry represents five per cent of the total.

the trend in results over time as a more reliable indicator of performance than comparing one survey to the next.

We also report the numbers of downloads of our reports as a measure of use of our information.

Measuring organisational health and capability

As above, the indicators for organisational health and capability are based on internal activities linked to the application of funding initiatives. They are the same as those in statements of performance expectations since 2021/22.

Alongside these internally focussed indicators, we have used two measures of success. One is related to the proportion of investigators who are at a certain level of expertise on the Competency and Training Framework.

The second is a survey of employees, which includes questions that relate to our systems and processes and whether they support staff in doing their jobs. This aspect of organisational health and safety was chosen because it is an important part of what we are aiming to achieve with the funding for a Knowledge Transfer System (refer to page 9). An independent company runs the survey.

The staff survey is based on small numbers—on 30 June 2025, our establishment was 38. Because of the small numbers, we measure whether we are successfully improving our data and information systems on the basis of the trend over several surveys, rather than setting a single number as the performance target for the year.

Measuring impact on the transport sector

As noted on page 8, we have taken a mainly qualitative approach to measuring our impact because transport is a complex adaptive system and because our role within it is independent.

We use case studies to demonstrate our effectiveness. The case studies describe the safety issues we have identified from our inquiries and the actions that sector participants have taken to improve safety. We consider that the case studies are the best way to communicate our 'story' and how our work has contributed to improved transport safety.

We complement this qualitative approach by reporting the results from the stakeholder survey (described above) that relate to our influence on stakeholders' decision-making.

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 2025 to 30 June 2026.



David Clarke
Chief Commissioner



Stephen Davies Howard
Deputy Chief Commissioner

28 May 2025

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 2025/26. The Prospective Financial Statements were authorised for issue by the Board on 28 May 2025. 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. 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 or 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.

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 amounts 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 2024 are from the audited financial statements in the 2023/24 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 2024 \$000	Forecast 2025 \$000	Budget 2026 \$000
Revenue			
Funding from the Crown	9,273	8,725	8,949
Interest revenue	115	166	100
Other revenue	56	54	53
Total Revenue	9,444	8,945	9,102
Expenditure			
Audit Fees	24	25	28
Commissioners' fees	390	322	316
Depreciation and amortisation expense	160	168	221
Lease, rentals and outgoings	734	724	762
Personnel costs	4,680	5,326	5,815
Other expenses	2,110	2,100	1,960
Total Expenditure	8,098	8,665	9,102
Net Surplus/(Deficit)	1,346	280	-
Other Comprehensive revenue and expense	-	-	-
Total Comprehensive revenue and expense	1,346	280	-

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

PROSPECTIVE STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE

For the year ending 30 June	Actual 2024 \$000	Forecast 2025 \$000	Budget 2026 \$000
Current assets			
Cash and cash equivalents	3,326	3,340	3,330
Receivables	-	3	3
Prepayments	141	131	133
Total current assets	3,467	3,474	3,466
Non-current assets			
Property, plant and equipment	1,116	1,025	930
Intangible assets	4	220	176
Total non-current assets	1,120	1,245	1,106
Total assets	4,587	4,719	4,572
Current liabilities			
Payables and deferred revenue	443	357	352
Employee entitlements	484	459	350
Lease incentive	33	33	33
Total current liabilities	960	849	735
Non-current liabilities			
Employee entitlements	36	32	32
Lease incentive	306	273	240
Total non-current liabilities	342	305	272
Total liabilities	1,302	1,154	1,007
Net assets	3,285	3,565	3,565
Equity			
General funds	2,785	3,565	3,565
Capital Contributions	500	-	-
Total equity	3,285	3,565	3,565

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

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

For the year ending 30 June	Actual 2024 \$000	Forecast 2025 \$000	Budget 2026 \$000
Balance on 1 July	1,439	3,285	3,565
Total comprehensive revenue and expense for the year	1,346	280	-
Total Capital Contributions	500	-	-
Balance on 30 June	3,285	3,565	3,565

PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE

For the year ending 30 June	Actual 2024 \$000	Forecast 2025 \$000	Budget 2026 \$000
Cash flows from operating activities			
Receipts from the Crown	9,273	8,725	8,949
Interest received	118	166	100
Receipts from other revenue	56	51	53
Payments to suppliers	(3,188)	(3,280)	(3,103)
Payments to employees	(4,630)	(5,355)	(5,924)
Net cash flows from operating activities	1,629	307	75
Cash flows from investing activities			
Purchase of property, plant and equipment	(89)	(73)	(85)
Purchase of intangible assets	-	(220)	-
Sale of property, plant and equipment	-	-	-
Net cash flows from investing activities	(89)	(293)	(85)
Cash Flows from Financing Activities			
Capital Contribution from the Crown	500	-	-
Net Cash Flows from Financing Activities	500	-	-
Net (decrease)/increase in cash and cash equivalents	2,040	14	(10)
Cash and cash equivalents at the beginning of the year	1,286	3,326	3,340
Cash and cash equivalents at the end of the year	3,326	3,340	3,330

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

PROSPECTIVE CAPITAL EXPENDITURE FOR THE YEAR ENDED 30 JUNE

For the year ending 30 June	Actual 2024 \$000	Forecast 2025 \$000	Budget 2026 \$000
Asset programme			
Depreciation and amortisation expense	160	168	221
Buildings	-	-	18
Website	-	220	-
Computer equipment	80	63	57
Investigation, furniture and fittings, office equipment	9	10	10
Total acquisition cost	89	293	85

Statement of significant underlying assumptions Tauākī mō ngā whakapae hira e noho tūāpapa ana

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

Personnel costs

For 2025/26, salary forecast increases are 5%.

Other operating costs

The budget for staff training costs in 2025/26 is at similar levels to 2024/25.

Revenue

Crown revenue has increased in 2025/26 from 2024/25. The increase is due to cost pressure funding received in Budget 2023.

Investigations

Assumption for 2025/26's investigation costs is they will be at similar levels to 2024/25.

Commissioners' fees

In 2025/26, the budget for commissioner numbers is four, a reduction from five commissioners last year due to a retirement. The budget allows for additional meeting days that are not always utilised.

Lease, rentals and outgoings

Lease costs include the rental for office premises for TAIC at 10 Brandon Street.

The rental agreement for 10 Brandon Street includes a \$400,000 lease incentive from the landlord. This is recognised as a liability and is releasing over the life of the lease to reduce rental expenditure. This is a contribution by the landlord for fit out work completed by TAIC.

TAIC continues to lease a storage facility at Bell Road in Seaview.

Statement of Performance Expectations 2025/26

**Transport Accident Investigation Commission
Te Kōmihana Tirotiro Aituā Waka**

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