



Transport Accident
Investigation
Commission

Annual Report Ripoata Ā-tau

2022/2023

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



Transport Accident Investigation Commission
Te Kōmihana Tirotiro Aituā Waka
Annual Report 2023

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Transport Accident
Investigation
Commission

16 November 2023

Minister of Transport
Executive Wing
Parliament Buildings
Wellington

Dear Minister

Annual Report 2022/2023

We present the Annual Report of the Transport Accident Investigation Commission for the 12 months ended 30 June 2023.

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

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 whakataua me te āta tiro tiro he aha te pūtaka 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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Chief Commissioner's overview

Te tirohanga a te Kōmihana matua



Jane Meares
Chief Commissioner

The 2022/23 year has been a busy and successful one for the Commission as we continue to contribute to safer transport safety through investigation, learning and influence.

An emerging issue for New Zealand is the increasing frequency of extreme weather events, and the Commission is paying close attention to the effects of weather on transport infrastructure. During the deluge of Auckland Anniversary weekend, we opened two inquiries; one into a freight train derailment after the line was damaged by floods¹, and the other where an aircraft briefly lost control on landing during wind gusts and heavy rain².

On 28 January 2023 we also opened an inquiry into an engine failure and loss of power of the Interislander ferry, the *Kaitaki*.³ The ferry was off Wellington's south coast in bad weather with about 880 passengers and crew on board. Within five months we had published an interim report containing two urgent recommendations; both were to Maritime NZ and were about ensuring equipment is fit for purpose on the *Kaitaki* and on other vessels. The inquiry continues.

We continued our inquiries into two fatal accidents during ship loading operations, one at Ports of Auckland and the other at Lyttelton Port (completed in October 2023). These accidents happened within a week of each other in April 2022. We are investigating the circumstances and causes to determine potential system-wide safety issues. Ship loading operations are outside our mandate except where directed by the Minister of Transport using powers under the Transport Accident Investigation Commission Act 1990.

We have also made substantial progress on projects to strengthen our resilience. The Government's growing investment in the rail network and increased emphasis on rail as a

¹ RO-2023-102: Freight Train, derailment, East Coast Main Trunk Line, near Te Puke, 29 January 2023

² AO-2023-003: Boeing 777, runway excursion, Auckland International Airport, 27 January 2023

³ MO-2023-201: Passenger vessel *Kaitaki*, Loss of power, Cook Strait, New Zealand, 28 January 2023

mode of mass transit means greater potential for accidents and incidents. Improved safety and public confidence in the use of rail are vital for its success. We were heartened with a successful funding bid for 2023/24 to increase our capacity for rail investigations and strengthen resilience. The new funding enables us to establish new specialist staff and support positions.

Organisationally, our focus continues to be ensuring we have the systems, people, and processes needed to respond to a more technologically advanced and data focused transport system. Implementation of our new case management system is nearly complete. It is the same system as that used by our Australian counterparts, the Australian Transport Safety Bureau, although and has been carefully adapted to our needs where required. Implementation has been coordinated with the development of the Investigation Systems Map, and together with the Training and Competency Framework, the case management system supports a thorough and consistent approach to the investigation process.

A new process for managing notifications has also been introduced enabling us to link them to safety themes. Once data is built up this will most likely offer useful insights into transport safety.

In addition, for the first time in a number of years, the Commission had a full complement of investigation staff, with all investigators having received at least basic training. We will continue our focus on training in 2023/24. Additional staff appointed through the successful budget bid will further strengthen our resilience.

During the year the Commission adopted the Major Accident Plan (what to do in the event of a major accident) and a draft Major Accident Readiness Plan (how to maintain readiness for a major accident). The plans are about managing the response to a major accident rather than investigation. This was a major achievement contributing to our strategic goal to 'be ready'.

We are proud to have received favourable external audits from the International Maritime Organization, the International Civil Aviation Organization and Archives New Zealand.

In December we moved to new offices in central Wellington. These are less expensive, more energy efficient, and 130 per cent of the New Building Standard.

Strong international relationships are vital should we need to call on our peers for assistance in responding to a major accident. They also allow us to share information about common issues and discuss possible solutions. This year, we have hosted representatives from the Dutch Safety Board and the Australian Transport Safety Bureau. Members of the Commission, our executive and staff have also attended and presented at national and international conferences – virtually and in person. These included an international transport safety symposium in Argentina and the International Transportation Safety Association meeting in Taipei.

Throughout the year we handled 41 domestic and assisted a further 12 overseas inquiries. We published 16 reports, including one interim report. In the maritime and rail modes, all inquiries were closed within the target two years. Eleven of the 15 final reports (73 per cent) were completed within 440 working days, meeting our timeliness target for the year.

We have one current aviation investigation into a fatal helicopter accident which at 30 June 2023 is four-and-a-half years old⁴. After publishing an interim report in October 2018 containing an urgent recommendation, the discovery of significant new evidence and staff

⁴ AO-2018-009: MDHI (Hughes) 369D, registration ZK-HOJ, Wanaka, 18 October 2018

changes have affected the time taken for this investigation. We recognise it is unsatisfactory for those who want to know what happened; we are especially mindful of the families of those who died.

Looking ahead, under the Crown Entities Act 2004, we are due to have a refreshed *Statement of Intent* (SOI) in place by 1 July 2024. Work has already begun and is involving Commissioners and staff realigning and refreshing our inspirational vision of No repeat accidents – ever!

Finally, Commissioner Richard Marchant retired from his role in October 2022. He was first appointed in 2016 and we warmly thank him for his highly valued contributions during his time. We then welcomed two new members to the Commission: Mr David Clarke and Ms Bernadette R Arapere, who bring considerable experience in governance, law and the transport sector. We were also delighted to make an internal appointment of Mr Naveen Mathew Kozhupakalam as the Chief Investigator of Accidents.



Jane Meares
Chief Commissioner

Our organisation

Tō mātou rōpū

Our purpose

We help improve transport safety through safety-focussed Investigations into accidents and incidents

The Commission investigates certain accidents and incidents ('occurrences') in the transport sector with the purpose of helping to avoid something similar happening again.

Using a thorough and detailed inquiry process, we determine the circumstances and causes of the occurrences we investigate. The aim is to identify 'safety issues' – factors that either have contributed to an accident or are unsafe conditions. We also look across different investigations at whether there are common factors that might suggest system-wide safety issues.

Our work is about improving transport safety – it is not our purpose to ascribe blame.⁵

We are a commission of inquiry with strong powers to investigate

The Transport Accident Investigation Commission Act 1990 (the Act) gives the Commission the powers to do this work. The Act sets up the Commission as a standing (permanent) commission of inquiry. Under the Act, the Commission investigates certain aviation, maritime and rail occurrences; and publishes reports to inform others in the transport system – domestically and internationally – about what happened and what might need to change to help avoid it happening again.

The Commission has strong investigation powers under the Act. These include the power of entry and inspection, and the power to seize, remove, and protect evidence. We also have wide powers under the Commissions of Inquiry Act 1908.

At times, coroners, the New Zealand Police, the transport sector regulators⁶ or WorkSafe New Zealand may also investigate the same transport accidents and incidents as we do, although with different purposes.

⁵ See Section 4 of the Transport Accident Investigation Commission Act 1990

⁶ Maritime NZ, the Civil Aviation Authority, and Waka Kotahi NZ Transport Agency

Our principles

Our work helps public trust and confidence in the transport system

Transport is a key part of New Zealanders' lives and plays an important role in the country's economy. Advances in technology and increasing transport options improve liveability and wellbeing – but only if we *are* safe and *feel* safe. The Commission's work helps avoid future accidents and maintains people's trust and confidence in our transport system.

We are independent and impartial

Accident investigations around the world are based on the principles of independence and impartiality. We make sure that evidence is protected and available for examination without any interference, interruption, or influence from anyone.

Countries around the world have committed to these principles by signing⁷ international transport conventions⁷ – agreeing to conduct independent and impartial investigations. New Zealand meets its obligations through the Act, which establishes the Commission as a commission of inquiry and expressly requires us to act independently.

People can speak to us freely because we are independent and the evidence we gather is protected

The Act gives strong protection to evidence gathered during an investigation. We may not share evidence, and none of our published findings, recommendations, or reports can be used in legal proceedings. (The only exception is that the Coroner's court may use our written reports.)

The Commission's independence and protection of evidence means people can speak to us freely about what happened in an accident without fear of prosecution.

⁷ Paragraph 5.4, Annex 13 to the Convention on International Civil Aviation; Chapter 16 International Maritime Organization Casualty Investigation Code

Our people

We are a small independent Crown entity, fully funded by the Crown

The Commission is a small independent Crown entity, fully funded by the Crown. Members of the Commission have two roles: as Commissioners (to determine the circumstances and causes of the accidents and incidents we are investigating); and as the Board of the Transport Accident Investigation Commission (to meet the requirements of the Crown Entities Act 2004).

The Commission schedules two sitting days per month from February through to December each year. Usually at least 75 per cent of the Commission's time is devoted to hearing cases, with the remaining time for board matters. The Commission may also sit at other times or consider papers out of session, if required.

The Commission had five members on 30 June 2023

The Governor-General appoints the Commissioners. On 30 June 2023, they were:

- **Ms Jane Meares** Chief Commissioner (first appointed a Commissioner in February 2015, and Chief Commissioner in November 2016; term expires in November 2026).
- **Mr Stephen Davies Howard** Deputy Chief Commissioner (first appointed a Commissioner in August 2015, and appointed Deputy Chief Commissioner in November 2018; term expires in June 2028).
- **Ms Paula Rose QSO** Commissioner (appointed in May 2017; term expires in June 2024).
- **Ms Bernadette R Arapere** Commissioner (appointed in December 2022; term expires in November 2025).
- **Mr David Clarke** Commissioner (appointed in December 2022; term expires in November 2025).

A Chief Executive and a small number of staff support the Commissioners

A small organisation supports the Commissioners, who employ a Chief Executive. On 30 June 2023, the Chief Executive had an establishment of 31 staff plus two staff on fixed-term contracts covering:

- Investigation Services (18 investigators and specialist staff)
- Business Services (12 supporting professional roles including legal, finance, IT, communications, and others)
- Executive Services (3).

Because of our small size, we rely on external service providers in many areas of our operation. For example, we use a medical consultant and other subject matter experts to support investigations when required; and human resources expertise and IT consultants and providers for some business services.

Our work Ā mātou mahi

Our procedures

The Commission's work follows established procedures

The general areas of the Commission's work are:

- activation (launching an inquiry after being notified of an occurrence)
- investigation
- inquiry
- communication of our findings.

Figure 1 below summarises these areas. The numbers to the right are for the 2022/23 financial year and indicate the scale of our work.

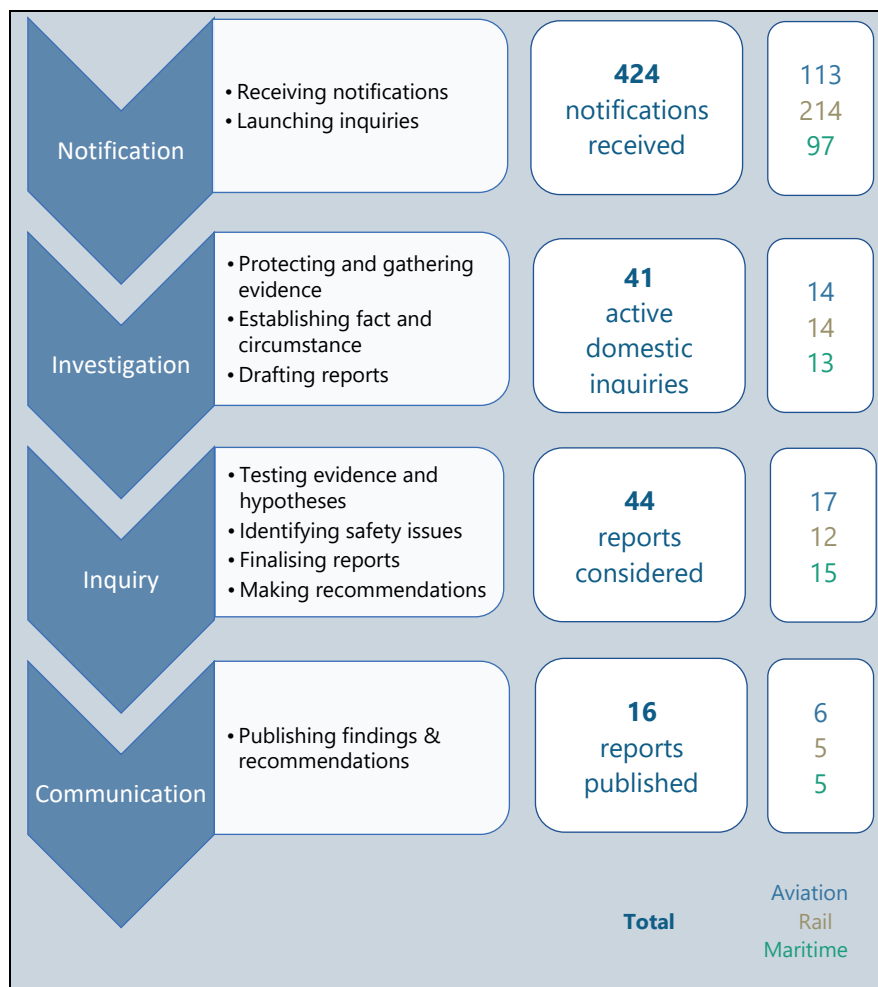


Figure 1: The Commission's work activation, investigation, inquiry, and communication

Notifications: activating an inquiry

Notifications come mainly from transport sector regulators

The Commission receives notifications of certain incidents and accidents in the aviation, rail, and maritime transport modes. Most notifications are from the transport sector regulators.

Each mode of transport has its own notification process, which is set out in its legislation. For example, under the Civil Aviation Act 1990 certain incidents and accidents must be reported to the Civil Aviation Authority. The Authority notifies the Commission of any events that meet certain criteria, a comparatively small number. For example, the Civil Aviation Authority receives thousands of notifications each year and passes to us about 100; the Commission then launches an average of four to five aviation inquiries a year.

The Commission investigates if we think we can improve safety

The Commission investigates an accident or incident if we believe it is likely to have significant implications for transport safety, or if we could make recommendations to improve safety.

Our decision to investigate or not depends on more than just the event itself. We look at the safety risk it poses. Sometimes, even a minor incident would be considered a high risk if it might have led to an accident and the things that stopped it being more serious were limited in their ineffectiveness.

The Commission then considers a range of other factors in the decision whether to investigate, for example, trends in the types of events notified, and whether there is an international expectation an investigation will be conducted.

Investigations: establishing facts and circumstances

The Commission's investigators gather and analyse evidence

The Commission's investigators are delegated legal powers to protect and gather evidence. Many types of evidence may be collected depending on the direction an investigation takes. Evidence falls into four broad categories: people, machine, environment, and mission (purpose of the journey).

The analysis process involves sorting, verifying, and linking evidence and facts to prove, disprove and weigh competing theories. Figure 2 summarises the process.

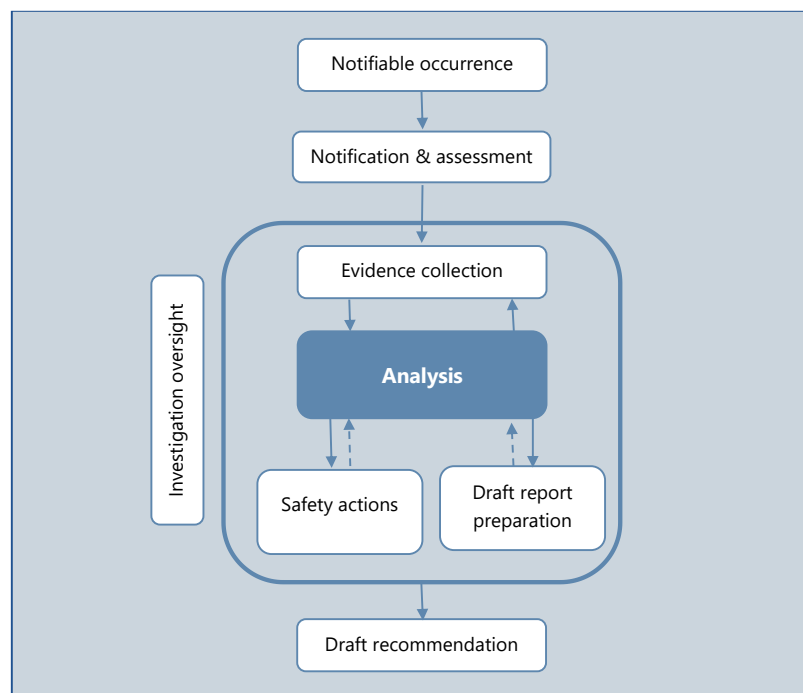


Figure 2: The analysis process

What has led to an incident or accident might seem clear, but there is rarely just one cause. Often many factors have contributed – possible examples are training practices or wider systemic issues such as rules and regulations that are not working as intended.

Inquiries: testing evidence and identifying safety issues

The inquiry process has three stages: considering draft reports, considering submissions, and making recommendations

The Commission holds regular hearings to oversee and conduct inquiries and to consider the evidence placed before them by the investigation team.

Over time the emphasis moves from the investigation team's gathering and analysing of evidence to the Commission's testing of hypotheses and safety issues. The inquiry process has three stages:

- Testing the analysis of evidence and the draft report – Commissioners rigorously test hypotheses and supporting evidence, and direct further investigation if necessary.

Sometimes draft reports state or imply that the conduct of someone has contributed to the accident or incident. In these cases, the Commission must⁸ give interested persons⁹ fair opportunity to comment on, or refute, those findings.

- Considering final draft reports along with written or oral submissions from the interested persons.
- Making recommendations – where the Commission considers action is needed to help avoid another similar accident, we make a recommendation to the relevant body. The Commission may issue urgent recommendations while an inquiry is in progress if we identify a safety issue that requires immediate action.

The Commission and the investigation team meet at set times during the inquiry process

The Commission and the investigation team meet at set times in the inquiry process, as shown in Figure 3.

⁸ Transport Accident Investigation Commission Act 1990, Part 2, s14 (5)

⁹ 'Interested persons' are persons likely to be affected by the report's findings and include the operator, manufacturer of the vehicle or vessel, engine manufacturer, involved state agencies and representatives of injured persons (Transport Accident Investigation Commission Act 1990, Part 2, s9)

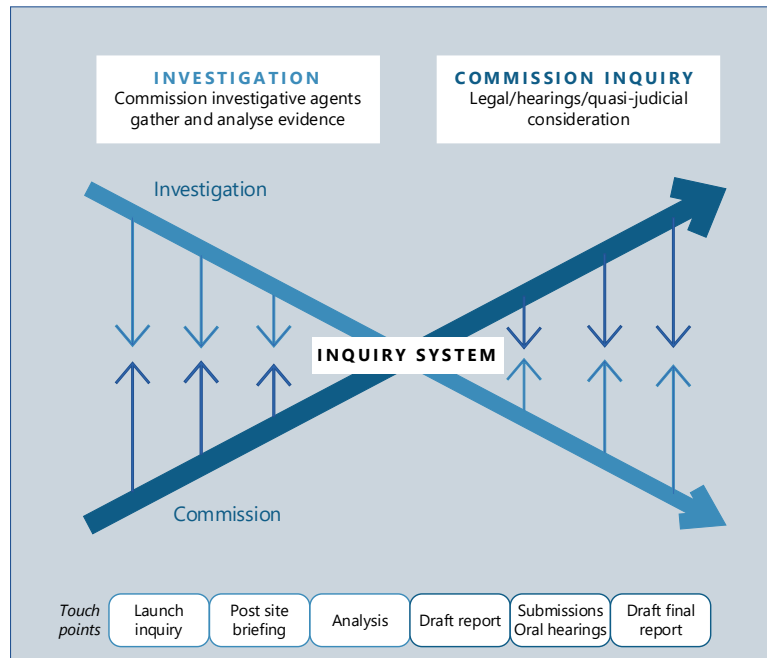


Figure 3: The inquiry process

Complex inquiries can result in an protracted inquiry process

If an inquiry is technically complex, the process can be protracted. The Commission may call for further expert advice, receive additional submissions from interested persons, or extend lines of inquiry given the nature of the submissions received.

Knowledge transfer: communicating core inquiry information

A written report details the outcome of the inquiry and contains findings and, when necessary, recommendations to remedy safety issues

The inquiry process culminates in a written report. The report details what happened and sets out how we analysed the evidence. It contains core messages about what we learnt, and what action has been taken or is still needed to avoid a similar event happening again. These core messages are in the form of findings and recommendations.

- Findings are the Commission’s conclusions after examining the facts.
- Recommendations are a call to remedy an identified safety issue.¹⁰

The Commission makes a recommendation only if a safety issue remains unresolved at the end of an inquiry. Our recommendations are not mandatory, so we rely on others to act where needed. Often (and ideally), action is taken during the investigation. In this way, ‘knowledge transfer’ – passing the information we gain from our work to others so they can make safety improvements – happens throughout the inquiry process, not only when the final report is published.

Interim reports and the Watchlist are other communication methods

The Commission may release an interim report if public interest is high, to communicate important information about the circumstances of an accident, or to make urgent recommendations.

The Watchlist communicates the Commission’s most pressing safety concerns – refer to page 15 for more information.

The Commission is mindful of its communications with families and next-of-kin

The Commission’s ‘Families Programme’ aims to keep survivors and families appropriately informed about the progress of an inquiry; however, our legislation stops us from sharing lines of inquiry or findings and recommendations before we have published a report.

For those wanting to know what happened to their loved ones, the legal restrictions on what we can say is understandably frustrating. From the beginning of an inquiry, we try to communicate clearly with families about what we are able to say and why.

¹⁰ See Annex 13, Convention on International Civil Aviation Aircraft Accident and Incident Investigation, (10th Ed.), p 1-2

International engagement

The Commission is part of a global network of transport accident investigation bodies

The Commission is part of a global network of transport accident investigation bodies meeting their States' obligations under international Conventions (see footnote on page 6).

Under these Conventions, the Commission participates in inquiries by international peer organisations into events in overseas jurisdictions. This occurs when events involve New Zealand registered or manufactured aircraft, vehicles or components, or a significant number of New Zealanders have died as the result of an accident. Assistance usually takes the form of co-ordinating information flows, but we can also have more in-depth involvement.

International assistance is focused on the Pacific region

Under Annex 13 to the International Civil Aviation (ICAO Convention), the Commission fulfils the New Zealand Government's obligations by assisting another signatory State in investigating an incident or accident if that other signatory does not have the expertise or resources.

We may also assist outside ICAO Convention obligations. This work is usually in the Pacific region. Examples over recent years are secondments of investigators to Pacific Governments to undertake accident investigations in the Cook Islands (2022) and Kiribati (2018). We have also provided training support to our peer agency in Singapore on digital evidence (2019); and, under the International Maritime Organization (IMO), regional training in Fiji on implementing the IMO's Casualty Investigation Code (2018).

International engagement is vital for building resilience in the face of a major accident

Engagement with our international peers enables inter-agency collaboration and helps build resilience against the significant pressures we would face should a major accident happen in New Zealand. In such a situation, the Commission would have to draw on the assistance of international colleagues. Inter-operability with other nations would be critical to a rapid and effective response.

Travel restrictions during the COVID-19 pandemic meant some opportunities for face-to-face meetings were lost over that period; however, the Commission maintained connections by attending key meetings online, such as the annual meeting of the International Transportation Safety Association. Commission staff continue to attend some international conferences online as this option becomes more common.

Our impact

Ā mātou panga

Contributing to safety outcomes through influence

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

The Commission works for systemic improvements in transport safety where users *are* safe and *feel* safe, supporting community wellbeing now and into the future. Our work, therefore, directly supports the 'healthy and safe people' strand of the Transport Outcomes Framework developed by the Ministry of Transport. This outcome is about protecting people from transport-related injuries.

We contribute by influencing others – mainly regulators – to improve safety

We contribute to a safer transport system by publishing findings and recommendations. Recommendations are signals about systemic safety issues that could contribute to future accidents or incidents. We tend to make recommendations to regulators more than operators because regulators are better able to influence and act on the highly complex system that is the transport sector.

Depending on the recommendation, our influence may be apparent within a relatively short period. For example, in March 2023 we recommended that Maritime NZ develop and disseminate information about the risks of telescopic accommodation ladders.¹¹ Maritime NZ placed a safety update on its website in July 2023 to highlight the issue.¹²

Sometimes our recommendations can take much longer, even years, to implement. One such recommendation, and the response to it, forms the first of our case studies beginning on page 17.

The Commission continues to work with regulators on reporting progress in implementing recommendations. Over the year, we co-ordinated the regulators' 2023 annual report to the Minister of Transport on the status of recommendations. The report is published on the Commission's website.¹³

¹¹ MO-2021-205: Container vessel *Moana Chief*, serious injury to crew member, Port of Auckland, New Zealand, 10 December 2021

¹² <https://www.maritimenz.govt.nz/content/commercial/safety/safety-updates/equipment-cranes-cargo/telescopic-accommodation-ladders.asp>

¹³ [Recommendations monitoring reports | TAIC](#)

The Watchlist communicates the Commission's most pressing safety concerns

The Watchlist is another way we influence the transport sector to act. It communicates the Commission's greatest safety concerns. Watchlist topics arise from safety issues that are persistent or have recurred over time and/or across modes.¹⁴

¹⁴ The Watchlist can be found here on our website: [Action is needed on these pressing safety concerns | TAIC](#)

Case studies: demonstrating effectiveness

We demonstrate effectiveness through case studies

The Commission's mission is safer transport through investigation, learning and influence. Given the complexities of the transport system, and the non-mandatory nature of our recommendations, we demonstrate our influence on safety outcomes mainly through case studies rather than quantitative assessment.

The case studies on the following pages show how the Commission's work in identifying safety issues, together with a responsive sector, can achieve a safer transport system. The first case study illustrates how system-level recommendations (for example, recommendations that need change to legislation) can take many years to come into effect.

Note: The case studies contain short summaries of inquiries; the full reports are the official record of the Commission's findings and recommendations.

The knowledge we gain from our inquiries is used beyond New Zealand

The case studies focus on the New Zealand transport sector. But the knowledge we gain from our inquiries can be relevant and influential beyond New Zealand. Two examples over 2022/23 were:

- SKYbrary included an article¹⁵ in its accident and incident directory summarising, and providing a link to, our report into a loss of separation incident near Wellington in 2019¹⁶. SKYbrary is recognised internationally as a source of aviation safety knowledge. The directory includes occurrences considered illustrative of contemporary safety issues.
- A paper from China to an International Maritime Organization sub-committee¹⁷ analysed the safety risks of lifeboat slings. The paper referred to the report of a Commission inquiry into the failure of a lifeboat sling¹⁸ and included our findings as part of the analysis.

¹⁵ [DH8C / DH8C, vicinity Wellington New Zealand, 2019 | SKYbrary Aviation Safety](#)

¹⁶ AO-2019-002: Bombardiers DHC-8-311, ZK-NEH and ZK-NEF, 'Loss of separation' near Wellington, New Zealand, 12 March 2019

¹⁷ International Maritime Organization paper III 9/4/4, 11 May 2023

¹⁸ MO-2014-202: Lifting sling failure on freefall lifeboat, general cargo ship *Da Dan Xia*, Wellington, 14 April 2014

Case study

Legislation to improve drug and alcohol management in the aviation sector

Aviation inquiry

AO-2012-001: Hot-air balloon collision with power lines and in-flight fire, near Carterton, 7 January 2012

What happened

In January 2012, all 11 people on a scenic hot-air balloon flight died when the balloon struck power lines as it came down for landing.

The safety issue

Post-mortem toxicology tests revealed the pilot had THC (an active ingredient of cannabis) in their blood. The Commission concluded that the THC level had been caused by both long-term and recent use of cannabis. Cannabis is known to affect a person's judgement and decision-making ability. The Commission found that the pilot's use of cannabis could not be excluded as a factor contributing to his errors of judgement, and therefore to the accident.

What we said

The Commission recommended that the Secretary for Transport introduce legislation or rules to:

- set maximum levels for alcohol allowed
- stop people from operating an aircraft, vessel or rail vehicle if they are impaired by drugs
- have operators discourage the use of drugs and alcohol, and test for their use (including randomly)
- test for drugs and alcohol after any incident or accident.

This legislation or these rules should apply:

- for aviation, maritime and rail
- to commercial and recreational users.

What changed

In response to the recommendation, the Ministry of Transport designed and consulted on proposed changes to legislation.

On 5 April 2023, the Civil Aviation Act 2023 was passed. The new Act introduces various changes, including the development of rules and guidance for drug and alcohol management plans that some operators will be required to prepare. These plans are to include random testing of those working in safety sensitive activities. The new Act comes into force from 5 April 2025.

This is a significant step in ensuring the safety of the commercial aviation sector.

Case study

Improving the safety of vessels in the sub-Antarctic islands

Maritime inquiry

MO-2017-201: Passenger vessel *L'Austral* contact with rock Snares Islands, 9 January 2017

What happened

L'Austral was a French-registered passenger vessel on a cruise that included sub-Antarctic islands. On 9 January 2017, it arrived off the Snares Islands, with 200 passengers and 156 crew on board.

The ship was in sheltered waters when it drifted into an unauthorised area and hit an uncharted rock. Nobody was hurt and the ship was able to return to New Zealand for temporary repairs.

The safety issue

The Commission found that the Department of Conservation (DOC) needed more expertise in assessing navigation risks.

DOC had given *L'Austral* permission to navigate up to 300m off the sub-Antarctic Islands without conducting a proper risk assessment with maritime expertise to ensure safety measures were in place.

What we said

Shipping activity will probably increase in the sub-Antarctic islands → a sensitive and potentially harsh environment.

The Commission recommended that the Director-General of the Department of Conservation appoint someone qualified to manage the safety of navigation in the sub-Antarctic islands.

What changed

In September 2022, the Director-General of Conservation advised that the Harbourmaster's Office, Environment Canterbury, will manage navigation safety at the Kermadec and sub-Antarctic Islands. The Harbourmaster's Office is developing and implementing a Safety Management System for the two groups of islands.

DOC has also sought amendment to the Maritime Transport Act so the Minister of Conservation can appoint a harbourmaster and they can use their powers under that Act. The Ministry of Transport asked for feedback on these proposals, and the Regulatory Systems (Transport) Amendment Bill No.2 is expected to be introduced by the end of 2023.

Case study

Improving the safety of jet boat operations

Maritime inquiry

MO-2019-201: Jet boat Discovery 2, contact with Skippers Canyon wall, 23 February 2019

What happened

In February 2019, a commercial jet boat was operating on the Shotover River near Skippers Canyon. Nine passengers were on board.

On approaching a bend, the driver lost control of the boat and it contacted a rock face.

One passenger was thrown partially overboard and suffered a broken leg. The remaining passengers suffered minor injuries.

The safety issue

The Commission found that the driver lost control of the jet boat because of a mechanical failure in the jet boat's tailpipe assembly due to fatigue cracking in the stud-bolts.

The Commission identified two safety issues:

- The maintenance plan for the jet boat didn't follow the manufacturer's requirements for the steering and control system.
- The operator's hazard identification system had not identified the possibility of a critical system failure. Jet boating accidents in New Zealand have led to stricter safety regulations for drivers and operating conditions. However, this accident showed that there are still other risks to consider.

What we said

The Commission recommended that the Director of Maritime NZ make sure jet boat operators working under Maritime Rules Part 82:

- know which systems are important for safety on their boats
- make sure safety-critical systems are regularly inspected and maintained according to the manufacturer's specifications

What changed

In September 2022, Maritime NZ announced it was working with the commercial jet boating industry to improve safety standards. New guidance for operators sets out national requirements covering maintenance, inspections, technician training and identifying critical parts. The guidance was launched at the annual meeting of the NZ Commercial Jet Boat Association.

Maritime NZ will share this information with operators to make sure they have systems in place to monitor potential single points of failure.

Influence and knowledge transfer: key achievements 2022/23

In January 2023, we issued urgent recommendations for immediate action to ensure safety of the Interislander ferries

Occasionally the Commission identifies safety issues that require urgent attention. In these cases, we publish urgent recommendations.

In January 2023, an Interislander ferry had an engine failure during bad weather and lost power off Wellington's south coast. About 800 passengers and 80 crew were on board.¹⁹ The incident received media attention and raised public concerns about the safety of the ferries.

In May 2023, the Commission published a preliminary report containing two urgent recommendations, both to Maritime New Zealand. We recommended steps be taken to ensure safety critical rubber expansion joints on the Interislander fleet are fit for purpose; and all operators of ships with these joints be alerted to the safety issues we identified.

We held a press conference to publicise our findings and to assure the public the reasons for the incident had been identified, along with actions for avoiding it happening again.

We can also influence through our own good practice

Although the Commission's main way to influence transport safety is through findings and recommendations, Commission staff can affect safety in other ways. For example, our recently developed Investigator's Competency and Training Framework has been adopted by another government organisation that undertakes accident investigation. This is an endorsement of our training programme and we welcome others sharing and benefitting from the investment we make in continually improving our investigation practices.

¹⁹ MO-2023-201: Passenger vessel *Kaitaki*, Loss of power, Cook Strait, New Zealand, 28 January 2023

Non-financial reporting

Ripoata pūtea kore

Our operating environment

We must stay effective in the face of a fast-changing environment

Resilience is key if we are to continue to operate effectively in the face of a fast-changing environment and unexpected events such as a major accident or a natural disaster. Our business planning is built on responding quickly to unexpected disruptions and adapting to new circumstances.

A significant challenge in our operating environment is how fast technology is changing

A significant challenge in our operating environment is how quickly technology is changing. Transport is changing fast because of smarter and more advanced systems and technologies such as artificial intelligence. The potential safety risks of new technologies increase when they are retrofitted to older systems or aircraft and vehicles, a common practice in New Zealand.

Digital information provides evidence we would not otherwise have

The Commission is constantly adapting to gathering and analysing new forms of evidence, which increasingly is electronic data. An example from a report published over the year is the recovery of tracking data from a badly corroded GPS device, key evidence in a helicopter crash.²⁰

Having access to this data helps us gather evidence about what happened before an accident and confirm what eyewitnesses saw.

On 30 June 2023, we had one forensic data specialist to examine digital evidence. With increased demand for this type of analysis, the Commission plans to appoint a second expert over 2023/24.

²⁰ AO-2019-005: BK117-C1, ZK-IMX Controlled Flight into Terrain (Water), Auckland Islands, 22 April 2019

Our strategic intentions

We identify safety issues from investigations, and transfer that knowledge to others so they can act to improve transport safety

The Commission's strategic document, the *Statement of Intent 2021–2025*, sets out our overall direction based on our mission of safer transport through investigation, learning and influence. Influence – our impact on the transport system – is achieved by having a clear and authoritative voice. These goals form two of our strategic intentions. The current Statement of Intent added a third: to be better prepared in case of a major transport accident.

Our strategic intentions are to:

- be accessible – to make it easier for people or organisations to access our findings and recommendations
- be credible – to maintain the highest standards in investigation processes
- be ready – to respond to a large-scale event and enhance our capacity to contribute to national resilience.

We made good progress in achieving our strategic intentions and in meeting the Minister's expectations

In the next section we describe key achievements in 2022/23, as well as some of the challenges we faced during the year. The tables beginning on page 27 describe progress against the measures on pages 7-9 of the *Statement of Performance Expectations 2022/23*.

The Minister of Transport's letter of expectations for the Commission for 2022/23 sets out the specific expectations. These are listed below. The references in brackets are to the sections of this report that describe how we have met these expectations.

- Influence the transport system by effectively sharing TAIC's insights and knowledge with participants (Our impact, p.15).
- Work with the Ministry and recipients to explore ways to better track progress against recommendations (Our impact, p.15).
- Ensure effective communication with key stakeholders, including families and next-of-kin, so that they are appropriately informed during the investigation process (Knowledge transfer: communicating core inquiry information, p. 13).
- Continue to ensure New Zealand is well-represented on the international stage as a respected and trusted colleague within the international community of transport accident investigation bodies (International engagement, p.14, and International inquiries assisted, p.56).

- Support the Ministry's work programmes including the regulatory stewardship programme, and ongoing monitoring programme (Progress towards strategic intentions: key achievements in 2022/23,p.25).

Progress towards strategic intentions: key achievements in 2022/23

We have secured funding to expand rail investigations and strengthen our resilience

The Commission was successful in a funding bid for 2023/24 to increase our capacity for rail investigations and to strengthen resilience. Work has already begun to establish new specialist staff and support positions including rail investigators and additional human factors and forensic analysis experts.

Our Knowledge Transfer System is well underway...

Knowledge transfer is about collecting and organising data and information, and sharing it to make transport safer. Physical assets, people, and processes work together to make knowledge transfer happen. From July 2021 we received funding to support our knowledge transfer system, including replacement of our IT systems. Many of our performance measures for 2022/23 relate to the application of that funding. Refer to pages 27 to 34.

In August 2022, after a period of careful planning, we launched a new case management system. It was adapted from one used by the Australian Transport Safety Bureau and has many benefits for our inquiries including guiding the investigators through the analysis process, ensuring thoroughness and consistency.

...but there is still more to come...

In 2023/24 we plan further developments. These include:

- fully implementing the case management system
- linking notifications to safety themes
- transferring past inquiries and recommendations to the new system
- improving management reporting
- developing a secure system for recording staff learning and development
- extending the knowledge transfer project to Business Services.

...including using research to its full potential

The case management system supports our research strategy. New research tools and processes will be developed in 2023/24 including:

- establishing an internal research library
- developing a classification system for safety issues and applying it to the past 10 years of inquiry reports
- identifying and implementing options for accessing technical and academic research.

The new Investigation Systems Map is guiding our training

In early 2023 a new Investigation Systems Map replaced the Investigation Manual. It guides our investigators to the policies, guidelines, procedures and tools they need to complete an investigation. The Investigation Systems Map will be continually reviewed including incorporating Tikanga Māori.

The Investigation Systems Map, the new case management system, and the Training and Competency Framework, work together to ensure our investigators have access to the most up-to-date and best-practice guidance. We expect that the co-ordinated rollout and training of these three parts of the investigation system will take most of 2023/24.

We took part in three favourable external audits

Three external audits were conducted throughout the year. The International Maritime Organization assessed how effectively New Zealand administers and implements their conventions. Maritime NZ hosted, but various government organisations participated, including TAIC. No immediate actions are required from TAIC.

In June 2022, we took part in an International Civil Aviation Organization audit. Over 2022/23 we worked to resolve the two minor issues that had been identified.

Finally, Archives New Zealand, under the Public Records Act, audited the Commission's handling of public records. This audit takes place every five to 10 years. Overall, the results of the audit were good, especially when compared to other transport sector agencies. It identified no significant issues but made recommendations of areas for improvement. These included improving information management where records are being created by third parties or are culturally significant, and in self-monitoring.

We continue to work with the Ministry of Transport on Crown entity matters

We continue to work with the Ministry of Transport to ensure we meet our Crown entity obligations, and to support the Ministry's work programmes, including regulatory stewardship.

Measures of progress towards strategic intention to be accessible

Performance measures

Measures in **bold** relate to the application of funding received from 1 July 2021 for the Knowledge Transfer System (refer page 25)

Indicator	Stakeholder communications supports knowledge transfer
Target 1 30-Jun-23	Embed Communications Strategy implementation activities: <ul style="list-style-type: none"> • six-monthly meetings with regulators • social media support for selected inquiries
MET	Meetings with regulators are programmed throughout the year. Over 2022/23, the Commission engaged with the Ministry of Transport and each of the modal regulators. The Chief Executive and senior managers also have regular meetings with counterparts in the regulatory agencies. Social media support is decided case-by-case. An example is the inquiry launched into the collision between a passenger ferry and a recreational vessel near Paihia in April 2023. ²¹ With the assistance of community groups on Facebook, we were able to gather witness accounts and information we might not have accessed otherwise.
Target 2 30-Jun-23	Identify communications aspects of bi-annual safety digest
NOT MET	Work on the bi-annual safety digest is on hold until the case management system is fully embedded; and the Researcher can dedicate their time to research and analysis functions (see below).
Indicator	The Research Strategy supports knowledge transfer
Target 1 30-Jun-23	Recruit Researcher
MET	A contractor who had been working on implementing Hubstream, the new case management system, took up the Researcher role on a fixed term basis for six months from July 2023. Knowledge of the new system will provide valuable understanding of the most effective ways to establish new research tools and processes.
Targets 2-4 30-Jun-23	Develop a classification system for safety issues and apply it to past 10 years of inquiry reports Establish internal research library Identify and implement options for accessing technical and academic research
NOT MET	Given the time dedicated to implementing the new case management system, remaining tasks have been deferred to the 2023/24 financial year.

²¹ MO-2023-202: Collision between Passenger Ferry *Waitere* and a recreational vessel near Paihia, Bay of Island, 13 April 2023

Impact measures

Impact measure	Proportion of stakeholders who can find the information they need from us
Tool	Biennial stakeholder survey
Target	At each survey, we aim for most stakeholders to respond positively to survey questions related to finding information and its usefulness. The long-term target is for an increasing trend in the proportion of positive responses to these questions. We do not set a numerical target because the survey is small, so any survey-to-survey change is not statistically meaningful.
n/a	Measure not taken in 2022/23.

Measures of progress towards strategic intention to be credible

Performance measures

Measures in **bold** relate to the application of funding received from 1 July 2021 for the Knowledge Transfer System (refer page 25)

Indicator	Investigation processes are: <ul style="list-style-type: none">• fully documented• integrated with TAIC workflows• continually improved
Target 1 30-Jun-23	External agency peer review of two to three inquiries
MET	<p>In February 2023, the UK Rail Accident Investigation Branch peer reviewed a rail inquiry. They were tasked with providing feedback on the draft report, particularly with respect to logic and evidence to support the draft findings and recommendations. The Chief Inspector suggested some changes to the report, but the review did not identify any deficiencies in investigation processes. Positive feedback was given on our audit processes and the structure of our reports.</p> <p>In January 2022, the Canadian Transport Safety Board reviewed an aviation inquiry.²² The review helped the Commission strengthen aspects of the analysis undertaken for the inquiry.</p>
Target 2 30-Jun-23	Review two investigation processes: <ul style="list-style-type: none">• Module 4 - Report Writing• Module 8 - Investigation Management
NOT MET	<p>The review of the two processes as set out in the target is being deferred. As described on page 25, the introduction of the new case management system is being carefully co-ordinated with implementation of the Investigation Systems Map, and the Training and Competency Framework. These three parts of the investigation system need to be well integrated to gain their full benefit. We expect that their co-ordinated rollout and training will take most of 2023/24. We consider it preferable to review the processes once all staff are trained in them.</p>

²² The previous report to 31 December 2022 incorrectly stated that the Australian Transport Safety Bureau was undertaking these reviews.

Indicator	TAIC can undertake system risk trend analysis and target case selection to the highest safety risks
Target 1 30-Jun-23	Fully implement a risk-based approach to setting criteria for opening inquiries
MET	In 2021/22, we developed a risk-based approach to setting criteria for launching inquiries using the Event Risk Classification (ERC) model. The ERC model assigns a risk rating for each occurrence we are notified about. As well as identifying higher-risk events, it allows us to capture low-level but high-frequency events. It provides a systematic method for assessing risk, an important contributor to the decision on whether to launch an inquiry. The model is based on that used by the Australian Transport Safety Bureau. The model is now fully implemented and used in decisions to launch an inquiry.
Target 2 30-Jun-23	Put in place formal agreements/MOUs with regulators for TAIC to receive regular analyses of occurrence data
NOT MET	Agreements with regulators for regular analyses of occurrence data are not yet in place, although discussions have begun. Over 2022/23, resource was directed to implementing the new case management system and this work is deferred to 2023/24.

Impact measures

Impact measure	Judicial reviews of Commission inquiries that identify process issues
Target	None
ACHIEVED	There were no judicial reviews of Commission inquiries in 2022/23.
Impact measure	Successful challenges from an Ombudsman, the Privacy Commissioner or the Human Rights Commission of an administrative decision or action
Target	None
ACHIEVED	There were no successful challenges from an Ombudsman, the Privacy Commissioner or the Human Rights Commission of an administrative decision or action in 2022/23.
Impact measure	Proportion of stakeholders who view TAIC's information about transport safety issues as credible and influential
Tool	Biennial stakeholder survey
Target	At each survey, we aim for most stakeholders to respond positively to survey questions related to influence. The longer-term target is for an increasing trend in the proportion of positive responses to these questions. We do not set a numerical target because the survey is small, so any survey-to-survey change is not statistically meaningful.
n/a	Measure not taken in 2022/23. However, the use of our work in international contexts such as SKYbrary and the International Maritime Organization affirms the quality of our work and demonstrates our influence beyond New Zealand. Refer to page 17.

Measures of progress towards strategic intention to be ready

Performance measures

Measures in **bold** relate to the application of funding received from 1 July 2021 for the Knowledge Transfer System (refer page 25)

Indicator	We have plans and processes for responding to a major accident
Target 30-Jun-23	Implement major accident plan, including supporting documents such as memoranda of understanding (MOUs) where needed
MET	The Major Accident Plan has been adopted. An implementation plan is underway, with most activities either completed or in progress. Support agencies have been identified and major accident arrangements are being included in TAIC's MOU review programme, which is ongoing.

Indicator	IT systems are scalable
Target 30-Jun-23	Refer IT capital performance measure below: "Data Strategy implementation milestones are met including meeting the requirement of scalability"
	Refer IT capital performance measure below.

Indicator	The Commission is active in the national community of emergency response agencies and our role and functions are well understood
Target 1 30-Jun-23	Commission representative attends all meetings of relevant working groups.
n/a	No meetings of relevant working groups were held over 2022/23.
Target 1 30-Jun-23	Commission staff participate in all relevant desktop exercises
n/a	No desktop exercises were held over 2022/23.

Impact measure

Impact measure	National emergency response plans for a major accident incorporate TAIC and the Commission
Target	Positive evaluation from any desktop exercise
n/a	No desktop exercises were held over 2022/23.

Performance measures: organisational health and capability (HR)

Performance measures

Measures in **bold** relate to the application of funding received from 1 July 2021 for the Knowledge Transfer System (refer page 25)

Indicator	We have the expertise we need
Target 1 30-Jun-23	Analyse gaps in resilience for critical functions
MET	The Business Continuity Plan has been adopted. Work over 2022/23 included refining mitigation plans for building the resilience of TAIC's ability to continue functioning should a disruption occur. Gaps and associated actions have been identified.
Target 2 30-Jun-23	Identify backup plans for specialist roles to enhance resilience
MET	Actions needed to ensure backup is available for critical roles have been identified. These actions are underway, beginning with the communications function.

Indicator	We have an effective investigation team
Target 30-Jun-23	Fully implement competency-based training package
NOT MET	The Competency and Training Framework was developed in 2021/22 with full implementation planned for the 2022/23 financial year. Other priorities, especially the work on Hubstream, delayed implementation. Hubstream, the Competency and Training Framework, and the Investigation System Map (previously the 'Investigation Manual') provide a complete suite of documents and processes for training investigators and supporting a rigorous and consistent approach to the investigation process. Full rollout and training in these components are expected to be completed in 2023/24.

Measure of success

Impact measure	Proportion of investigators who are designated investigator-in-charge or senior investigator
Tool	Competency Framework grading
Target	10 (from an establishment of 15, including the Chief Investigator of Accidents and the two modal managers)
NOT MET	9/15. Although marked as 'not met' at 30 June 2023, two further investigators were designated investigator-in-charge in early 2023/24. On 30 June 2023 they had completed the required qualifications, but were still to complete time-on-job requirements. Over 2022/23 one of the specialist staff qualified as an investigator, bringing the measure to 10/16.

Performance measures: organisational health and capability (IT)

Performance measures

Measures in **bold** relate to the application of funding received from 1 July 2021 for the Knowledge Transfer System (refer page 25)

Indicator	Data and information systems support TAIC's work, including data scaling demands
Target 1 30-Jun-23	Fully implement case management system
PARTLY MET	Good progress has been made in implementing the new case management system. At the end of June 2023, it was fully functional, although further development is expected up until December 2023. Refer to the section on page 25 for a full description.
Target 2 30-Jun-23	Successfully complete the change management programme
PARTLY MET	We are making steady progress and in June 2023, investigators were using the new system. Training and support will continue. Training for Business Services staff will start in 2023/24. This is a challenging change programme to undertake while usual business continues. We are prioritising good quality culture change over haste to make sure we get it right. Refer to the section on page 25 for a full description.

Measure of success

Impact measure	Proportion of employees who consider they have the tools to do their job
Tool	Ask Your Team survey
Target	At each survey, we aim for a result above 50% for each of two survey questions that are about information systems. The long-term target is for an increasing trend in the results for these questions. We do not set a numerical target because the survey numbers are small, so any survey-to-survey change is not statistically meaningful.
NOT ACHIEVED	The result for only one of the two relevant questions was over 50%. Nevertheless, there is an increasing trend in the results for both questions over the three Ask Your Team surveys taken in 2021, 2022, and 2023.

Organisational health and capability

We are committed to being a good employer

The Commission is committed to being a good employer. A range of policies and guidelines help ensure we:

- meet all legal obligations to staff
- are clear about standards and expectations, and fair in implementing them
- build a positive and inclusive work culture.

Policies and guidelines are regularly reviewed, and consulted with staff whenever a change affects them.

From time-to-time, we commission an independent company to survey staff for their feedback on workplace culture and how they feel about working at TAIC. The latest survey, held in March 2023, had positive results, which, overall was 12 percentage points above the public sector benchmark. The survey also pointed to areas for improvement, particularly building cultural competency and improving IT systems. We continue to work on these areas.

Our workforce profile is similar to last year's

Table 1 shows the demographic profile of TAIC staff on 30 June 2023. The numbers include two staff who were on fixed term contract.

Table 1: Employee workforce composition

		On 30 June				On 30 June	
		2023	2022			2023	2022
Total staff		34	31	Total staff		34	31
Gender	Male	16	14	Disability	Yes	0	0
	Female	18	17		No	34	31
Ethnicity	European	29	26	Age	<41	7	5
	Māori	1	1		41-50	8	10
	Asian	4	3		51-55	8	7
	Pacific	0	0		56-60	5	5
	Other	0	1		>60	6	4
	Unstated	0	0		Unstated	0	0

Recruitment processes are sensitive to diversity

The Commission widely advertises vacant positions and runs a comprehensive recruitment process so we can make the best appointments possible.

All new employees and other workers, for example contract staff, have an individualised induction process to help them settle into the organisation. This includes the online diversity and inclusion learning module Mana Āki. We expect our people to stand by the Public Service Code of Conduct as well the Commission's values.

Our training programme ensures all staff have the knowledge and skills essential to their specialist work

The Commission encourages training and professional development across the organisation. We ensure investigation and corporate staff develop and maintain the knowledge and skills essential to their specialist work.

For investigators, it takes at least two years to become trained and experienced enough to be regarded as fully effective. They require transport sector experience and technical knowledge supported by strong investigative and analytical skills. Traditionally, we have sent investigators to train in general and mode-specific investigation methods at Cranfield University in the UK.

As a smaller organisation, we need a flexible workforce

As a smaller organisation, the Commission requires a flexible workforce if we are to respond quickly to operational needs. Investigators especially need to work outside normal office hours at times. To balance these demands, the Commission allows flexible working hours and time in lieu to employees who are required to work in the weekends.

Our remuneration system is being reviewed to attract and retain high-performing employees

At the end of 2022/23, the Commission was in the process of reviewing the pay-for-performance remuneration system to make sure it attracts and retains high-performing employees. The remuneration system incorporates options for providing rewards and recognition.

We promote a safe and healthy working environment

The Commission promotes a safe and healthy working environment for employees. It focuses on ensuring a health and safety management system is in place and followed at accident sites, our wreckage facility, our offices, and out in the field.

The Commission takes a keen interest in all health and safety reports and encourages continual improvement in the supports provided for the health and welfare of our people.

We have an extensive Wellbeing Programme to support mental health, particularly for those who deal with distressing situations as part of their work. Psychological first aid and resilience training are offered to all our staff.

We are mindful also of the health, safety and wellbeing of everyone we have contact with during an investigation. For example, when we finish our work at an accident site, or return wreckage to its owner, we make sure chemicals or other hazards have been minimised or removed.

As described later in this report, engagement with Māori is important to us. We are working to establish relationships that will help us better understand how we can incorporate cultural considerations into our interactions with others (for example, the Families Programme referred to on page 12).

Harassment and bullying are not tolerated

The Commission has comprehensive policies, guidelines and procedures related to professional conduct and behaviour. This includes the Code of Conduct, which is based on the Public Service Commission's guidelines. Health and safety procedures include mental and emotional health and safety at work.

We moved to new premises

During the year, we moved to new leased premises in central Wellington, officially opened with a pōwhiri in November 2022. The building has a New Building Standard rating significantly higher than our previous premises (130 per cent compared with 34 per cent) and a high sustainability rating. The move also reduces our rental costs.

Diversity and inclusion

We value our people and their unique backgrounds

In April 2023, the Commission published its first Equity Action Plan. It sets out our commitment to building a diverse and inclusive workplace. We aim to employ people equitably and fairly, and bring together different perspectives and experiences. However, we are realistic about what we can achieve in terms of diversity, given the small size of our organisation.

Achievements in equity have already been made...

Over 2022/23 we demonstrated our commitment to diversity and inclusion in several areas. We:

- reduced our gender pay gap
- achieved gender balance in our management team and increased the diversity in our workforce
- reviewed several policies and guidelines to remove bias or discrimination
- adopted more flexible work practices
- celebrated diversity in the workplace with participation in Māori Language Week, New Zealand Sign Language Week, Mental Health Awareness Week and Men's Health Week.

...and we have more plans

Over 2023/24 we plan to:

- complete the review of our remuneration system to reduce unconscious bias
- update our flexible working policy and guidance on remote working
- continue to educate our people about unconscious bias, diversity and inclusion.

Cultural competency

We continued our cultural competency programme

The 2022/23 year was the mid-point of our three-year cultural competency programme. We continued to work on our te Tiriti o Waitangi obligations and how they apply to the Commission and our functions and operations. Progress is steady, although, as an organisation, we are at the introductory stages of achieving our longer-term goals.

Our programme of education and awareness about the history of te Tiriti and tikanga Māori is ongoing. This includes regular workshops and videos.

Engagement with manu whenua is important to us, and we are working to establish relationships.

Māori language planning

Use of te reo is encouraged at all levels of the organisation

During the year, we extended the use of te reo Māori in our formal internal and external document templates and our standard email greetings. We also integrated its bilingual use into our job titles, position descriptions, and recruitment practices and procedures.

Over 2022/23, we held several te reo Māori lessons for staff, and common greetings in te reo are encouraged and modelled by managers, who also use karakia and mihi mihi to open and close meetings, including Commission and Board meetings. We have more work to do.

Sustainability

We are committed to environmental responsibility

Independent Crown entities are currently excluded from mandatory participation in the Carbon Neutral Government Programme. Regardless, we are measuring our emissions on a voluntary basis, recognising and supporting the Government's ambition of a NetZero by 2050 target.

We are committed to operating in an energy-efficient environment and aim to reduce greenhouse gas emissions wherever reasonably possible, taking into consideration our emissions profile and reduction potential. Initiatives are already in place and more are under development to limit our emissions as much as is practicable. However, the nature of our work means that we must be able to deploy to accident sites if we are to conduct our investigations without compromising quality.

Statement of responsibility

Te tauākī kawenga

We are responsible for the preparation of the Transport Accident Investigation Commission's financial statements and statement of performance, and for the judgements made in them.

We are responsible for any end-of-year performance information provided by the Transport Accident Investigation Commission under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Transport Accident Investigation Commission for the year ended 30 June 2023.



Jane Meares
Chief Commissioner



Stephen Davies Howard
Deputy Chief Commissioner

26 October 2023

Statement of performance

Ngā pūrongo whakatutukinga

Output class: accident or incident investigation and reporting

The Commission has one output class: accident or incident investigation and reporting

The Commission has one output class: accident or incident investigation and reporting. The appropriation for this output class intends to achieve the conduct and completion of independent inquiries into selected aviation, rail, and maritime accidents and incidents with a view to avoiding recurrences.

The *Statement of Performance Expectations 2022/23* sets out our performance measures and explains the reasons for choosing them

This section provides an overview of the Commission's performance results for cost, volume, and timeliness measures over the 2022/23 financial year. Table 2 on page 42 reports outcomes against the targets and expectations set out on page 2 of the *Statement of Performance Expectations 2022/23*. Table 3 on page 43 summarises the costs of this output class.

The information on pages 27 to 34 of this Annual Report show progress towards strategic intentions using the indicators set out on pages 9 to 13 of the *Statement of Performance Expectations 2022/23*.

In choosing our performance measures, we have considered what information is most appropriate and meaningful to users; that is, how we can best 'tell the story' of what we want to achieve and how well we are doing in reaching our aims and objectives. The section beginning on Page 14 of the *Statement of Performance Expectations 2022/23* sets out the judgements and assumptions we made in choosing those performance measures.²³

²³ The *Statement of Performance Expectations 2022/23* is here on our website: [Strategy and performance | TAIC](#)

Table 2: Output measures against Statement of Performance Expectations 2022/23 targets and expectations

Financial	Instrument	Actual 2022/23	Target 2022/23	Actual 2021/22
Average cost of domestic inquiries completed*	Timesheet and financial data analysis	\$467K	\$400–450K	\$438K
Volume	Instrument	Actual 2022/23	Expected 2022/23	Actual 2021/22
Number of reports published for domestic inquiries (incl. interim reports)*	Casebook analysis, manual count	16	15–25	15
Number of inquiries by overseas jurisdictions assisted*	Casebook data analysis	12	4–8	9
Number of domestic inquiries in progress at each month's end (12 month rolling average, as at 30 June)	Casebook data analysis	26	30	26
Timeliness	Instrument	Actual 2022/23	Target 2022/23	Actual 2021/22
Proportion of closed domestic inquiries completed within 440 working days*	Casebook data analysis	73%	70%	71%
* Performance measure for the appropriation for this output class.				

Table 3: Cost of service statement and reporting against appropriations

Output class summary	Actual 2022/23 \$000	Budget 2022/23 \$000	Actual 2021/22 \$000
Accident or incident investigation and reporting			
Revenue – Crown	7,247	7,247	7,247
Revenue – other	103	45	147
Costs	(7,488)	(7,482)	(7,788)
Surplus/deficit	(138)	(190)	(394)
Non-departmental output expenses			
Accident or incident investigation and reporting – operating	7,247	7,247	7,247

Average cost of inquiries

The cost of an inquiry is taken over the whole of its life

The cost of an inquiry is taken over the whole of its life and is calculated once the inquiry is completed. Included in the cost of an inquiry is:

- staff time spent on the inquiry
- direct costs (for example, travel or costs or technical consultant fees)
- a proportion of general overheads calculated according to the elapsed time taken to complete the inquiry as well as the staff time spent on it.

In general, the time taken to complete the inquiry (in terms of elapsed time and staff hours dedicated to it), rather than direct costs, drives the total cost.

The target for 2022/23 was increased to account for new funding from July 2020, which is associated with the Knowledge Transfer System project. This new funding is allocated across inquiries as an overhead; as inquiries are completed, they increasingly reflect the new funding.

The average cost of inquiries completed in 2022/23 was higher than expected

The financial performance measure is the average cost of the inquiries completed over the year. For 2022/23, the target was \$400-450k. The actual average cost was \$468k, four per cent above the upper level of the target range.

Figure 4 below shows the time to publication and cost of each inquiry published in 2022/23.

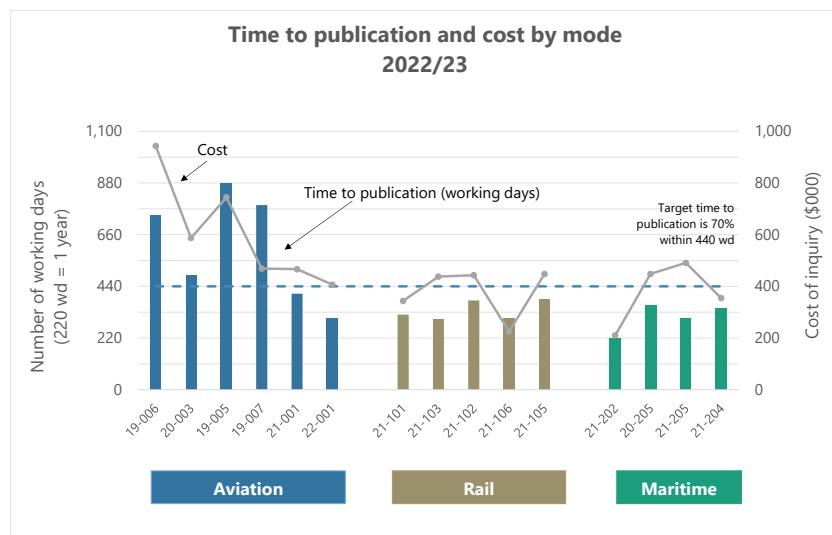


Figure 4: Time to publication and cost

Volume

Over the year, we dealt with 41 domestic inquiries, published 16 reports and assisted 12 overseas investigations

Volume measures indicate our workload for the year. Because our work is demand driven, they are 'expected values' rather than 'targets'.

Over 2022/23, the Commission dealt with 41 domestic inquiries, launching 15, maintaining progress on 11, and publishing 16 reports (15 for completed inquiries and one interim/preliminary report).

The Commission also assisted 12 investigations conducted by overseas investigation agencies. Refer to page 14 for our obligations to undertake this work.

Figure 5 below shows the number of active inquiries over each of the last five years.

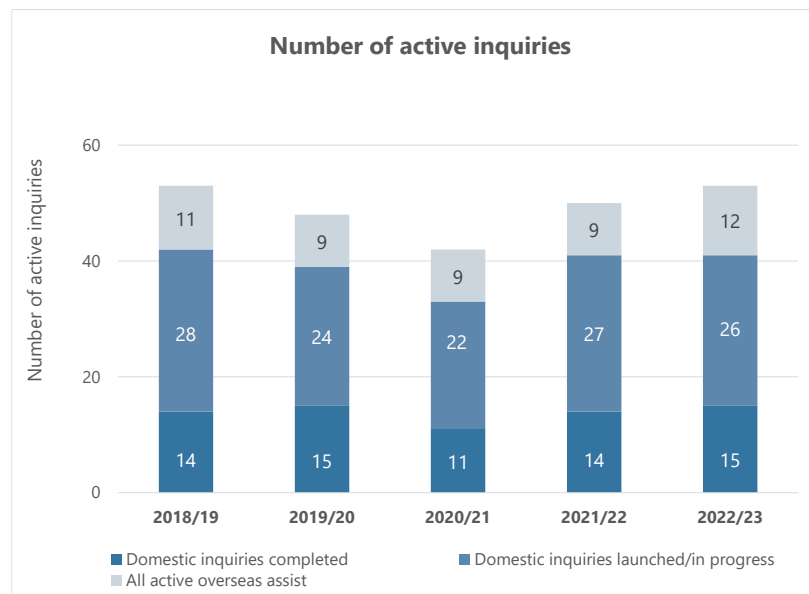


Figure 5: Number of active inquiries over the last five years

The average number of domestic inquiries in progress at the end of the year was about the same as last year

The number of reports published over a financial year is a 'snapshot' of activity. We use another measure – a rolling average of inquiries in progress – to show trends in workload.

Given the number of inquiries we expect to launch each year and the time taken to complete an inquiry, we expect to have about 30 in progress at any given time. For the trend measure, we work out the average number of inquiries in progress at the end of each month; then calculate a rolling average to smooth out the 'lumpiness' in demand.

This rolling average provides a trend in our workload. An increasing trend, especially if it goes higher than 30, might indicate capacity issues.

On 30 June 2023, the 12-month rolling average of the number of domestic inquiries in progress was 26.0, compared with 25.8 on 30 June 2022.

Figure 6 shows the number of inquiries in progress at the end of each month, and the 12-month rolling average, for the last five years.

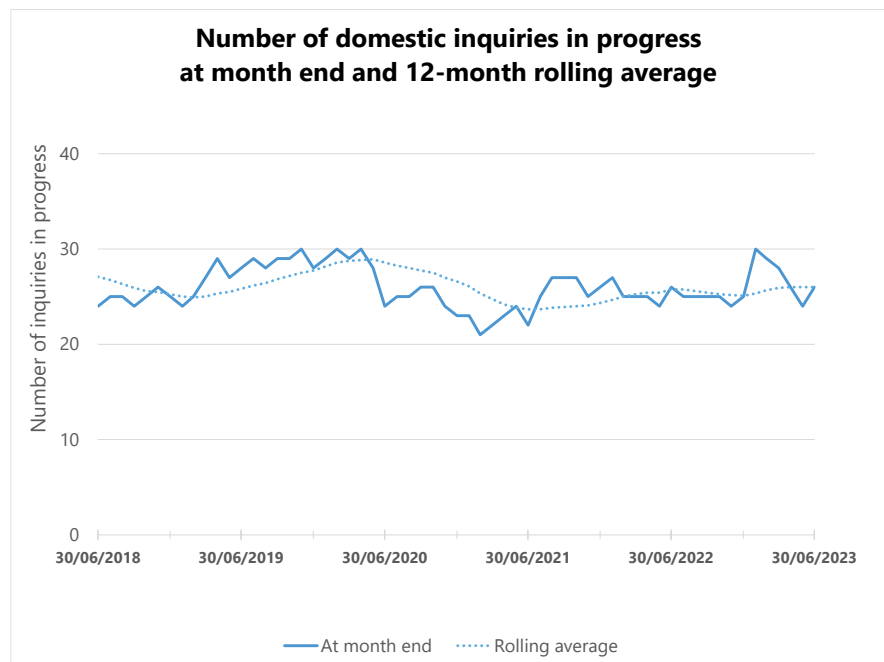


Figure 6: Domestic inquiries in progress

Timeliness: age of inquiries in progress

The average age of inquiries at the end of 2023 is slightly more than at the same time last year

At the end of every month, we calculate the age of every inquiry we are working on, that is, the number of days from when it was launched. The calculation is shown in working days (220 working days is one calendar year). We take the average of these ages, and then calculate a 12-month rolling average.

The rolling average indicates the trend in the age of our casebook, that is, how quickly we are working through inquiries and how this is changing over time. An increasing trend might indicate a backlog of cases.

On 30 June 2023 the rolling average age of inquiries in progress was 266 working days. This is a 4 per cent increase from the same time last year (256 working days).

Figure 7 shows that the 12-month rolling average of the age of inquiries in progress has been relatively steady over the last couple of years.

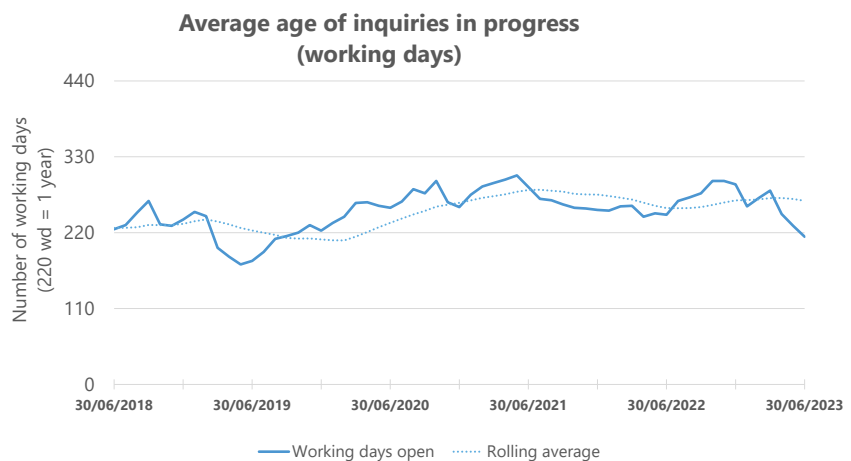


Figure 7: Average age of inquiries in progress

Timeliness: age of inquiries at publication

The target for completing inquiries recognises that some are more complex than others

The Commission aims to publish the final report of an inquiry within 440 working days of it being launched; however, more complex inquiries may take longer. Complexity can arise for many reasons such as technical aspects of the occurrence being investigated, or the number and/or substance of submissions received on draft reports.

The timeliness target is that 70 per cent of final reports are published within 440 working days (two years).

We met the timeliness target for completed inquiries

Fifteen of the 16 reports published during 2022/23 were final reports for completed inquiries. Eleven of the 15 final reports (73 per cent) were completed within 440 working days, meeting our timeliness target for the year. Of the 15 final reports:

- 6 were published in under 18 months (330 working days)
- 5 were published between 18 months and two years (331–440 working days)
- 4 took longer than two years (440 working days).

There are differences across

Table 4 below shows the average time to publication for final reports for inquiries completed 2022/23 by mode.

Table 4: Time to publication by mode

2022/23	Aviation	Rail	Maritime	Total
Number of final reports published	6	5	4	15
Published within 440 working days	2	5	4	11
Average time to publication (working days)	601	338	307	435

The time to publication of final reports over the last five years is shown by mode in Figure 8.

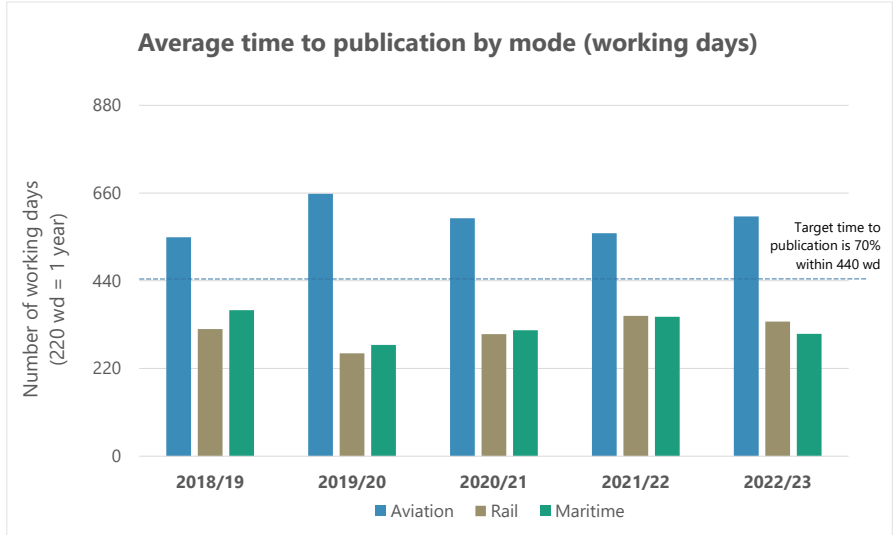


Figure 8: Average time to publication of final reports

Activity by mode

Te mahi ā-aratau

Aviation

Aviation inquiry reports published over 2022/23

Table 5 lists the six aviation inquiry reports published in 2022/23. Reports for all inquiries can be found here on our website: [Investigations | TAIC](#)

Table 5: Aviation inquiry reports published over 2022/23

Inquiry	Description	Published	Working days to publication
AO-2019-006	Cessna 185A, ZK-CBY and Tecnam P2002, ZK-WAK Mid-air collision, near Masterton, 16 June 2019	3/11/2022	745
AO-2020-003	Eurocopter EC120-B, ZK-HEK, loss of control in flight and collision with terrain, Kekerengu, 50 km northeast of Kaikoura, 15 December 2020	2/03/2023	486
AO-2019-005	BK117-C1, ZK-IMX Controlled Flight into Terrain (Water), Auckland Islands, 22 April 2019	20/04/2023	879
AO-2019-007	Air Traffic Services Outage, 30 September 2019	28/04/2023	786
AO-2021-001	Kavanagh Balloons E-260, ZK-FBK, Hard landing and ejection of occupants, Wakatipu Basin, near Arrowtown, 9 July 2021	18/05/2023	409
AO-2022-001	Ultramagic Balloons, N-250, ZK-MET, pilot ejection from basket on landing Lyndhurst, near Methven, 1 January 2022	18/05/2023	303

The aviation reports contained eight recommendations, seven to the Civil Aviation Authority and one to the Secretary for Transport.

Two of the inquiries involved hot air balloon accidents involving the pilot losing control of the balloon during landing and being ejected from the basket.²⁴ A recommendation was made to change an aviation rule to require balloon pilots to wear harnesses at certain times.

Five recommendations came from a fatal mid-air collision near Hood aerodrome in June 2019.²⁵ Three were about improving pilots' awareness of various matters identified in the inquiry; two were about ensuring managers and users of aerodromes, especially unattended aerodromes, understand and fulfil their responsibilities for ensuring safe operations.

²⁴ AO-2022-101: Ultramagic Balloons, N-250, ZK-MET, pilot ejection from basket on landing Lyndhurst, near Methven, 1 January 2022 and AO-2021-001: Kavanagh Balloons E-260, ZK-FBK, Hard landing and ejection of occupants, Wakatipu Basin, near Arrowtown, 9 July 2021

²⁵ AO-2019-006: Cessna 185A, ZK-CBY and Tecnam P2002, ZK-WAK Mid-air collision, near Masterton, 16 June 2019

Our report into the crash of a helicopter into water around the Auckland Islands while on a medical evacuation flight²⁶ produced two recommendations about improving the safety of night vision imaging systems, and crew resource management.

Aviation inquiries in progress on 30 June 2023

Table 6 lists the eight aviation inquiries that were in progress on 30 June 2023.

Table 6: Aviation inquiries in progress on 30 June 2023

Inquiry	Description	Launched	Age on 30 June 2023 (working days)
AO-2018-009	MDHI (Hughes) 369D, registration ZK-HOJ, Wanaka, 18 October 2018	18/10/2018	1034
AO-2020-002	Schleicher ASK 21 glider, impact with terrain, near Taupo, 31 May 2020	31/05/2020	678
AO-2021-003	Helicopter, Impact with terrain, Lammerlaw Range, 16 September 2021	16/09/2021	393
AO-2022-002	Helicopter, Inflight breakup, Karamea, 2 January 2022	2/01/2022	328
AO-2022-005	Boeing 737, fuel tank warning, Auckland, 8 June 2022	16/06/2022	228
AO-2023-001	Airprox, AS350 and EC130 helicopters, Queenstown Airport, 27 December 2022	17/01/2023	99
AO-2023-003	Boeing 777, runway excursion, Auckland International Airport, 27 January 2023	27/01/2023	93
AO-2023-007	Bombardier DHC-8, ZK-NEM, descended below minimum safe altitude, Timaru, 13 June 2023	16/06/2023	8

Four of the aviation inquiries in progress are helicopter accidents. At this stage, there are no common circumstances to report.

There are three investigations currently underway into large aircraft:

- a Boeing 737 on a cargo flight from Sydney²⁷
- a passenger DHC-8 preparing to land at Timaru²⁸
- and a Boeing 777 from Melbourne to Auckland, which briefly lost directional control on landing during wind gusts and heavy rain²⁹.

²⁶ AO-2019-005: BK117-C1, ZK-IMX Controlled Flight into Terrain (Water), Auckland Islands, 22 April 2019

²⁷ AO-2022-005: Boeing 737, fuel tank warning, Auckland, 8 June 2022

²⁸ AO-2023-007: Bombardier DHC-8, ZK-NEM, descended below minimum safe altitude, Timaru, 13 June 2023

²⁹ AO-2023-003: Boeing 777, runway excursion, Auckland International Airport, 27 January 2023

Rail

Rail inquiry reports published over 2022/23

Table 7 lists the five rail inquiry reports published in 2022/23. Reports for all inquiries can be found here on our website: [Investigations | TAIC](#)

Table 7: Rail inquiry reports published over 2022/23

Inquiry	Description	Published	Working days to publication
RO-2021-101	Serious injury during shunting operations on board the Aratere, Interislander ferry terminal, Wellington, 9 April 2021	22/09/2022	319
RO-2021-103	Te Huia passenger service, Train parting, North Island Main Trunk line, Paerata, 19 July 2021	15/12/2022	301
RO-2021-102	Freight Train 391, Collision with light truck Saunders Road, Marton, 13 May 2021	02/02/2023	380
RO-2021-106	Derailment of Train 220, South of Hunterville, 13 December 2021	04/05/2023	305
RO-2021-105	Unintended movement resulting in locomotive and wagon entering Picton Harbour, Picton, 1 September 2021	01/06/2023	384

Four rail recommendations were made during the year, all to KiwiRail.

- Two recommendations were about reviewing the permit-to-enter process (required for those doing work around rail tracks). These recommendations were from our inquiry into a fatal collision between a freight train and a light truck at a level crossing.³⁰
- The other two recommendations were from our investigation into a shunt locomotive and a wagon falling into Picton Harbour and sinking.³¹ These recommendations were about improving the safety of shunting operations through working procedures and installing an engineering solution at Picton.

³⁰ RO-2021-102: Freight Train 391, Collision with light truck Saunders Road, Marton, 13 May 2021

³¹ RO-2021-105: Unintended movement resulting in locomotive and wagon entering Picton Harbour, Picton, 1 September 2021

Inquiries in progress on 30 June 2023

Table 8 lists the nine rail inquiries that were in progress on 30 June 2023.

Table 8: Rail inquiries in progress on 30 June 2023

Inquiry	Description	Launched	Age on 30 June 2023 (working days)
RO-2021-104	Passenger train, derailment, Waikanae to Wellington Kapiti line, 17 August 2021	17/08/2021	411
RO-2022-101	Passenger train, Fire in auxiliary generator wagon, Palmerston North, 11 May 2022	11/05/2022	250
RO-2022-102	Locomotive DC4605 derailment and roll over, Tamaki Auckland, 01 June 2022	1/06/2022	237
RO-2022-103	Near collision incident at Selwyn Street level crossing, Christchurch, 8 August 2022	12/08/2022	194
RO-2022-104	Collision of shunt train and heavy road vehicle, Fertilizer Road level crossing, Whangarei, 7 December 2022	9/12/2022	122
RO-2023-101	Two Hi-Rail vehicles, collision, East Coast Main Trunk Line near Te Puna, 10 January 2023	10/01/2023	103
RO-2023-102	Freight Train, derailment, East Coast Main Trunk Line, near Te Puke, 29 January 2023	29/01/2023	92
RO-2023-103	Safe Working Irregularity, Johnsonville Line, Wellington, 4 May 2023	9/05/2023	31
RO-2023-104	Two passenger trains, SPAD and potential conflict, Penrose, Auckland, 17 June 2023	21/06/2023	5

Safe transport relies on resilient infrastructure, and this was highlighted when northern areas of New Zealand experienced extreme weather in early 2023. In January we opened an investigation into a derailment after the line was damaged in bad weather.³² This followed two similar derailment inquiries in 2021/22.³³

The Commission continues to closely monitor incidents at level crossings and safety for those working on the lines. There are two current rail inquiries involving level crossings, including a near collision at a level crossing in Christchurch,³⁴ and a collision between a shunt and a heavy road vehicle which caused serious injury.³⁵

³² RO-2023-102: Freight Train, derailment, East Coast Main Trunk Line, near Te Puke, 29 January 2023

³³ RO-2021-104: Passenger train, derailment, Waikanae to Wellington 'Kapiti' line, and RO-2021-106: Derailment of Train 220, South of Hunterville, 13 December 2021

³⁴ RO-2022-103: Near collision incident at Selwyn Street level crossing, Christchurch, 8 August 2022

³⁵ RO-2022-104: Collision of shunt train and heavy road vehicle, Fertilizer Road level crossing, Whangarei, 7 December 2022

Maritime

Maritime inquiry reports published over 2022/23

Table 9 lists the four maritime inquiry reports published in 2022/23. Reports for all inquiries can be found here on our website: [Investigations | TAIC](#)

Table 9: Maritime inquiry reports published over 2022/23

Inquiry	Description	Published	Working days to publication
MO-2021-202	Factory fishing trawler, <i>Amaltal Enterprise</i> , engine room fire, 55 nautical miles west of Hokitika, 2 July 2021	07/07/2022	221
MO-2020-205	General cargo vessel <i>Kota Bahagia</i> , Cargo hold fire, Napier Port, 18 December 2020	04/08/2022	358
MO-2021-205	Container vessel <i>Moana Chief</i> , serious injury to crew member, Port of Auckland, New Zealand, 10 December 2021	27/04/2023	303
MO-2021-204	Recreational vessel, capsize and sinking with three fatalities, Manukau Harbour entrance, 16 October 2021	12/05/2023	345

As well the final reports in the table above, we published a preliminary report for an inquiry opened in January 2023. The inquiry is into an engine failure and loss of power of the Interislander ferry, the *Kaitaki*.³⁶ In May 2023, we published a preliminary report containing two urgent recommendations. Both were to Maritime NZ to:

- require KiwiRail to show that on all its Interislander ferries, the rubber expansion joints (the equipment that failed in the *Kaitaki*) are fit-for-purpose
- alert all vessel operators using rubber expansion joints to check they are up to standard.

Three other reports contained five recommendations.

- The report into a tragic recreational boating accident in which three people died³⁷ held two recommendations to the Ministry of Transport: to reconsider a form of licence for those in charge of recreational craft; and to research the merits of a regulatory system for recreational boating.
- An inquiry into an accident on a container ship, which seriously injured a crew member³⁸ resulted in two recommendations. One to the operator to develop a strong safety culture; the other to the regulator to ensure clear guidance around the risks of telescopic accommodation ladders.

³⁶ MO-2023-201: Passenger vessel *Kaitaki*, Loss of power, Cook Strait, New Zealand, 28 January 2023

³⁷ MO-2021-204: Recreational vessel, capsize and sinking with three fatalities, Manukau Harbour entrance, 16 October 2021

³⁸ MO-2021-205: Container vessel *Moana Chief*, serious injury to crew member, Port of Auckland, New Zealand, 10 December 2021

- After investigation into a fire in a cargo hold,³⁹ we recommended to the shipping operator to ensure safety precautions detailed in its manuals are implemented.

Maritime inquiries in progress on 30 June 2023

Table 10 lists the nine maritime inquiries that were in progress on 30 June 2023.

Table 10: Maritime inquiries in progress on 30 June 2023

Inquiry	Description	Launched	Age on 30 June 2023 (working days)
MO-2022-201	Sinking of a fishing vessel, off North Cape, 20 March 2022	21/03/2022	281
MO-2022-202	Port operations accident, Lyttelton Port, 25 April 2022	27/04/2022	259
MO-2022-203	Port operations accident, Port of Auckland, 15 April 2022	27/04/2022	259
MO-2022-206	Capsize of charter vessel, Goose Bay, Kaikōura, 10 September 2022	10/09/2022	177
MO-2022-207	Fishing vessel <i>Bay Roel</i> , serious injury involving trawl winch gear, 17 nm off Tauranga, 12 December 2022	12/12/2022	121
MO-2023-201	Passenger vessel <i>Kaitaki</i> , Loss of power, Cook Strait, New Zealand, 28 January 2023	28/01/2023	92
MO-2023-202	Collision between Passenger Ferry <i>Waitere</i> and a recreational vessel near Paihia, Bay of Islands, 13 April 2023	13/04/2023	47
MO-2023-203	MV <i>Shiling</i> , loss of propulsion and steering, Wellington Harbour, 15 April 2023	16/05/2023	27
MO-2023-204	Serious injury during crane operations, <i>Poavosa Brave</i> , Tauranga, 23 June 2023	24/06/2023	4

The maritime inquiries in progress on 30 June 2023 are varied in nature; at this stage of the investigations, there are no common circumstances to report.

³⁹ MO-2020-205: General cargo vessel *Kota Bahagia*, Cargo hold fire, Napier Port, 18 December 2020

International inquiries assisted

The Commission assisted 12 international inquiries over the year. Assistance usually takes the form of co-ordinating information flows, which does not take a significant use of resource. But in some cases, we have more in-depth involvement. Assistance to the maritime inquiry in the list below was about 100 hours; and to the mid-air collision between two helicopters in the Gold Coast, we provided assistance totalling over 25 hours.

Figure 9: International inquiries assisted over 2022/23

Inquiry	Description	Status on 30 June 2022
AO-2021-004	Pacific Aerospace, Mambruk Airstrip, Papua Indonesia, 20 April 2021	Assistance ended (16/11/2022)
AO-2021-002	Parachute accident, Hungary, 19 July 2021	Assistance ended (26/04/2023)
AO-2022-003	P-750XL Runway Excursion Tekin, Sanduan Province, Papua New Guinea, 18 January 2022	Assistance ended (26/04/2023)
AO-2022-006	Boeing 737, melted plastic on pitot tubes, Auckland, 10 June 2022	Assistance ended (24/05/2023)
MO-2022-205	Bulk carrier <i>Berge Rishiri</i> , loss of person, en route to Napier, 29 August 2022	Assistance ended (24/05/2023)
AO-2021-005	Boeing B737-36E, ZK-FXK, depressurisation near Darwin Aerodrome, 3 November 2021	Assistance ended (28/06/2023)
AO-2022-004	Piper -32-300, collision with terrain, Australia, 22 June 2021	Assistance ended (26/10/2022)
AO-2018-003	PAC 750 XL Aeroplane, engine abnormality requiring engine shut-down and glide landing, Sentani Airport, Jayapura, Papua, Indonesia, 21 May 2018	In progress
AO-2023-002	Mid-air collision, two EC130 helicopters near Main Beach, Gold Coast, Queensland, 2 January 2023	In progress
AO-2023-004	Boeing 777, runway excursion, Auckland International Airport, 27 January 2023	In progress
AO-2023-005	Collision with terrain, Robinson R22, VH-LOS 36km south of Ramingining, Northern Territory, Australia, 14 November 2022	In progress
AO-2023-006	Robinson 22 Beta helicopter, collision with terrain, near Cunderdin Aerodrome, Western Australia, 2 October 2022	In progress

In April 2022, we sent two investigators to the Cook Islands to investigate the grounding of a mini-bulk carrier, the MV *Grinna II*.⁴⁰ This was a secondment of staff to the Cook Islands' Government arranged through the Ministry of Foreign Affairs and Trade. The investigation was completed in March 2023 with a final report presented to the Cook Island's Ministry of Transport. As a secondment (rather than a Commission inquiry), this is not part of our performance reporting.

⁴⁰ MO-2022-204: Cargo ship, MV *Grinna II*, grounding on reef, near Tukao, Manihiki, 21 March 2022

Financial statements

Ngā tauākī pūtea

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
Revenue				
Funding from the Crown		7,247	7,247	7,247
Interest revenue		27	4	7
Other revenue	2	76	41	140
Total Revenue		7,350	7,292	7,394
Expenditure				
Audit Fees		24	20	22
Commissioners' fees	3	368	298	285
Depreciation and amortisation expense	6&7	160	160	184
Lease, rentals and outgoings		628	700	1,365
Personnel costs	3	4,122	4,324	3,991
Other expenses		2,186	1,980	1,941
Total Expenditure		7,488	7,482	7,788
Net Surplus/(Deficit)		(138)	(190)	(394)
Other Comprehensive revenue and expense		-	-	-
Total Comprehensive revenue and expense		(138)	(190)	(394)

Explanations of major variances against budget are provided in note 18.

The accompanying notes form part of these financial statements.

TRANSPORT ACCIDENT INVESTIGATION COMMISSION
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

Assets	Notes	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
Current assets				
Cash and cash equivalents	4	1,286	1,094	2,319
Receivables	5	3	3	21
Prepayments		139	45	191
Total current assets		1,428	1,142	2,531
Non-current assets				
Property, plant and equipment	6	1,176	1,300	482
Intangible assets	7	15	-	22
Total non-current assets		1,191	1,300	504
Total assets		2,619	2,442	3,035
Liabilities and taxpayers' funds				
Current liabilities				
Payables	8	338	279	461
Employee entitlements	9	437	356	346
Provisions	10	-	88	431
Lease incentive	11	33	372	-
Total current liabilities		808	1,095	1,238
Non-current liabilities				
Employee entitlements	9	33	28	32
Provisions	10	-	-	188
Lease incentive	11	339	-	-
Total non-current liabilities		372	28	220
Total liabilities		1,180	1,123	1,458
Net assets		1,439	1,319	1,577
Equity				
General funds		1,421	1,301	1,559
Capital Contribution		18	18	18
Total equity		1,439	1,319	1,577

Explanations of major variances against budget are provided in note 18.

The accompanying notes form part of these financial statements.

TRANSPORT ACCIDENT INVESTIGATION COMMISSION
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Note	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
Balance at 1 July		1,577	1,509	1,971
Total comprehensive revenue and expense for the year		(138)	(190)	(394)
Total Capital Contributions		-	-	-
Balance at 30 June		1,439	1,319	1,577

Explanations of major variances against budget are provided in note 18.

The accompanying notes form part of these financial statements.

TRANSPORT ACCIDENT INVESTIGATION COMMISSION
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
Cash flows from operating activities				
Receipts from the Crown		7,247	7,247	7,330
Interest received		25	4	6
Receipts from other revenue		496	440	119
Payments to suppliers		(3,778)	(3,482)	(3,125)
Payments to employees		(4,030)	(4,313)	(3,930)
GST (net)		(41)	-	42
Net cash flows from operating activities		(81)	(104)	442
Cash flows from investing activities				
Purchase of property, plant and equipment		(944)	(591)	(303)
Purchase of intangible assets		(8)	-	-
Sale of property, plant and equipment		-	-	-
Net cash flows from investing activities		(952)	(591)	(303)
Cash flows from financing activities				
Capital Contribution from the Crown		-	-	-
Net cash flows from financing activities		-	-	-
Net (decrease)/increase in cash and cash equivalents		(1,033)	(695)	139
Cash and cash equivalents at the beginning of the year		2,319	1,789	2,180
Cash and cash equivalents at the end of the year	4	1,286	1,094	2,319

Explanations of major variances against budget are provided in note 18.

The GST (net) component of cash flows from operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial purposes and to be consistent with the presentation basis of other primary financial statements.

The accompanying notes form part of these financial statements.

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of accounting policies

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, and to assist overseas agencies.

TAIC's ultimate parent is the New Zealand Crown.

TAIC may also co-ordinate and co-operate 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.

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

The financial statements for TAIC are for the year ended 30 June 2023 and were approved by the Board on 26 October 2023.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of TAIC have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements and service performance information have been prepared in accordance with Tier 2 PBE accounting standards. The Commission has elected to report in accordance with Tier 2 due to having expenditure of less than \$30m.

These financial statements comply with PBE Reduced Disclosure Regime.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions are translated into NZ\$ (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting 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.

Goods and services tax

All items in the 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 then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

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

Budget figures

The budget figures are derived from the statement of performance expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these 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 expectation 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:

- useful lives and residual values of property, plant, and equipment – refer to note 6
- useful lives of acquired software assets – refer note 7.

Critical judgements in applying the Commission's accounting policies

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

- leases classification – refer note 13.

2. Revenue

Accounting policy

The specific accounting policies for significant revenue items are explained below:

Funding from the Crown

TAIC is primarily funded from the Crown. This funding is restricted in its use for the purpose of TAIC meeting the objectives specified in its 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 to be equivalent to the amounts due in the funding arrangements.

Donated assets

Where a physical asset is gifted to or acquired by TAIC for nil consideration or at a subsidised cost, the asset is recognised at fair value and the difference between the consideration provided and fair value of the asset is recognised as revenue. The fair value of donated assets is determined as follows:

- For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

Interest

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Rental revenue

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

Breakdown of other revenue and further information

	Actual 2023 \$000	Actual 2022 \$000
Rental revenue from property subleases	41	41
Other revenue	35	99
Total revenue	76	140

3. Personnel Costs

Accounting policy

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the surplus or deficit as incurred.

Breakdown of personnel costs and further information

	Actual 2023 \$000	Actual 2022 \$000
Salaries and wages	3,782	3,624
Defined contribution plan employer contributions	140	126
Increase/(decrease) in employee entitlements	92	60
Recruitment	48	141
Other staff costs	60	40
Total personnel costs	4,122	3,991

Commissioner remuneration

The total value of remuneration paid or payable to each Commissioner during the year was:

Commissioner	Actual 2023 \$000	Actual 2022 \$000
Ms J Meares (Chief Commissioner)	136	107
Mr S Davies Howard (Deputy Chief Commissioner)	68	59
Mr R Marchant (Commissioner)	20	59
Ms P Rose QSO (Commissioner)	64	60
Ms B Roka Arapere (Commissioner)	40	-
Mr D Clarke (Commissioner)	40	-
Total Commissioner remuneration	368	285

Employee remuneration

	Actual 2023	Actual 2022
Total remuneration paid or payable:		
\$100,000-\$109,999	2	2
\$110,000-\$119,999	6	4
\$120,000-\$129,999	5	3
\$130,000-\$139,999	2	3
\$140,000-\$149,999	2	1
\$150,000-\$159,999	2	1
\$160,000-\$169,999	1	2
\$170,000-\$179,999	1	1
\$180,000-\$189,999	-	1
\$210,000-\$219,999	2	1
\$290,000-\$299,999	1	1
\$300,000-\$309,999	-	-
Total employees	24	20

During the year ended 30 June 2023, no employees received compensations and other benefits in relation to cessation. (2022: 12,500).

4. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less.

Breakdown of cash and cash equivalents and further information

	Actual 2023 \$000	Actual 2022 \$000
Cash at bank and on hand	880	1,919
Short-term deposits maturing in less than 3 months	406	400
Total cash and cash equivalents	1,286	2,319

5. Receivables

Accounting policy

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.

Breakdown of other revenue and further information

	Actual 2023 \$000	Actual 2022 \$000
Receivables (gross)	3	21
Less: Allowance for credit losses	-	-
Receivables	3	21
Receivables comprise:		
Receivables from the sale of goods and services (exchange transactions)	3	21

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

6. Property, plant and equipment

Accounting policy

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

All asset classes are measured at cost, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that 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.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that 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 on all property, plant and equipment at rates that will write-off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

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

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Impairment of property, plant and equipment

TAIC does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash-generating assets

Property, plant and equipment and intangible assets that have a finite useful life 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 an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either 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 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 surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Movement for each class of property, plant and equipment are as follows:

	Buildings	Computer equipment	Furniture and office equipment	Total
	\$000	\$000	\$000	\$000
Cost				
Balance as at 1 July 2021	356	312	191	859
Balance at 30 June 2022	731	217	201	1,149
Balance at 1 July 2022	731	217	201	1,149
Additions	818	21	-	839
Disposals	(299)	-	(68)	(367)
Balance at 30 June 2023	1,250	238	133	1,621
Accumulated depreciation				
Balance as at 1 July 2021	235	266	167	668
Balance at 30 June 2022	313	179	175	667
Balance at 1 July 2022	313	179	175	667
Depreciation Expense	105	31	9	145
Elimination on disposal	(299)	-	(68)	(367)
Balance at 30 June 2023	119	210	116	445
Carrying Amounts				
At 1 July 2021	121	46	24	191
At 30 June 2022 and 1 July 2022	418	38	26	482
At 30 June 2023	1,131	28	17	1,176

As at year end there was no work in progress (2022: \$750k) or capital commitments.

7. Intangible Assets

Accounting policy

Software acquisition and development

Acquired computer software licenses 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 surplus or deficit.

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

Fixed asset type	Useful life (years)	Depreciation rate
Acquired Software	2.1 – 10	10% – 48%

Impairment of intangible assets

Refer to the policy for impairment of property, plant and equipment in note 6. The same approach applies to the impairment of intangible assets.

Breakdown of intangible assets and further information

Movement for each class of intangible assets are as follows:

	Acquired software	Total
	\$000	\$000
Cost		
Balance at 1 July 2021	1,037	1,037
Balance at 30 June 2022 and 1 July 2022	1,037	1,037
Additions	8	8
Disposals	-	-
Balance at 30 June 2023	1,045	1,045
Accumulated amortisation		
Balance at 1 July 2021	948	948
Balance at 30 June 2022 and 1 July 2022	1,015	1,015
Amortisation expense	15	15
Disposals	-	-
Balance at 30 June 2023	1,030	1,030
Carrying amounts		
At 1 July 2021	89	89
At 30 June 2022 and 1 July 2022	22	22
At 30 June 2023	15	15

As at year end there was no work in progress or capital commitments (2022: nil)

8. Payables

Accounting policy

Short-term payables are recorded at their face value.

Breakdown of payables

	Actual 2023 \$000	Actual 2022 \$000
Payables under exchange transactions		
Creditors	172	162
Accrued expenses	67	159
Total payables under exchange transactions	239	321
Payables under non-exchange transactions		
Taxes payables (GST, PAYE, and rates)	99	140
Total payables under non-exchange transactions	99	140
Total payables	338	461

9. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service 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, years 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.

Breakdown of employee entitlements

	Actual 2023 \$000	Actual 2022 \$000
Current portion		
Accrued salaries and wages	151	120
Annual leave	276	208
Long service leave	10	18
Total current portion	437	346
Non-current portion		
Long service leave	33	32
Total non-current portion	33	32
Total employee entitlements	470	378

10. Provisions

Accounting policy

General

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 or service potential 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. An increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits or service potential to be derived from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Breakdown of provisions

	Actual 2023 \$000	Actual 2022 \$000
Current portion		
Onerous contracts	-	431
Total current portion	-	431
Non-current portion		
Lease make good	-	100
Onerous contracts	-	88
Total non-current portion	-	188
Total provisions	-	619

Onerous contracts provision

TAIC had a non-cancellable lease for office space at 80 The Terrace, which was no longer required from September 2022, due to TAIC securing a lease for new office premises at 10 Brandon Street. The lease at 80 The Terrace was due to expire in August 2023, however TAIC negotiated a surrender of the lease on 1 May 2023. TAIC had planned to sublease 80 The Terrace when it moved to its new office premises, but NBS rating issues made it difficult to find a sub tenant. A provision was recognised in the 2021/2022 financial year for the obligation of the future discounted rental payments net of estimated rental revenue. On surrender of the lease in May 2023 the onerous contracts provision was reversed.

Lease make-good provision

The surrender of the lease at 80 The Terrace included agreement for no further liability for TAIC, including requirement to make good. The lease make good provision was reversed to reflect this. Further information about TAIC's leasing arrangements is disclosed in Note 13.

11. Lease incentives

Accounting policy

Any unamortised lease incentive received is recognised as a liability in the statement of financial position. A lease incentive liability is created to spread the incentive received at the inception of the lease, throughout the term of the lease.

Lease incentive

	Actual 2023 \$000	Actual 2022 \$000
Current portion		
Lease incentive	33	-
Total current portion	33	-

Non-current portion

Lease incentive	339	-
Total non-current portion	-	-
Total lease incentive	372	-

12. Related party transactions

TAIC is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect TAIC would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel compensation

	Actual 2023 \$000	Actual 2022 \$000
<i>Commission Members</i>		
Remuneration	368	285
Full-time equivalent members	1.06	0.83
<i>Leadership Team</i>		
Remuneration	718	708
Full-time equivalent members	3	3
Total key management personnel remuneration	1,086	993
Total full-time equivalent personnel	4.06	3.83

The full-time equivalent for Board members has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings.

13. Operating Leases

Accounting policy

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 surplus or deficit as a reduction of rental expense over the lease term.

Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	Actual 2023 \$000	Actual 2022 \$000
Not later than one year	669	573
Later than one year and not later than five years	2,554	1,922
Later than five years	3,041	3,340
Total non-cancellable operating leases	6,264	5,835

TAIC leases two properties. TAIC also has operating leases for photocopier equipment and meeting room hardware. A significant portion of the total non-cancellable operating lease expense relates to the lease of an office building. The lease expires in September 2034. TAIC does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on TAIC by any of its leasing arrangements.

14. Financial instruments

Financial instruments categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Actual 2023 \$000	Actual 2022 \$000
Financial assets measured at amortised cost		
Cash and cash equivalents	1,286	2,319
Receivables	3	21
Total financial assets measured at amortised cost	1,289	2,340
Financial liabilities measured at amortised cost		
Payables (excluding taxes payable)	239	311
Total financial liabilities measured at amortised cost	239	311

TAIC has credit card facilities with the BNZ up to \$200k. A letter of credit up to \$80k is in place with the BNZ for iPayroll Limited, TAIC's payroll services provider.

15. Contingencies

Contingent liabilities

TAIC has a contingent liability relating to make good costs for the lease of new office premises at 10 Brandon Street. Make good costs will only be incurred at the end of the lease if either some of the chattels installed by TAIC are removed, or if the landlord requires TAIC to remove some or all the alterations and/or additions to reinstate the premises. This contingent liability also existed on 30 June 2022.

Contingent assets

There were no contingent assets existing at balance date. (2022: \$400k)

16. Events after the balance date

There were no significant events after balance sheet date.

17. Guarantee

TAIC has a \$10 million guarantee from the Minister of Finance for use in the event of a major transport accident (air, rail or marine) where TAIC would have to hire specialist recovery equipment. This is expected to be a near permanent guarantee.

18. Explanation of major variances against budget

Explanations for significant variations from the TAIC's budgeted figures in the statement of performance expectations are as follows:

Statement of comprehensive revenue and expense

Other revenue

Other revenue is \$35k higher than budgeted due to revenue received from the Ministry of Foreign Affairs for the provision of maritime investigation assistance in the Cook Islands that was expected in the 2021/2022 financial year and not budgeted for.

Other expenses

Other expenses are \$206k more than budgeted due to contractors used to cover vacancies and provide expertise and assistance with investigations and projects. This resource requirement was not anticipated with seating the budget.

Commissioner fees

Commissioner fees are \$70k more than budget due to two new Commissioners appointed in December 2022. These additional Commissioners were not anticipated when the budget was set.

Lease, rentals and outgoings

Lease, rental and outgoings are \$72k less than budget due to the reversal of the make good provision for 80 The Terrace office lease that was not required due to be paid due to lease surrender agreement.

Personnel costs

Personnel costs are less than budget due to vacancies while recruitment and appointments of new staff to three positions were finalised during the year.

Statement of financial position

Cash and cash equivalents

Cash and cash equivalents are higher than budgeted mainly due to timing of payables at year end.

Payables

Payables are higher than budgeted mainly due to timing of creditor payments.

Provisions – Current liabilities

Current liabilities provisions are less than budget due to the surrender of the office lease at 80 The Terrace. The final lease rental obligations were paid earlier than budgeted due to the surrender of the lease prior to year-end.

Lease incentive – Current and non-current liabilities

The total budget for the lease incentives was classified as a current liability rather than apportioned between current and non-current. When comparing actuals and budget for the combined lease incentive liability across current and non-current, there is no variance.

Statement of changes in cash flows

Receipts from other revenue is higher than budget due to revenue received from the Ministry of Foreign Affairs for the provision of maritime investigation assistance in the Cook Islands that was expected to be completed and received in 2021/22.

Payments to suppliers is \$294k more than budget due to contractors used to provide additional resource for investigations and projects.

Payment to employees is \$279k less than budget due to vacancies and timing of recruitment.

The statement of changes in cash flows shows a net cash flow from investing activities \$361k more than budget due to timing of the fit out of TAIC's new office premises at 10 Brandon Street. Fit out work on the new office premises has commenced earlier than anticipated and budgeted. When the budget was prepared it was assumed further progress would be made than occurred in the 2021/22 financial year. Overall, the fit out was under budget.

19. COVID-19

The effects of the ongoing pandemic on the financial statements are minimal.

Independent auditor's report

Ripoata motuhake a te Kaiarotake



To the readers of the Transport Accident Investigation Commission's Financial Statements and Performance Information for the year ended 30 June 2023

The Auditor-General is the auditor of the Transport Accident Investigation Commission (the 'Commission'). The Auditor-General has appointed me, Andrew Steel, using the staff and resources of Moore Markhams Wellington Audit, to carry out the audit of the financial statements and the performance information, including the performance information for appropriations, of the Commission on his behalf.

Opinion

We have audited:

- the financial statements of the Commission on pages 57 to 76, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include material accounting policy information and other explanatory information; and
- the performance information of the Commission on pages 41 to 49.

In our opinion:

- the financial statements of the Commission on pages 57 to 76:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity International Public Sector Accounting Standards - Reduced Disclosure Regime; and
- the Commission's performance information for the year ended 30 June 2023 on pages 41 to 49:
 - presents fairly, in all material respects, the performance for the year ended 30 June 2023, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the performance information expectations for the financial year; and

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- the actual revenue and output expenses as compared with the forecasts included in the performance information expectations for the financial year.
- what has been achieved with the appropriations; and
- the actual expenses or capital expenditure incurred compared with the appropriated forecast expenses or capital expenditure.
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 26 October 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Commission and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Commissioners for the financial statements and the performance information

The Commissioners are responsible on behalf of the Commission for preparing financial statements and performance information that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Commissioners are responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Commissioners are responsible for assessing the Commission's ability to continue as a going concern. The Commissioners are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Commission or to cease operations, or there is no realistic alternative but to do so.

The Commissioners' responsibilities arise from the Public Finance Act 1989 and the Crown Entities Act 2004.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Commission's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioners.
- We evaluate the appropriateness of the performance information which reports against the Commission's statement of performance expectations and appropriations.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Commission's and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Commissioners are responsible for the other information. The other information comprises the information included on pages 1 to 76 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Commission in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Commission.



Andrew Steel
Moore Markhams Wellington Audit
On behalf of the Auditor-General
Wellington, New Zealand

Kōwhaiwhai – Māori scroll designs

TAIC commissioned its four kōwhaiwhai, Māori scroll designs, from artist Sandy Rodgers (Ngāti Raukawa, Tūwharetoa, MacDougal). Sandy began from thinking of the Commission as a vehicle or vessel for seeking knowledge to understand transport accident tragedies and how to avoid them. A 'waka whai mārama' (i te ara haumarū) is 'a vessel/vehicle in pursuit of understanding'. Waka is a metaphor for the Commission. Mārama (from 'te ao mārama' – the world of light) is for the separation of Rangitāne (Sky Father) and Papatūānuku (Earth Mother) by their son Tāne Māhuta (God of man, forests and everything dwelling within), which brought light and thus awareness to the world. 'Te ara' is 'the path' and 'haumarū' is 'safe' or 'risk free'.

Corporate: Te Ara Haumarū - the safe and risk-free path



The eye motif looks to the future, watching the path for obstructions. The encased double koru is the mother and child, symbolising protection, safety and guidance. The triple koru represents the three kete of knowledge that Tāne Māhuta collected from the highest of the heavens to pass their wisdom to humanity. The continual wave is the perpetual line of influence. The succession of humps represents the individual inquiries. Sandy acknowledges Tāne Māhuta in the creation of this Kōwhaiwhai.

Aviation: Ngā hau e whā - the four winds



To Sandy, 'Ngā hau e whā' (the four winds), commonly used in Te Reo Māori to refer to people coming together from across Aotearoa, was also redolent of the aviation environment. The design represents the sky, cloud, and wind. There is a manu (bird) form representing the aircraft that move through Aotearoa's 'long white cloud'. The letter 'A' is present, standing for a 'Aviation'. Sandy acknowledges Ranginui (Sky father) and Tāwhirimātea (God of wind) in the creation of this Kōwhaiwhai.

Rail: rerewhenua - flowing across the land



The design represents the fluid movement of trains across Aotearoa. 'Rere' is to flow or fly. 'Whenua' is the land. The koru forms represent the earth, land and flora that trains pass over and through. The letter 'R' is present, standing for 'Rail'. Sandy acknowledges Papatūānuku (Earth Mother) and Tāne Mahuta (God of man and forests and everything that dwells within) in the creation of this Kōwhaiwhai.

Maritime: Ara wai - waterways



The sections of waves flowing across the design represent the many different 'ara wai' (waterways) that ships sail across. The 'V' shape is a ship's prow and its wake. The letter 'M' is present, standing for 'Maritime'. Sandy acknowledges Tangaroa (God of the sea) in the creation of this Kōwhaiwhai.

Annual Report 2023

Transport Accident Investigation Commission

Te Kōmihana Tiroiro Aituā Waka

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