



# **Transport Accident Investigation Commission**

## STATEMENT OF INTENT

2007-2010



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## Part 1 Strategic Context

### A THE LEGISLATIVE FRAMEWORK OF THE TRANSPORT ACCIDENT INVESTIGATION COMMISSION

The Transport Accident Investigation Commission ('the Commission') is a standing Commission of Inquiry established in 1990 under the Transport Accident Investigation Act ('the Act') to inquire into transport accidents and incidents. The Act describes the Commission's main function as being to investigate transport accidents and incidents ('occurrences'). Before 1990, this function was undertaken within the Ministry of Transport. Initially the Commission was limited to investigating civil aviation occurrences, but it was expected that its mandate would be extended progressively. The Commission was given responsibility for investigating rail occurrences in 1992 and marine occurrences in 1995.

A principal rationale for establishing the Commission separate from the Ministry was to achieve greater compliance with the Convention on International Civil Aviation. This convention is premised on civil aviation occurrences being investigated in accordance with two principles, namely 'independent investigations' and 'no blame investigations'. The Commission applies these principles in all its investigations, not just in its investigations of civil aviation occurrences.

The Act sets out the Commission's functions as follows:

- the Commission's **main function** is to investigate accidents and incidents;
- the Commission's **additional functions** are:
  - to ascertain the cause or causes of accidents and incidents by making such inquiries as it deems appropriate;
  - to co-ordinate and direct the investigations it does make, including by deciding which other parties to involve;
  - to prepare and publish the findings and recommendations resulting from each investigation;
  - (if requested) to deliver a written report on each investigation to the Minister;
  - to co-operate and co-ordinate with overseas counterparts, including taking evidence on their behalf;
  - where it has not been formally notified by a transport safety regulator of an occurrence that it considers should be investigated under s13, to request such information as it considers appropriate; and
  - to perform any function or duty conferred on it by its own Act or any other Act.

In discharging these functions, the Commission is always mindful of its statutory purpose expressed in per s4 of its Act which is to determine the circumstances and causes of occurrences to avoid similar events in the future, not to ascribe blame to any person.

Recognising the statutory independence of the Commission, Parliament classified the Commission as an Independent Crown Entity (ICE) under the Crown Entities Act 2004. Classification as an ICE does not change the status of the Commission in any fundamental way; rather it confirms statutory independence of the Commission within the confines of the new statutory framework applying to all Crown entities.

Parliament mandated the Commission's operational independence in order to maintain public confidence in investigations into the circumstances and causes of occurrences. Such confidence can only be maintained if there is no actual or perceived bias, conflict of interest, or threat of sanction in such investigations on the part of the Commission.

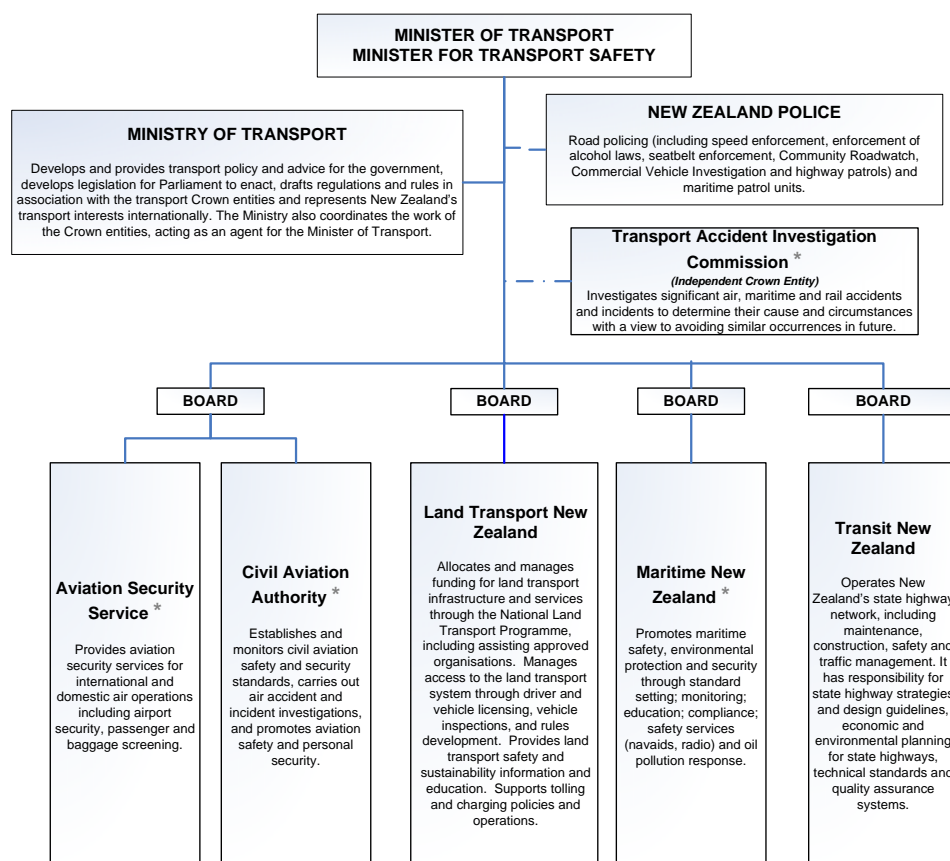
## **B NEW ZEALAND TRANSPORT SAFETY SECTOR**

### **B1 What is the New Zealand Government Transport Sector?**

The New Zealand Government transport sector comprises the Minister of Transport, the Minister for Transport Safety, the Associate Minister of Transport, the Ministry of Transport, five transport Crown entities, three state-owned enterprises, one Crown established Trust, and the New Zealand Police.

Four of the transport sector Crown entities are Crown agents; these are the Civil Aviation Authority, Land Transport New Zealand, Maritime New Zealand, and Transit New Zealand. The Commission is the sector's only independent Crown entity. The chart below depicts the Government transport sector.

# The New Zealand Government Transport Sector



## Three state-owned enterprises with transport functions

- **Airways Corporation of New Zealand Limited** – Provides air traffic management services and provides the Ministry with Milford Sound/Piopiotahi Aerodrome landing and take-off data.
- **Meteorological Service of New Zealand Limited** – Provides public weather forecasting services and provides meteorological information for international air navigation under contract to the CAA.
- **ONTRACK** – Manages Crown railway land and the national rail network. Legislation is currently before Parliament to transform ONTRACK into a Crown Entity, similar to Transit New Zealand.

## Crown Established Trust

**Road Safety Trust** - This Crown established trust provides funding for road safety projects and research with revenue received from the sale of personalised vehicle registration plates.

## Local Government

The sector works closely with local government. Local authorities own, maintain and develop New Zealand's local road network and perform important regulatory transport functions. Regional councils (and unitary authorities) are required to develop regional land transport strategies that guide the transport decision making of local councils, and also fund public transport and Total Mobility schemes in conjunction with Land Transport New Zealand. In the Auckland region, the Auckland Regional Transport Authority carries out these functions. Some local authorities own seaports and airports, or share ownership with the Crown.

\* Denotes an agency the Minister for Transport Safety oversees

The Commission is statutorily linked to the Civil Aviation Authority, Land Transport New Zealand and Maritime New Zealand through its own Act and the empowering legislation of each of the other entities. These entities regulate (respectively) the aviation, rail and maritime sectors. The Commission receives notification of occurrences from the regulators and may, in the course of making inquiries, investigate the role of the regulator in relation to an occurrence.

## B2 How does the Commission Contribute?

The Government transport sector, the Commission included, contributes primarily to the Government's priority for Economic Transformation – the other priorities are Families and National Identity.

The activities of the Government transport sector are, more specifically, guided by the New Zealand Transport Strategy (the 'NZTS') which identifies five 'objectives':

- Assisting economic development
- Assisting safety and personal security
- Improving access and mobility
- Protecting and promoting public health
- Ensuring environmental sustainability

The Commission contributes to assisting safety by acting on its mandate to inquire into transport accidents and incidents. The Commission's duty is to the public. Its terms of reference are established under s4 of the Act requiring the Commission to:

*“...determine the circumstances and causes of accidents and incidents with a view to avoiding similar occurrences in the future, rather than ascribe blame to any person.”*

The Commission is obliged to report to the public on what it has found in its inquiries, and when appropriate, make recommendations for improvement when the system of interest is found wanting.

## Part 2 The Next Three Years

This Part has been prepared in accordance with the requirements set out in s141 of the Crown Entities Act 2004.

### C THE COMMISSION'S OPERATING ENVIRONMENT

#### C1 Background

In its Statement of Intent 2006-2010 the Commission identified two main elements in its operating environment that raised problems. These elements were:

- Role duplication
- Adequacy of funding

Role duplication became an issue of role definition for the Commission. Role definition is now driving the Commission's strategic direction, ensuring it meets the responsibilities of its mandate as the leading public inquiry entity in transport.

Adequacy of funding becomes an issue when the Commission's working capital and cash reserves are eroded with high resource utilisation investigations in an operating environment that requires Commission intervention once critical criteria are met.

Progress on addressing these two elements is discussed below.

### C1.1 Other agencies

In 2006 the Commission discussed issues arising from the fact that other agencies have an interest and a role in investigating occurrences. In particular, the Commission was concerned that New Zealand was not complying fully with international conventions on the independence of investigations and that the investigative function was duplicated (resulting in a lack of clarity about different agencies' roles and responsibilities). Two of the four key business objectives adopted by the Commission in 2006 reflected the importance it attached these concerns:

- Objective 3: secure the Commission's role in the administration of Annex 13 to the Convention on International Civil Aviation
- Objective 4: clarify the role of the Commission in establishing the circumstances and causes of transport accidents and incidents.

In the last 12 months the Commission has:

- discussed the administration of Annex 13 with the Government - temporary administrative arrangements are being put in place to secure the Commission's role pending a change to the relevant legislation; and
- refined its working arrangements with the transport regulatory authorities to clarify the Commission's role as a public inquiry entity statutorily mandated to investigate the circumstances and causes of occurrences.

In light of the progress on these issues the Commission has amended its key business objectives for the coming three years.

### C1.2 Funding

In 2006 the Commission expressed its comfort with the draw-down facility that has been in place for some years to assist it to deal with the financial cost of investigating infrequent large scale occurrences. However, the Commission's experience with its recent investigation into the sinking of the fishing vessel Kotuku in Foveaux Strait has necessitated that it ask the Government to review the terms of the draw-down facility.

As things stand, the draw-down facility may be used only to fund the hiring of investigative or recovery capability from outside New Zealand. The wreck of the



Kotuku was raised using New Zealand-based resources. As a result, it was not possible to use the draw-down facility and the cost of raising the wreck had to be covered out of the Commission's cash reserves. Those reserves are now depleted leaving the Commission in a vulnerable financial position.

In response to the depletion in the Commission's reserves the Government has decided to conduct a capability and resource review of the Commission during the 2007/2008 year. Accordingly, the Commission has resolved to not give the same prominence to its funding in this Statement of Intent as it did last year.

## C2 Current issues

In the last 18 months the Commission has dealt with some difficult issues manifest in the inquiries undertaken. A criticism levelled at the Commission, and one the Commission is giving serious attention to, is that its inquiries are sometimes too narrow, too technical. There are two substantive aspects to this criticism. One involves the extent of investigations – that they are vehicle focussed, and do not go deeply into organisational behaviour and arrangements. The other is that the Commission does not fulfil its mandate as a public inquirer effectively because it operates in camera, not allowing for wider public or stakeholder engagement in formal hearings. When reviewing its mandate recently the Commission reflected on the criticism and the manner in which it gives effect to its mandate as a public inquiry entity. Consequently the Commission is refocusing on meeting the responsibilities of its statutory mandate by addressing three key strategic areas.

The key strategic questions the Commission is asking are these:

- How wide should the scope and scale of its inquiries be?
- What is the best way to share the lessons learnt from the investigations undertaken?
- Are patterns and trends in accidents and incidents sufficient cause for the Commission to investigate?

Each of these key strategic questions is discussed below.

### C2.1 Scope and scale: Determining circumstances and causes

In the last 12 months the Commissioners have deliberated on a number of occurrences in which it became clear that a complete understanding of the circumstances and causes could not be gained by investigating only a particular vehicle's condition and the way it was being operated just before to the occurrence happening or, as the case might be, the condition of a piece of transport infrastructure at the time of an occurrence. Instead, a complete understanding also required an investigation of the safety and risk management systems of a transport operator and, in some cases, also those systems of the relevant transport regulator. Taking such a broader view required the Commission to conduct wider-ranging investigations than was generally done previously.

The details of these investigations and the results of the Commissioners' deliberations have yet to be released publicly. Therefore, it is not possible to include details here but it is possible to indicate the sort of broader inquiries that the Commission recently has undertaken and may well find itself repeating in the future. These include investigating:

- transport operators purchase and commissioning of capital equipment;
- transport operators refurbishment and re-commissioning of capital equipment;
- transport operators' inspection and maintenance systems for both transport vehicles and infrastructure;
- transport regulators' scrutiny and certification of the transport infrastructure and of transport vehicles; and
- transport regulators' scrutiny and certification of third party providers of safety services.

The Commission is aware that such broadening of the scope of investigations will impose costs on itself and others. In recognition of this, the Commission will develop protocols to assist it to make sound decisions case-by-case about the range of investigations it will pursue to allow it to reach a complete understanding of the circumstances and causes of each occurrence it investigates.

Generally as the scope of inquiry widens, more people become involved in the inquiry. The proper conduct of inquiries is always at the forefront of public inquiry entities. Enabling affected parties to be heard is paramount. The Commission's legislation provides for the Commission to determine how it chooses to hear parties to an inquiry. The Commission has tended to provide for allowing written submissions, and depending on the issues raised, sometimes to invite oral submissions directly to the Commission. This practice does reflect the type of occurrence generally before the Commission. The circumstances are not of such public significance as to require a full Commission hearing.

However, with the issues raised in recent inquiries the Commission believes it appropriate to develop a framework for public hearings so that the scale of enquiry appropriately matches the circumstances and significance of each occurrence.

## **C2.2 Advising the sector of lessons learnt - How best to spread the word?**

Recent investigations have prompted the Commission to reassess not only how it conducts investigations but also how it seeks to achieve maximum exposure to the lessons it considers can be learned from them. The Commission has two avenues through which to ensure that the lessons from any occurrence are reflected in operating practices. These are the transport operators directly involved in particular occurrences and the transport regulators. The Commission has come to the view that in future it needs to work more through the transport regulators because:

- it judges that doing so should provide a more effective (and cost-effective) way to ensure that all transport operators are exposed to the lessons learned from any one occurrence; and
- it wants to take advantage of the leverage the transport regulators have to encourage, even require, operators to amend their operating practices.

### C2.3 Patterns and trends in accidents and incidents – Oversight of safe systems

The Transport Accident Investigation (TAIC) Act describes the Commission’s principal function as:

*“...the investigation of accidents and incidents”. (s8(1))*

This function allows the Commission to inquire into general system behaviour as revealed through patterns and trends of accidents and incidents rather than from one discrete accident or incident. The Commission recognises giving effect to its mandate includes responding to emerging trends in occurrences that may have general lessons for transport sector operators. Therefore the Commission monitors occurrences in the aviation, rail, and marine sectors, and where it sees a trend emerging signal to the Regulator an interest which may lead to the Commission investigating the next reported event of the same type.

## D THE NATURE AND SCOPE OF THE COMMISSION’S FUNCTIONS AND OPERATIONS

The Commission’s functions are prescribed in the TAIC Act. The Commission can only inquire into aviation, rail and marine accidents and incidents. Road transport accidents are not part of its mandate. The nature and scope of the operations the Commission undertakes to discharge its functions are influenced by s13 of the Act, as is shown below:

- (Through s13(1) and s13(5)) the Commission **may** only investigate occurrences that have been notified to it, or that it considers should have been notified to it, under s27 of the Civil Aviation Act 1990, s13(4) of the Railways Act 2005, and s60 of the Maritime Transport Act 1994.
- (Through s13(1)(b)) the Commission **must** investigate an occurrence if it believes that the circumstances have, or are likely to have, significant implications for transport safety;
- (Through s13(1)(b) the Commission **must** investigate an occurrence if it believes that an investigation may allow it to establish findings or make recommendations that may increase transport safety; and
- (Through s13(1)(c) the Commission **must** investigate an occurrence that it had previously decided not to investigate under s13(1)(b) if directed to do so by the Minister.

The Commission's day-to-day operations focus exclusively on carrying out its functions and fall into five distinct phases:

- Phase One: Receive notification of an occurrence and decide whether or not to investigate
- Phase Two: Investigate the occurrence and prepare a draft preliminary report
- Phase Three: Approve a preliminary report and distribute it to affected parties as a basis for consultation
- Phase Four: Approve and publish a final report including safety recommendations
- Phase Five: Monitor and follow up the implementation of recommendations.

The recent scale of the Commission's operations is shown in Table One below which reports annual average data for the three financial years 2003/2004 through 2005/2006.

Two features of the Commission's recent operational workload are noteworthy:

- The number of notifications received in 2005/2006 was markedly greater than the number received on average in the three preceding years, largely because of a large jump in the number of marine notifications. The minimal year-to-year variance in notifications reported in last year's Statement of Intent is no longer evident
- The number of investigations launched fell slightly in absolute terms compared to that in three year period ending 2004/2005 (from an average of 52 a year to average of 46 a year) but, reflecting the large increase in notifications in 2005/2006, fell more sharply as a percentage of notifications received (from over 10% to just about 8.5%).

It is not clear why there has been an increase in marine notifications: that is whether maritime adverse events have really increased, or whether reporting behaviour has simply changed. The Commission will monitor notification patterns and trends paying particular attention to categories of events and to merging themes. Often repeated incidents are signals of deeper system failures or changing behaviours.

Investigations launched are influenced by the category of occurrence, and the Commission's own decision criteria. The Commission will be closely monitoring the nature of occurrences notified to it to ensure it has the capacity and capability to deal with the notifications. In addition the Commission will review its decision criteria to investigate.

TABLE 1: NOTIFICATIONS RECEIVED, INVESTIGATIONS BEGUN AND REPORTS APPROVED 2003/2004 TO 2005/2006

(Figures are three-year averages with the range year-to-year in parentheses)

	Air	Rail	Marine	All Modes
<b>Notifications Received</b>	200 (185 to 213)	130 (101 to 159)	224 (182 to 307)	554 (486 to 679)
<b>Investigations Launched</b>	8 (7 to 11)	24 (17 to 33)	14 (9 to 15)	46 (33 to 62)
<b>Preliminary Reports Approved</b>	7 (4 to 11)	21 (18 to 23)	11 (9 to 13)	39 (35 to 43)
<b>Final Reports Approved</b>	9 (6 to 12)	22 (17 to 30)	12 (11 to 14)	44 (34 to 53)

N.B: Numbers are reported to the nearest whole number so modal totals may not add to the All Modes total

## E OUTCOME AND OBJECTIVES

### E1 Outcome

In accordance with the Crown Entities Act 2004, the Commission uses the term 'outcome' to mean a state or condition of society, the economy or the environment, i.e. what is called an 'objective' in the New Zealand Transport Strategy.

As discussed in section B2 above, the Commission considers that it is intended by its Act to contribute only to an outcome of 'transport safety'.

### E2 Objectives

The Commission's prime aim is to increase transport safety. It has identified three key objectives as means of achieving this.

#### KEY OBJECTIVES

1. Improve knowledge of the circumstances and causes of transport accidents and incidents.
2. Improve the response to the safety recommendations made by the Commission.
3. Develop protocols for deciding the extent of investigations to be made into each occurrence investigated by the Commission.

## OBJECTIVE 1: IMPROVE KNOWLEDGE OF THE CIRCUMSTANCES AND CAUSES OF TRANSPORT ACCIDENTS AND INCIDENTS

The fundamental assumption underpinning the Commission's work is that its inquiries will inform members of the transport sector so that lessons might be learnt. The knowledge gained will contribute to improved safety systems within the sector.

There are two aspects to improving the knowledge of the circumstances and causes of transport accidents and incidents. These are the Commission's own information bases that help inform inquiry decisions and the publications which ensure that the public and transport sector participants are informed of the Commission's inquiries and activities. To support its own knowledge base the Commission is looking to upgrade its information systems so that it can more easily and more comprehensively identify themes and patterns across different investigations. In the last 12 months the Commission has checked the scale and the nature of the required upgrades of its information systems and databases. Subject to the outcome of the funding review proposed by the Government in the period ahead the Commission will further pursue the upgrade of its information systems and databases as in the following schedule:

By 30 June 2008:

1. Produce a full business plan, right up to developer specifications. This would include a full set of SharePoint developer specifications.

By 30 June 2009:

1. Develop and implement the system
2. Release the system to production - i.e. provide a first working multi-modal system for the Commission.

To support its public duty as a public inquiry entity the Commission will build upon its publication function by publishing 'overview reports' that reflect the themes and patterns that are evident in its various investigations. The Commission considers that such reports should be made readily available not only to transport operators and the transport regulators but also to the travelling public; effectively targeting this last audience will require upgrades to the Commission's website.

The main focus of the Commission's work will continue to be the investigation of particular occurrences, and the proposed 'overview reports' would be incidental to that. Therefore, the Commission considers that this proposal does not amount to it becoming a 'systemic investigator', i.e. an investigator of its own particular themes, patterns and trends. Although, it previously argued the merits of its undertaking systemic investigations (see its 2005 and 2006 briefings to incoming Ministers) the Commission will focus on making better use of the information it already does gather from its occurrence-specific investigations.

As noted in the *2006 Statement of Intent*, success with this initiative is strictly contingent on the Commission upgrading its information systems including its website. The website development schedule is described below.

By June 2008:

1. Redesign and redevelop the Commission's website.

**OBJECTIVE 2: IMPROVE THE RESPONSE TO THE SAFETY RECOMMENDATIONS MADE BY THE COMMISSION**

The Commission may make recommendations to increase transport safety to the regulators of the involved transport modes in the inquiries the Commission makes. Safety recommendations are important because they are the vehicle for change. Safety recommendations guide remedial action so that transport safety may improve upon. As with all Commissions of Inquiry, the Commission's safety recommendations are advisory. The TAIC Act anticipates the regulator being responsive to the Commission's findings and recommendations with the view to implementation.

The Commission may also give notice of its safety recommendations to affected parties such as transport operators. Giving notice alerts affected parties to safety matters that might require specific action on their part. There has been a tendency over the years for the Commission to make safety recommendations directly to transport operators while informing the regulator of the recommendation. The Commission realises that making discrete safety recommendations to operators does not support wider system learnings.

The fact that the recommendations are advisory places a burden on the Commission to achieve a high standard of investigation and analysis so that the recommendations issued are sensible, practicable and point to the lessons the Commission is seeking to share.

The Commission's *2006 Statement of Intent* included an objective of positively influencing the response of operators and regulators to its safety recommendations by the quality and reasoning of those recommendations. This objective reflected the Commission's acknowledgement that other parties will decide whether or not its recommendations are acted on. Those other parties must be persuaded to act and, clearly, the quality of the investigative work and the deliberations underpinning the Commission's recommendations are crucial to that.

While the Commission will continue to focus on persuading others to act by the quality of its work, it has also resolved that in the period of this *Statement of Intent* it will endeavour to improve the response to its safety recommendations by pursuing the two specific initiatives discussed below.

As noted in Section C above, the Commission may promulgate the lessons it considers can be learned from any occurrence through two channels, namely the

transport operator or operators directly involved in a particular occurrence and the transport regulators. The Commission has come to the view that it should work more through the transport regulators because doing so has the potential to impact more widely on transport operators' operating practices.

To give effect to this new direction, the Commission will first engage with the transport regulators to establish their preferences about how it should frame its safety recommendations so that they are best able to ensure there is an appropriate and general behavioural response from transport operators. That engagement in part will be informed by the slowness in making changes to transport rules that has been evident to date. Once the Commission has established regulators' preferences, it will develop guidelines to be applied by its staff beginning July 2008.

The second initiative addresses an issue discussed in the *2006 Statement of Intent*, the issue being, the Commission's follow-up of its safety recommendations. The *2006 Statement of Intent* reported summary data for 2002/2003 - 2004/2005 showing that the great majority of the Commission's recommendations had been accepted and in most cases implemented within 12 months. However, the data also showed that the Commission had no record of the response made to about one in six of its recommendations.

Again this is not the place to report in detail on the Commission's success (or otherwise) in meeting the performance targets it set for itself last year. But the Commission wishes to acknowledge here that it has not been able to meet the targets it set last year for eliminating the gaps it had identified in its follow-up of earlier safety recommendations. It attributes this shortcoming to two factors:

- Many of the safety recommendations were directed to transport operators who have had (and continue to have) no obligation, and little or no incentive, to provide the Commission with information about how they have responded. The proposed greater reliance on transport regulators as the means for disseminating the lessons learned from investigations will address this problem in the future but not allow the Commission to address historical gaps.
- There exist well-identified weaknesses in the Commission's information systems and databases.

Upgrading the Commission's information systems and databases is a priority for the next three years (see Objective 1 above and Part F below). One of the strategic issues the Commission has had to confront is whether the upgrade is strictly future-focussed (i.e. concentrating only on how do we do a good job in the future) or whether it is also focussed on allowing historical deficiencies in the follow-up of its safety recommendations to be rectified.

The Commission is aware that accurate and timely follow-up of recommendations is a key aspect of performance by any organisation that has only recommendatory powers, and that historical deficiencies in its follow-up activities do not reflect well.



Nevertheless, the Commission has determined that the priority for its information systems and databases upgrade should be the future, including its ability to follow-up on future safety recommendations. In part it has reached this decision because the system upgrade could at best only partially rectify the historical deficiencies only to some extent.

### OBJECTIVE 3: DEVELOP PROTOCOLS FOR DECIDING THE EXTENT OF INQUIRIES TO BE MADE INTO EACH OCCURRENCE INVESTIGATED BY THE COMMISSION

The Commission is not required to investigate all accidents and incidents in the transport modes under its mandate. It has discretion guided by statutory criteria as to what it will investigate. The Commission also has the full powers of a Royal Commission of Inquiry to support its functions.<sup>1</sup> These are strong powers, and do not always need to be fully exercised.

The Commission recognises the importance of proper and consistent application of its powers across its field of inquiry, which is diverse. For this reason it has developed criteria to guide the selection of accidents and incidents it will investigate. From time to time the criteria are reviewed to ensure the Commission is effectively carrying out its mandate. Now that the Commission is adopting a more comprehensive approach to its inquiries than it has previously, it needs to further develop its investigation criteria.

As noted in section A4 above, the Commission has resolved that a comprehensive understanding of the circumstances and causes of some occurrences can only be gained by investigating the safety and risk management systems of a transport operator, and, in some cases, also those systems of the relevant transport regulator.

Because of the disruption and the costs that such broad investigations could impose on itself and others the Commission acknowledges that it must make decisions to conduct broader rather than narrower investigations carefully. Therefore, by June 2008 it will develop the protocols it will apply when making these decisions case-by-case. Clearly the Commission cannot fetter its discretion or its independence in framing those protocols, but its judgment at this time is that the protocols will focus on identifying and assessing the benefits and costs of undertaking wider rather than narrower investigations.

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<sup>1</sup> See Section 11, *The Transport Accident Investigation Commission Act 1990* refers. The Commission has all the powers that a Commission of Inquiry would have established under the Commissions of Inquiry Act 1908, except the power to award costs. The Royal Commission of Inquiry aspect arises from the fact that the Commissioners are appointed by the Governor-General acting under Letters Patent. This means the Commission is independent of Government and cannot be impeded in carrying out its function.

## D MANAGEMENT OF THE COMMISSION'S ORGANISATIONAL HEALTH AND CAPABILITY

### D1 General

The Commission has set its strategic direction with a focus on meeting the responsibilities of its mandate. The substantive question the Commission has had to answer is whether it has the capability to deliver on its mandate. In answering the question the Commission has identified three key strategic areas where capability is weak. The Commission expects the proposed capability review of the Commission in 2007/08 will address the capability gaps as identified.

Strategic Area	Capability weakness	Specific issue	Desired Outcome
Infrastructure	<ul style="list-style-type: none"> <li>Information systems</li> </ul>	16-year-old failing database: <ul style="list-style-type: none"> <li>producing unreliable information</li> <li>unable to interrogate investigative data</li> <li>unable to interrogate transport system data</li> <li>containing incomplete and inaccurate datasets</li> </ul>	Replace aged system with an appropriate interrogative database and document management system
	<ul style="list-style-type: none"> <li>Wreckage Management systems</li> </ul>	Lack of integrated systems and facilities, compromising chain of evidence requirements, and risking staff through unsafe worksites	A purpose -built facility for storage and analysis of wreckage
Workforce	<ul style="list-style-type: none"> <li>Training</li> </ul>	Lack of consistent core competency training for accident investigators	A training partnership with Cranfield University, UK to develop a core-competency training programme for multi-modal accident investigators
	<ul style="list-style-type: none"> <li>Succession planning &amp; recruitment</li> </ul>	Recruitment strategies too limiting in an operating environment where the availability of required specialists is diminishing	Couple recruitment strategies to training so that 'accident investigator' becomes a career to aspire to, attracting mode specific expertise to be trained as investigators

Inquiry Processes	<ul style="list-style-type: none"> <li>• Inquiry support for broader inquiries</li> </ul>	Appropriate broader system inquiries constrained because of lack of expertise	A pool of key system experts contracted on a casual basis e.g. auditors
	<ul style="list-style-type: none"> <li>• Allowing parties more direct access to the Commission in consultation phase</li> </ul>	Current resourcing limits the scope and scale of access to Commission.	Sufficient working capital to support appropriate inquiries including full public hearings, as circumstances dictate

## F2 Equal Employment Opportunities – Good employer strategies

The Commission’s strategy over the next three years is to continue building on the Good Employer workplace initiatives.

The Commission has an aging workforce, whose loss would significantly reduce capability to deliver on the Commission’s strategic plan and core services. The Commission is developing training and secondment opportunities for investigation staff as well as stipulating a succession plan. Succession will always depend on the industry skill pool (both national and international) as well as in-house.

The Commission’s initiatives are set in the table below:

EEO	Recruitment Selection Induction	Revise selection criteria to support timely succession.	Develop core competency programmes in accident investigations.
	Staff development	Provide training opportunities and programmes on supporting the Commission’s strategic direction of meeting its mandate.	
Good Employer	Develop “ <i>Work Life Balance</i> ” programmes	Subsidise Gym membership Promote 10,000 step Provide flexi-hours	

## E LIAISON WITH THE MINISTER

### Matters on Which the Commission Will Report to the Minister

The Commission will continue to report quarterly to the Minister of Transport, and to Minister for Transport Safety on all following:

- Key achievements and events for the period and emerging issues,

- ‘Actual’ progress for the period against the financial and non-financial output measures set out in Schedule One, including explanation of any significant variances from these measures and any impact on the expected delivery of the related outputs. Specifically, non-financial reporting will be against the Statement of Outputs (Schedule One),
- ‘Actual’ financial performance for the period against the forecast financial statements set out in Schedule Six, including explanation of any significant variances from those forecasts and the impact on the expected year-end outturn. Specifically, financial reporting will be against the:
- financial measures in the Statement of Outputs (Schedule One), and
- forecast financial statements listed in Schedule Four;
- An explanation of the changes and the supporting rationale whenever both or either financial or non-financial performance is reforecast substantively by the Board during the period (e.g. a revised budget is adopted), an explanation of the changes and the supporting rationale. Future reporting will then state the reforecast measures, reference the explanation, and report against the reforecast measure levels.
- Any significant issues or risks arising during the period, or anticipated in the future, the impacts of these issues or risks and the ways these are being managed by the Board. This reporting will include consideration of issues or risks for organisational capability.

## F ACQUISITION OF SHARES AND INTERESTS

The Commission has no plans to acquire shares or interests in other organisations and accordingly has not promulgated any processes to be followed when pursuing such acquisitions.

## G RISK MANAGEMENT

We recognise that risk management is an integral part of our operations and that risk identification and mitigation are important parts of our work. Individually and combined, these risks have the potential to affect achievement of the outcomes in the *Statement of Intent*. Accordingly, they are all considered to be strategic risks.

Three specific risks are outlined in the table below.

Specific Risks	Risk Management Response and Strategy
<p><i>1. Mandate</i></p> <p>The Commission is unable to hold public hearings as it does not have capability, and is therefore not meeting the responsibility of its mandate</p> <p><i>2. Capability</i></p> <p>Lack of high quality, specialised staff due to future possible attrition could seriously limit the Commission's operating capability.</p> <p><i>3. Information</i></p> <p>Information produced from the data management system is inefficient and unreliable, which could compromise the Commission's analytical capability when reporting on investigations.</p>	<p>Protocols will be developed for determining whether a public hearing is warranted, and a framework will be developed for holding hearings.</p> <p>Adequate levels of suitably qualified staff will be maintained by appropriate training, development and remuneration. Future needs will be identified and succession planning will be developed, as part of a business continuity plan.</p> <p>A new data management system will be developed and implemented, subject to capital investment by the Crown.</p>

## H OTHER REQUIRED INFORMATION

### H1 Statutory requirements

The Commission considers that all the information required to be included in this *Statement of Intent* under any Act is included in the other sections of this document.

### H2 Other reasonably necessary information

The Commission considers that all the information reasonably necessary for others to achieve an understanding of the Commission's intentions and direction for the period 2007/2008 to 2009/2010 is included in other sections of this document.

## Part 3 The Year Ahead

This Part has been prepared in accordance with the requirements set out in s142 of the Crown Entities Act 2004.

### K STATEMENT OF FINANCIAL PERFORMANCE FORECAST

#### Forecast and Projected to 2009/2010

As at 30 March 2007

	2006/07 Forecast Budget \$000	2007/08 Estimated Budget \$000	2008/09 Estimated Budget \$000	2009/10 Estimated Budget \$000
<b>Revenue</b>				
Crown	2616	2722	2737	2737
Others	36	31	30	30
<b>Total Revenue</b>	<b>2652</b>	<b>2753</b>	<b>2767</b>	<b>2767</b>
<b>Expenses</b>				
Personnel	1602	1753	1744	1744
Operating	1022	927	948	950
Depreciation	40	40	40	40
Capital expense	31	31	31	31
<b>Total Expenses</b>	<b>2695</b>	<b>2751</b>	<b>2763</b>	<b>2765</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>(43)</b>	<b>2</b>	<b>5</b>	<b>2</b>

Notes;

1. Projected crown funding of \$2.722 for 2007/08 and \$2.737 from then on, based on the historical average of \$2616 plus 0.106k anticipated baseline adjustment.
2. There are no changes in the accounting policies
3. Figures for this Forecast Financial Statements have not been audited.

### STATEMENT OF FINANCIAL POSITION

#### Forecast and Projected to 2009/2010

As at 30 March 2007

	2006/07 Forecast Budget \$000	2007/08 Estimate Budget \$000	2008/09 Estimate Budget \$000	2009/010 Estimate Budget \$000
<b>Assets</b>				
Cash at bank & deposits	368	348	350	350
Account Receivables & Prepayment & accrued interest	26	35	36	38
Physical assets	75	75	75	75
<b>Total Assets</b>	<b>468</b>	<b>458</b>	<b>461</b>	<b>463</b>
<b>Liabilities</b>				
Payables & accruals	80	80	80	80
Provision for payment of surplus	0	0	0	0

Provision for leave	95	83	81	81
<b>Total liabilities</b>	<b>175</b>	<b>163</b>	<b>161</b>	<b>161</b>
<b>Taxpayers' funds</b>	<b>293</b>	<b>295</b>	<b>300</b>	<b>302</b>
<b>Taxpayers' funds:</b>				
Taxpayers' funds at beginning of year	336	293	295	300
Surplus (deficit) for year	(43)	2	5	2
Capital injection	0	0	0	0
Taxpayers' funds at end of year	293	295	300	302

## Capital Expenditure

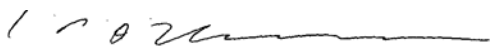
### Part 4

#### Forecast and Projected to 2009/2010

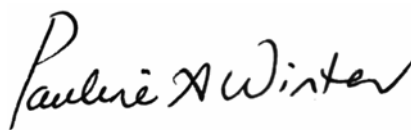
	2006/07	2007/08	2008/09	2009/10
	Forecast	Estimate	Estimate	Estimate
	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000
<b>Fixed asset programme</b>				
Building, refurbishment	0	0	0	0
Computer equipment	8	10	10	40
Investigation, Furniture & fittings, office equipment	32	30	30	0
Total acquisition cost	40	40	40	40

#### Capital Works Programme

2006/07	Replacement of staff furniture and reminder computers.
2007/08	Replacement of printers and board room furniture
2008/09	Replacement of printers and filing system
2009/2010	Replacement of server and computers.



Hon. W P Jeffries  
Chief Commissioner



Pauline A Winter  
Deputy Chief Commissioner

## **SCHEDULE ONE**

### **Funding – Crown and Other**

The estimated total revenue from Crown Funding and other revenue for this term agreement is \$2.6M (GST exclusive) plus \$0.106m baseline increase in 2007-08.



## SCHEDULE TWO

### Statement of Service Performance

#### Service Performance Measures

##### OUTPUT CLASS: NON-DEPARTMENTAL – REPORTING ON ACCIDENT OR INCIDENT INVESTIGATIONS

###### Description

The Minister of Transport purchases independent inquiries into aviation, rail, and marine accidents and serious incidents from the Transport Accident Investigation Commission. The Commission's statutory brief is to investigate the circumstances and causes of accidents and incidents having significant implications for transport safety, with a view to avoiding similar occurrences in the future, rather than ascribing blame to any person.

The Commission's inquiry processes of investigation, consultation, determination as to circumstances and causes, reporting, and making recommendations are specifically directed towards increasing transport safety, and providing assurance to the public that significant adverse transport events are appropriately scrutinised.

The promulgation of safety recommendations and reporting on the implementation status of the Commission's safety recommendations are included in the output.

Also included in the output is funding for international cooperation and exchange of accident information with similar safety investigation bodies overseas.

###### Impact

The expected impact of the Commission's work is public confidence in a reliable, safe, and secure transport system. This can be achieved from learning the lessons derived from the inquiries made. The Commission's reports into accidents and incidents tell a story of particular events and circumstances which warn of likely adverse outcomes unless operating systems are modified in some way to reduce the risk of the event happening again, under similar conditions. The safety recommendations the Commission issues are directed at improving the overall safety of the transport system active in the adverse event, and reducing the operating risk of inherently unsafe systems. The lessons are beneficial when transport sector participants are actively engaged in applying the learnings, incorporating the lessons in safety systems and adopting behaviours supportive of safe practice.

The desired results of the Commission's inquiries these:

- Transport sector organisations are operating safe systems
- Transport system participants practise safe behaviours
- Safety systems are appropriately monitored and managed
- Transport sector system states are understood and risks are managed

## PERFORMANCE MEASURE FOR IMPACTS ON OUTCOMES

The safety recommendations issued by the Commission express the specific lessons to be drawn from the adverse event investigated. The uptake and implementation of the safety recommendations are the strongest indicator of the transport sector's commitment to learn from adverse events and to change behaviours so that risks are minimised and overall system safety is improved. However implementation alone does not signal effective application of lessons learnt. Another key indicator of successful learning is actual reduction in similar adverse events.

Accident trends and patterns while variable do nevertheless present consistent themes. The themes are reflective of the characteristics of the particular transport modes and their operating and geographical environments. Collisions are common in aviation, rail, and marine environments but each mode has distinctive forms of collision such as in aviation where collision with terrain is a standard operating risk. Level crossing collisions with road vehicles is similarly an operating risk in rail environments, as is collisions at sea between vessels or between vessels and the land.

A focus for the Commission when determining its effectiveness in increasing transport safety is to monitor the common types of accidents and incidents (themes), to then target remedial action through its reporting function, and monitor the level of subsequent occurrences in relation to those themes.

Currently the Commission is unable to measure its performance effectively because of its inadequate information systems. This issue will be addressed in the planned capability and resource review of the Commission. However, the Commission will continue to develop its oversight processes, working with current information arrangements. This year the Commission will establish an annual league table of the most common occurrences notified to it, and will use the information to inform the next years' work programmes, as appropriate. For example if the league table shows braking failures on freight trains in Southland occur in 1 in 5 rail notifications then the Commission would inquire into every subsequent failure and target its safety recommendations so that an appropriate systemic response is achieved. Monitoring the safety recommendation implementation rate and occurrence rate of brake failure occurrences would then guide the Commission on the effectiveness of its safety recommendations and provide an indication of the strength of lessons learnt and applied.

Outcome: Increasing Transport Safety	2007/2008	2008/2009	2009/2010
Outcome Measure	Most frequent occurrences in year notified to the Commission	Most frequent occurrences in year notified to the Commission	Most frequent occurrences in year notified to the Commission
	Number of category occurrences	Number of category occurrences	Number of category occurrences
	Number of Safety Recommendations issued by category of event as identified on the league table	Number of Safety Recommendations issued by category of event as identified on the league table	Number of Safety Recommendations issued by category of event as identified on the league table
Impact Measure	Reduction in the number of category occurrences	Reduction in the number of category occurrences	Reduction in the number of category occurrences
	Ratio safety recommendations accepted by mode & category/occurrence rate by mode & category	Ratio safety recommendations accepted by mode & category/occurrence rate by mode & category	Ratio safety recommendations accepted by mode & category / occurrence rate by mode & category

## PERFORMANCE MEASURES FOR OUTPUTS

### Output A1: Inquiries into Accidents and Incidents

#### Description:

Inquiries are chains of activities undertaken by the Commission to determine the cause and circumstances of accidents and incidents. Key elements in the inquiry process are site examination, interviews with people, whose information may assist in the determination of cause and circumstance, testing and research, analysis, reporting on findings, and the issuing of safety recommendations when appropriate.

#### Sub-Output 1: Investigations

Investigations are the principal function in the inquiry process. It is through the investigation process that evidence is obtained and analysed so as to ascertain circumstances and causes of occurrences.

A team headed by an Investigator –in-Charge carries out the investigation.

Measures For Investigations	Standard/Targets 2007/2008	Standard/Targets 2006/2007
<b>QUANTITY</b>	35	52
<b>Air</b>	10	11
<b>Rail</b>	15	28
<b>Marine</b>	10	13
<b>QUALITY</b>	No challenges to the Commission's investigation processes	N/A
<b>TIMELINESS</b>	Statutory timeframes are met;  Average elapsed time for closing investigations is < 9months.  <i>An investigation is deemed complete when the Commission approves the occurrence report as final.</i>	90% of investigations into non-major occurrences are completed within 9 months of the occurrence.  <i>An investigation is deemed completed when the Commission approves the occurrence report as final.</i>

## Sub-Output 2: Report Production

### Description:

A prescribed function of the Commission is to prepare and publish findings and recommendations arising out of the investigations it undertakes. Report production involves the compilation of investigation activities, findings and recommendations for Commission approval and publication.

Measures For Reports Published	Standard/Targets 2007/2008	Standard/Targets 2006/2007
<b>QUANTITY</b>	39	38
<b>Air</b>	9	8
<b>Rail</b>	18	18
<b>Marine</b>	12	12
<b>QUALITY</b>	Compliance to international convention standards for accident investigation reporting <sup>λ</sup>	Compliance to international convention standards for accident investigation reporting <sup>λ</sup>
<b>TIMELINESS</b>	Reports are published within 4 weeks of Commission adoption	Reports are published within 4 weeks of Commission adoption

<sup>λ</sup> The Commission applies the standards of the International Convention on Civil Aviation, Annex 13, Appendix 1 to all its occurrence reports







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