

Transport Accident Investigation Commission

Statement of Intent

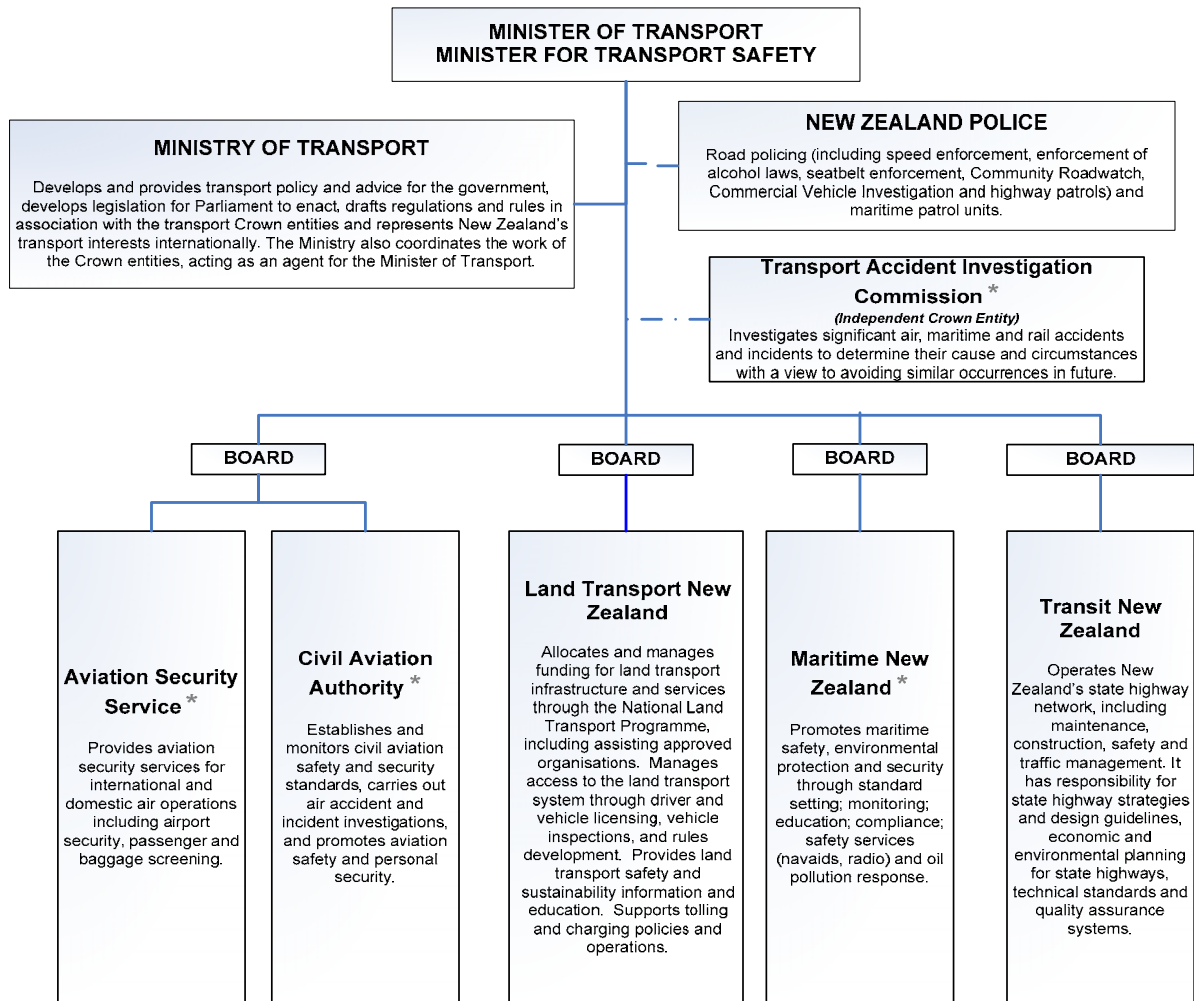
2008 - 2011



Contents

THE COMMISSION'S PURPOSE AND FUNCTION	1
About the Commission.....	1
Who we work with.....	1
Purpose & Function	2
STRATEGIC DIRECTION	4
Aligning With Government	4
A Competent, Capable Independent Accident Investigation Entity.....	4
Meeting the Responsibilities of our Mandate	5
THE COMMISSION'S OPERATING ENVIRONMENT	5
The Commission's past and present challenges.....	5
OUTCOMES, IMPACTS, AND OBJECTIVES.....	8
Outcome	8
Impact - Contributing to Sustainable Transport.....	8
THE COMMISSION'S OPERATING INTENTIONS.....	9
The Coming Year – 2008/09: Key Objectives	9
LIASON WITH THE MINISTER.....	10
MANAGING ORGANIZATIONAL HEALTH AND CAPABILITY	11
Capability Building	11
People Capability	11
RISK MANAGEMENT.....	12
OTHER REQUIRED INFORMATION.....	13
Statutory Requirements	13
Other Reasonably Necessary Information.....	13
Sustainability	13
OUTPUT CLASS: NON-DEPARTMENTAL – REPORTING ON ACCIDENT OR INCIDENT INVESTIGATIONS ...	14
PERFORMANCE MEASURE FOR IMPACTS ON OUTCOMES	14
Output 1: Inquiries into Accidents and Incidents	15
Performance Measure for Outputs	15
STATEMENT OF ACCOUNTING POLICIES	17
Reporting entity	17
Measurement System.....	17
Particular Accounting Policies.....	17
STATEMENT OF FINANCIAL PERFORMANCE	19
STATEMENT OF FINANCIAL POSITION.....	20
CASH FLOW STATEMENT:.....	21
CAPITAL EXPENDITURE	21
SCHEDULE ONE: FUNDING – CROWN AND OTHER.....	22

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'S PURPOSE AND FUNCTION

About the Commission

The Transport Accident Investigation Commission (The Commission) is a standing Commission of Inquiry established under the Transport Accident Investigation Act 1990 (the TAIC Act) whose main function is to investigate aviation, rail and marine transport accidents and incidents within New Zealand, and if asked, to co-ordinate and co-operate with other accident investigation organizations overseas. In 2004, the Commission was classified as an Independent Crown Entity (ICE) under the Crown Entities Act 2004. The Commission comprises three Commissioners appointed by the Governor –General in Council, supported by an administrative office, including a staff of accident investigators.

The Commission's vision is safer transport through investigation, learning, and influence.

Who we work with

THE GOVERNMENT TRANSPORT SAFETY 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 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 on the preceding page depicts the Government transport sector.

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.

INTERNATIONAL OBLIGATIONS

New Zealand is a signatory to the International Convention on Civil Aviation (The Chicago Convention). Article 26 of the Chicago Convention requires signatory States to investigate accidents and serious incidents involving foreign state aircraft. Annex 13 to the Chicago Convention sets out the international standards and recommended practices for the investigation of aircraft accidents and incidents. Similarly New Zealand is a signatory to the Convention on the International Maritime Organization (IMO) and the many supporting maritime conventions such as the International Convention for the Safety of Life at Sea (SOLAS).

Recent work by the IMO has involved amendments to its code of international standards and recommended practices for safety investigation into a Marine Incident, Marine Casualty or Very Serious

Marine Casualty¹ (Casualty Investigation Code). The new amended Code is expected to be adopted in 2008, and brought into force as a new chapter to SOLAS Convention in 2009.

The Chicago Convention and the IMO Causality Investigation code require independent accident and incident investigations. The Commission is New Zealand's independent accident and incident investigator, and consequently has obligations to conduct its investigations in accordance with the Conventions' standards and operating procedures.

INTERNATIONAL COMMUNITY

Reflecting these international obligations, the Commission is part of a wider network of independent accident investigation agencies and its practices and procedures are highly influenced by the international practices established globally for independent accident investigation in the fields of transportation involved. TAIC subsequently has close ties with its peers in America, Canada, UK, Norway, Sweden, Singapore, Taiwan and Australia.

Purpose & Function

The Commission's stated principle purpose is to "determine the circumstances and causes of accidents and incidents with a view to avoiding similar occurrences in the future, rather than to ascribe blame to any person."

The Commission has one principle function of investigating accidents and incidents, supported by seven additional functions. These 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.

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.

¹ A Very Serious Marine Casualty means a Marine Casualty involving the total loss of the ship or a death or severe damage to the environment.

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.

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; and
- Phase Five:** Monitor and follow up the implementation of recommendations.

The recent scale of the Commission's operations is shown in the table below which reports annual average data for the three financial years 2004/2005 through 2006/2007.

	Air (Average)	Rail (Average)	Marine (Average)	All Modes (Average)
Notifications Received	261 (185 to 386)	135 (118 to 159)	278 (184 to 343)	675 (498 to 847)
Investigations Launched	10 (7 to 13)	22 (17 to 33)	12 (9 to 18)	45 (33 to 62)
Preliminary Reports Approved	6 (4 to 11)	17 (7 to 23)	9 (5 to 13)	32 (15 to 43)
Final Reports Approved	9 (3 to 12)	22 (15 to 29)	11 (5 to 16)	41 (15 to 56)

The Commission has also begun to monitor accident notification patterns and trends within particular categories of events and emerging themes so that signals of deeper system failures or changing behaviours can be picked up.

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, both domestically and internationally.

STRATEGIC DIRECTION

The Commission's task is expressly prescribed in statute. The Commission is an independent crown entity to safeguard its functions as laid out in statute. The Commission also has responsibilities as a state sector entity. The Commission has set its strategic direction to meet both sets of obligations, competently— to align with government's strategic direction and ensure it is fully meeting the responsibilities of its own mandate.

Aligning With Government

The government seeks a sustainable New Zealand pursued through three key priority areas – namely:

1. Economic transformation
2. Families – young and old
3. National identity

The Government transport sector, the Commission included, contributes primarily to the Government's priority for Economic Transformation. The activities of the Government transport sector are, more specifically, guided by the New Zealand Transport Strategy (the 'NZTS') which identifies five 'objectives' to support the goal of having a affordable, integrated, safe, responsive, and sustainable transport system. The 5 objectives are:

- ▽ Assisting economic development;
- ▽ assisting safety and personal security;
- ▽ improving access and mobility;
- ▽ protecting and promoting public health; and
- ▽ ensuring environmental sustainability.

The Commission contributes to safe and sustainable transport through inquiry into the safety performance of mechanical, operational, and regulatory systems in the aviation, rail and marine transport modes.

A Competent, Capable Independent Accident Investigation Entity

Transport worldwide is a dynamic sector with evolutionary technologies, environmental challenges, and changing demand. The New Zealand Transport Strategy identifies safety as a key element to successfully moving people and freight. The Commission's task is to inquire into accidents and incidents that involve high hazard machines with high risk to people and property. The Commission's work entails inquiring into the safety performance of transport systems. The Commission's findings contribute to domestic and international learnings. This work requires specific competencies that are in high demand across the world as signatory states to the international conventions on transport honour their undertakings. It is important that the Commission maintain competency in accident investigation generically; more so because accident volumes are low level but carry high risks and high costs to individuals, organisations, and sometimes the State.

Being competent entails:

1. Undertaking the appropriate level of inquiry;
2. being current in investigative practice;
3. being capable of maintaining knowledge;
4. being effective in influencing learning from accidents and incidents; and
5. being responsive to international obligations.

Maintaining competency is a key strategic area for the Commission, and fundamental to meeting its responsibilities in terms of its mandate.

Meeting the Responsibilities of our Mandate

The Commission has identified four key strategic areas pivotal to ensuring the Commission properly meets its obligations. The key strategic areas are:

- ▽ **Mandate:** The Commission as the independent crown entity in the transport sector has a statutory mandate that is unique. The Commission is a standing commission of inquiry entrusted with the task of determining circumstances and causes of accidents and serious incidents with the view to avoiding similar incidents in the future, without ascribing blame.
- ▽ **Expertise:** To be an effective in fulfilling its mandate the Commission needs to maintain capability as a high performing accident investigation entity.
- ▽ **Information:** The Commission recognises the value of reliable and factual information supporting its investigative functions and so seeks to strengthen its information platform and analytical capability.
- ▽ **Reputation:** Safe-guarding and further developing the Commission's reputation is a cornerstone in ensuring the effectiveness of the work the Commission undertakes.

THE COMMISSION'S OPERATING ENVIRONMENT

The Commission's past and present challenges

The Commission has encountered criticism in respect of fulfilling its mandate. Most concerning was that the inquiries it undertakes are too narrow, too technically focused, and consequently out of step with world best practice for accident investigation.

Another criticism went to the Commission not fulfilling its mandate as public inquirer effectively because it holds its inquiries in camera. These issues formed the focus of the 2007/08 Statement of Intent.

The Commission looked to how its inquiries and investigations can be managed effectively by considering:

- ▽ 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?

EXTENT OF INQUIRIES

The Commission's powers as a Commission of Inquiry are derived from The Commissions of Inquiry Act 1908, referenced through the TAIC Act (Section 11). The TAIC Act allows the Commission to make "[s]uch inquiries as it considers appropriate..." (section 8(2)(a)). It is this section of the Act that allows the Commission to expand or contract its purview.

With this in mind the Commission has set itself the objective of developing protocols for deciding the extent (scope & scale) of inquiries to be made by the Commission. Draft protocols have been developed and are under consideration by the Commission for formal adoption. The Commission has looked to its peers in Canada and Australia in developing the protocols for broader inquiry, largely because we operate, as members of the Commonwealth, under similar legal systems.

The Commission began broadening its inquiries with two investigations in 2007 where deeper scrutiny of organisational and regulatory safety systems was undertaken. One of these inquiries, the investigation into the capsizing and sinking of the Fishing Vessel Kotuku in Foveaux Strait in May 2006, saw the Commission holding its first formal submissions hearing. It was a closed hearing where only invited parties could make submissions directly to the Commission. It has proved a rich learning ground for the Commission, and has helped inform the development of the hearing protocols.

SHARING THE LESSONS

Safety recommendations are provided to increase transport safety with the clear aim of avoiding similar occurrences. The uptake and implementation of safety recommendations is not mandatory. The TAIC Act does not require the Commission to implement its own recommendations; rather implementation is anticipated through the regulatory framework. However, the Commission does monitor the implementation of safety recommendations by ascribing an open/closed status to issued safety recommendation, then reports quarterly to the Minister of Transport on the levels of open (not actioned) and closed (actioned). The Commission has issued 1681 SRs over the 18 years of its operating life, closing 1488 with 193 currently open.

The Commission adopted a two pronged approach to managing the uptake of safety recommendations. First, in line with its mandate, it is working closely with Regulators to improve the focus and direction of the safety recommendations so that they are the appropriate remedy for the occurrence type identified. Secondly the Commission has made a case to government to strengthen its information systems so effective follow up of safety recommendations can be maintained.

PATTERNS AND TRENDS

Monitoring patterns and trends in accidents and incidents supports oversight of the safety performance of the transport system by revealing signals of possible system failure. For example reported derailments caused by roller bearing failures in rail rolling stock wheel sets at the rate of 1 every 2 weeks would be read as a signal of a possible system failure, and require a more fulsome inquiry than if it were simply one discrete wheel set failure.

The Commission established a rudimentary set of performance indicators to begin to monitor patterns and trends. Each mode has revealed its own set of persisting occurrences that invite deeper scrutiny. Examples are air space incursions in aviation, and machinery failure on marine vessels. Further work is required to gain effective safety benefits from the monitoring such as rightly directed effort and resources.

EMERGENT RISK

In pursuing its objectives it became apparent that capability was a business risk for the Commission, particularly as it strived to meet its international obligations. So In September 2007, the Ministry of Transport commissioned a Capability and Resource Review of the Transport Accident Investigation Commission. A final report and findings from this review was produced in November 2007 which identified the capability and resources needed to enable the Commission to fulfil its statutory purpose and functions efficiently and effectively.

KEY FINDINGS OF THE CAPABILITY AND RESOURCE REVIEW

The key findings of the review covered five elements reflected in the terms of reference. These are outlined in the table below.

Element	Key Findings
Fulfilment of TAIC's statutory purpose & function	Need for TAIC to increase the number of investigations it undertakes, consistent with international requirements
Efficiency and effectiveness	Increase time input of Commissioners to support coverage of inquiries and support governance roles; Complete work on developing and documenting organisational policies and procedures across a range of corporate activity Invest in a new accident investigation management system
Capability & resource requirements	Investment in TAIC's capability & resources is required for TAIC to fulfil its statutory purpose and function Additional resources requires phased introduction A priority is strengthening TAIC's corporate support There is a need to strengthen the breadth of competencies and disciplines for use on a cross modal basis
Cost implications	Four scenario's presented reflecting phased resource options
Funding mechanisms	Note that the nature of TAIC's business is such that from time to time, large investigations will expose TAIC to expenditure in excess of appropriation Mechanism are required to deal with the cost of large investigations Note the level of the Commission's cash reserves has been reduced as a result of the impact of some large investigations A cash injection of \$100,000 is needed to restore the level of cash reserves to an acceptable minimum

RISK ASSESSMENT & MANAGEMENT

The Commission is in the process of putting in place a comprehensive risk-management framework that will enable the organisation to determine key risks and develop appropriate mitigating strategies. The Commission has established a board subcommittee – the Audit & Risk Management Committee, with representatives from the Board and management to provide oversight of the framework. A draft framework is to be trialled in the coming 2008/09 year.

OUTCOME OF THE REVIEW

In response to these review findings, the Commission is to improve significantly its capacity, capability and focus. Given the Commission's statutory independent role which precludes its receiving any third party revenue, the Commission has subsequently sought and obtained additional funds through the government's budget process 2008 to be able to commence planning and implementation of these required improvements commencing in the 2008/09 financial year. And in addition the government has made a \$100,000 investment in the Commission's 2008 budget to restore a level of cash reserve eroded by high cost investigations.

Consistent with the Review findings the Commission will undertake a phased approach to building its capability by focusing on strengthening its corporate support.

OUTCOMES, IMPACTS, AND OBJECTIVES

Outcome

The Commission contributes to economic transformation by supporting the development of world class infrastructure through its mandate to improve transport safety through inquiry into certain accidents and incidents in the aviation, rail, and marine transport modes.

Impact - Contributing to Sustainable Transport

The government transport sector supports the sustainability agenda through the New Zealand Transport Strategy. This strategy supports the government priority of economic transformation through laying the path towards sustainable transport that is affordable, integrated, safe, and responsive.

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 key focus areas are heavy, large transport machines, or related things, that carry high destructive potential to people and property. The Commission's reports into accidents and incidents tell a story of particular events and circumstances which warn of likely adverse outcomes unless operating, organisational, or environmental 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 Commission feeds back the safety state of the transport systems through its reports and safety recommendations.

For example, derailments currently make up 27% of all rail notifications to the Commission. There have been 42 derailment notifications out of 154 rail sector notifications to the Commission for the period July 2007 to March 2008 – 3 derailments in every 11 rail notifications to the Commission. A safer rail system means fewer derailments with the consequential gains of less damage and lower repair costs, reduced disruption and lost goods carriage time, and improved efficiency. The Commission launched three investigations into derailments and published four reports on derailments for the period July 2007 to March 2008.

Looking ahead the Commission acknowledges the Ministry of Transport's update of the New Zealand Transport Strategy (UNZTS) with its focus on Sustainable Transport, and notes that a key part of the UNZTS vision will be *safety standards for all modes of transport are operated at world-best levels*. The Commission has a key role to play – along with the transport sector regulatory authorities - in ensuring that this will be achieved. Also the proposed strategic moves to increase freight (1) from road onto rail and (2) from road/rail onto coastal shipping (as per the Sea Change Strategy 2007) have transport system safety implications that the Commission will be monitoring.

THE COMMISSION'S OPERATING INTENTIONS

The Coming Year – 2008/09: Key Objectives

The Commission has two key objectives in the coming year:

1. Assisting economic transformation by increasing transport safety; and
2. fulfilling the Commission's mandate by building corporate capability.

OBJECTIVE 1

Assisting economic transformation by increasing transport safety.

Increasing transport safety is the Commission's prime task and is the basis of day to day operations. This will be achieved by maintaining the Commission's planned business-as-usual output of inquiries as stated in the Statement of Service Performance. Achievement will be measured by the quality and timeliness of inquiries undertaken.

OBJECTIVE 2

Fulfilling the Commission's mandate by building corporate capability.

The planned increase both in the Commission's capacity and capability will commence in the 2008/09 financial year and extend out to 2010/11 and beyond. The 2008/09 financial year will be strongly focused on building the Commission's overall capability and capacity and acting on the 2007 review's findings.

The key areas within the Commission's operations targeted for additional investment in 2008/09 and beyond include:

Focus Areas	Detail	Phase*
Corporate infrastructure & capability	Recruitment and organizational restructure	Phase 1
	Develop People Strategy	Phase 1
	Recruitment of corporate staff (6 FTEs)	Phase 1
New upgraded IT system (AIMS)	Scoping and RFP for AIMS	Phase 1
	Selection of provider	Phase 1
	Development work commences	Phase 2
Competency-based Staff Training Programme	Current training arrangements reviewed	Phase 1-3
	Staff scheduled onto programme	Phase 1-3
Quality Assurance Framework	Review current policies and procedures	Phase 1
	Review quality assurance	Phase 1
	Develop and implement new systems	Phase 1-2
Expanded facilities (accommodation)	Sourcing suitable premises	Phase 1
	Lease of new premises	Phase 1
	Sorting out current premises going forward	Phase 1

*Phase 1 = 2008/09 Phase 2 = 2009/10 Phase 3 = 2010/11

Achievement will be measured by delivery of projects against timelines and budget. The effectiveness of strengthening corporate support will begin to be monitored in 2011 as the AIMS system comes on line and key staff are fully operational.

LIASON WITH THE MINISTER

The Commission will continue to report quarterly to the Minister of Transport, and to Minister for Transport Safety on all of the 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);
 - 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; and
- ▽ 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.

MANAGING ORGANIZATIONAL HEALTH AND CAPABILITY

In brief, the review identified the need for the Commission to: improve the safety value of the transport system by removing conflicts of interest; be compliant with New Zealand's international obligations; strengthen understandings in the transport system of safety systems and their performance; and increase both the scale and scope of its inquiries so that appropriate occurrences are investigated and reported on and aligned with international expectations.

The review confirmed that there was a need for some significant investment in the Commission to both realize the efficiency and effectiveness opportunities that were noted and to allow TAIC to increase the scale and scope of its investigations so that it can fulfil its mandate.

Capability Building

Over the coming 2-3 years, the Commission will be progressively building our capability to deliver services effectively and efficiently, and continually improve them. We will also be significantly strengthening our infrastructure. The focus areas will be human resources, information technology and accommodation.

Commencing in the 2008/09 year, the Commission has a range of initiatives that will be introduced including: working towards better staff recruitment and retention; creating a learning and development culture within the organisation; skills training for specialist staff; upgrading TAIC's technology to improve and streamline service delivery processes; and the expansion and possible relocation of the Commission's Head Office.

These activities are actively supporting the state services development goals, including 'employer of choice', 'networked state services' and 'accessible state services'.

People Capability

In 2008/09, TAIC will develop a People Strategy that provides a long-term, organisation-wide view of the future people-management environment needed to help achieve the aims of our Strategic Plan 2007–2011. The strategy recognises that our people are our greatest resource, and their skills are a critical component of our capability. It aims to ensure that we identify, hire, develop, manage and retain the right people by creating a people-management environment where expectations are clear and excellent performance is recognised and rewarded.

This strategy will identify eight key themes to focus the programme of work necessary to achieve our desired environment. The themes, and work to be progressed in 2008/09, are:

1. creating a great working environment;
2. implementation of a new performance development system for staff;
3. planning our workforce needs;
4. recognising the contribution that people make;
5. developing exceptional managers and leaders;
6. attracting talented people;
7. developing people and their careers; and
8. supporting new members of our team.

RISK MANAGEMENT

The newly formed Finance Committee provides oversight of the Commission's management of risks. Specific key risks identified are noted in the following table.

Specific Risks	Mitigation
FINANCE Emergent risk on financial resources from increased costs associated with systemic & larger scale occurrences	Commission management & Ministry of Transport exploring response protocols for managing resourcing inquiries into substantive occurrences.
INFORMATION Data management system out-of-date & unreliable	Development of new AIMS IT programme in progress. Part of building Capability programme for 2008-2011.
CAPABILITY Lack of specialised staff reflective of global shortage	Development of People Strategy including: ∇ Revised recruitment protocols; ∇ greater emphasis on in house competency training; and ∇ off shore specialist training & secondments as appropriate.
MANDATE Commission unable to hold public hearings	A move towards public hearings will develop as capability is established. Protocols being developed for conducting public hearings.

OTHER REQUIRED INFORMATION

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.

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 2008/2009 to 2010/2011 is included in other sections of this document.

Sustainability

TAIC has committed to the Govt3 initiative and already has a number of environmentally friendly practices in operation, including initiatives in energy efficiency and administrative management.

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

The Minister of Transport purchases independent inquiries into aviation, rail, and marine accidents and serious incidents from the Transport Accident Investigation Commission. The investigations are to determine 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 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.

The output is provided independently of the transport regulatory authorities and reports may include comment on the performance of the regulatory authorities in relation to any accident or incident.

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 is 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, their structures, 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 in maritime environments.

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

Last year the Commission established an annual league table of the most common occurrences notified to it. This has helped the Commission identify common occurrences across the modes, and determine areas in the transport system that may require deeper inquiry as occurrences manifest. In the future the emphasis will shift to assessing whether there are reductions in types of events through the work of the Commission. For example if the league table shows braking failures on freight trains in Southland occur in 1 in 5 rail notifications then the Commission might inquire into every subsequent failure and target its safety recommendations so that an appropriate systemic response is achieved.

The Commission will be able to assess its effectiveness once its AIMS IT system is operational.

Outcome: Increasing Transport Safety	2008/2009	2009/2010	2010/2011
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

The ratio is monitored over time with the expectation that the occurrence (denominator) would reduce as safety behaviour is influenced by the implementation of safety recommendations.

Output 1: Inquiries into Accidents and Incidents

Inquiries are chains of activities undertaken by the Commission to determine the cause and circumstances of accidents and incidents.

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.

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.

Performance Measure for Outputs

The planned changes have required the development and implementation of new and more appropriate **performance indicators** that will help track the Commission's performance and demonstrate the progress that the Commission is making towards its contracted outputs and also the Government's priorities previously highlighted. The performance indicators or measures have changed, and may continue to change, as the Commission strengthens its capability to meet the responsibilities of its mandate. The service delivery measures emphasize the Commission's role as a standing investigative Commission of Inquiry. Investigations

are the predominant activity but not the only service aspect of the Commission's work. The inquiry work stream commences with notification of occurrences, followed by investigation, preparation of draft reports on findings prepared, then consultation with affected parties, hearings are held if appropriate, then Commissioners must deliberate on the facts presented to them and submissions made to them so as to form a view subsequently expressed through published findings and safety recommendations issued. The service performance measures are therefore focused on the substantive outputs of inquiries opened and reports released with the timeliness measures testing delivery of inquiry services distinguished by whether or not the inquiry included holding a hearing. This will provide some measure of the planned broadening of inquiries. The following table indicates the performance specifications that TAIC will begin to implement from 2008/09.

Measures For Inquiries	2008/2009	2009/2010	2010/2011	2007/2008
QUANTITY				
New Inquiries Opened	40	45	50	35
QUALITY				
Number of contested proceedings against findings	0	0	0	0
Bi-annual international peer review of investigative capability, testing for alignment with international principles & standards		Review		Review
TIMELINESS [Measured in average of working days]				
Inquiries – investigations only	200	200	200	<9 months
Inquiries – with hearings	360	360	360	n/a
REPORTS PUBLISHED [Measured in average of working days]				
Full reports – investigations only	220	220	220	n/a
Full reports – hearings	380	380	380	n/a
Short reports	150	150	150	n/a

STATEMENT OF ACCOUNTING POLICIES

Reporting entity

The Transport Accident Investigation Commission is an independent Crown entity established under the Transport Accident Investigation Commission Act 1990.

The Commission investigates aviation, marine and rail accidents and incidents, the circumstances of which have, or are likely to have, significant implications for transport safety. The Commission publishes safety recommendations and reports on accidents and incidents to avoid similar occurrences in future.

The Commission also represents New Zealand at accident investigations in which New Zealand has a specific interest, conducted by overseas authorities, and exchanges accident and incident information with overseas government accident investigation authorities.

The Commission's air accident investigation capability is occasionally extended, on a cost recovery basis, to Pacific Island states with no similar agency.

Measurement System

The financial statements have been prepared on a historical cost basis.

Particular Accounting Policies

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

1. Budget figures

The budget figures are those approved by the Commission at the beginning of the financial year.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Commission for the preparation of the financial statements.

2. Revenue

The Commission derives revenue through the provision of outputs to the Crown, for services to third parties and income from its investments. Such revenue is recognised when earned and is reported in the financial period to which it relates.

3. Fixed assets

Fixed assets are shown at cost less accumulated depreciation and have been depreciated on a straight line basis that is anticipated to write them off over their estimated useful lives.

Fixed asset type	Useful life (years)
Buildings (store)	33
Furniture and fittings	8 - 18
Office equipment	2.5 - 20
EDP equipment	3.3 - 10

4. Receivables

Receivables have been valued at expected net realisable value.

5. GST

These financial statements have been prepared exclusive of GST except for those payables with suppliers and receivables from customers.

6. Statement of Cash Flows

Cash comprises monies held in the Commission's bank accounts and short term deposits.

Financing activities comprise the change in equity and debt capital structure of the Commission.

Investing activities relate to the sale and purchase of fixed assets.

Operating activities include all transactions and other events that are not investing or financing activities.

Interest received is included in operating activities.

7. Provision for employee leave entitlements

Provision for employee leave entitlements are expected these are provided for at the time the accident or incident occurs.

Provision of employee leave entitlements is recognised when employees become eligible to receive the benefits.

8. Taxation

The Commission is a public authority in terms of the Income Tax Act 2004 and consequently is exempt from income tax.

9. Operating leases

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

10. Financial instruments

The Commission is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of financial performance.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the year under review.

All policies have been applied on the basis consistent with the previous year.

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

FORECAST 2008 - 2012
STATEMENT OF FINANCIAL PERFORMANCE
(FIGURES EXCLUDE GST UNLESS SPECIFIED)

As at 30 May 2008

Year Ending	Forecast Budget 2007/08	Forecast Budget 2008/09	Forecast Budget 2009/10	Forecast Budget 2010/11	Forecast Budget 2011/12
	\$000	\$000	\$000	\$000	\$000
REVENUE					
Crown	2,724	3,938	3,938	3,938	3,938
Other	8	8	8	10	10
Profit on sale of fixed assets	-				
Interest on deposits	26	28	42	43	51
Total revenue	2,758	3,974	3,988	3,991	3,999
EXPENSES					
Audit fees	11	12	12	12	12
Capital charge	20	26	44	92	92
Commissioners' fees (excluding expenses)	114	140	135	135	135
Depreciation	40	50	60	120	120
Personnel costs	1,629	2,384	2,351	2,345	2,377
Lease, rentals and outgoings	223	504	510	510	510
Loss on sale of fixed assets	-	-	-	-	-
Other operating costs	740	857	874	777	753
Total expenses	2,778	3,973	3,985	3,991	3,999
Net Surplus/(Deficit)	(20)	1	3	0	0
Crown Revenue including GST	3,065	4,430	4,430	4,430	4,430

FORECAST 2008 - 2012
STATEMENT OF FINANCIAL POSITION
(FIGURES EXCLUDE GST UNLESS SPECIFIED)

Year Ending	Forecast Budget 2007/08 \$000	Forecast Budget 2008/09 \$000	Forecast Budget 2009/10 \$000	Forecast Budget 2010/11 \$000	Forecast Budget 2011/12 \$000
ASSETS					
Cash at bank & deposits	464	508	524	572	657
Prepayments & advances	10	15	20	20	20
Receivables & accrued interest	10	10	10	10	10
Physical assets	85	330	955	905	825
Total assets	569	863	1,509	1,507	1,512
LIABILITIES					
Payables & accruals	127	140	118	110	110
Provision for payment of surplus	0	0	0	0	0
Provision for leave	100	130	160	165	170
Total liabilities	227	270	278	275	280
Taxpayers' funds	342	593	1,231	1,232	1,232
Taxpayers funds as a percentage of total assets	1%	69%	82%	82%	81%
Ratio of current assets to current liabilities	2	2.0	2.0	2.2	2.5
Ratio of fixed assets to total assets	0	0.4	0.6	0.6	0.5
TAXPAYERS' FUNDS					
Taxpayers' funds at beginning of year	262	342	593	1,231	1,232
Surplus (deficit) for year	(20)	1	3	0	0
Capital injection	100	250	635	0	0
Taxpayers' funds at end of year	342	593	1,231	1,232	1,232

FORECAST 2008 - 2012
CASH FLOW STATEMENT
(FIGURES EXCLUDE GST UNLESS SPECIFIED)

Year Ending	Forecast Budget 2007/08 \$000	Forecast Budget 2008/09 \$000	Forecast Budget 2009/10 \$000	Forecast Budget 2010/11 \$000	Forecast Budget 2011/12 \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash provided from:					
Supply of outputs - to the Crown	2724	3938	3938	3938	3938
Supply of outputs - to other	2	8	8	10	10
Interest	26	28	42	43	51
Cash disbursed to:					
Cost of producing outputs	(2699)	(3859)	(3878)	(3782)	(3782)
Payment of capital charge to the Crown	(20)	(26)	(44)	(92)	(92)
Net cash flows from operating activities	33	89	66	117	125
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash provided from:					
Sale of fixed assets	0	0	0	0	0
Cash disbursed to:					
Purchase of fixed assets	(40)	(295)	(685)	(70)	(40)
Net cash flows from investing activities	(40)	(295)	(685)	(70)	(40)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash provided from:					
Capital contribution from Crown	100	250	635	0	0
Cash disbursed to:					
Payment of surplus to Crown	0	0	0	0	0
Net cash flows from financing activities	100	250	635	0	0
Net increase (decrease) in cash held	93	44	16	47	85
Cash at beginning of period	371	464	508	524	572
Gain (loss) effect of exchange rate changes	0	0	0	0	0
Cash at end of period	464	508	524	572	657

FORECAST 2008 - 2012
CAPITAL EXPENDITURE

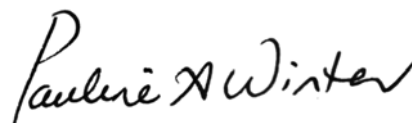
Year Ending	Forecast Budget 2007/08 \$000	Forecast Budget 2008/09 \$000	Forecast Budget 2009/10 \$000	Forecast Budget 2010/11 \$000	Forecast Budget 2011/12 \$000
FIXED ASSET PROGRAMME					
Revenue Capital	100	250	635	0	0
Depreciation	40	50	60	120	120
AIMS	0	200	627	0	0
Computer equipment	10	35	20	40	10
Investigation, furniture & fittings, office equipment	30	60	38	30	30
Total acquisition cost	40	295	685	70	40

SCHEDULE ONE: FUNDING - CROWN
(FIGURES EXCLUDE GST UNLESS SPECIFIED)

	2007/08	2008/09	2009/10	2010/11	2011/12
	\$000	000	000	000	000
Crown funding	2,724	3,938	3,938	3,938	3,938
Capital injection	100	250	635	0	0



Hon WP Jeffries
CHIEF COMMISSIONER



Pauline Winter
DEPUTY CHIEF COMMISSIONER

Transport Accident Investigation Commission

Level 11 | 40 Mercer Street | Wellington

Phone: +64 4 473 3112
Free Phone: 0800 188 926

PO Box 10 323 | Wellington 6143

Fax: +64 4 499 1510
Website: www.taic.org.nz