



Annual Report

Transport Accident Investigation Commission
Te Komihana Tirotiro Aitua Waka

Year ended 30 June 2012

Prepared for presentation to the House of Representatives
in accordance with section 150 of the Crown Entities Act 2004



5 November 2012

The Hon Simon Bridges MP
Associate Minister of Transport
Parliament Buildings
Wellington

Dear Minister

Annual Report 2012

We have the honour to present to you for tabling in the House of Representatives this Annual Report of the Transport Accident Investigation Commission for the year ended 30 June 2012.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'John Marshall'.

John Marshall QC
Chief Commissioner

A handwritten signature in blue ink, appearing to read 'H. Cull'.

Helen Cull QC
Deputy Chief Commissioner

The Commission's mission

Safer transport through investigation, learning and influence.

Contents

Chief Commissioner's commentary	4
Key highlights	4
Inquiry caseload	4
Corporate developments	5
Acknowledgements	5
Part 1: Non-financial reporting	6
Operating intentions and achievements	6
Figure 1: Operating intentions and achievements for year ended 30 June 2012	6
Inquiry caseload by mode	7
Figure 2: Caseload at year end, Completed by year end, Total active inquiries during year	8
Figure 3: Active inquiries in years ended 30 June 2012 (top) and 30 June 2011 – opened, closed, total open caseloads	9
Figure 4: Closed inquiries by mode and timeliness bands in working days	10
Corporate capability work programme priorities and achievements	11
Figure 5: Corporate capability work programme priorities and achievements	11
The Commission	14
Members of the Commission	14
Assessors	14
Staff	14
Figure 6: Employee workforce composition (gender and ethnicity) at 30 June 2012	14
Figure 7: Organisational Chart as at 30 June 2012	15
Good employer initiatives	16

Statement of responsibility for the year ended 30 June 2012	17
Part 2: Statement of service performance	18
Figure 8: Non-financial measures 1 July 2011 – 30 June 2012	18
Part 3: Financial overview and statements	19
Statement of accounting policies for the year ended 30 June 2012	20
Statement of financial position	26
Statement of comprehensive income	27
Statement of movement in taxpayers' equity	28
Statement of cash flows	29
Reconciliation of cash flow with statement of comprehensive income	30
Notes to the financial statements	31
Audit report	38
Appendix 1: Inquiries active in the year ended 30 June 2012	40
Figure 9: Inquiries active in the year ended 30 June 2012	41

Chief Commissioner's commentary

Key highlights

The Transport Accident Investigation Commission's year ended 30 June 2012 has been dominated by inquiries into three high profile accidents which occurred during the year:

- The inquiry (11-204) into the foundering of the containership *Rena* on Astrolabe Reef in the Bay of Plenty on 5 October 2011 provided the first authoritative account of what occurred when the Commission published an interim report on 8 March 2012.
- The collision with power lines, fire, and deaths of 11 people in a hot air ballooning accident near Carterton on 7 January 2012 necessitated the issuing of an urgent safety recommendation to ensure that maintenance discrepancies found in the early stages of the continuing inquiry (12-001) were not spread more widely. An interim report published by the Commission on 10 May 2012 was able to give an account of factual information gathered to date.
- An urgent safety recommendation was also issued from the continuing inquiry (12-201) into the capsizing and foundering of the fishing vessel *Easy Rider* in Foveaux Strait on 15 March 2012 with the deaths of eight people and survival of one, when it was discovered that the vessel design had stability limitations that operators needed to be aware of for safe operation.

The Commission also released, on 9 May 2012, the final report of its inquiry (10-009) into the loss of control on take-off and impact with terrain of a skydiving aircraft at Fox Glacier on 4 September 2010 with the loss of nine lives. Among other things this inquiry highlighted concerns about the use of performance impairing substances by persons involved in adventure tourism, and the lack of proper systems and rules to detect and prohibit such use.

Inquiry caseload

The Commission had 42 (2011: 55) active inquiries in the year of which 15 (2011: 13) were new inquiries, 12 (2011: 14) continued from previous years through the year, and 15 (2011: 28) of them were inquiry closures. Significant new or recent cases accorded priority in aviation (12-001 Carterton, 10-009 Fox Glacier, 10-008 Feilding) and marine (12-201 *Easy Rider*, 11-204 *Rena*, 11-201 *Volendam*) delayed work on earlier inquiries. The ability to complete cases was also constrained in the aviation and marine modes which have been operating at half to two-thirds of full investigator strength of 3 per mode due to impacts of staff turnover during the year under review and the one prior. All investigator vacancies were filled by about mid financial year, however a new investigator's estimated effectiveness in their first four years is 15%, 50%, 75%, and 100% reflecting training and supervision demands and normal development to fully competent in the role.

The efforts to clear backlog plus the careful application of the Commission's criteria when considering cases for possible inquiry over the past two years (15 cases were opened in the year ended 30 June 2012 (2011: 13)) and a fortunate lack of more events requiring inquiry mean that the organisation is in a good position for the years ending 30 June 2013 and 14 to continue to improve timeliness. About half of estimated 25 completed inquiries expected for the year ending 30 June 2013 are expected to be within 330 days (compared with 20% in the year under review). The estimate is that there will be just 2 inquiries aged over a year remaining at 30 June 2013, comparing very favourably with 12 (2011: 14) at 30 June 2012, and this would complete a solid foundation for continuing improvements to timeliness.

Corporate developments

Final acceptance of a new computer-based accident investigation information management system was delayed several months into this year while implementation difficulties were resolved within the fixed price contract. The deliberate carrying of a researcher/analyst staff vacancy for 11 months and the time taken by corporate staff to support the high profile inquiries saw completion of some corporate priorities delayed or deferred until the new financial year.

The Commission continues to manage cost pressures within its budget, including through realising benefits from whole of government efficiency projects where appropriate.

Strategic planning by Commissioners and senior management during the year has focused the organisation's corporate development work programme on improving operating efficiency (including inquiry timeliness and major accident preparedness), developing and maintaining investigation best practice, growing stakeholder relationships, and communicating more about what we do and learn. These priorities are reflected in the Statement of Intent 2012-15 now active.

Acknowledgements

I would like to acknowledge the sometimes intense personal, social, cultural and economic costs that the accidents we investigate may represent to those people involved or affected by them and to thank them for their graciousness when working with staff and Commissioners on the Commission's inquiries as we work to help prevent similar events occurring in the future.

I would also like to record the sadness of Commissioners and staff at the accidental death of Commissioner Bryan Wyness on 20 July 2012 and our gratitude for his outstanding contribution to the Commission since his appointment in 2004; part of a lifetime's career largely dedicated to improving transport safety.

A handwritten signature in blue ink that reads "John Marshall". The signature is written in a cursive style with a large initial 'J'.

John Marshall QC
Chief Commissioner

Part 1: Non-financial reporting

Operating intentions and achievements

The Commission has one output class, which remains unchanged – inquiries. The SOI Statement of Forecast Service Performance is formally reported against in the table at Figure 8: Non-financial measures 1 July 2011-30 June 2012 on page 18, however key figures are repeated and expanded upon below, with the table at Figure 1 reporting against the operating intentions as set out on page 6 of the SOI.

Figure 1: Operating intentions and achievements for year ended 30 June 2012

Operating Intention	SOI description (abridged)	SOI measure (quoted in full)	Achieved (by 30 June 2012)
Inquiries	<p>Inquiries are the Commission’s major output. The Commission believes that it delivers the best value to New Zealand when it focuses on quality investigations into high-level safety issues.</p> <p>The lessons the Commission generates are communicated to the transport sector, giving them knowledge that they can use to create smarter regulation and better safety systems. These lead to safer behaviours and hence safer transport. The Commission’s findings are also communicated to the wider public. This contributes to public confidence in the transport system.</p> <p>The Commission is a knowledge service, and its role in the transport sector is one of influence and recommendation rather than direct control. This makes measuring the impact of the Commission’s inquiries challenging.</p>	<p>1) <i>Historical Impact reviews:</i> The Commission conducts historical impact reviews, which are case studies of the Commission’s contribution to a particular area or kind of occurrence. The Commission expects to find that it has made a positive contribution to safety in the area reviewed, and that it has generated useful recommendations that have been implemented to good effect and have resulted in smarter regulation, better safety systems and reduced the likelihood of similar occurrences.</p>	<p>This year’s third annual historical impact review considered the Commission’s impact on commercial jet boat safety. The review was approved for publication by the board in June 2012 subject to consultation with Maritime New Zealand over some of the review’s commentary. The review noted that “[t]he Commission has been very active in investigating Commercial Jet Boat accidents over the period 1995 to 2011. It seems that many of the major changes to industry practices that the Commission has recommended have been taken on board by the regulator, operators, manufacturers and the New Zealand Commercial Jet Boat Association”. (The review is available on the Commission’s website www.taic.org.nz)</p>
		<p>2) <i>Stakeholder surveys:</i> In 2011/12 the Commission is implementing for the first time a stakeholder survey intended to gauge the usefulness of the Commission’s work. The survey will focus on understanding the ways that stakeholders are using the information in the Commission’s reports, and what actions they are taking on the basis of the Commission’s influence. The Commission expects to find that its reports and recommendations are a catalyst for concrete, beneficial changes in the transport sector.</p>	<p>This project was completed to pilot stage by 30 June 2012, with an online survey tool trialled and commented upon by about 25 key stakeholders. This project was not completed to implementation due largely to the Commission’s researcher position being left vacant for 11 months. It is hoped to fill the researcher vacancy for a January 2013 start. The stakeholder survey project remains active, with piloting completed, and external validation and quality assurance underway at time of writing. It is intended to field the survey every six months, in September and March, and to report results in future Annual Reports and on the Commission’s website.</p>

	<p>3) <i>Acceptance of Recommendations</i>: The Commission is considering appropriate benchmarks and targets for reporting the acceptance rate of the recommendations it makes, which would include the number of safety actions taken by a stakeholder at the suggestion of the Commission; safety actions that if not taken, would have resulted in the Commission making a recommendation.</p>	<p>This project was deferred to the new financial year due to the researcher staff vacancy discussed immediately above.</p>
--	---	---

Inquiry caseload by mode

The following discussion of inquiry caseload management expands on the Chief Commissioner's commentary, earlier. Where a number is immediately followed by another in brackets then the first number refers to the year ended 30 June 2012 and the one in brackets refers to the previous year, ended 30 June 2011. Tables and charts providing the data drawn upon are on the following pages, and a complete listing of all inquiries active during the year is at Appendix 1.

Running at two-thirds investigator strength, the air mode had 14 (17) active cases, contributed to 3 (8) finished inquiries and one interim report, and took on 5 (7) new cases including 12-001 Carterton, which delayed 10-009 Fox Glacier and 10-008 Feilding. The latter case prompted a general review of civil flying training safety. The Commission met in October 2011 to consider a range of submissions made in respect of the review, and a contract policy analyst has been continuing research for it. Both 10-008 Feilding inquiry and the training safety review are hoped to be finished by December 2012. The air mode finished the year at 254 (141) average elapsed working days for 11 (9) open inquiries.

The marine mode, operating on just over half effective strength for the year, had 11 (18) active cases including 3 (3) new inquiries, and 4 (10) taken to completion with one interim report produced. The 12-201 Easy Rider, 11-204 Rena, and 11-201 Volendam cases have dominated workload for the mode which saw a modest increase in its average elapsed working days for 7 (8) open inquiries at year end to 268 (235).

Five of the 8 (10) rail inquiries closed had aged between about 3 and 5 years. These were combined, due to common factors, into 2 inquiries. One became a complex examination of system maintenance related issues, while the other was held behind other priorities due to the apparent issues being superseded by events. These inquiries were also impacted by a backload of rail cases cleared in the previous year. The Commission opened 7 (3) new inquiries in the rail mode which had 17 (20) total active cases and reduced its average elapsed working days for the 9 (10) inquiries open at year end to 144 (494).

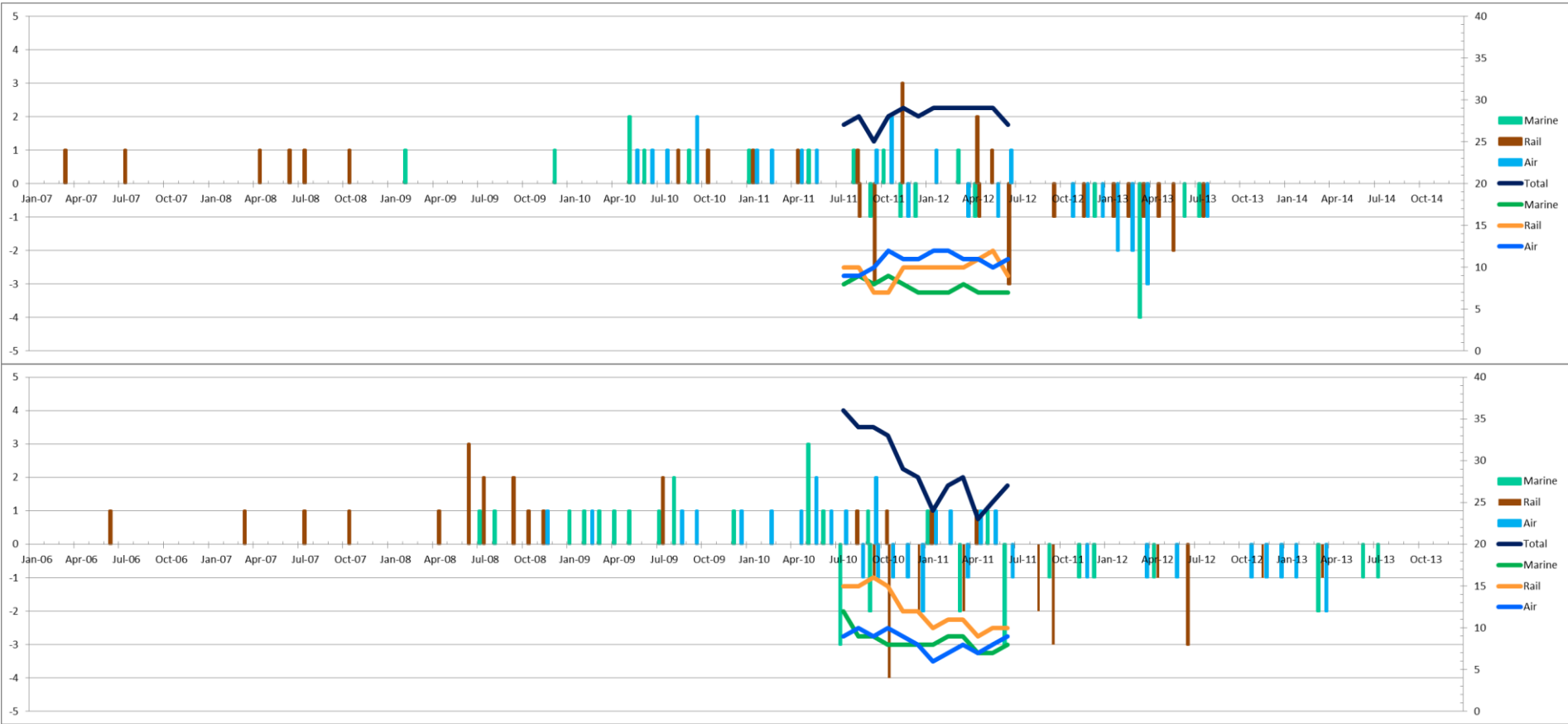
Overall, the proportion of completed inquiries outside the 220-440 range was similar to last year at 7% (14%) 220 or below and 47% (46%) above 440, with an undesirable upwards shift within the intermediate ranges: 221-330, 13% (25%); 331-440, 33% (14%) due to the pressures and constraints discussed above.

Figure 2: Caseload at year end, Completed by year end, Total active inquiries during year

		Marine			Rail			Air			Total		
		Jun-11	Jun-12	Jun-13	Jun-11	Jun-12	Jun-13	Jun-11	Jun-12	Jun-13	Jun-11	Jun-12	Jun-13
Caseload at year end													
Inquiries	Opened	3	3	— —	3	7	— —	7	5	— —	13	15	— —
	Continued	5	4	0 — —	7	2	1 — —	2	6	1 — —	14	12	2 — —
	Total	8	7	— —	10	9	— —	9	11	— —	27	27	— —
Elapsed WD													
	Opened	304	411	— —	334	725	— —	798	578	— —	1436	1714	— —
	Continued	1574	1467	0 — —	4603	575	255 — —	475	2216	225 — —	6652	4258	480 — —
	Total	1878	1879	— —	4937	1300	— —	1273	2794	— —	8088	5973	— —
Average WD													
	Opened	101	137	— —	111	104	— —	114	116	— —	110	114	— —
	Continued	315	367	0 — —	658	288	255 — —	237	369	225 — —	475	355	240 — —
	Overall	235	268	— —	494	144	— —	141	254	— —	300	221	— —
Completed by year end													
Inquiries	completed	10	4	7 — —	10	8	8 — —	8	3	10 — —	28	15	25 — —
	Elapsed WD	3559	1539	3222 — —	5453	5716	2450 — —	2086	1097	3741 — —	11097	8352	9413 — —
	Average WD	356	385	460 — —	545	715	306 — —	261	366	374 — —	396	557	377 — —
Total active inquiries during year													
	Active inquiries	18	11	— —	20	17	— —	17	14	— —	55	42	— —
	FTE Investigators	2.1	1.6	2.1 — —	2.6	2.9	3.0 — —	2.2	2.1	2.3 — —	6.9	6.5	7.4 — —

Notes: Opened = opened in that year, Continued = remained open throughout that year, Inquiries completed = closed in that year. WD = working days (220 WD/year). Excludes assistance to overseas inquiries. The investigator establishment is 3.0 full time equivalents (FTEs) per mode, so 9.0 in total. Figures for the years ended June 2011 and 2012 are actual figures, while figures for the year ended June 2013 are estimates. Please see the qualifications to these estimates at Appendix 1.

Figure 3: Active inquiries in years ended 30 June 2012 (top) and 30 June 2011 – opened, closed, total open caseloads

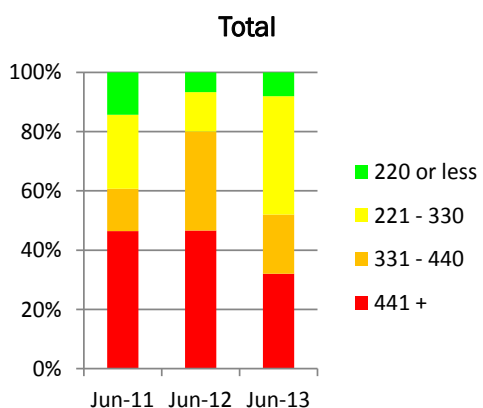
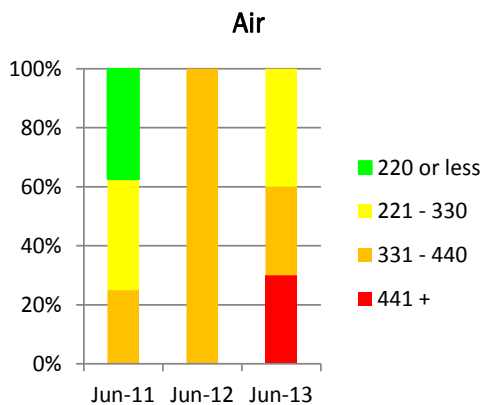
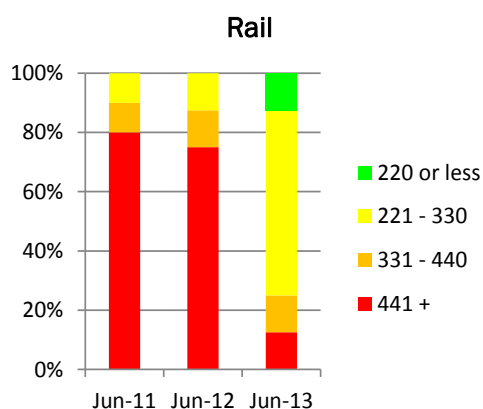
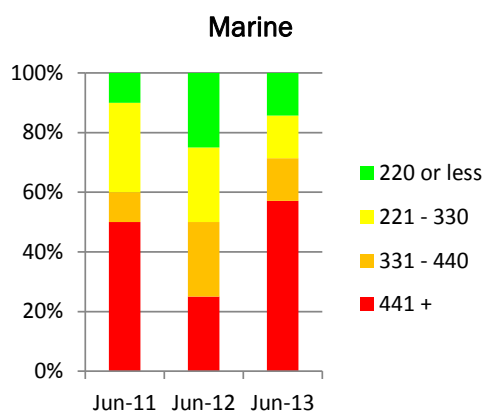


Notes: These stacked graphs show caseload active in the reporting years on matched timescales. Inquiries opened (actual months) before or during the year are shown as positive integers against the left hand vertical axis and inquiries closed (actual month during the year or estimated month for future closures) are shown as negative integers. Line graphs tracking modal and Commission total caseloads through the reporting years are shown against the right hand vertical scale. Excludes assistance to overseas inquiries. Please see the qualifications to estimated closing dates at Appendix 1.

Figure 4: Closed inquiries by mode and timeliness bands in working days

	Jun-11 (act)		Jun-12 (act)		Jun-13 (est)	
	n	% all	n	% all	n	% all
Marine						
220 or less	1	4%	1	7%	1	4%
221 - 330	3	11%	1	7%	1	4%
331 - 440	1	4%	1	7%	1	4%
441 +	5	18%	1	7%	4	16%
Sub Total	10	36%	4	27%	7	28%
FTEs	2.1		1.6		2.1	
Rail						
220 or less	0	0%	0	0%	1	4%
221 - 330	1	4%	1	7%	5	20%
331 - 440	1	4%	1	7%	1	4%
441 +	8	29%	6	40%	1	4%
Sub Total	10	36%	8	53%	8	32%
FTEs	2.6		2.9		3.0	
Air						
220 or less	3	11%	0	0%	0	0%
221 - 330	3	11%	0	0%	4	16%
331 - 440	2	7%	3	20%	3	12%
441 +	0	0%	0	0%	3	12%
Sub Total	8	29%	3	20%	10	40%
FTEs	2.2		2.1		2.3	
Total						
220 or less	4	14%	1	7%	2	8%
221 - 330	7	25%	2	13%	10	40%
331 - 440	4	14%	5	33%	5	20%
441 +	13	46%	7	47%	8	32%
Total	28	100%	15	100%	25	100%
FTEs	6.9		6.5		7.4	

Notes: Timeliness bands are in working days (220/year). The table % figures add vertically, and say what % of all reports produced by the Commission that year the number to the left represents. The investigator establishment is 3.0 full time equivalents (FTEs) per mode, so 9.0 in total. The charts present a year's total output split into timeliness bands with each being a percentage of that year's total output for the mode or organisation. Please see the qualifications to the 2013 year estimates at Appendix 1.



Corporate capability work programme priorities and achievements

To support its output of inquiries, the Commission has a work programme focused on continuous improvement, which it has divided into three broad areas – productivity, responding to trends, and communication. The following table reports achievements against the programme priorities set out on pages 7 and 8 of the SOI.

Figure 5: Corporate capability work programme priorities and achievements

	SOI description (abridged)	SOI measure (quoted in full)	Achieved (by 30 June 2012)
Productivity	<p>The Commission will improve its productivity through the propagation and use of three new tools expected to be implemented by the start of the 2011/12 financial year:</p> <ul style="list-style-type: none"> • an investigation information management system; • organisation-wide key performance indicators; and • staff-specific key performance indicators <p>The Commission aims to improve productivity across all modes, producing higher-quality and more timely reports through improved internal project management.</p>	<p>The Commission measures the time taken to close inquiries (publish its final reports). In previous years, only around 10% of the Commission's inquiries were closed within the [International Civil Aviation Organization] industry standard of 220 working days, and in some years more than half the Commission's inquiries took more than the industry maximum of two years. The Commission intends to improve on these figures with a goal of eventually achieving 40% of its inquiries closed within 220 days, and none taking more than two years.</p> <p>The Commission also intends to maintain its output of reports at 30, which reflects what the Commission believes is the maximum output it can sustain with current staff levels and still maintain quality standards.</p>	<p>Commissioning of the investigation information management system was delayed due to development difficulties which were accommodated within the project budget.</p> <p>Closed inquiry timeliness is discussed in detail on the preceding pages and is reported on formally in the Statement of Service Performance at Figure 8 on page 18.</p> <p>The board and senior management established organisation-wide key performance indicators in a strategic planning session held in September 2011 which have been reflected in the structure and priorities of the SOI for the year ending 30 June 2013.</p> <p>A new staff performance management system was introduced in the year ended 30 June 2012.</p>
Responding to Trends	<p>The Commission is revising its quality assurance system for the purpose of continuous improvement of its internal policies, procedures, and documentation. Specific projects intended for the coming three years are (with detail in brackets added subsequent to the SOI's publication):</p>	<p>This is a project with broad scope, which contributes to long-term goals. This makes measuring success in this project difficult.</p> <p>The Commission is in the process of determining timelines for the deliverables in this project, and will report against these in future accountability documents.</p> <p>(The indicators below in this column against the "Responding to Trends" projects bulleted at left were developed subsequent to the SOI's publication.)</p>	<p>(See next page.)</p>

	<ul style="list-style-type: none"> continued expansion of the Commission's research capabilities (to identify and monitor emerging trends and changes in the transport sector, as well as supplying business intelligence); 	<p>Specific research activities decided by October 2011.</p> <p>Research products reported in quarterly reports.</p>	<p>This work was deferred due to the researcher vacancy discussed earlier. The Commission's research strategy is to be reviewed in the second quarter of the year ending 30 June 2013 (which will also inform re-specification of the researcher role ahead of the vacancy being advertised).</p>
	<ul style="list-style-type: none"> updating its major accident strategy; 	<p>Major accident procedures update working draft by 31 March 2012.</p>	<p>Spurred by the Commission's need to work with families (of fatalities and the injured, as well as injured and non-injured survivors) in the event of a mass fatality transport accident, staff made an initial assessment and raised with other agencies concerns about the suitability of policy, plans and preparedness of parts of the public and private sector to work with families in such an event. This resulted in the Department of Prime Minister and Cabinet (DPMC) convening an agencies' meeting in May 2012 to pick up this issue along with concerns of the Chief Coroner about mortuary services for a similar event. A multi-agency project, including Commission staff involvement, has since been established by DPMC.</p> <p>Meanwhile, the updating work for the Commission's own major accident manual has been rolled into the next item which addresses the Commission's entire investigation manuals suite.</p> <p>Planning is to occur in the year ending 30 June 2013 for a major accident exercise to take place the following year.</p>
	<ul style="list-style-type: none"> revising and updating its investigation procedures documents (which incorporates policies procedures and guidelines in a tiered hierarchy (including guidelines for major accident investigation) into an investigation quality system. It is intended to harmonise the Commission's investigation practices with other jurisdictions, and ensure it is in line with international best practice); 	<p>Investigation Quality System operational by July 2012.</p>	<p>Commission staff have appraised and begun adaption of the Australian Transport Safety Bureau's (ATSB) investigation manual suite (with ATSB permission), which has a contemporary quality system format which the Commission's earlier generation documentation does not. The ATSB documentation has the added advantage of being supported by the system from which the Commission's computer-based accident investigation information management system has been adapted and adopted. Work is on-going.</p>

	<ul style="list-style-type: none"> developing an international strategy (to help ensure the Commission's international involvement aligns with its Act, international best practice, and high-level government outcomes). 	Final strategy complete by 30 June 2012.	A strategy/policy content outline and development process was presented to the Commission's board in February 2012. Further work on the policy was delayed until the year ending 30 June 2013 due to inquiry-related and other priorities for the assigned staff.
Communication	<p>The Commission is developing a broad communications strategy to improve the way it communicates its findings, explore alternative publication methods, and to enhance the Commission's relationships with stakeholders.</p> <p>Communicating the Commission's findings is key to its role in improving transport safety and increasing public confidence in the transport system. The communication project is intended to increase the value the Commission gets from its inquiries by ensuring that the findings and recommendations it generates are effectively promulgated.</p>	The stakeholder survey that the Commission is developing to gauge its impact will also return information on how well the Commission communicates its findings. The Commission expects to receive positive feedback on its communications.	<p>Delivery of the stakeholder survey was delayed until the year ended 30 June 2013, as explained above.</p> <p>The stakeholder survey is a component of an organisational communications strategy and policy framework which was approved by the board of the Commission in February 2012. The communications framework was developed to reflect the priorities established by the board and senior management in a strategic planning session held in September 2011.</p> <p>A key communications and information tool for the Commission is its website www.taic.org.nz. The website has been redesigned to reflect contemporary web design and technical standards, and to allow for integration with social media and email tools. Launch of the website was delayed until after acceptance and resolution of warranty issues for the accident investigation information management system when work could begin on a data feed from the system to the website. This work was underway as this report was being written.</p>

The Commission

Members of the Commission

Members of the Commission during the year were:

- Mr John Marshall QC – Chief Commissioner (appointed March 2010, term expires March 2015)
- Ms Helen Cull QC – Deputy Chief Commissioner (appointed May 2011, term expires May 2016)
- Capt. Bryan Wyness – Commissioner (appointed November 2004, term was to expire April 2013, died 20 July 2012).

Commissioners' remuneration is disclosed in Part 3 of this report.

Assessors

Assessors may be appointed as independent advisors for Commissioners on any technical or specialist matter. The Transport Accident Investigation Commission Act 1990 also allows the Commission to co-opt assessors to be voting members, however this step was not taken during the financial year ended 30 June 2012.

Staff

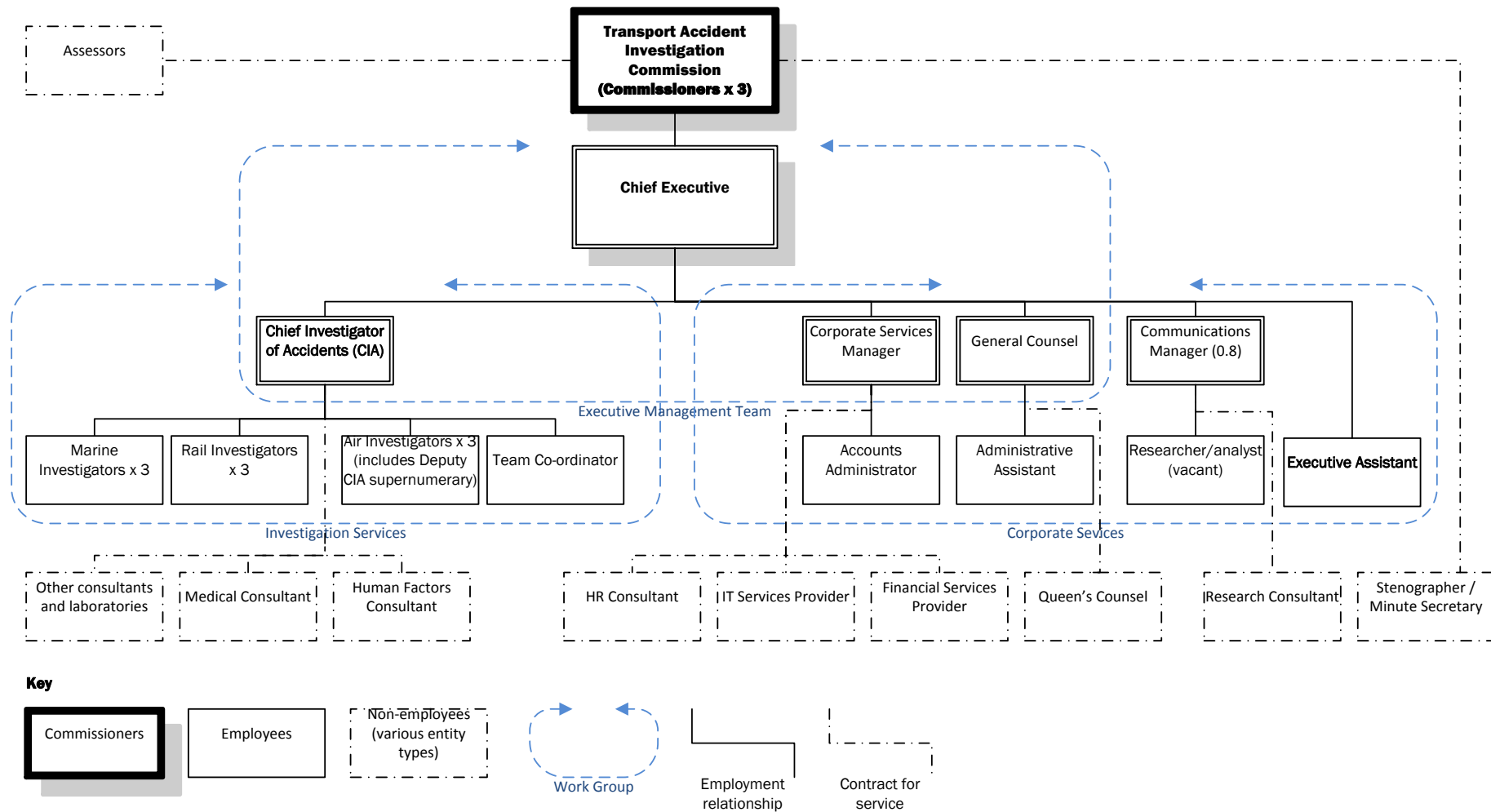
The Commission has 19 employee positions organised into two work teams under the Chief Executive – Investigation Services and Corporate Services. Two new investigators began in training with the organisation in November and January, while another investigator who had started the previous year was still in training. The research analyst position was left vacant for 11 months in order to help manage budgetary pressures, including employment of contract assistance with the review of flight training safety. A number of back office and specialist services are contracted in as the most cost-effective and flexible way to provide these services to the Commission.

The table at Figure 6 shows the composition of the Commission's employee workforce and the chart at Figure 7 on page 15 sets out the Commission's organisational structure.

Figure 6: Employee workforce composition (gender and ethnicity) at 30 June 2012

Gender	Number	Ethnicity	Number
Male	12	European	14
Female	6	Pacific	2
		Maori	1
		Asian	1

Figure 7: Organisational Chart as at 30 June 2012



Good employer initiatives

The Commission is a small organisation that relies on the knowledge, skills and professionalism of its specialist workforce. This Commission operates a flexible and comprehensive people capability strategic plan that ensures that staff impacts are always considered as part of general business decision-making so that high performance is always enabled and encouraged.

In June staff engagement began to inform a refreshing of the Commission's corporate Values, their linking to behaviours at work, and shared common expectations of attitudes and behaviour.

The Commission's training programme ensures staff develop and maintain the knowledge and skills essential to their often specialist work. This includes overseas university-based programmes in basic and advanced accident investigation, and modal specific training and professional education opportunities.

The Commission remains committed to promoting a safe, healthy and balanced lifestyle for staff. To help achieve this objective, the Commission:

- contributes to staff gym memberships or other exercise-related fees
- contributes to eye examinations and prescription glasses
- funds optional staff flu vaccinations
- provides medical examinations for investigators
- allows flexible (including part-time) working hours and the ability for staff to work away from the office by providing laptops and remote access to the Commission's systems
- provides time in lieu (i.e. additional to alternative holidays) to staff who are required to work in the weekends
- provides protective and corporate clothing appropriate to roles.

Statement of responsibility for the year ended 30 June 2012

In the financial year ended 30 June 2012, Commissioners and management were responsible for:

- preparing the financial statements and the statements of service performance and the judgements therein
- establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the Commissioners and management, the financial statements and the statements of service performance for the financial year fairly reflect the financial position and operations of the Transport Accident Investigation Commission.



John Marshall QC
Chief Commissioner



Helen Cull QC
Deputy Chief Commissioner

25 October 2012

Part 2: Statement of service performance

for output targets in the year ended 30 June 2012

The Commission has only one output class; Inquiries. This section provides an overview of the Commission's service performance results for this financial year. Refer to the Statement of Comprehensive Income on page 27 for the revenue and expenditure of this output class.

The following table reports against the non-financial measures set out in the SOI, page 11.

The average lifetime cost of inquiries closed is high, \$309k, compared with the target of \$129k. The cases closed averaged 557 working days compared with the targeted 220-440 working days. The major driver was the eight rail cases closed which formed the tail-end of a backlog of rail cases closed.

Figure 8: Non-financial measures 1 July 2011 – 30 June 2012

Measure	Actual	Target	For further explanation refer to
Cost			
Average lifetime cost of inquiries closed	\$383k	\$129k	paragraph above
Quantity			
Inquiries opened	15	30	Figure 2
Inquiries closed	15	30	Figure 2
Reports published (includes interim reports)	17	30	Figure 2
Timeliness			
Average age of inquiries in progress (working days, at 30 June 2012)	221	300	Figure 2
Percentage published under 220 working days	7%	20%	Figure 4
Percentage published under 440 working days	53%	80%	Figure 4
Quality			
Historical Impact Review (qualitative measure)	1	1	Figure 5
Stakeholder Survey (qualitative measure)	Piloted	First results available	Figure 5

Part 3: Financial overview and statements

This section provides an overview of the Commission's financial result for the period. For further information, refer to the financial statements on pages 20 to 37. The Commission reported a net surplus of \$0.074m compared with a breakeven budget.

The total operating revenue was \$4.04m, which included \$3.86m of Crown funding, \$0.031m from interest earned, \$0.122m from sublease income and \$0.025m from other sources.

The surplus achieved was driven by interest earned on term deposits, and a small favourable variance on operating expenditure.

The Commission completed its accident investigation information management system (AIIMS) project in this financial year. The project came within budget although completion was delayed by 12 months because of issues with customisation of a bespoke system. The impact of this delay is reflected in the amortisation of the asset commencing later than planned. This resulted in amortisation expenditure being favourable against budget.

Cash remained strong throughout the year attributable to the net surplus and final payment for the AIIMS project was accrued at year end but not paid out until the following financial year.

Current liabilities as at 30 June 2012 have slightly increased from last year due to the final AIIMS project payment included in this year's balance.

The movement in taxpayers' liability and equity reflects the current year's net surplus.

Statement of accounting policies for the year ended 30 June 2012

1. Reporting Entity

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

Transport Accident Investigation Commission's ultimate parent is the New Zealand Crown.

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

The Commission's investigation capability is occasionally extended, on either a pro bono public or a cost recovery basis, to Pacific Island states.

Accordingly, the Commission has designated itself as a public benefit entity for the purposes of the New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS").

The financial statements of the Commission are for the year ended 30 June 2012. The financial statements were authorised for issue by the board on 25 October 2012.

2. Basis of preparation

Statement of compliance

The financial statements for the year ended 30 June 2012 are prepared in accordance with the Transport Accident Investigation Commission Act 1990 and the Crown Entities Act 2004, which includes the requirement to comply with New Zealand's generally accepted accounting practice ("NZ GAAP").

Basis of preparation

These financial statements comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

3. Measurement base

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

4. Functional and presentational currency

The functional and presentation currency of the Commission is New Zealand dollars. All values are rounded to the nearest dollar.

5. Changes in accounting policies

Overall considerations

The accounting policies are consistent with those used in the previous financial year except that the Commission has adopted the standards, amendments and interpretations as outlined in note 5(a)- (c).

The adoption of these standards, amendments and interpretations did not have any effect on the Statement of Comprehensive Income or Statement of Financial Position of the Commission. However they did give rise to additional disclosures. An overview of standards, amendments and interpretations issued, but not yet effective is given in note 6.

(a) NZ IAS 24 Related Party Disclosures

NZ IAS 24 Related Party Disclosures (revised 2009) replaces NZ IAS 24 Related Party Disclosures (issued 2004) and was effective for reporting periods beginning on or after 1 January 2011. The revised standard:

- i) Removes the previous disclosure concessions applied by the commission for arms-length transactions between the commission and entities controlled or significantly influenced by the Crown. The effect of the revised standard is that more information is required to be disclosed about transactions between the Commission and entities controlled or significantly influenced by the Crown.
- ii) Provides clarity on the disclosure or related party transactions with Ministers of the Crown. Further, with the exception of the Minister of Transport, the Commission has been provided with an exemption from certain disclosure requirements relating to transactions with other Ministers of the Crown. The clarification could result in additional disclosures should there be any related party transactions with Ministers of the Crown.
- iii) Clarifies that related party transactions include commitments with related parties.

By adopting this standard there has not been a significant impact on the financial statements. The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. Note 25 has been updated for these changes.

(b) NZ IAS 1 Presentation of Financial Statements

The amendments to NZ IAS 1 Presentation of Financial Statements introduce a requirement to present, either in the Statement of changes in equity or the notes, for each component of equity, an analysis of other comprehensive income by item. The Commission has decided to present this analysis in note 22.

(c) FRS 44 Financial Reporting Standard No. 44 New Zealand Additional Disclosures

As a result of the harmonisation project of NZ IFRSs with Australian Accounting Standards, all New Zealand specific disclosures have been removed from the individual NZ IFRSs and incorporated into new standard – FRS 44 and certain allowed alternatives in accounting treatment have been allowed.

The purpose of the new standard and amendments is to harmonise Australian and New Zealand accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each jurisdiction. There is no effect from the amendments on the Commission.

6 Standards, amendments and interpretations issued that are not yet effective and have not been adopted early

Standards, amendments and interpretations which have been issued but are not yet effective and which have not been adopted early but, are relevant to the Commission include:

(a) NZ IFRS 9 Financial Instruments

NZ IFRS 9 Financial Instruments is the first of a three phase approach to replace NZ IAS 39 - Financial Instruments: Recognition and Measurement. NZ IFRS 9 deals with the classification and measurement of financial assets.

NZ IFRS 9 reduces the number of categories of financial assets from four to two categories. All financial assets will now either be measured at amortised cost or at fair value. The prior categories of held-to-maturity, loans and receivables and available for sale under NZ IAS 39 are eliminated.

Classification of the financial asset as either being at fair value or at amortised cost is made on initial recognition. In order for a financial asset to qualify as being at amortised cost it must have the following two features:

- The entity's business model (as determined by key management personnel) must be to hold financial assets in order to collect contractual cash flows; and
- The instrument itself must have terms that give rise to cash flows that are solely principle and interest on the principal amount outstanding.

If these two features are not present the financial asset is carried at fair value.

In addition, the treatment of embedded derivatives contained in financial instrument host contracts is amended, with there being no need to separate these out as the entire instrument will be at fair value.

Upon adopting NZ IFRS 9 entities will have to relook at all financial assets to determine whether or not they are required to be at amortised cost or at the fair value.

The new standard is required to be adopted for the year ended 30 June 2014. The Commission has not yet assessed the effect of the new standard and expects that it will not be an early adoptee.

7 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Budget figures

The budget figures are those approved by the Commission at the beginning of the year in its Statement of Intent. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Commission for the preparation of the financial statements.

(b) Revenue

Revenue from the Crown

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 at fair value when earned and is reported in the financial period to which it relates.

Interest

Interest income is recognised as it accrues on bank account balances, on-call and short-term deposits.

Rental Income

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

(c) Capital Charge

The capital charge is recognised as an expense in the financial year to which the charge relates.

(d) Financial Instruments

The Commission's financial instruments comprise cash and cash equivalents, trade and other receivables and creditors and other payables. A financial instrument is recognised when the Commission becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all the substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial instruments are initially recognised at their fair value and classified into one of the following categories. Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, are classified into the following categories upon initial recognition:

- loans and receivables;
- financial assets at fair value through profit and loss;
- held to maturity investments; and
- available-for-sale financial assets

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except those at fair value through the profit and loss are subject to review for impairment at least each reporting date. Financial assets are impaired when there is objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The Commission's cash and cash equivalents and trade and other receivables fall into this category of financial instruments.

Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the Commission will not be able to collect all amounts due according to the original terms of the receivables. The amount of this provision is the difference between the asset's carrying value and the present value of estimated future cash flows, discounted using the effective interest rate method.

Financial liabilities

The Commission's financial liabilities include trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest rate method, except for financial liabilities held for trading or designated at fair value through profit and loss, that are carried subsequently at fair value with gains or losses recognised in profit or loss. The Commission does not currently have any financial liabilities held for trading or designated at fair value through profit or loss.

(e) Cash and cash equivalents

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

(f) Property, plant and equipment

Property, plant and equipment are shown at cost less accumulated depreciation and impairment losses.

Additions

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are recognised in the statement of comprehensive income.

Depreciation

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

Fixed asset type	Useful life (Years)	Depreciation Rate
Buildings (store)	5 - 50	2% to 20%
Computer equipment	1.5 - 10	10% to 67%
Furniture and equipment	1.2 - 18	5.5% to 80.4%

(g) Intangible assets

Software acquisition

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

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

Amortisation

Computer software licenses are amortised on a straight-line basis over their estimated useful life of 3 years. Amortisation begins when the asset is available for use and ceases at the date the asset is disposed of. The amortisation charge is recognised in the Statement of Comprehensive Income.

Fixed asset type	Useful life Years	Depreciation Rate
Software	2.1 - 3	10% - 48%

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment at each financial reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

(h) Provisions

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

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

Onerous Contracts

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

The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, any impairment losses on the assets associated with that contract are recognised.

(i) GST

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

(j) 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.

(k) Employee entitlements

Employee entitlements that the Commission expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

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

The Commission recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the sick leave entitlement that can be carried forward at balance date, to the extent the Commission anticipates it will be used by staff to cover those future absences.

(l) Superannuation scheme

Defined contribution scheme

Obligations for contributions to KiwiSaver are accounted for as a defined contribution superannuation scheme and is recognised as an expense in the statement of comprehensive income as incurred.

(m) Taxation

The Commission is a public authority in terms of the Income Tax Act 2007 and consequently is exempt from income tax. Accordingly, no charge for income tax has been provided for.

(n) Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as incurred over the lease term of the lease in the statement of comprehensive income.

8 Critical accounting estimates and assumptions

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

Property, plant and equipment useful lives and residual values

At each balance date the Commission reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Commission to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Commission, and expected disposal proceeds from the future sale of the asset.

The total cost of the sub-lease of Simpl (Cigna) House has been estimated and included in the last year's lease, rental and outgoings expense. This cost was calculated by discounting the future net cash outflows of the sub-lease at a discount rate of 5%.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the statement of comprehensive income, and carrying amount

of the asset in the statement of financial position. The Commission minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programs;
- analysis of prior asset sales

The Commission has not made any significant changes to past assumptions concerning useful lives and residual values. The carrying amounts of property, plant and equipment are disclosed in note 4.

Critical judgements in applying the Commission's accounting policies

Management has exercised the following critical judgements in applying the Commission's accounting policies for the period ended 30 June 2012:

Leases classification

Determining whether a lease agreement is a finance or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Commission.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

The Commission has exercised its judgement on the appropriate classification of equipment leases and, has determined that the lease arrangement with Fuji Xerox is a finance lease.

Statement of financial position

as at 30 June 2012

Assets	Note	Actuals 30/06/12	Budget 30/06/12	Actuals 30/06/11
Current Assets				
Cash and cash equivalents	1	1,061,117	727,000	1,028,411
Trade and other receivables	2	11,352	10,000	2,145
Prepayments	3	25,005	20,000	17,995
Total Current Assets		1,097,474	757,000	1,048,551
Non-Current Assets				
Property, plant and equipment	4	228,105	309,000	261,749
Intangible assets	5	780,703	700,000	587,018
Total Non-Current Assets		1,008,808	1,009,000	848,767
Total Assets		2,106,282	1,766,000	1,897,318
Represented by:				
Liabilities and taxpayers' funds				
Current Liabilities				
Trade and other payables	6	286,780	118,000	125,517
Employee entitlements	8	192,125	180,000	155,105
Finance lease – current	17	24,802	25,000	27,778
Provision for rental loss	9	42,703	42,000	42,703
Total Current Liabilities		546,410	365,000	351,103
Non-Current Liabilities				
Finance lease – non current	17	5,773	6,000	30,575
Provision for rental loss	9	102,451	97,000	138,242
Total Non-Current Liabilities		108,224	103,000	168,817
Total Liabilities		654,634	468,000	519,920
Taxpayer's Equity		1,451,648	1,298,000	1,377,398
Total Liabilities and Taxpayers' Equity		2,106,282	1,766,000	1,897,318



John Marshall QC
Chief Commissioner



Helen Cull QC
Deputy Chief Commissioner

The accompanying notes and statement of accounting policies should be read in conjunction with these financial statements.

Statement of comprehensive income

for the year ended 30 June 2012

Revenue	Note	Actuals 30/06/12	Budget 30/06/12	Actuals 30/06/11
Revenue Crown		3,865,000	3,865,000	3,938,000
Rental income		122,757	126,000	122,248
Other income		24,999	-	-
Donated assets		-	-	87,000
Sale of documents		17	-	60
Interest earned		31,408	11,000	38,557
Total Revenue		4,044,181	4,002,000	4,185,865
Expenditure				
Audit Fees – financial Statement audit		16,800	17,000	16,000
Commissioners' fees	14	148,516	136,000	144,208
Depreciation and amortisation		124,864	233,000	113,055
Finance costs	7	14,332	-	10,567
Lease, rentals and outgoings		786,343	853,000	776,766
Capital charge	10	-	-	89,797
Personnel costs	11	2,092,244	2,101,000	2,005,381
Other operating costs		755,905	662,000	756,466
Total Expenditure before fraud		3,939,004	4,002,000	3,912,240
Less Fraud – Loss	26	(30,927)	-	(72,065)
Less Fraud Investigation Expenses		-	-	(12,700)
Net Surplus/(Deficit)		74,250	-	188,860
Other Comprehensive Income				
		-	-	-
Total Comprehensive Income for the year		74,250	-	188,860

Explanations of major variances against budget are provided in note 26.

The accompanying notes and statement of accounting policy should be read in conjunction with these financial statements.

Statement of movement in taxpayers' equity

for the year ended 30 June 2012

	Actuals 30/06/12	Budget 30/06/12	Actuals 30/06/11
Balance at 1 July	1,377,398	1,298,000	1,188,538
<i>Owner transactions</i>			
Capital contribution from the Crown	-	-	-
<i>Comprehensive Income</i>			
Net Surplus/(Deficit)	74,250	-	188,860
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year	74,250	-	188,860
Balance at 30 June	<u>1,451,648</u>	<u>1,298,000</u>	<u>1,377,398</u>

The accompanying notes and statement of accounting policy should be read in conjunction with these financial statements.

Statement of cash flows

for the year ended 30 June 2012

	Actuals 30/06/12	Budget 30/06/12	Actuals 30/06/11
Cash flows from operating activities			
Cash was received from:			
Revenue Crown	3,865,000	3,865,000	3,938,000
Rental income	122,757	-	122,248
Other income	25,016	126,000	60
Interest received	27,524	11,000	48,157
Goods and services tax (net)	36,495	-	6,847
	4,076,792	4,002,000	4,115,312
Cash was disbursed to:			
Payments to suppliers	1,670,895	1,695,000	1,853,834
Payments to employees	2,055,224	2,101,000	2,017,760
Capital charge	-	-	89,797
Goods and services tax (net)	-	-	-
	-	-	-
Net cash flows from operating activities	350,673	206,000	153,919
Cash flows from investing activities			
Cash was received from:			
Proceeds from sale of asset	40	-	-
	40	-	-
Cash was applied to:			
Purchase of property, plant and equipment and Intangibles	285,116	37,000	451,721
Net cash flows from investing activities	(285,076)	(37,000)	(451,721)
Cash Flows from Financing Activities			
Cash provided from:			
Capital contribution from the Crown	-	-	-
Cash was applied to:			
Payments to finance leases	33,063	69,000	33,062
Net Cash Flows from Financing Activities	(33,063)	(69,000)	(33,062)
Net movement in cash for the period	32,706	100,000	(330,864)
Opening cash and cash equivalents	1,028,411	627,000	1,359,275
Closing cash and cash equivalents	1,061,117	727,000	1,028,411

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

The accompanying notes and statement of accounting policy should be read in conjunction with these financial statements.

Reconciliation of cash flow with statement of comprehensive income

for the year ended 30 June 2012

	30/06/12	30/06/11
(Deficit)/surplus from Statement of Comprehensive Income	74,250	188,860
Add/(Less) Non-cash items		
Depreciation and amortisation	124,864	113,055
Gifted Income	-	(87,000)
	<hr/> 199,114	<hr/> 214,915
Add/(Less) movements in Working Capital Items		
Trade and other receivables	(3,884)	9,600
Prepayments	(7,010)	(10,150)
Trade and other payables	155,939	(8,922)
Employee benefits	37,020	(12,380)
Provision for rental loss	(30,506)	(39,144)
Total working capital items	<hr/> 151,599	<hr/> (60,996)
Net cash flows from operating activities	<hr/> <hr/> 350,673	<hr/> <hr/> 153,919

The accompanying notes and statement of accounting policy should be read in conjunction with these financial statements.

Notes to the financial statements

for the year ended 30 June 2012

1. Cash and cash equivalents	30/06/12	30/06/11
Cash at bank and on hand	618,043	581,266
Short-term deposits maturing in less than 3 months	443,074	447,145
Total cash and cash equivalents	<u>1,061,117</u>	<u>1,028,411</u>
2. Trade and other receivables	30/06/12	30/06/11
Not past due	11,294	2,145
1-30 days	58	-
31-60 days	-	-
61-90 days	-	-
Gross Receivables	11,352	2,145
Less: Provision for impairment	-	-
Net Receivables	<u>11,352</u>	<u>2,145</u>
The carrying value of trade and other receivables is approximately their fair value		
3. Prepayments	30/06/12	30/06/11
Prepayments	25,005	17,995
Total prepayments and advances	<u>25,005</u>	<u>17,995</u>

4. Property, plant and equipment

Cost	Buildings	Computer Equipment	Furniture & Equipment	Total
Balance at 30 June 2009	144,348	43,594	101,928	289,870
Additions	845	60,178	97,602	158,625
Disposals	-	-	-	-
Balance as at 30 June 2010	<u>145,193</u>	<u>103,772</u>	<u>199,530</u>	<u>448,495</u>
Additions	7,997	16,370	22,494	46,861
Disposals	-	-	-	-
Balance at 30 June 2011	<u>153,190</u>	<u>120,142</u>	<u>222,024</u>	<u>495,356</u>
Additions	16,729	27,130	14,163	58,022
Disposals	-	(9,316)	-	(9,316)
Balance at 30 June 2012	<u>169,919</u>	<u>137,956</u>	<u>236,187</u>	<u>544,062</u>
Accumulated depreciation				
Balance as at 30 June 2009	19,154	18,623	33,576	71,353
Depreciation Expense	10,385	35,502	13,248	59,135
Disposals	-	-	-	-
Balance as at 30 June 2010	<u>29,539</u>	<u>54,125</u>	<u>46,824</u>	<u>130,488</u>
Depreciation Expense	11,004	34,205	57,910	103,119
Disposals	-	-	-	-
Balance at 30 June 2011	<u>40,543</u>	<u>88,330</u>	<u>104,734</u>	<u>233,607</u>
Depreciation Expense	12,679	21,107	57,629	91,415
Disposals	-	(9,065)	-	(9,065)
Balance at 30 June 2012	<u>53,222</u>	<u>100,372</u>	<u>162,363</u>	<u>315,957</u>

Cost	Buildings	Computer Equipment	Furniture & Equipment	Total
Carrying Amounts				
At 30 June 2009	125,194	24,971	68,352	218,518
At 30 June 2010	115,654	49,647	152,706	318,007
At 30 June 2011	112,647	31,812	117,290	261,749
At 30 June 2012	116,697	37,584	73,824	228,105

The carrying amount of the leased asset is \$3,578 (2011: \$46,520).

5. Intangible Assets

Acquired Software : Cost	30/06/12	30/06/11
Balance at beginning of year	611,506	119,646
Additions	227,134	491,860
Disposals	-	-
Balance at end of year	<u>838,640</u>	<u>611,506</u>
Accumulated amortisation	30/06/12	30/06/11
Balance at beginning of year	24,488	14,552
Amortisation	33,449	9,936
Disposals	-	-
Balance at end of year	<u>57,937</u>	<u>24,488</u>
Carrying amounts		
As at beginning of year	587,018	105,094
At year end	780,703	587,018

6. Trade and other payables

	30/06/12	30/06/11
Trade creditors	179,211	69,263
Accrued expenses	107,569	56,254
Total Payables and Accruals	<u>286,780</u>	<u>125,517</u>

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

7. Finance costs

	30/06/12	30/06/11
Interest on finance lease	5,285	1,952
Interest on rent provision	9,047	8,615
Total finance costs	<u>14,332</u>	<u>10,567</u>

8. Provision for employee entitlements

	Annual Leave	Accrued Salary & Wages	Total
Employee entitlements are represented by:			
Balance at 1 July 2011	91,247	63,858	155,105
Additional provisions made	26,844	10,176	37,020
Amounts used	-	-	-
Balance at 30 June 2012	<u>118,091</u>	<u>74,034</u>	<u>192,125</u>

9. Provision for rental loss

The Commission has a lease for Level 11, Simpl (Cigna) House which expires in 2015. The premises have been subleased for the remainder of the lease term but at a loss. A provision of \$215,033 to cover this liability was made in 2010 for the future discounted rental payments net of anticipated rental income. In 2011, the provision was reduced by \$34,088, this being the rental payments and interest on discounting for 2010/11. In 2012, the provision was reduced by a further \$35,791, this being the rental payments and interest on discounting for 2011/12. The provision of \$145,154 reflects the future discounted rental payments net of anticipated rental income.

10. Capital charge

Capital charge is no longer levied on taxpayer funds. For the 2011 year the rate was 7.5%.

11. Personnel costs	30/06/12	30/06/11
Salaries and wages	1,974,857	1,960,848
Employer contributions to defined contribution plans	3,347	4,079
Decrease in employee entitlements	37,020	(12,380)
Recruitment	28,915	16,088
Other staff costs	48,105	36,746
Total personnel costs	2,092,244	2,005,381

Employer contributions to defined contribution plans include contributions to KiwiSaver, State Sector Retirement Savings Scheme and the DBP Contribution Scheme.

Employee remuneration

Total remuneration and benefits	Number of employees	
\$000	2012	2011
\$100-\$110	2	3
\$110-\$120	3	2
\$120-\$130	3	4
\$130-\$140	1	0
\$140-\$150	0	0
\$150-\$160	0	0
\$160-\$170	0	1
\$170-\$180	1	0
\$180-\$190	0	0
\$190-\$200	0	0
\$200-\$210	0	0
\$210-\$220	1	1

The Chief Executives' total remuneration and benefits received in 2011/2012 is in the \$210,000- \$220,000 band.

12. Related party transactions

The Commission is an independent Crown Entity and operates under the Crown Entities Act 2004. The Commission is solely Crown funded.

The Commission enters into transactions with government departments, state-owned enterprises and other Crown entities. Those transactions that occur within normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Commission would have adopted if dealing with that entity at arm's length in the same circumstances have not been disclosed as related party transactions.

All related party transactions have been entered into on an arm's length basis. The Commission is a wholly owned entity of the Crown.

Significant transactions with government-related entities

The Commission has been provided with funding from the Crown of \$3,865,000 (2011 \$3,938,000) for specific purposes as set out in its founding legislation and the scope of the relevant government appropriations.

Collectively, but not individually, significant, transactions with government-related entities

In conducting its activities, the Commission is required to pay various taxes and levies (such as GST, PAYE, and

ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The Commission is exempt from paying income tax.

The Commission also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2012 totalled \$171,015 (2011 \$123,952). These purchases included the purchase of communication services from Telecom, air travel from Air New Zealand, and course fees and salary recoveries from the Civil Aviation Authority.

There are close family members of key management personnel employed by the Commission. The terms and conditions of those arrangements are no more favourable than the Commission would have adopted if there were no relationship to key management personnel.

13. Key management personnel	2012	2011
Salaries and other short-term employee benefits	761,860	757,949
Employer contributions to defined contribution plans	8,863	1,176
	<u>770,723</u>	<u>759,125</u>

Employer contributions to defined contribution plans include contribution to KiwiSaver, State Sector Retirement Saving Scheme and the DBP Scheme Contributors Scheme.

Key Commission personnel comprise 3 Board members, the Chief Executive and 3 executive managers. (2011: 7 key Commission personnel). Board fees are disclosed separately below.

14. Commission members

Commission members earned the following fees during the year:

Member	Fees	
	2012	2011
Ms PA Winter, QSM (Deputy Chief Commissioner) (retired 16 May 2011)	-	31,534
Ms HA Cull, QC (Deputy Chief Commissioner) (appointed 16 May 2011)	40,320	6,552
Captain BS Wyness (Commissioner)	40,320	39,312
Mr JL Marshall, QC (Chief Commissioner)	67,876	66,810
	<u>148,516</u>	<u>144,208</u>

15. Statement of commitments

The Transport Accident Investigation Commission has the following non-cancellable operating leases of the following amounts:

	30/06/12	30/06/11
Less than 1 year	755,486	755,486
1 – 2 years	755,486	755,486
2 – 5 years	1,919,566	2,086,075
5+ years	2,759,173	3,348,151
	<u>6,189,711</u>	<u>6,945,197</u>

The Commission has four substantial leases. The Commission has signed a sublease for Level 11, Simpl House through to the lease expiry in May 2015.

The Commission does not have the right of renewal on the leases.

Expiry terms and sublease

Premises	Expiry Date	Per Annum	Whole Term
AXA Level 15 and 16	August 2023	447,433	4,996,340
Simpl House	May 2015	166,509	485,650
Bell Road	June 2017	141,544	707,721

16. Capital commitments

	30/06/12	30/06/11
AllIMS project	8,888	90,748
Website upgrade	-	17,900
	<u>8,888</u>	<u>108,648</u>

17. Finance leases

	30/06/12	30/06/11
Total minimum lease payments payable:		
Less than 1 year	33,063	33,063
1 – 2 years	8,266	33,063
2 – 5 years	-	8,266
5+ years	-	-
	<u>41,329</u>	<u>74,391</u>
Future finance charges	<u>10,754</u>	<u>16,038</u>
Present value of minimum lease payments	<u>30,575</u>	<u>58,353</u>

	30/06/12	30/06/11
Present value of minimum lease payments payable		
Less than 1 year	24,802	27,778
1 – 2 years	5,773	24,801
2 – 5 years	-	5,774
5+ years	-	-
Total present value of minimum lease payments	30,575	58,353
 Represented by:		
Current	24,802	27,778
Non-current	5,773	30,575
	30,575	58,353

The Commission has entered into a finance lease for various photocopying and publishing equipment from Fuji Xerox. The net carrying amount of the leased items is shown in note 4.

The finance lease is spread over a term of 45 months. The present value of the lease payments has been calculated using an interest rate of 12%.

The finance lease can be renewed at the Commission's option, with rents set by reference to current market rates for items of equivalent age and condition. The Commission does not have the option to purchase the assets at the end of the lease terms.

There are no restrictions placed on the Commission by any of the finance leasing arrangements.

Finance lease liabilities are effectively secured, as the rights to the leased asset revert to the lessor in the event of default of payment.

18 Financial instrument risks

The Commission has policies to manage the risks associated with financial instruments. The Commission is risk averse and seeks to minimise exposure from its treasury activities. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Commission's exposure to fair value interest rate risk is limited to its short-term bank deposits which are held at fixed rates of interest.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates expose the Commission to cash flow interest rate risk. The Commission has no variable interest rate investments.

If interest rates on cash and investments at 30 June 2012 had fluctuated by plus or minus 0.5%, the effect would have been to increase/decrease the surplus/deficit and tax payer funds by \$157 (2011 \$193).

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Commission is not exposed to currency risk, as it does not enter into foreign currency transactions.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Commission, causing the Commission to incur a loss.

Due to the timing of its cash inflows and outflows, the Commission invests surplus cash with registered banks. The Commission's investment policy limits the amount of credit exposure to any one institution.

The Commission's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (note 1), and trade and other receivables (note 2). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

The Commission has no significant concentrations of credit risk as it does not have any credit customers and only invests funds with registered banks with specified credit ratings.

The Commission holds cash with Kiwi Bank, National Bank and BNZ.

The credit ratings of the banks the Commission holds deposits with are as follows:

Kiwi Bank Limited	AA-
ANZ National Bank Limited	AA-
Bank of New Zealand Limited	AA-

Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through adequate amount of committed credit facilities and the ability to close out market positions. The Commission aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Commission maintains a target level of investments that must mature within specified timeframes.

The maturity profiles of the Commission's cash and cash equivalents are disclosed in note 1.

	Total	6-12 Months	1-5 Years	5+ Years
Financial Liabilities				
Trade & other payables	194,688	194,688	-	-
Finance Lease	30,575	24,802	5,773	-

19. Statement of contingencies

Contingent liabilities

There are no contingent liabilities existing at balance date (2011: Nil).

Contingent assets

At balance date the Commission was continuing to receive reparations for the money that was taken fraudulently. Reparations received at 30 June 2012 were \$12,200 (2011: Nil).

20. Subsequent events

There were no significant events after the balance sheet date.

21. Categories of financial assets and liabilities

The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

	30/06/12	30/06/11
Loans and receivables		
Cash and cash equivalents	1,061,117	1,028,411
Debtors and other receivables	6,029	2,145
Total loans and receivables	<u>1,067,146</u>	<u>1,030,556</u>
Financial liabilities measured at amortised cost		
Creditors and other payables	194,688	75,244
Finance lease	30,575	58,353
	<u>225,263</u>	<u>133,597</u>
22. Equity	30/06/12	30/06/11
General Funds		
Balance at 1 July	1,377,398	1,188,538
Surplus/(deficit) for the year	74,250	188,860
Balance at 30 June	<u>1,451,648</u>	<u>1,377,398</u>

23. Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) financial instruments with quoted prices with identical instruments in active market.
- Valuation technique using observable inputs (level 2) financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets or financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) financial instruments valued using models where one or more significant inputs are observable.

All financial assets and financial liabilities disclosed on the Commission's statement of financial position are level 1 on the hierarchy. There have been no transfers between different levels of the fair value hierarchy.

24. Capital management

The Commission's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

The Commission is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisitions of securities, issuing guarantees and indemnities and the use of derivatives.

The Commission manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure the Commission effectively achieves its objectives and purpose, whilst remaining a going concern.

25. Explanation of significant variance against budget

Explanations for significant variations from the Commission's budgeted figures in the statement of intent are as follows:

Statement of comprehensive income

Other operating costs

Other operating costs were \$122,653 (18.53%) over budget due to establishment costs for two new investigators. Upfront investigation costs for three new enquiries were also higher than budgeted.

Statement of financial position

Cash and cash equivalents

Cash and cash equivalents is \$334,117 over budget. Cash is higher as a result of the cumulative effect of all the other items on the balance sheet, as well as the fact that the Commission made a profit of \$74,250 versus a budgeted surplus of \$Nil. Also the cash and cash equivalents budget figure is somewhat of a balancing figure on the Statement of Intent. All other items are based on actuals, historical cost and educated estimates.

Statement of changes in cash flows

The statement of changes in cash flows shows a net movement in cash for the period \$67,294 worse than budgeted due to expenditure on property, plant and equipment being higher than expected.

26. Fraudulent Losses

Following the identification of suspicious transactions during the 2011 year, an investigation has quantified a loss due to fraudulent activity. These losses have occurred over a number of years as follows:

2007	2,430
2008	41,211
2009	68,092
2010	100,517
2011	72,065
2012	30,927

The \$30,927 is recognised as fraudulent losses in the 2012 financial statements (2011: \$72,065).

Independent Auditor's Report

To the readers of the Transport Accident Investigation Commission's financial statements and statement of service performance for the year ended 30 June 2012

The Auditor-General is the auditor of the Transport Accident Investigation Commission (the Commission). The Auditor-General has appointed me, Kelly Rushton, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Commission on her behalf.

We have audited:

- the financial statements of the Commission on pages 20 to 37, that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Commission on pages 18.

Opinion

In our opinion:

- the financial statements of the Commission on pages 19 to 37:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Commission's:
 - financial position as at 30 June 2012; and
 - financial performance and cash flows for the year ended on that date.
- the statement of service performance of the Commission on pages 18:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects, for each class of outputs for the year ended 30 June 2012, the Commission's:
 - service performance compared with the forecasts in the statement of forecast service performance for the financial year; and
 - actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 25 October 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Commission's financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Commission's financial position, financial performance and cash flows; and
- fairly reflect its service performance.

The Board is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Board's responsibilities arise from the Crown Entities Act 2004.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Commission.



K M Rushton
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Appendix 1: Inquiries active in the year ended 30 June 2012

The table at Figure 9 lists all inquiries active in the year under review in reverse chronological order of occurrence. The table notes the inquiry number (including a new format number for inquiries being managed in the new accident investigation information management system), whether the inquiry “Opened”, “Continued” or “Closed” in the year, an inquiry description, then actual or estimated closure dates (publication of final report) and associated working days, with timing related explanatory notes in the final column. The issues of any interim report or urgent safety recommendation are also recorded in the “Published” column (regardless of which financial year these occurred).

Working days = calendar days / 365.25 * 220 and rounded, so calculations ignore the actual fall of non-working days (such as statutory holidays). Actual and estimated timing are based on elapsed calendar days converted into a standard 220 working day year for presentation purposes. Inquiries which are overseas assists are not included in working days analysis or completion reporting as management of them is outside the Commission’s control. Interim report-related working days are not included in further analysis. Working days totals have been colour coded to represent performance brackets used in SOIs:

1 - 220	221 - 310	311 - 440	441 +
---------	-----------	-----------	-------

Estimated closure (final report publication) dates: are as at 17 September 2012; reflect a gross estimate of time required and do not take account of Commission meeting dates so are approximate only; and are subject to change for reasons including new inquiries opening, priority being given to a case or one being temporarily held from action due to priority going elsewhere, technical or procedural case complexity, or staffing related reasons including staff departures, vacancies, case reassignment, or new staff under training. A priority level has been indicated for each inquiry; 2 is standard, 1 is high, and 3 is deliberately delayed due to higher priorities or staffing availability issues.

Figure 9: Inquiries active in the year ended 30 June 2012

Inquiry #	Activity	Mode	Description	Occurred	Launched	Closed, interim report or urgent safety recs	Working days to interim report or closure	Estimated to close	Estimated working days to closure	Priority 1 (high) - 3
12-002 / AO-2012-002	Opened	Air	Airbus A320, bird strike, on approach to Wellington airport	20/06/12	21/06/12			11/07/13	232	2
12-103 / RO-2012-103	Opened	Rail	Train 229, main line derailment, Maewa	3/05/12	3/05/12			11/07/13	261	2
12-102 / RO-2012-102	Opened	Rail	Wellington Train Control, power outage, affecting Auckland Rail Network	26/04/12	26/04/12			9/05/13	228	2
12-101	Opened	Rail	Train 926D, load shift on part of Train 926D, Rolleston	6/04/12	6/04/12			9/05/13	240	2
12-201	Opened	Marine	Fishing vessel, Easy Rider, capsize and foundering, Foveaux Strait	15/03/12	16/03/12	Urgent Safety Rec 18/04/12		20/12/12	168	1
12-001	Opened	Air	Cameron A-210 Hot-Air Balloon, basket contacted power lines and caught fire, Carterton	7/01/12	7/01/12	Urgent Safety Rec 15/01/12 Interim 10/05/12	75	24/01/13	231	1
11-106	Opened	Rail	Hi-Rail 46293 & Passenger Train 3121, near collision, Paerata and Papakura	28/11/11	28/11/11			14/02/13	267	2
11-105	Opened	Rail	Freight Train 228, wrong line running irregularity, Puhunui Station, Auckland	12/11/11	14/11/11			11/04/13	310	2
11-104	Opened	Rail	Freight Train 261, level crossing accident between bus and train, State Highway 1 Paekakariki	31/10/11	1/11/11	Urgent Safety Recs 16/12/11		12/09/12	190	2
11-007	Opened	Air	Boeing 737, approach incident, Christchurch Airport	29/10/11	31/10/11			14/02/13	284	3
11-006	Opened	Air	Britten-Norman Trislander, runway excursion, Pauanui Aerodrome, Coromandel Peninsula	22/10/11	22/10/11			7/02/13	286	3
11-204	Opened	Marine	Container Ship Rena, grounding, Astrolabe Reef, Tauranga	5/10/11	5/10/11	Interim 8/03/12	93	28/03/13	325	1
11-005	Opened	Air	Boeing 747, engine malfunction on approach to land at Auckland International Airport, Auckland International Airport	18/09/11	23/09/11			14/03/13	324	2

Inquiry #	Activity	Mode	Description	Occurred	Launched	Closed, interim report or urgent safety recs	Working days to interim report or closure	Estimated to close	Estimated working days to closure	Priority 1 (high) - 3
11-203	Opened	Marine	Jet Raider, catastrophic engine failure, Motihue Channel, Hauraki Gulf	27/08/11	27/08/11			14/03/13	340	3
11-103	Opened	Rail	Train 6225, worksite occupation irregularity, North Junction on the North Island Main Trunk Line between Muri and Paekakariki stations	26/08/11	26/08/11			17/01/13	307	2
11-004	Continued	Air	Pa31-350 Chieftain, landing gear malfunction, Nelson aerodrome	11/05/11	11/05/11			7/03/13	401	3
11-202	Continued	Marine	Passenger and freight ferry Monte Stello, struck underwater object, Tory Channel	4/05/11	4/05/11			13/06/13	464	3
11-003	Continued	Air	Robinson R22 helicopter, collision with terrain, Arawhata Valley, Mount Aspiring National Park	27/04/11	28/04/11			14/03/13	413	3
11-102	Continued	Rail	Express Freight Train 842, track occupation irregularity, between Staircase and Craigieburn	13/04/11	13/04/11			14/03/13	422	1
11-002	Continued	Air	Air Nelson Q300, nose wheel collapse on landing, Blenheim	9/02/11	9/02/11			13/12/12	405	2
11-001	Continued	Air	Bell 206L-3 ZK-ISF, engine power loss and ditching, Bream Bay, Northland	20/01/11	21/01/11			24/01/13	442	3
11-101	Closed	Rail	Report 11-101: Wrong line running irregularity, leading to a potential head-on collision, Papakura - Wiri, 14 January 2011	14/01/11	14/01/11	Final 27/04/12	282			2
11-201	Closed	Marine	Report 11-201: Passenger vessel Volendam, lifeboat fatality, Port of Lyttelton, New Zealand, 8 January 2011	8/01/11	8/01/11	Urgent Safety Recs 23/11/11 Interim 23/11/11 Final 24/11/11	193			1
10-207	Overseas assist continued	Marine	Korean-registered fishing vessel the No.1 In Sung, sinking, Ross Sea	13/12/10	20/12/10				N/A	
10-010	Continued	Air	Bombardier Q300 ZK-NEB, nose gear malfunction, Blenheim	30/09/10	30/09/10			11/10/12	447	2
10-206	Continued	Marine	Coastal container vessel Spirit of Resolution, grounding, Manukau Bar, Auckland	18/09/10	29/09/10			14/03/13	540	3

Inquiry #	Activity	Mode	Description	Occurred	Launched	Closed, interim report or urgent safety recs	Working days to interim report or closure	Estimated to close	Estimated working days to closure	Priority 1 (high) - 3
10-009	Closed	Air	Report 10-009: Walter Fletcher FU24, ZK-EUF, loss of control on take-off and impact with terrain, Fox Glacier aerodrome, South Westland, 4 September 2010	4/09/10	4/09/10	Urgent safety recs 19/09/10 Interim 11/11/10 Final 9/05/12	369			1
10-101	Continued	Rail	Passenger train, wrong routing and SPAD, Tamaki	18/08/10	24/08/10			8/11/12	486	2
10-205	Overseas assist continued	Marine	Korean-registered fishing vessel O'Yang 70, capsize and sinking, 400 miles East of New Zealand	18/08/10	23/08/10			14/08/12	N/A	
10-008	Continued	Air	Two Cessna 152 aircraft ZK-TOD and ZK-JGB, mid-air collision, Feilding aerodrome	26/07/10	26/07/10	Interim 30/09/10	40	15/11/12	508	2
10-204	Continued	Marine	Bulk Carrier Hanjin Bombay, grounding, Tauranga	21/06/10	22/06/10			14/03/13	600	3
10-007	Closed	Air	Report 10-007: Boeing 737-800, ZK-PBF and Boeing 737-800, VH-VXU, airspace incident, near Queenstown Aerodrome, 20 June 2010	20/06/10	22/06/10	Final 29/03/12	389			2
10-203	Closed	Marine	Report 10-203: Marsol Pride, uncontrolled release of fire-extinguishing gas into engine room, Tui oil and gas field, 27 May 2010	23/05/10	26/05/10	Final 15/09/11	287			3
10-005	Closed	Air	Report 10-005: Cessna A152, ZK-NPL and Robinson R22 Beta, ZK-HIE near-collision New Plymouth Aerodrome 10 May 2010	9/05/10	11/05/10	Final 24/11/11	339			2
10-202	Closed	Marine	Report 10-202: M.V. Anatoki, grounding, off Rangihaeata Head, Golden Bay, South Island, 6 May 2010	6/05/10	6/05/10	Final 27/04/12	435			3
10-002	Overseas assist completed	Air	Airbus A320-232, VH-VQO, engine fire, 74KM North of Adelaide	15/03/10	22/03/10	Final 13/07/12	N/A			
09-210	Continued	Marine	Bulk carrier Taharoa Express, cargo shift, Port Taharoa	17/12/09	17/12/09			11/07/13	784	3
09-008	Overseas assist continued	Air	Australian-registered Pelair Westwind aircraft, registration VH-NGA, ditched in sea, Norfolk Island	19/11/09	20/11/09				N/A	
10-102	Closed	Rail	Report 10-102: Collision between 2 metro passenger trains after one struck a landslide and derailed between Plimmerton and Pukerua Bay, North Island Main Trunk, 30 September 2010	30/09/09	1/10/10	Final 21/06/12	379			2

Inquiry #	Activity	Mode	Description	Occurred	Launched	Closed, interim report or urgent safety recs	Working days to interim report or closure	Estimated to close	Estimated working days to closure	Priority 1 (high) - 3
09-202	Closed	Marine	Report 09-202: Passenger vessel Oceanic Discoverer, Fatal injury, Port of Napier	19/02/09	19/02/09	Final 22/12/11	624			3
08-111	Closed	Rail	Report 08-111: Express freight Train 524, derailment, near Puketutu, North Island Main Trunk, 3 October 2008	3/10/08	3/10/08	Final 4/08/11	623			3
08-006	Overseas assist completed	Air	Report 08-006: PAC 750X, ZK-JPP, collision with terrain, Switzerland, 21 September 2008	21/09/08	2/10/08	Final 28/09/11	N/A			
08-107	Closed	Rail	Incorporated into Report 08-102	25/07/08	28/07/08	Final 29/09/11	697			3
08-104	Closed	Rail	Incorporated into Report 08-102	3/06/08	4/06/08	Final 29/09/11	730			3
08-102	Closed	Rail	Report 08-102: Metro passenger train derailment, Sylvia Park, 14 April 2008 (incorporating inquiries 08-104 and 08-107) Diesel motor fires on board metro passenger trains, 3 June 2008 and 25 July 2008	14/04/08	14/04/08	Final 29/09/11	761			3
07-111	Closed	Rail	Incorporated into Report 07-102	28/07/07	28/07/07	Final 21/06/12	1078			3
07-102	Closed	Rail	Report 07-102 (incorporating inquiry 07-111): freight train mainline derailments, various locations on the national network, from 6 March 2007 to 1 October 2009	6/03/07	6/03/07	Final 21/06/12	1165			3

Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of the Transport Accident Investigation Commission (the Commission) for the year ended 30 June 2012 included on the Commission's website. The Commission's Commissioners are responsible for the maintenance and integrity of the Commission's website. We have not been engaged to report on the integrity of the Commission's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 25 October 2012 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

CA-2012-606

Transport Accident Investigation Commission

Level 16 | AXA Centre 80 | The Terrace

PO Box 10 323 | Wellington 6143 | New Zealand

T +64 4 473 3112 | **F** +64 4 499 1510 | **T** 0800 188 926

inquiries@taic.org.nz | www.taic.org.nz