

## STATEMENT OF INTENT

2006-2009

Transport Accident Investigation Commission  
Wellington • New Zealand



# Transport Accident Investigation Commission

## STATEMENT OF INTENT

2006-2009

### Table of Contents

Part 1.	Introduction .....	1
A	Strategic Context .....	1
Part 2	The Next Three Years.....	3
B	The Transport Accident Investigation Commission .....	3
C	The Commission's Operating Environment .....	3
D	The Nature and Scope of the Commission's Functions and Operations.....	6
E	Outcome and Objectives .....	9
F	Objectives And Targets .....	10
G	Management of The Commission's Organisational Health and Capability.....	16
H	Liaison With The Minister .....	17
I	Acquisition of Shares and Interests .....	18
J	Other Required Information .....	18
Part 3	The Year Ahead.....	19
K	Financial Performance Forecast.....	19
SCHEDULE ONE	Statement of Output Performance.....	20
SCHEDULE TWO	Funding – Crown and Other .....	24
SCHEDULE FOUR	Forecast Financial Statements .....	25



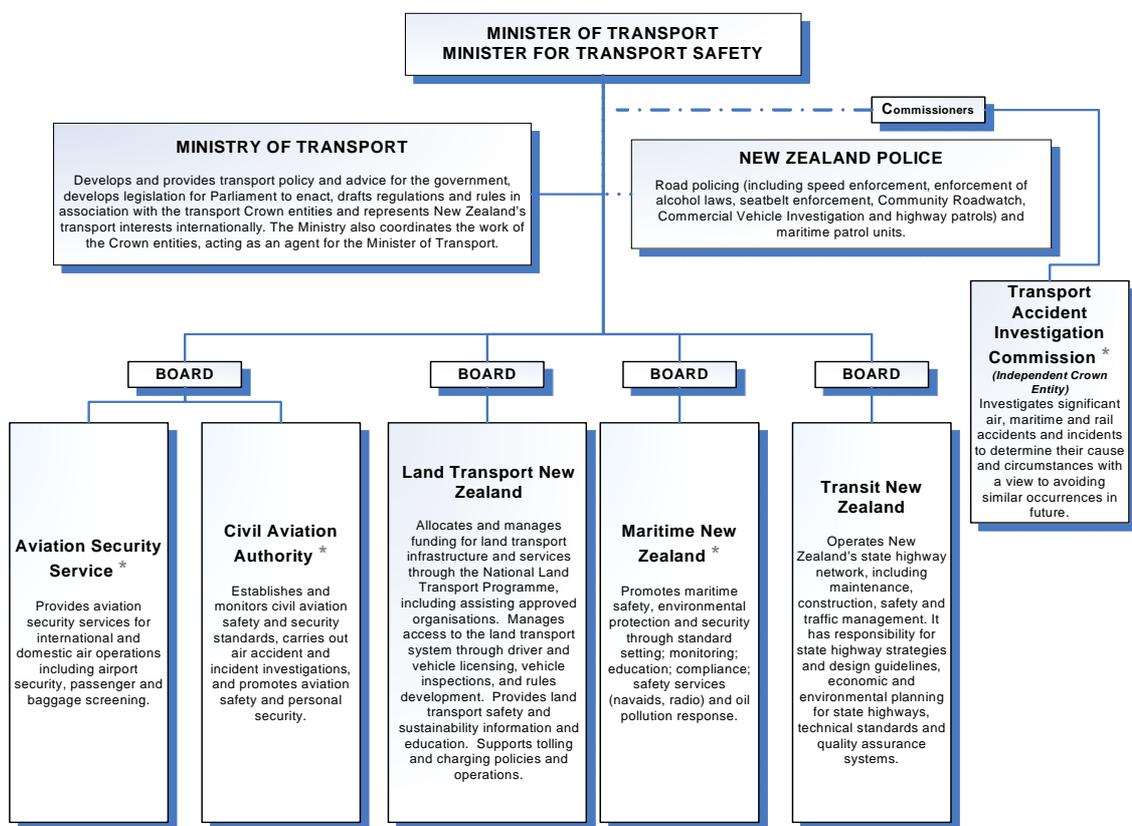
# Part 1. Introduction

## A STRATEGIC CONTEXT

### The New Zealand Transport Sector

The New Zealand government transport sector comprises the Minister of Transport, the Minister for Transport Safety, the Associate Minister of Transport, the Ministry of Transport, six Crown entities, three state-owned enterprises and one Crown established trust.

### The New Zealand Government Transport Sector



#### Three state-owned enterprises with transport functions

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

#### Crown Established Trust

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

#### Local Government

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

\* Denotes an agency the Minister for Transport Safety oversees

## TRANSPORT SECTOR COLLABORATIVE PLANNING

Following the Transport Sector Review in 2004 the Ministry of Transport has a new focus on strategic transport leadership, providing overall direction and leadership for the transport Crown entities and other relevant agencies. To this end, it is working collaboratively with the Crown entities to develop and deliver an integrated programme of action to achieve the New Zealand Transport Strategy (NZTS) objectives. While this collaboration covers a wide range of policy and administrative issues, the major formal structure is the Board Reference Group, made up of board members from each agency. The Board Reference Group is supported by the Planning Task Force, made up of officials from each agency. Local government has also been involved in this process.

In 2005, the sector oversaw three major initiatives across the whole Government transport sector:

**a. Transport Sector Strategic Directions document (TSSD)**

The TSSD was released in December 2005. This is the first joint planning exercise undertaken by the government transport sector agencies and identifies nationally important transport priorities to be addressed *collectively* by these agencies. A major work programme has been established for the next three years, and this will be the focus of activity in 2006-2007.

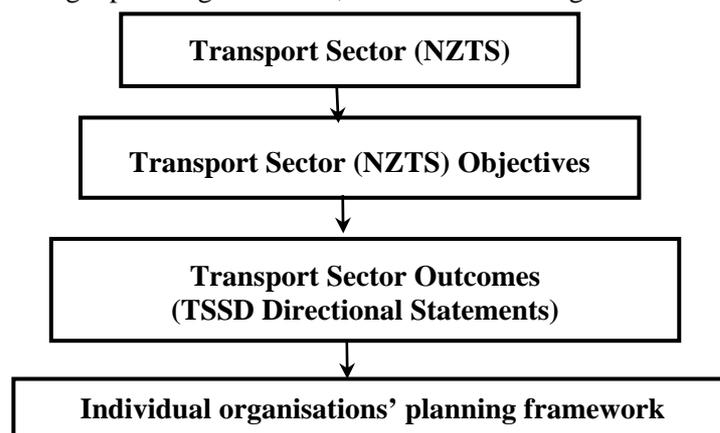
**b. Sector Monitoring & Indicators Framework**

The Ministry and Crown entities are collaborating on the development of an integrated monitoring framework. The framework will contain a hierarchy of measurable indicators to monitor the sector's progress towards delivering the NZTS.

**c. Integrated Strategic documents**

The Ministry and Crown entities are working towards a common format for our respective Statements of Intent to create an aligned set of documents that portray us as an integrated sector progressing the NZTS objectives and TSSD priorities. The strategic framework the sector is following to guide it in the delivery of the NZTS is as follows:

All the Crown entities and ONTRACK are contributing to various components of these strategic planning initiatives, in terms of their legal mandates.



## Part 2 The Next Three Years

This Part has been prepared in accordance with s141 of the Crown Entities Act 2004 and is structured to be consistent with the requirements set out there.

### B THE TRANSPORT ACCIDENT INVESTIGATION COMMISSION

The Transport Accident Investigation Commission ('the Commission') was established under the Transport Accident Investigation Act 1990 ('the Act'). Before 1990 investigations of transport accidents and incidents ('occurrences') were undertaken within the Ministry of Transport. Initially the Commission was limited to investigating civil aviation occurrences, but it was expected at the outset that its mandate would be extended progressively. The Commission was given responsibility for investigating rail occurrences in 1992 and marine occurrences in 1995.

The Commission's sole focus when investigating occurrences is to determine their circumstances and causes. The Commission never seeks to apportion blame or liability, that being the responsibility of other agencies.

The Commission is required by its Act to act independently when investigating occurrences. The Commissioners work strenuously to protect this independence for two reasons. First, they believe that public confidence in investigations into the circumstances and causes of occurrences will only be maintained if there is no actual or perceived bias, conflict of interest or threat of sanction in such investigations.

Second, a principal rationale for establishing a Commission separate from the Ministry in 1990 was to achieve greater compliance with the Convention on International Civil Aviation. This convention is premised on civil aviation occurrences being investigated consistent with two principles, namely 'independent investigations' and 'no blame investigations'.

Reflecting its operational independence from the government-of-the-day, the Commission was classified as an Independent Crown Entity (ICE) under the Crown Entities Act 2004. Classification as an ICE did not change the status of the Commission in any fundamental way; rather it confirmed the then-existing status of the Commission within the confines of the new statutory framework applying to all Crown entities.

The Commission is authorised by its Act to exercise the powers of a commission of inquiry per the Commissions of Inquiry Act 1908; in effect, therefore, it is a standing commission of inquiry. This special status of the Commission reflects a desire to avoid repeats of the prolonged and expensive public inquiry into the crash of an Air New Zealand DC-10 in Antarctica in 1979.

### C THE COMMISSION'S OPERATING ENVIRONMENT

There are just two elements of the Commission's operating environment that it wishes to discuss at this juncture, namely the role and activities of other operational agencies and the Commission's funding.

## C.1 OTHER AGENCIES

The Commission works alongside a range of other operational agencies namely:

- the transport industry regulators, i.e. the Civil Aviation Authority, Land Transport New Zealand and Maritime New Zealand;
- the New Zealand Police (for all occurrences regarding site security, and for those land transport occurrences involving both road users and rail operators and/or resulting in one or more fatalities);
- coroners (where an occurrence results in one or more fatalities); and
- the occupational and health service of the Department of Labour (where those injured or killed in an accident are employees of a transport operator) .

These other operational agencies share to a greater or lesser extent the Commission's role in promoting transport safety. Given this, and the Government's desire to implement its New Zealand Transport Strategy ('NZTS'), the Commission must deal with two ongoing and potentially conflicting challenges, namely:

- ensuring that its own activities contribute to the greatest extent possible to the achievement of the NZTS; and
- ensuring that its credibility as New Zealand's independent investigator of occurrences is at least maintained and preferably enhanced.

Re: the NZTS, the Commission will continue to participate in processes organised by the Ministry of Transport to better coordinate the activities of the various operational state sector transport agencies. However, its participation will continue to be conditioned by what it perceives to be the pre-eminent importance of its statutory independence, and in direct proportion to available resources.

The primary interest of the transport regulators in occurrences is in determining whether operators have complied with the regulatory regime and, if not, in deciding whether they should be sanctioned in some way. This means that two transport sector agencies may investigate any one single-mode occurrence, i.e. the Commission for circumstances and causes and the regulator for regulatory compliance.

The Commissioners are aware of some criticism relating to the fact that two transport sector agencies may investigate a single-mode occurrence, the duplication of investigations reflects the different roles and interests of agencies and is inevitable. If some confusion about agencies' roles results that is regrettable, but unavoidable. But if both the Commission and a regulator focus on establishing the circumstances and causes of an occurrence, the risk of creating confusion about agencies' roles is greatly increased. What is more, two further risks arise:

- the regulator is conflicted (or at least is perceived to be conflicted) between being an investigator and being the regulator especially because its own actions as the regulator may have contributed to an occurrence; and
- co-operation by witnesses with investigations into occurrences (including with investigations conducted by the Commission) is jeopardised because of concerns about the uses to which information could be put.

In recognition of the Commission's primary interest in establishing the circumstances and causes of occurrences, the Civil Aviation Authority and Land Transport New Zealand have agreed not to investigate the circumstances and causes of occurrences that the Commission investigates. The Commission and Maritime New Zealand have a working arrangement allowing Maritime New Zealand to investigate as appropriate.

When the Commission investigates a fatal occurrence the Coroner may obtain a copy of the Commission's report. However, the Commission does not investigate all fatal occurrences so coroners requiring expert advice as an input to their own inquiries have to turn elsewhere. In the Commission's view, under the existing statutory framework it cannot be involved in such investigations as the agent of coroners without risking its statutory independence.

## **C.2 FUNDING**

The Commission is fully funded by the Crown. That is entirely appropriate because the independence of an investigator can be doubted if it is even partly funded by those it might have to investigate.

One funding issue that has attracted some attention is the Commission's ability to fund the investigation of a large scale occurrence such as the DC 10 crash in Antarctica. Rather than fund the Commission annually to a level sufficient to deal with such a rare occurrence, the Government has established a funding facility that can be drawn down should the need arise. The Commission is comfortable with this arrangement.

While the funding facility deals with the financial cost of investigating rare occurrences, it does not deal with their impact on the Commission's investigative capability. A large-scale occurrence could tie-up the Commission's existing investigative capability for two or three years, making it impossible for it to do 'business as usual' unless there was an entirely fortuitous decrease in the number of smaller-scale occurrences. The Commission recognises this risk, and manages it by maintaining close liaison with other New Zealand agencies that have relevant capability (most importantly the regulators) and with similar agencies overseas so that, if need be, it can call on their assistance.

The Act requires the Commission to investigate occurrences under some circumstances (see the following section), but otherwise it must decide what action it takes case-by-case. This discretion reflects the view that the absence of such discretion was reducing the overall cost-effectiveness of the

Commission as a contributor to transport safety by obliging it to investigate occurrences even when no useful safety findings could result.

The discretion not to investigate an occurrence seems sensible from the narrow perspective of getting value-for-money from the Commission's budget. However, in practice if the Commission does not investigate the circumstances and causes of an occurrence some other agency will do so and costs are still incurred (although not by the Commission). Moreover, the fact that more than one agency investigates the causes and circumstances of occurrences results in some loss of clarity about different agencies' roles.

It is also important to remember the Commission's discretion cannot be fettered. Budget constraints do not take away the Commission's duty to act in accordance with its statutory obligations. In this regard the Commission is prudent in exercising its powers.

## **D THE NATURE AND SCOPE OF THE COMMISSION'S FUNCTIONS AND OPERATIONS**

The Commission investigates significant aviation, rail, and marine accidents and incidents.

The Commission's Act sets out both its main function and seven additional functions:

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

In discharging these functions, the Commission must act in recognition of its statutory purpose and in accordance with the Act.

The Commission's statutory purpose is to determine the circumstances and causes of accidents and incidents to avoid similar occurrences in the future, not to ascribe blame to any person. Accordingly, the investigations undertaken by the Commission comply with two principles, i.e. 'independent investigations' and 'no blame investigations'. These principles underpin the Convention on International Civil Aviation.

The nature and scope of the operations the Commission undertakes to discharge its functions are crucially affected by s13 of the Act:

- (per s13(1) and s13(5)) the Commission may only investigate occurrences that have been notified to it, or that it considers should have been notified to it, under s27 of the Civil Aviation Act 1990, s13(4) of the Railways Act 2005, and s60 of the Maritime Transport Act 1994 – as a result, the Commission has no mandate to investigate road transport occurrences;
- (per s13(1)(b)) the Commission must investigate an occurrence if it believes that the circumstances have, or are likely to have, significant implications for transport safety;
- (per s13(1)(b)) the Commission must investigate an occurrence if it believes that an investigation may allow it to establish findings or make recommendations that may increase transport safety; and
- (per s13(1)(c)) the Commission must investigate an occurrence that it previously had decided not to investigate under s13(1)(b) if directed to do so by the Minister.

The Commission's operations are focused exclusively on carrying out its functions and fall into five conceptually distinct phases:

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

The recent scale of the Commission's operations is shown in Table One below which reports summary data for the three financial years 2002/2003 through 2004/2005. Two features of the Commission's recent operational workload as reported in Table One are noteworthy:

- the number of notifications received varied very little from year-to-year; and
- each year the Commission launched investigations into about one-tenth of the occurrences notified to it, and again this proportion varied very little year-to-year.

TABLE 1: NOTIFICATIONS RECEIVED, INVESTIGATIONS COMMENCED AND REPORTS APPROVED, 2002/2003 TO 2004/2005

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

	Air	Rail	Marine	Three-year Total
<b>Notifications Received</b>	185 (167 to 203)	122 (101 to 137)	193 (182 to 214)	501 (486 to 518)
<b>Investigations Launched</b>	10 (7 to 13)	26 (22 to 33)	15 (12 to 18)	52 (44 to 62)
<b>Preliminary Reports Approved</b>	7 (4 to 11)	19 (16 to 22)	11 (9 to 13)	37 (35 to 39)
<b>Final Reports Approved</b>	9 (6 to 11)	18 (16 to 20)	11 (7 to 14)	37 (34 to 43)

N.B. Numbers are reported to the nearest whole number so modal totals may not add to the Three-year Total

## E OUTCOME AND OBJECTIVES

In accordance with the Crown Entities Act 2004, the Commission uses the term ‘outcome’ to mean a state or condition of society, the economy or the environment, i.e. what is called an ‘objective’ in the New Zealand Transport Strategy. As discussed below, the Commission believes that it is intended to contribute to the outcome of ‘transport safety’.

The term ‘objective’ is not defined in the Crown Entities Act 2004. The usual meaning given to ‘objective’ is ‘goal’ or ‘aim’, but the Commission uses this term rather more narrowly to mean a business goal that, if achieved, will contribute to the outcome of transport safety.

### E.1 OUTCOME

The Act makes clear that the outcome it is intended to contribute to is transport safety. The statement of the Commission’s purpose included in the Act reads as follows:

*s4 The principal purpose of the Commission shall be to determine the circumstances and causes of accidents and incidents with a view to avoiding similar occurrences in the future, rather than to ascribe blame to any person.*

While the statement of purpose does not contain the words ‘transport safety’ the focus is on avoiding the re-occurrence of accidents and incidents happening in certain circumstances and/or due to certain causes and, if that is achieved, transport safety automatically would be increased.

The legislative provisions setting out which accidents and incidents the Commission must investigate include a more explicit reference to the transport safety outcome:

*s13(1) As soon as practicable after an accident or incident has been notified to the Commission ... the Commission shall investigate the accident or incident if:*

- (b) The Commission believes that the circumstances of the accident or incident have, or are likely to have, significant implications for transport safety, or may allow the Commission to establish findings or make recommendations which may increase transport safety; ...”*

The New Zealand Transport Strategy (NZTS) lists five ‘objectives’ (one of which is ‘Assisting Safety and Personal Security’). In light of its own Act, the Commission has focused its strategic planning only on how it can best contribute to one of these ‘objectives’, namely transport safety.

## F OBJECTIVES AND TARGETS

The Commission believes that it will make the best contribution to transport safety if it focuses its attention during the period of this Statement of Intent on the following four key objectives:

### KEY OBJECTIVES

1. Improve knowledge of the circumstances and causes of transport accidents and incidents
2. Positively influence the response of regulators and transport operators to the safety recommendations made by the Commission by the quality and reasoning of those safety recommendations
3. Secure the Commission's role in the administration of Annex 13 to the Convention on International Civil Aviation
4. Clarify the role of the Commission in establishing the circumstances and causes of transport accidents and incidents

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

Three parties play key roles in determining whether the level of transport safety increases or decreases, i.e. the travelling public, transport operators and the transport regulators.

To date the Commission's reporting has focussed on making known to transport operators and to the regulators its findings and recommendations regarding each occurrence it investigates. The Commission's emerging view is that knowledge of the circumstances and causes of occurrences would be enhanced if it also published 'overview reports' that reflected the themes and patterns that are evident in its various investigations. It believes that such reports would be useful not only to the previous targets of its reports but also to the travelling public.

The main focus of the Commission's work will continue to be the investigation of particular occurrences, and these proposed 'overview reports' would be incidental to that. For that reason, the Commission believes that this proposal does not amount to it becoming a 'systemic investigator' at this time, i.e. setting out to investigate particular themes, patterns and trends. While it previously argued the merits of it undertaking systemic investigations (see its 2005 and 2006 briefings to incoming Ministers) the Commission's focus in the coming period will be on making better use of the information it already does gather from its occurrence-specific investigations.

The Commission is also of the view that knowledge of transport safety issues would be enhanced if it upgraded its website and otherwise better promoted the results of its investigations.

Success with both of these initiatives is contingent on the Commission upgrading its information systems and its databases so that it can more easily and more comprehensively identify themes and patterns across different investigations. Therefore, the Commission will pursue an upgrade of its information systems and databases, making as much use as possible of the experience of other New Zealand agencies and similar independent investigative agencies overseas. (The Commission is aware that the regulators have well-developed databases about occurrences and it will endeavour to secure access to such data whilst respecting confidentiality and privacy requirements.)

The Commission will pursue the upgrade of its information systems and databases per the following schedule:

- by 30 June 2007, scope the scale and nature of the optimal upgrades;
- by 30 June 2008, secure funding for the upgrades and let necessary contracts; and
- by 30 June 2009, implement and bed-in upgrades.

#### OBJECTIVE 2: POSITIVELY INFLUENCE THE RESPONSE OF REGULATORS AND TRANSPORT OPERATORS TO THE SAFETY RECOMMENDATIONS MADE BY THE COMMISSION BY THE QUALITY AND REASONING OF THOSE SAFETY RECOMMENDATIONS

As noted above, s13(1)(b) of the Act requires the Commission to investigate an occurrence if it:

*... believes that the circumstances of the accident or incident have, or are likely to have, significant implications for transport safety, or may allow the Commission to establish findings or make recommendations which may increase transport safety.*

A significant feature of this provision is that it imposes no requirement on the Commission to assess and consider the cost-effectiveness of its recommendations. But the Commission only has the power to recommend, and it acknowledges that whether or not its recommendations are implemented depends on decisions by other parties.

Therefore, the Commission does have regard to the practicality and cost of implementing its recommendations but it does not shy away from making recommendations just because implementing them would be burdensome in some way to transport operators or the regulators. If it judges that two possible recommendations would be equally effective, and it knows that one would be quicker/easier/cheaper to implement, the Commission will favour the more cost-effective proposal.

Because the Commission does have regard to practical and economic considerations, it is well aware that the implementation of its recommendations may be delayed as policy, legislative, infrastructure and other constraints are removed. It also acknowledges that the relevance of some of its recommendations may diminish over time, for example because of changes in industry operating practice (perhaps in response to one of its

recommendations but possibly for an entirely separate reason). Accordingly, the Commission knows that some of its recommendations will not be implemented immediately, and acknowledges that others may never be implemented. That being said, the Commission does not make its recommendations lightly and it monitors how other parties respond to them.

Summary statistics for the last three financial years on recommendations made and the responses to them are included in Table Two below.

TABLE 2: PROGRESS IN IMPLEMENTING RECOMMENDATIONS

	Three-Year Total
<b>Recommendations Made</b>	248
<b>Recommendations Known To Be Accepted</b>	185
<b>Recommendations Known To Have Been Declined</b>	20
<b>Recommendations For Which The Response Is Not Known</b>	43
<b>Recommendations Implemented by mid-2006</b>	151
<b>Recommendations Implemented Within 12 Months</b>	115

### 2002/2003 To 2004/2005

In the Commission's view, three features of these results require some response in the term of this Statement of Intent:

- 61% of the recommendations made by the Commission over the three years had been implemented by mid-2006;
- 76% of the recommendations implemented by mid-2006 were actioned within 12 months of being made; and
- 17% of the recommendations made by the Commission over the three years were still open as of mid-2006 in the sense that the Commission had no record of whether they definitely had been accepted, declined or implemented.

The third of these features reflects, in part, earlier restrictions on the Commission. During the 1990s the Commission was not authorised to track the implementation of its recommendations and no other agency did so. In 2000 the then Minister of Transport, allowed for tracking of safety recommendations, but the responsibility for doing so was placed with the transport regulators. The Commission itself began to monitor/follow-up its recommendations only in early 2001.

Two sorts of responses are required. First, the Commission clearly has yet to come to grips with its monitoring and follow-up of the implementation of its recommendations by other parties, and must seek to improve its performance. Second, the Commission will investigate whether there are any mechanisms other than improving its own monitoring/follow-up that it can deploy to increase both the proportion of its recommendations that are implemented and the speed with which the regulators and transport operators do so. The Commission's view is that one potentially useful mechanism is to increase general awareness of how many of the Commission's recommendations receive a positive response.

The Commission proposes the following performance targets for monitoring and follow-up of its recommendations:

- that it know by 30 June 2007 whether recommendations made in 2002/2003, 2003/2004 and 2004/2005 have been accepted, have been declined, implemented, or remain open;
- that it subsequently update through quarterly reporting the status of such of these recommendations that remain open as of 30 June 2007, and publish on the Commission's website;
- that it know by 30 June 2007 whether all recommendations made in 2005/2006 have been accepted, have been declined, implemented, or remain open;
- that it subsequently update through quarterly reporting the status of such of these recommendations that remain open as of 30 June 2007, and publish the update on the Commission's website;
- that it know by 30 June 2007 and each 12 month anniversary thereafter whether all recommendations made in the previous 12 months have been accepted, declined, implemented, or remain open, and publish the annual update on the Commission's website, and in the Annual Report;
- that it subsequently update quarterly the status of such of these recommendations that remain open as of the end of the financial year in which they were made;

Another mechanism for improving the response of regulators and transport operators to its recommendations is to:

- have developed and discussed with interested other parties by 30 June 2007 mechanisms for improving the response to its recommendations (other than improving its own monitoring/follow-up).

Regarding the acceptance of its recommendations the Commission can look at the rates of acceptance as below:

- that 80% of its recommendations are accepted; and
- that the average elapsed time of its recommendations for implementation of safety recommendations is within 12 months of being made.

### OBJECTIVE 3: SECURE THE COMMISSION'S ROLE IN THE ADMINISTRATION OF ANNEX 13 TO THE CONVENTION ON INTERNATIONAL CIVIL AVIATION

New Zealand is a signatory to the Convention on International Civil Aviation ('the Convention'). Annex 13 to the Convention sets out standards and recommended practices for the investigation of civil aviation occurrences. New Zealand is obliged to conform to the standards set out in Annex 13 unless it has filed a notice of difference, and is expected to conform to the recommended practices.

The Minister of Transport is charged under the Civil Aviation Act 1990 with administering New Zealand's participation in the Convention. The Minister has the power to delegate his functions and powers regarding the Convention to the Civil Aviation Authority ('the CAA'), and a delegation has been put in place.

The current arrangements in practice for administering Annex 13 can be described in terms of three responsibilities as follows:

- the CAA and the Commission share the **functional responsibility** for Annex 13 investigations because if the Commission decides not to investigate the circumstances and causes of a civil aviation occurrence the CAA will do so;
- the CAA is responsible both for ensuring that it and the Commission comply with the standards and recommended practices set out in Annex 13 and for giving the Minister assurances thereon, i.e. the CAA has **oversight responsibility** for all Annex 13 investigations; and
- the CAA is responsible for administering New Zealand's participation in ICAO so that whenever Annex 13 is discussed at international forums (although usually it invites input and/or participation from the Commission), i.e. the CAA has **representational responsibility** regarding Annex 13.

In the Commission's view the current arrangement is inconsistent with the Annex 13 requirement that the accident investigation authority must be independent.

The International Civil Aviation Organisation (ICAO) conducted a safety audit of The Commission in January 2005, and undertook a national audit of New Zealand's administration of its obligations under the Convention in March 2006. Arising out of those two audits ICAO has pressed New Zealand to consider legislative change so that all aviation accident and serious incidents are conducted or overseen by an independent authority. The Commission supports legislative change that will confirm and secure its role as New Zealand's independent investigator of accidents and serious incidents, in compliance with New Zealand's international obligations.

With the above in mind the Commission undertakes to work with the Ministry of Transport and the Regulator to ensure appropriate administration of accident and serious incidents in accordance with New Zealand's international obligations.

## OBJECTIVE 4: CLARIFY THE COMMISSION'S ROLE IN ESTABLISHING THE CIRCUMSTANCES AND CAUSES OF TRANSPORT ACCIDENTS AND INCIDENTS

### DUPLICATION OF INVESTIGATIONS

As discussed above, there are two sorts of duplication in New Zealand's current arrangements for investigating transport occurrences. The Commission's view of these different sorts of duplication is as follows:

- having a regulator investigate a single-mode occurrence for regulatory compliance and the Commission investigate it for causes and circumstances is inevitable given the different roles and interests of the agencies;
- duplication between the Commission and other agencies of the capability to investigate the causes and circumstances of occurrences is inevitable unless the Commission is required to investigate all occurrences (as are similar agencies in other jurisdictions).

Accordingly the Commission will continue to work with other investigative agencies to ensure that agencies do not investigate the same occurrence to establish circumstances and causes. This work is on going and will be reflected in the Memoranda of Understanding between the Commission and relevant agencies.

## **G MANAGEMENT OF THE COMMISSION'S ORGANISATIONAL HEALTH AND CAPABILITY**

### **G.1 GENERAL**

A substantive issue facing the Commission year on year is the availability of experienced professionals capable of being employed as an accident investigator by the Commission. Currently the Commission's investigation staff are employed to work specifically within the transport modes relevant to their professional training and expertise. This approach is generally consistent with other jurisdictions in the global accident investigation community. However, as with the other jurisdictions, there is a shortage of skilled professionals capable of being employed as transport mode specific accident investigators. There is an array of influences driving the shortage. Two substantive influences are an ageing workforce coupled with technological change in the workplace, and diverse organisational demand for accident investigation expertise.

There is a smaller pool of professional people to draw upon when replacing retiring accident investigators. The smaller succession pool is driven in part by technological change where fewer people are trained as technology takes over aspects of machine control.

In addition, the demand for accident investigators is spread over a number of diverse organisations such as safety boards, commissions, regulators, regional safety agencies, and internal organisational safety audit units. Demand far outweighs supply in expertise.

The Commission is a small accident investigation agency by world standards. It cannot consistently compete with larger organisations for replenishing investigation staff in terms of remuneration and workplace conditions because of a lack of economies in scope and scale. Even large jurisdictions, where there are economies of scope and scale, share the Commission's difficulty in obtaining appropriate experience when recruiting for investigation staff, and are trialling alternative options.

For example, The Netherlands and Australia are operating pilot schemes that seek to develop a generic accident investigator, much along the lines of audit specialists. Both the Dutch Safety Investigation Board (DSIB) and the Australian Transport Safety Bureau (ATSB) are recruiting university graduates and training them in the generic principles of accident investigation. In effect they are growing their own pool of accident investigators who will be capable of working across transport modes.

The Commission is adopting observer status with the DSIB and ATSB, monitoring the progress on the evolving programmes with the view to developing its own programme, or participating in a developed programme.

The Commission will evaluate the benefits of pursuing a graduate accident investigator-training programme either locally or offshore by June 2007.

## **G.2 EQUAL EMPLOYMENT OPPORTUNITIES/GOOD EMPLOYER ACTIVITIES**

The Commission is giving priority to updating its equal employment opportunities programme and developing a good employer strategy. Initial emphasis will be given to employee development, recognition, and workplace conditions.

The Commission proposes the following:

By 30 June 2007 develop a good employer strategy and prioritise implementation;

By 30 June 2007 update equal employment opportunities programme and prioritise implementation

By 30 June 2007 evaluate Netherlands and Australian investigator training pilot programmes.

## **H LIAISON WITH THE MINISTER**

### **H.1 MATTERS ON WHICH THE COMMISSION WILL REPORT TO THE MINISTER**

The Commission will continue to report quarterly to the Minister on the following:

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

## **I ACQUISITION OF SHARES AND INTERESTS**

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

## **J OTHER REQUIRED INFORMATION**

### **J.1 STATUTORY REQUIREMENTS**

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

### **J.2 OTHER REASONABLY NECESSARY INFORMATION**

The Commission believes that all the information reasonably necessary for others to achieve an understanding of the Commission's intentions and direction for the period 2006/2007 to 2008/2009 is included in other sections of this document.

## Part 3 The Year Ahead

### K STATEMENT OF FINANCIAL PERFORMANCE FORECAST

For the year ending 30 June 2007

	2005/06 Budget	2005/06 Estimate Actual	2006/07 Budget
	\$000	\$000	\$000
<b>Revenue</b>			
Crown	2617	2617	2617
Others	29	29	31
<b>Total Revenue</b>	<b>2646</b>	<b>2646</b>	<b>2648</b>
<b>Expenses</b>			
Personnel	1599	1554	1646
Operating	959	991	923
Depreciation	40	45	45
Capital expense	31	31	32
<b>Total Expenses</b>	<b>2629</b>	<b>2621</b>	<b>2646</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>17</b>	<b>25</b>	<b>2</b>



Hon. W P Jeffries  
Chief Commissioner



Pauline A Winter  
Deputy Chief Commissioner

# **SCHEDULE ONE**

## **Statement of Service Performance**

### **SERVICE PERFORMANCE MEASURES**

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

##### **DESCRIPTION:**

Through this output class the Minister of Transport purchases independent investigation and reporting on aviation, rail and marine accidents and incidents in New Zealand from the Transport Accident Investigation Commission. The Commission investigates to determine the circumstances and causes of accidents and incidents having significant implications for transport safety, with a view to avoiding similar occurrences in the future, rather than to ascribe blame to any person.

Included in the purchased output is the promulgation of safety recommendations and reporting on the implementation status of the Commission's safety recommendations.

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

##### **IMPACTS:**

The expected impacts of the output class on the sector outcomes are:

- Safety recommendations issued are relevant to the mode and circumstances of the accident or serious incident;
- The investigative framework is effective resulting in lessons learnt being shared through public reporting;
- Transport safety is supported and secured through vigilant monitoring of the uptake and implementation of safety recommendations made.

## PERFORMANCE MEASURE FOR IMPACTS ON OUTCOMES

### Performance Measure

### Performance Standards

Outcome:	2006/2007	2007/2008	2008/2009
<b>Improving Transport Safety</b>	% of category occurrences per mode  [ratio TAIC investigations launched by category/occurrences by category]	Reduction in the % of category occurrences per mode	Reduction in the % of category occurrences per mode
	Ratio safety recommendations accepted by mode & category/occurrence rate by mode & category	Ratio safety recommendations accepted by mode & category/occurrence rate by mode & category	Ratio safety recommendations accepted by mode & category/occurrence rate by mode & category

## PERFORMANCE MEASURES FOR OUTPUTS

### Output A.1: Accident and Incident Investigations

#### SUB-OUTPUT 1 : INVESTIGATIONS

Description: *Investigations are a chain of activities undertaken by the Commission to determine the cause and circumstances of accidents and incidents. Key elements in the investigation process are site examination, interviews with persons whose information may assist in the determination of cause and circumstance, testing and research, analysis, reporting on findings, and the issuing of safety recommendations where appropriate.*

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

Measures For Investigations	Standard/Targets 2006/2007	Standard/Targets 2005/2006
<b>QUANTITY</b>	52	62
<b>Air</b>	11	15
<b>Rail</b>	28	30
<b>Marine</b>	13	20
<b>QUALITY</b>	Nil challenges to the Commission's investigation processes	N/A
<b>TIMELINESS</b>	Statutory timeframes are met;  Average elapsed time for closing investigations is < 9months.  <i>[An investigation is deemed completed when the Commission approves the occurrence report as final.]</i>	90% of investigations into non-major occurrences are completed within 9 months of the occurrence.  <i>An investigation is deemed completed when the Commission approves the occurrence report as final.</i>

## SUB-OUTPUT 2: REPORT PRODUCTION

### Description:

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

Measures For Reports Published	Standard/Targets 2006/2007	Standard/Targets 2005/2006
<b>QUANTITY</b>	38	N/A
<b>Air</b>	8	N/A
<b>Rail</b>	18	N/A
<b>Marine</b>	12	
<b>QUALITY</b>	Compliance to international convention standards for accident investigation reporting <sup>λ</sup>	N/A
<b>TIMELINESS</b>	Reports are published within 4 weeks of Commission adoption	A preliminary report on a major accident will be issued within 12 months of the accident occurring

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

### SUB-OUTPUT 3: SAFETY RECOMMENDATIONS ISSUED

Description: *Safety recommendations go to improving the safe operation of transport modes so that the transport system is made safer and more secure. The safety recommendations issued are based upon findings arising from the investigations undertaken.*

Measures For Safety Recommendations Issued	Standard/Targets 2006/2007	Standard/Targets 2005/2006
<b>QUANTITY</b>	55-100	N/A
<b>Air</b>	10-16	N/A
<b>Rail</b>	18-33	N/A
<b>Marine</b>	27-51	N/A
<b>QUALITY</b>	Rate of uptake of safety recommendations: <ul style="list-style-type: none"> <li>acceptance &gt;80%.</li> </ul> Monitor Safety recommendations issued – Assessing variance from the range*	N/A
<b>TIMELINESS</b>	Average elapsed time for implementation of safety recommendations - <12months	N/A

\* Monitoring the number and category of SR's issued may reveal changes in the state of transport sector system safety. This measure needs to be read along side rates of categories of accidents and incidents such as fatigue related accidents, or substance use, or non-compliance with standard operating procedures.

**SCHEDULE TWO**  
**Funding – Crown and Other**

The estimated total revenue from Crown Funding and other revenue for the term agreement is \$2.6 Million (GST exclusive).

## SCHEDULE THREE

### Forecast Financial Statements

#### FORECAST FINANCIAL STATEMENTS

The following forecast financial statements are contained in the (*Crown entity's*) Statement of Intent for the term of this Agreement:

- Forecast Statement of Financial Performance
- Forecast Statement of Financial Position
- Forecast Statement of Cash Flows

The following forecast financial statements are additional to those for the financial year:

#### 1. FORECAST FINANCIAL PERFORMANCE

Year ending 2005-2008

	2005/2006 Estimated \$000	2006/07* Estimated \$000	2007/2008* Estimated \$000
<b>Revenue</b>			
<i>Crown appropriation</i>	2617	2617	2617
<i>Contract services</i>			
<i>Other revenue</i>	29	29	38
<b>Total Revenue</b>	<b>2646</b>	<b>2646</b>	<b>2648</b>
<b>Expenditure</b>	<b>2629</b>	<b>2621</b>	<b>2646</b>
<b>Net operating surplus / (deficit)</b>			
Funding from retained operating surpluses	0	0	0
<b>NET SURPLUS (DEFICIT)</b>	<b>17</b>	<b>25</b>	<b>2</b>

(\*unaudited figures)

Changes in Accounting Policies

There are no changes in accounting policies for 2006/2007

## 2. STATEMENT OF ESTIMATED FINANCIAL POSITION

### FORECAST STATEMENT OF FINANCE POSITION

As at 30 June 2006

	2005/2006 Budget \$000	2006/07* Estimated \$000	2007/2008* Estimated \$000
<b>Current Assets</b>			
Cash in the Bank	690	664	615
Receivables and advances	6	6	6
Prepayments	50	50	50
Physical assets	75	75	120
<b>Total current assets</b>	<b>821</b>	<b>795</b>	<b>791</b>
<b>Liabilities</b>			
Payables and provisions	291	260	281
Provision for payment of surplus	0	0	0
Provision for employee entitlement	127	100	96
<b>Total Liabilities</b>	<b>418</b>	<b>360</b>	<b>377</b>
Tax payer's funds	386	410	412
Surplus current year	17	25	2
<b>Total Taxpayer's funds</b>	<b>403</b>	<b>435</b>	<b>414</b>
<b>Total Liabilities and Taxpayer's funds</b>	<b>821</b>	<b>795</b>	<b>791</b>

### 3. FORCASTE STATEMENT OF CASHFLOW

For the year ending 30 June 2007

	2005/2006 Budget \$000	2005/2006 Estimated \$000	2006/2007 Budget \$000
<b>Cash flow from operating activities</b>			
<b>Cash provided from Supply of outputs to:</b>			
- Crown	2617	2617	2617
- Others	6	6	6
- Interest	23	36	35
<b>Cash disbursement to:</b>			
-Cost of producing outputs	(2445)	(2608)	(2600)
- Payment of capital charge to Crown	(32)	(31)	(31)
<b>Net cash flows from operating activities</b>	<b>169</b>	<b>20</b>	<b>27</b>
<b>Cash flow from investing activities</b>			
<b>Cash provided from:</b>			
Crown	0	0	0
<b>Cash disbursement to:</b>			
Payment of surplus to Crown	0	0	0
- Purchase of fixed assets	(40)	(45)	58
<b>Net cash flow - investing activities</b>	<b>(40)</b>	<b>(45)</b>	<b>58</b>
<b>Net Cash flow from financial activities</b>			
Net increase (decrease) in cash held	129	(25)	(65)
Cash at beginning of period	464	690	615
Gain (loss) effect of exchange rate changes	0	0	0
<b>Cash at the end of period</b>	<b>593</b>	<b>665</b>	<b>550</b>

### 4. CAPITAL EXPENDITURE

CAPITAL EXPENDITURE	Forecast	Forecast	Forecast
	30 Jun 06	30 Jun 07	30 Jun 08
	\$000	\$000	\$000
<b>Fixed asset programme</b>			
Building, refurbishment	0	0	0
Computer equipment	20	20	38
Furniture & fittings, office & investigation equipment	20	20	20
Motor vehicles	0	0	0
Total replacement cost	40	40	58
Average total acquisition cost over forecast 5 years			
<b>Sale value of surplus capital items</b>	0	0	0
<b>Profit/(loss) on sale of surplus capital items</b>	0	0	0

**SCHEDULE FIVE**  
**WORK PROGRAMME PRIORITIES FOR 2006/07**

Objective	Milestones	2006/2007	2007/2008	2008/2009
<b>Objective 1:</b> Improve knowledge of the causes and circumstances of transport accidents and incidents	IT Systems upgraded: <ul style="list-style-type: none"> <li>• Optimal upgrades determined</li> <li>• Business case presented to the Treasury</li> <li>• Funding secured &amp; contracts let</li> <li>• Implementation</li> <li>• Website upgraded</li> </ul>	✓  ✓  ✓	  ✓	   ✓
<b>Objective 2:</b> Positively influence the response of regulators and transport operators to the safety recommendations made by the Commission by the quality and reasoning of those safety recommendations	Safety recommendation performance targets monitored: <ul style="list-style-type: none"> <li>• Status of Safety recommendations reviewed</li> <li>• Status of open safety recommendations reported on quarterly</li> <li>• Status of safety recommendations within 12 month period reported on Website &amp; in Annual Reports</li> <li>• Continued liaison with transport sector agencies to support the uptake of safety recommendations issued.</li> </ul>	✓  ✓  ✓  ✓	  ✓  ✓	  ✓  ✓
<b>Objective 3:</b> Secure the Commission's role in the administration of Annex 13 to the Convention on International Civil Aviation	Commission's role secured by: <ul style="list-style-type: none"> <li>• Administrative arrangements agreed upon</li> <li>• Legislative changes made</li> </ul>	✓	  ✓	
<b>Objective 4:</b> Clarify the Commission's role in establishing the cause & circumstances of transport accidents and incidents	Duplication of investigations reduced by: <ul style="list-style-type: none"> <li>• Close liaison with other investigative agencies</li> <li>• Agreed investigation protocols implemented through MOUs.</li> </ul>	✓  ✓	✓  ✓	✓  ✓

Organisational Health & Capability	Milestones	2006/2007	2007/2008	2008/2009
<b>Objective 1:</b> Succession Planning & Management	ATSB & DSIB pilot programmes evaluated	✓		
<b>Objective 2:</b> Equal Employment Opportunities & Good Employer Programmes	EEO Programme updated	✓		
	EEO Programme implemented	✓	✓	✓
	Good Employer Strategy Developed	✓		
	Good Employer Strategy implemented		✓	✓

## RISK MANAGEMENT

The risks identified relate specifically to maintaining business capabilities in the face of uncertain demand for services, and the availability of key strategic resources such as a skilled workforce. The identified risks are outlined below and are categorised as:

- Strategic
- Staffing capability
- Organisational capability
- Operational

Capability Focus	Specific risk	Risk Management Response
1. Strategic	Failure to understand the changing environment and to interpret how best the Commission can influence the NZ transport sector.	<p>We will review and revise as appropriate our management systems to reflect:</p> <ul style="list-style-type: none"> <li>• The Commission's risk identification process</li> <li>• Policy planning and information sharing forums</li> <li>• Active public information and communication systems</li> </ul>
	Failure to respond quickly and effectively to unanticipated events or unpredictable sudden changes in our sector	<p>Ensure appropriate mechanisms are in place to allow:</p> <ul style="list-style-type: none"> <li>• Agility</li> <li>• Reprioritisation</li> <li>• Redirection of resources</li> <li>• Appropriate funding is available in time</li> </ul>
2. Staff Capability	Not having suitable measures in place to ensure staff safety, security and welfare	We will have policy and processes that enable us to recruit, train, properly manage, deploy, reward, motivate and retain suitably qualified staff
	Insufficient staff capability to deliver to the output agreement	<p>We will ensure appropriate staffing levels by:</p> <ul style="list-style-type: none"> <li>• Succession planning</li> <li>• Sector agency joint workforce planning</li> </ul>
3. Organisational capability	Safeguarding the Commission's independence	We will ensure that the Commission is being identified as, and acts as, an independent Crown Entity when carrying out its functions and duties and exercising its powers.
	Management and leadership capabilities	The Commission will strengthen its management and leadership capabilities across the modes by appointing a Deputy Chief Investigator, which will help to build a successful, integrated platform to support the Commission's ability to deliver to the Output Agreement.
4. Operational	Not having a reliable and factual Data Management system in place to enable us to strengthen our information system and analytical capabilities.	Specific resources will be allocated to identify the Commission's future Data Management systems to support research and quantitative work.



Transport Accident Investigation Commission  
P O Box 10-323, Wellington, New Zealand  
Phone +64 4 473 3112 Fax +64 4 499 1510  
E-mail: [reports@taic.org.nz](mailto:reports@taic.org.nz) Website: [www.taic.org.nz](http://www.taic.org.nz)