



Transport Accident  
Investigation  
Commission

# Statement of Performance Expectations

## Te tauākī tūmanako whakatutuki

**2024/25**

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



Transport Accident Investigation Commission  
Te Kōmihana Tirotiro Aituā Waka  
Statement of Performance Expectations 2024/25

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## Transport Accident Investigation Commission

27 June 2024

Hon Matt Doocey

Associate Minister of Transport  
Executive Wing  
Parliament Buildings  
Wellington

Dear Minister

### ***Statement of Performance Expectations***

We present the Statement of Performance Expectations of the Transport Accident Investigation Commission for the twelve months beginning 1 July 2024.

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

The strategic context for this document is set out in the Transport Accident Investigation Commission *Statement of Intent 2024-2028*.

Jane Meares  
**Chief Commissioner**

Stephen Davies Howard  
**Deputy Chief Commissioner**

## **Our vision**

### **Tō mātou matawhānui**

No repeat accidents – ever!  
Whakakore aituā tukurua!

## **Our mission**

### **Tā mātou koromakinga**

Safer transport through investigation, learning and influence

## **Our values**

### **Ā mātou uara**

Fairness  
Impartiality  
Independence  
Competence  
Integrity  
Timeliness  
Certainty

# **Our purpose**

## **Tā tātou kaupapa**

Ko te kaupapa a Te Kōmihana Tiro tiro Aituā Waka, he whakatau me te āta tiro tiro he aha te pūtake o ngā aituā waka me ngā hauata. Ā, me pēhea rā te karo i ērā, kia kore ai e tūpono anō ā muri ake.

The purpose of the Transport Accident Investigation Commission is to determine the circumstances and causes of accidents and incidents with a view to avoiding similar occurrences in the future.

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# Output class: accident and incident investigation and reporting

## Aituā kāwai putanga, te whakawā me te ripoata maiki

### *What the output class is intended to achieve*

We are a standing commission of inquiry and an independent Crown entity

The Transport Accident Investigation Commission (the Commission) is a standing commission of inquiry and an independent Crown entity. Our enabling legislation is the Transport Accident Investigation Commission Act 1990 (the Act). We were established so that New Zealand could meet its obligations under the Convention on International Civil Aviation (ICAO Convention), particularly Annex 13, which requires signatory States to undertake independent safety-focused accident investigations.

We also support New Zealand's obligations as a member of the International Maritime Organization (IMO) and the International Convention for the Safety of Life at Sea (SOLAS). The IMO's Maritime Casualty Investigation Code requires signatory states to have an independent body to investigate maritime occurrences (accidents and incidents) to avoid further occurrences rather than to apportion blame or liability.

Our mandate is to undertake independent, investigations into certain transport accidents and incidents to improve transport safety

The Act embodies these obligations by prescribing the Commission's purpose, which is 'to determine the circumstances and causes of accidents and incidents with a view to avoiding similar occurrences in the future, rather than to ascribe blame to any person'. Our mandate is to help avoid transport accidents by undertaking independent, safety-focused, investigations into certain transport occurrences to improve transport safety. For each occurrence we investigate, we deploy to the scene, gather evidence, formulate and test hypotheses, and publish a report of our findings and recommendations. The Commission works in the aviation, rail and maritime transport modes.

We have a single output class

We are funded for a single output: accident and incident investigation and reporting.

This appropriation is intended to achieve the conduct and completion of independent inquiries into selected aviation, rail and maritime safety occurrences with the intent of helping to avoid recurrences.

## How the output contributes to strategic intentions

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

The transport sector outcome we contribute to is:

### Protecting people from transport related injuries

This outcome is part of the Healthy and Safe People strand of the Transport Outcomes Framework developed by the Ministry of Transport. We contribute to the Government's strategic transport priorities of safety, economic growth and productivity, and a resilient transport network. Our outcome – a safer transport system – helps ensure New Zealand maintains access to tourism and trade and is critical for an efficient and well-functioning economy.

The Commission, Chief Executive and management team are mindful of the need to deliver an effective and fiscally sustainable service that gives New Zealanders value for money.

To achieve the transport sector outcome, the Commission has adopted a vision that reflects our statutory purpose and drives all we do:

### No repeat accidents – ever!

The Commission's mission statement focuses attention on what we are seeking to achieve and how.

### Safer transport through investigation, learning and influence

Our purpose and strategic direction remains unchanged

The Commission's *Statement of Intent 2024–2028* sets out our strategic intentions. Our purpose, strategic framework, and overall direction remain unchanged from the previous planning cycle; but over the period of this statement of intent we seek to improve systems and processes and build on previous organisational gains.

In 2024/25 we are expanding capacity in Investigation Services with two new investigators; and in the Specialist Services team with an additional forensic data analyst and a human factors expert. Increased baseline funding from 1 July 2023 enabled the recruitment of these additional staff, but that was delayed pending Government decisions.

Investigations are increasingly drawing on specialist expert knowledge. Having these services in-house means we do not have to buy in these services and also gives us additional resource to deploy to accident sites.

We seek to influence the safety of the transport system through our strategic intentions to be accessible, credible, and ready

Because our recommendations are not mandatory, we contribute to safer transport systems by influencing others to act to reduce risk. Influence – our impact on the system – is achieved by having a clear and authoritative voice.

To achieve influence, our strategic intentions are to be:

- credible by maintaining high standards in investigation processes and reports
- accessible by making it easier for people or organisations to access our findings and recommendations – the easier it is for them to find the information they need, the more likely they are to act
- ready to respond to a large-scale accident and enhance our capacity to contribute to national resilience.

We intend to continue working with others in the transport system to maximise the benefit derived from the insights and lessons from our inquiries; and in particular to:

- influence improvements to the transport system by effectively sharing our insights and knowledge with participants
- ensure effective communication with key stakeholders, including families and next-of-kin, so they are appropriately informed during the investigation process
- support the Ministry of Transport’s work programme and any cross-government initiatives exploring options for system improvements. This includes the regulatory stewardship programme, ministerial reviews, and actions to improve economic growth, productivity, resilience and security across New Zealand.

We are mindful of the need to improve delivery within tight fiscal constraints

The Commission is mindful of the Government’s focus on delivering better public services while managing within tight fiscal constraints. We intend to:

- strive to achieve greater value from our resources
- clearly account for costs and performance in our reporting
- take a continuous improvement approach to all that we do.

## How performance for the output class will be assessed

Output measures centre on cost, volume, and timeliness

Table 1 shows performance measures for the output class: accident and incident investigation and reporting. Refer to the section on impact measures for quality-related indicators of performance.

The expected revenue and proposed expense for the output is equal to that stated in the prospective statement of comprehensive revenue and expense on page 22.

For more information about these measures and the judgements we made in choosing them see page 12.

**Table 1: Performance measures: cost, volume, and timeliness**

Cost measure	Instrument	2024/25 target	2023/24 estimated actual	2023/24 target
Average cost of domestic inquiries closed	Timesheet and financial data analysis	<b>\$400-450K</b>	\$563K	\$400-450K
Volume measures	Instrument	2024/25 expected	2023/24 estimated actual	2023/24 expected
No. of reports published for domestic inquiries (incl. interim reports)	Casebook analysis, manual count	<b>17-27</b>	17	17-27
No. of inquiries by overseas jurisdictions assisted	Casebook data analysis	<b>4-8</b>	8	4-8
No. of domestic inquiries in progress at each month's end (12 month rolling average on 30 June)	Casebook data analysis	<b>30</b>	24	30
Timeliness measures	Instrument	2025/25 target	2023/24 estimated actual	2023/24 target
Proportion of closed domestic inquiries completed within 440 working days	Casebook data analysis	<b>70%</b>	76%	70%

# Performance measurement

## Inenga mahi

### **Measuring impact**

Measuring our impact on transport safety is difficult; we take a qualitative approach

Direct measurement of the Commission's influence on sector outcomes is complex: transport is a complex adaptive system, our role within it is independent, and our recommendations are not mandatory – we contribute to improved safety by making information available to others in the transport system so they can act. Therefore, we take a mainly qualitative approach to measuring our impact.

We will use case studies to demonstrate our effectiveness, setting out what safety lessons we identified, and the actions that sector participants, including recipients of our recommendations, took to improve safety. This approach gives a better understanding than quantitative measures could of our role in, and influence on, the system. We also use results from a stakeholder survey to measure our influence on improvements to transport safety.

### **Measuring progress in strategic intentions**

Implementation of the Knowledge Transfer System is key to achieving strategic objectives

Our ability to meet our strategic intentions is being enhanced through our Knowledge Transfer System (KTS). The KTS aims to help maintain efficiency and fiscal sustainability, and strengthen human and IT capital.<sup>1</sup> We have made good progress in implementing IT systems and enhancing processes and practices. For example, the new case management system is now 'business as usual' (although development work continues and further training and support for investigators is being provided). We are now looking to realise the broader organisational benefits of the system, for example in support of the Research Strategy including the ability to undertake trend analysis.

The Training and Competency Framework for investigators is also being further developed and enhanced.

2024/25 is a year of consolidation

The 2024/25 year will be a period of consolidation, which started in in 2023/24. As noted, we have made good progress in implementing the Knowledge Transfer. But the degree of change and the demands it has made on staff have been considerable. We consider it prudent to fully embed and 'settle' these new systems and processes before introducing further projects.

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<sup>1</sup> Knowledge transfer is about capturing and organising data and information, and creating and distributing information and knowledge. Physical assets, people, and processes work together to enable knowledge transfer.

## **Measuring organisational health and capability**

Resilience remains core to maintaining organisational performance

Resilience is core to maintaining organisational performance. It has two broad aspects. One is maintaining professional standards as the transport system evolves rapidly and in significant ways, driven by advancing technology. The other aspect is our ability to operate effectively even if faced with a sudden shock such as a major accident or a natural disaster.

Measures of organisational health and capability centre on resilience, especially progress in strengthening human and IT capital. This focus reflects the Knowledge Transfer System discussed above.

We meet our obligations to be a good employer

We meet our obligations to be a good employer. Related activities – whether ongoing or one-off tasks – are part of our efforts to meet the Government Expectations on Employment Relations in the State Sector. These activities include, for example:

- Regular review of all our policies and practices against government guidelines. Employment policies, procedures, and practices are underpinned by the principles of natural justice and fairness in all circumstances.
- A work programme centred on diversity and inclusion, cultural awareness, and consideration of what it means for us to be a good partner under Te Tiriti o Waitangi. Much of the programme is guided by Papa Pounamu, the Public Service Commission's work programme for the wider public service.
- Continued engagement with the Public Service Association on pay and conditions for its members.

## Performance measures

Performance indicators continue from last year with additional impact measures

The tables on the following pages show targets for 2024/25 for progress in achieving strategic intentions and organisational health and capability goals.

We have used the same indicators and success measures as in 2023/24. The table also describes what we plan to have achieved in the medium term (by June 2028).

For more information about these measures and the judgements we made in choosing them, see page 12.

Indicators in **bold** relate to the application of funding received from 1 July 2021 for the Knowledge Transfer System (refer page 5).

**Table 2: Performance measures for influence on the transport system**

Measure	Target for 30 June 2025	Medium-term intentions
Case studies demonstrate how TAIC inquiries influence improvements in transport safety	3 case studies	Continue growing the Commission's influence in improving transport safety
Proportion of stakeholders who view TAIC's information about transport safety issues as influential	Most stakeholders view TAIC's information about transport safety issues as influential.	Stakeholder survey taken once every two years. The long-term target is for an increasing trend in positive responses to questions related to influence. Small sample size means survey-to-survey change is not statistically meaningful.

**Table 3: Performance measures for strategic intention to be credible**

Indicator	Target for 30 June 2025	Medium-term intentions
Investigation processes are: <ul style="list-style-type: none"> <li>fully documented</li> <li>integrated with TAIC workflows</li> <li>continually improved</li> </ul>	External agency peer review of at least one inquiry Review evidence-gathering processes	Continue to foster stakeholders' confidence that TAIC's findings and recommendations are credible and targeted at the most pressing risks in the transport system
<b>TAIC can undertake system risk trend analysis and target case selection to the highest safety risks</b>	Review agreements/MOUs to receive regular analyses of occurrence data	

Measures	Target for 30 June 2025	Instrument
Successful judicial reviews of Commission inquiries that identify process issues	None	
Successful challenges from an Ombudsman, the Privacy Commissioner or the Human Rights Commission of an administrative decision or action.	None	
Proportion of stakeholders who view TAIC's information about transport safety issues as credible	Most stakeholders view TAIC's information about transport safety issues as credible.	Stakeholder survey taken once every two years. The long-term target is for an increasing trend in positive responses to questions related to credibility. Small sample size means survey-to-survey change is not statistically meaningful.

**Table 4: Performance measures for strategic intention to be accessible**

Indicator	Target for 30 June 2025	Medium-term intentions
<b>Stakeholder communications supports knowledge transfer</b>	Review stakeholder engagement plan Complete website upgrade so that: <ul style="list-style-type: none"> <li>information is 'digital first'</li> <li>users can search and sort information in multiple ways</li> </ul>	Website users are better able to find the information they need about safety issues  Users of our inquiry information can more easily learn from and act on it
<b>The Research Strategy supports knowledge transfer</b>	Review Research Strategy	

Measure	Target for 30 June 2025	Instrument
Proportion of stakeholders who can find the information they need from us	Most stakeholders can find the information they need	Stakeholder survey taken once every two years. The long-term target is for an increasing trend in positive responses to questions related to finding information and its usefulness. Small sample size means survey-to-survey change is not statistically meaningful.
Number of downloads of inquiry reports	Baseline figure established	Web management tool.

**Table 5: Performance measures for strategic intention to be ready**

Indicator	Target for 30 June 2025	Medium-term intention
We have plans and processes for responding to a large-scale aviation, rail, or maritime accident	Major Accident Readiness Plan (MARP) milestones achieved Recommendations from any desktop exercises implemented Major accident simulation undertaken	Emergency response agencies understand TAIC’s role and the importance of preserving evidence National emergency response plans for a large-scale aviation, rail or maritime accident incorporate TAIC and the Commission
The Commission is active in the national community of emergency response agencies and our role and functions are well understood	Commission representative attends all meetings of relevant working groups Commission staff participate in all relevant desktop exercises	

Measure	Target for 30 June 2025	Instrument
Evaluation from simulations and desktop exercises	Baseline assessment established from any simulation or desktop exercised undertaken	Qualitative assessments

**Table 6: Performance measures for organisational health and capability – human capital**

Indicator	Target for 31 June 2025	Medium-term intentions
We have the expertise we need	Recruit, induct, and train new Investigation Services staff (investigators x 2, specialists x 2) Review Training and Competency package	We have the investigation capacity and capability to meet statutory functions

Measure	Target for 30 June 2025	Instrument
Proportion of investigators (including Chief Investigator of Accidents and Investigation Services Managers) who are designated investigator-in-charge or senior investigator	80%	Training and Competency Framework grading

**Table 7: Performance measures for organisational health and capability – IT capital**

Indicator	Target for 31 June 2025	Medium-term intention
<b>Data and information systems support TAIC’s work, including data scaling demands</b>	Implement any required changes from the 2023/24 review of the Data Strategy Begin implementation of systems to support Business Services’ work	Improved performance management tools and access to data and information

Measure of success	Target for 30 June 2025	Instrument
Proportion of employees who consider they have the tools to do their job.	Extent to which employees consider they have the tools to do their job	The annual Ask Your Team staff survey <i>(Note that small sample size means no statistically meaningful change from survey to survey is possible, so measure will be in long-term trend.)</i>

## Service performance information judgements and assumptions

In preparing this statement of performance expectations, we have considered what service performance information is most appropriate and meaningful to users; that is, how can we best 'tell the story' of what we want to achieve and how well we are doing in reaching our aims and objectives.

### Output (efficiency) measures

We have only one output class: accident and incident investigation and reporting. Our output measures therefore focus on the efficiency in completing investigations and publishing inquiry reports (cost, volume, and timeliness). An explanation of the measures is shown in the table below.

Measure	Explanation
<b>Average cost of inquiries closed</b>	<p>The average cost of inquiries closed is the average across all inquiries closed over the reporting period. The cost of an inquiry is calculated over the whole of its life (that is, from launch date until publication of the final report). The cost includes:</p> <ul style="list-style-type: none"> <li>• All direct costs.</li> <li>• A proportion of indirect costs (including general overheads) that is set equally across all inquiries.</li> <li>• A proportion of indirect costs that is determined by the time spent on the inquiry.</li> </ul> <p>Apportioning indirect costs over the life of the inquiry means that the time an inquiry is in progress has an effect on its overall cost.</p> <p>Cost data is aggregated across all modes for the measure, but we report on individual inquiries in the annual report where further explanation is helpful for assessing performance; for example, if there are differences across modes and if one or more inquiries has cost significantly more than the average.</p>
<b>Volume expectations</b>	<p>Volume measures are indicators of capacity. Volumes are 'demand' driven and shown as an expected range rather than a target for both domestic inquiries and assisting with those in international jurisdictions.</p> <p>The trend in the number of inquiries in progress (12-month rolling average of the number of inquiries in progress at month end) – the final measure in table 1 – is an indicator of demand on resources over the year. A rolling average is chosen to smooth out the effects of the 'lumpiness' of demand.</p>
<b>Timeliness</b>	<p>A year is calculated as 220 working days. The Commission aims to close inquiries within 440 working days, but more complex inquiries may take longer. The measure recognises that a portion of our inquiries will always fall into this more complex category.</p> <p>Complexity can arise because of, for example, technical aspects of an investigation, or the number and/or substance of submissions received on draft reports.</p>

Measure	Explanation
	Of the inquiries that extend beyond 440 working days, most are in the aviation mode. <sup>2</sup> We have considered separate timeliness targets for these inquiries, but the small volumes involved mean that a percentage calculation is too coarse to represent performance faithfully. <sup>3</sup>

### Achieving strategic intentions

The indicators chosen to measure progress towards strategic intentions are internally focussed measures on activities that are important contributors to achieving our strategic goals. Many of these activities are linked to the application of funding we received to develop and implement a Knowledge Transfer System (refer to page 3).

The indicators are the same as those in the three previous Statements of Performance Expectations (2021/22, 2022/23, and 2023/24). This continuity gives a clear indication of progress. We have also included, for each indicator, medium-term intentions for the current planning period to 30 June 2028. We consider this gives the reader improved context about our overall direction and progress.

Alongside these internally focussed measures we have chosen externally focussed indicators of whether we are achieving our strategic intentions.

The main external indicator is a stakeholder survey taken once every two years (starting from 2021/22) run by an independent research company. The survey has quantitative and qualitative aspects.

Reporting the results to the survey in a way that faithfully represents performance is difficult because of the small numbers involved. The number of stakeholders that we can approach for feedback on our performance is relatively small – we do not offer public services in the same way that many other government organisations do. The sample for any stakeholder survey is therefore always too small to allow statistically meaningful comparisons from one set of results to another and so we have not made the performance target for the year a single number. We plan to analyse the trend in responses over time as an indicator of performance.

To represent performance faithfully, we need to trade off the clarity of quantitative results with analysis of the qualitative part of the survey. To reduce bias, an independent researcher conducts the survey, analyses results, and makes recommendations for future performance improvements.

In 2024/25 we plan to improve the searchability of our website so people can find the information they need. We will also establish a baseline of the number of downloads from the website of inquiry reports and seek to increase this annually.

<sup>2</sup> The longer time to completion for aviation accidents is because they are more likely to feature remote accident sites; badly damaged wreckage; higher numbers of fatalities, witnesses and families, sometimes of multiple nationalities; and a requirement to contact overseas agencies because aircraft components come from a range of international manufacturers.

<sup>3</sup> Even at the aggregated level, the measure is relatively coarse – for example, assuming 20 inquiries completed, one inquiry represents five per cent of the total.

### **Measuring organisational health and capability**

As above, the indicators for organisational health and capability include measures based on internal activities linked to the application of funding we received to develop and implement a Knowledge Transfer System (refer to page 3). These are the same as those in the previous three Statements of Performance Expectations (2021/22, 2022/23, and 2023/24).

Alongside these internally focussed measures of activity, we have used two indicators of success. One is related to the proportion of investigators who are at a certain level of expertise. This is a quantifiable and objective measure.

The second is a survey of employees, which includes questions that relate to our systems and processes and whether they support staff in doing their jobs. This aspect of organisational health and safety was chosen because it is an important part of what we are aiming to achieve with the Knowledge Transfer System. An independent company runs the survey and analyses results.

The survey is based on small numbers – at 30 June 2023, our establishment was 37. Changes in results from one survey to another are not statistically meaningful and so we have not made the performance target for the year a single number. Rather, trend analysis of the results over several surveys provides an indication of whether we are successfully improving our data and information systems.

### **Measuring impact on the transport sector**

As noted on page 5, we have taken a mainly qualitative approach to measuring our impact because transport is a complex adaptive system and because our role within it is independent.

We will use case studies to demonstrate our effectiveness, setting out what safety lessons we have identified, and the actions that sector participants, including recipients of our recommendations, have taken to improve safety. This approach allows us to describe better our influence on the system. We also use the results from a stakeholder survey (described above) to measure our influence on improvements in transport safety.

# Statement of responsibility

## Te tauākī kawenga

The Board of the Transport Accident Investigation Commission is responsible for the preparation of this Statement of Performance Expectations in accordance with the requirements of the Crown Entities Act 2004.

On behalf of the Board, we confirm that the information contained in this Statement of Performance Expectations reflects the operations, prospective financial position and associated assumptions of the Transport Accident Investigation Commission for the period 1 July 2024 to 30 June 2025.



Jane Meares  
**Chief Commissioner**



Stephen Davies Howard  
**Deputy Chief Commissioner**

30 May 2024

# Statement of accounting policies

## Tauākī kaupapahere mahi kaute

### **Reporting entity**

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

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

TAIC's investigation capability is occasionally extended on either a pro bono public or a cost-recovery basis to Pacific Island States. This is negotiated case-by-case, based on Ministry of Foreign Affairs and Trade guidelines.

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

The Prospective Financial Statements of TAIC is for the year 2024/2025. The Prospective Financial Statements were authorised for issue by the Board on 30 May 2024. The Board is responsible for the Prospective Financial Statements presented, including the appropriateness of the assumptions underlying the Prospective Financial Statements and all other required disclosures.

### **Accounting policies**

#### *Overall considerations*

The Prospective Financial Statements have been prepared in accordance with the Transport Accident Investigation Commission Act 1990, the Crown Entities Act 2004, PBE Financial Reporting Standard FRS-42 and New Zealand's generally accepted accounting practice as it relates to prospective financial statements.

The Prospective Financial Statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

The Prospective Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars.

The Prospective Financial Statements will not be further updated subsequent to publication.

The Prospective Financial Statements contain information that may not be appropriate for purposes other than those described in the statement of responsibility.

### *Changes in accounting policies*

The accounting policies are consistent with those used in previous Prospective Financial Statements.

### *Particular accounting policies*

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

#### *Revenue*

##### *Revenue from the Crown*

TAIC is primarily funded by the Crown. The funding is restricted in its use for the purpose of meeting the objectives specified in TAIC's founding legislation and the scope of the relevant appropriations of the funder.

TAIC considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

The fair value of revenue from the Crown has been determined as equivalent to the amounts due in the funding arrangements.

#### *Interest*

Interest revenue is recognised using the effective interest method.

#### *Rental revenue*

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

#### *Foreign currency transactions*

Foreign currency transactions are translated into New Zealand dollars (the functional currency) using the spot exchange rate from the settlement of such transactions and from the translation at year end. Exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus of deficit.

#### *Leases*

##### *Operating leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Lease incentives received are recognised in the Prospective Statement of Comprehensive Revenue and Expense Surplus as a reduction in rental expense over the lease term.

#### *Receivables*

Short-term receivables are recorded at the amount due, less an allowance for credit losses. TAIC applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

#### *Property, plant and equipment*

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

#### *Additions*

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

Work in progress is recognised at cost less impairment and is not depreciated.

#### *Disposals*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts of the assets. Gains and losses on disposals are included in the Prospective Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

#### *Subsequent costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with the item will flow to TAIC and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

#### *Depreciation*

Depreciation is provided on a straight line basis at rates that will write the assets 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%–20%
Computer equipment	2–10	10%–50%
Furniture and equipment	2.1–14	7%–48%

### *Intangible assets*

#### *Software acquisition and development*

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

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

#### *Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the Prospective Statement of Comprehensive Revenue and Expense.

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

Asset type	Useful life (years)	Depreciation rate %
Software	2.1–10	10%–48%

### *Impairment of property, plant and equipment and intangible assets*

#### *Non-cash-generating assets*

Property, plant and equipment and intangible assets that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amounts exceeds its recoverable service amount. The recoverable service amount is the higher of the asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and the availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the Prospective Statement of Comprehensive Revenue and Expense.

#### *Payables*

Short-term payables are recorded at their face value.

### *Employee entitlements*

#### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which employees render the related services are measured based on accrued entitlements at current rates of pay.

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

#### *Long-term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the year in which an employee provides a related service, such as long service leave, have been calculated based on:

- likely future entitlements accruing to employees based on years of service, year to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information
- the present value of the estimated future cash flows.

#### *Presentation of employee entitlements*

Annual leave and vested long service leave are classified as a current liability. Non-vested long service leave expected to be settled within 12 months of balance date is classified as a current liability. All other employee entitlements are classified as non-current liabilities.

#### *Superannuation scheme*

##### *Defined contribution scheme*

Obligations for contributions to KiwiSaver are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the Prospective Statement of Comprehensive Revenue and Expense as incurred.

#### *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 an outflow of future economic benefits 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 and is included in "finance costs".

#### *Good and services tax*

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

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the Prospective Statement of Financial Position.

The net GST paid to, or received from, the Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Prospective Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

#### *Taxation*

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

#### *Critical accounting estimates and assumptions*

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

#### *Estimating useful lives and residual values of property, plant and equipment*

At each balance date, the useful lives and residual values of TAIC's property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires a number of factors to be considered such as the physical condition of the assets, expected periods of use of the assets by TAIC, and expected disposal proceeds from the future sales of the assets.

TAIC has not made any significant changes to past assumptions concerning useful lives and residual values.

#### *Critical judgements in applying TAIC's accounting policies*

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

#### *Lease 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 TAIC. 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 Prospective Statement of Financial Position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

TAIC has exercised its judgement on the appropriate classification of equipment leases, and has determined it has no finance leases.

#### *Actual results*

Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material.

# Prospective financial statements

## Ngā tauākī pūtea āmua

Note: in the tables below, actual figures for the year ended 30 June 2023 are from the audited financial statements in the 2022-23 annual report.

*Figures exclude GST unless specified*

### TRANSPORT ACCIDENT INVESTIGATION COMMISSION

#### PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ending 30 June	Actual 2023 \$000	Forecast 2024 \$000	Budget 2025 \$000
<b>Revenue</b>			
Funding from the Crown	7,247	9,273	8,725
Interest revenue	27	89	70
Other revenue	76	56	53
<b>Total Revenue</b>	<b>7,350</b>	<b>9,418</b>	<b>8,848</b>
<b>Expenditure</b>			
Audit Fees	24	25	26
Commissioners' fees	368	389	392
Depreciation and amortisation expense	160	164	200
Lease, rentals and outgoings	628	723	748
Personnel costs	4,122	4,736	5,455
Other expenses	2,186	2,229	2,027
<b>Total Expenditure</b>	<b>7,488</b>	<b>8,266</b>	<b>8,848</b>
<b>Net Surplus/(Deficit)</b>	<b>(138)</b>	<b>1,152</b>	<b>-</b>
<b>Other Comprehensive revenue and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive revenue and expense</b>	<b>(138)</b>	<b>1,152</b>	<b>-</b>

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

**PROSPECTIVE STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE**

For the year ending 30 June	Actual 2023 \$000	Forecast 2024 \$000	Budget 2025 \$000
<b>Current assets</b>			
Cash and cash equivalents	1,286	2,932	2,887
Receivables	3	1	3
Prepayments	139	150	134
<b>Total current assets</b>	<b>1,428</b>	<b>3,083</b>	<b>3,024</b>
<b>Non-current assets</b>			
Property, plant and equipment	1,176	1,094	998
Intangible assets	15	-	220
<b>Total non-current assets</b>	<b>1,191</b>	<b>1,094</b>	<b>1,218</b>
<b>Total assets</b>	<b>2,619</b>	<b>4,177</b>	<b>4,242</b>
<b>Current liabilities</b>			
Payables and deferred revenue	338	335	354
Employee entitlements	437	380	459
Lease incentive	33	33	33
<b>Total current liabilities</b>	<b>808</b>	<b>748</b>	<b>846</b>
<b>Non-current liabilities</b>			
Employee entitlements	33	32	32
Lease incentive	339	306	273
<b>Total non-current liabilities</b>	<b>372</b>	<b>338</b>	<b>305</b>
<b>Total liabilities</b>	<b>1,180</b>	<b>1,086</b>	<b>1,151</b>
<b>Net assets</b>	<b>1,439</b>	<b>3,091</b>	<b>3,091</b>
<b>Equity</b>			
General funds	1,439	2,591	3,091
Capital Contributions	-	500	-
<b>Total equity</b>	<b>1,439</b>	<b>3,091</b>	<b>3,091</b>

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

**PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE**

<b>For the year ending 30 June</b>	<b>Actual 2023 \$000</b>	<b>Forecast 2024 \$000</b>	<b>Budget 2025 \$000</b>
Balance at 1 July	1,577	1,439	3,091
Total comprehensive revenue and expense for the year	(138)	1,152	-
Total Capital Contributions	-	500	-
<b>Balance at 30 June</b>	<b>1,439</b>	<b>3,091</b>	<b>3,091</b>

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

**PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE**

For the year ending 30 June	Actual 2023 \$000	Forecast 2024 \$000	Budget 2025 \$000
<b>Cash flows from operating activities</b>			
Receipts from the Crown	7,247	9,273	8,725
Interest received	25	82	70
Receipts from other revenue	496	56	51
Payments to suppliers	(3,819)	(3,388)	(3,223)
Payments to employees	(4,030)	(4,793)	(5,375)
Net cash flows from operating activities	(81)	1,230	248
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(952)	(84)	(73)
Purchase of intangible assets	-	-	(220)
Sale of property, plant and equipment	-	-	-
Net cash flows from investing activities	(952)	(84)	(293)
<b>Cash Flows from Financing Activities</b>			
Capital Contribution from the Crown	-	500	-
Net Cash Flows from Financing Activities	-	-	-
Net (decrease)/increase in cash and cash equivalents	(1,033)	1,646	(45)
Cash and cash equivalents at the beginning of the year	2,319	1,286	2,932
Cash and cash equivalents at the end of the year	1,286	2,932	2,887

TRANSPORT ACCIDENT INVESTIGATION COMMISSION

**PROSPECTIVE CAPITAL EXPENDITURE FOR THE YEAR ENDED 30 JUNE**

For the year ending 30 June	Actual 2023 \$000	Forecast 2024 \$000	Budget 2025 \$000
<b>Asset programme</b>			
<b>Depreciation and amortisation expense</b>	<b>160</b>	<b>166</b>	<b>200</b>
Buildings	818	-	-
Software	-	-	220
Computer equipment	21	81	63
Investigation, furniture and fittings, office equipment	0	3	10
<b>Total acquisition cost</b>	<b>839</b>	<b>84</b>	<b>293</b>

## Statement of significant underlying assumptions Tauākī mō ngā whakapae hira e noho tūāpapa ana

The following assumptions have been applied in preparing the financial statements for TAIC.

### *Personnel costs*

For 2024/25, salary forecast increases are 3%. The 2024/25 budget assumes a full complement of staff.

### *Other operating costs*

The budget for staff training costs in 2024/25 is at similar levels to 2023/24 with the addition of training for the new investigators.

### *Revenue*

Crown revenue has decreased in 2024/25 from 2023/24. This is due to 2023/24 being the last year of funding for the knowledge transfer system implementation project.

### *Investigations*

Assumption for 2024/25's investigation costs is they will increase from 2023/24 due to more investigations.

### *Commissioners' fees*

In 2024/25, the budget for commissioner numbers is five which is the same as the prior year. The budget allows for additional meeting days that are not always utilised.

### *Lease, rentals and outgoings*

Lease costs include the rental for office premises for TAIC at 10 Brandon Street.

The rental agreement for 10 Brandon Street includes a \$400,000 lease incentive from the landlord. This is recognised as a liability and is releasing over the life of the lease to reduce rental expenditure. This is a contribution by the landlord for fit out work completed by TAIC.

TAIC continues to lease a storage facility at Bell Road in Seaview.

### *Capital Contributions*

TAIC received \$500,000 in 2023/24 to reinstate cash reserves impacted by the onerous lease at 80 The Terrace.

Statement of Performance Expectations 2024/25

**Transport Accident Investigation Commission**

**Te Kōmihana Tirotiro Aituā Waka**

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