



Transport Accident Investigation Commission
Te Komihana Tirotiro Aitua Waka

Statement of Performance Expectations 2018 – 2019

May 2018

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

Transport Accident Investigation Commission
Statement of Performance Expectations 2018-2019

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6 June 2018

Hon Phil Twyford
Minister of Transport
Executive Wing
Parliament Buildings
Wellington

Dear Minister

We have the honour of presenting you this Statement of Performance Expectations for the Transport Accident Investigation Commission for the 12 months commencing 1 July 2018.

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 accompanying Transport Accident Investigation Commission *Statement of Intent 2018-2022*.

A handwritten signature in black ink, appearing to read 'J Meares', written in a cursive style.

Jane Meares
Chief Commissioner

A handwritten signature in black ink, appearing to read 'P McKenzie', written in a cursive style.

Peter McKenzie CNZM QC
Deputy Chief Commissioner

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1. Output class: accident and incident investigation and reporting

1.1. What the output class is intended to achieve

The Commission independently enquires into accidents and incidents

- 1.1.1. The Transport Accident Investigation Commission is funded for a single output: accident and incident investigation and reporting. We conduct independent inquiries into selected aviation, rail, and maritime safety occurrences with a view to avoiding similar occurrences in the future, rather than to ascribe blame to any person.
- 1.1.2. The Commission's investigations delve deeply into the facts and circumstances of incidents and accidents, and analyse the data to draw a hypothesis or hypotheses about cause. The inquiry process then tests, challenges, and scrutinises those hypotheses to determine the most likely immediate and systemic causes of the occurrences. The Commission identifies transport safety issues, exposing risk and informing the public about the performance of the transport system. To be credible and effective within our sphere of influence in contributing to change within the system, the Commission's inquiries must stand up to high levels of scrutiny. They must be thorough, independent and impartial.
- 1.1.3. The Commission's recommendations for actions to reduce risk are not mandatory. But the rigorous nature of our inquiries means pressure is brought to bear on transport sector participants to respond to recommendations. Recommendations are directed to whichever of the sector participants are best able to act to influence the system to improve safety.

We contribute to the safety of international transport safety systems

- 1.1.4. As well as working with national agencies, we contribute to international transport safety systems. Our peer organisations overseas and other international bodies use our findings in their own safety work (and some international bodies may, on occasion, be recipients of our recommendations).
- 1.1.5. In accordance with international conventions (the Convention on International Civil Aviation, or ICAO Convention), the Commission participates in inquiries by international peer organisations into events in overseas jurisdictions. The Commission participates in overseas inquiries when the events involve New Zealand registered or manufactured vehicles, or a significant number of New Zealanders. We may also provide investigation assistance to overseas jurisdictions with the concurrence of all involved governments.

1.3. How the performance for the output class will be assessed

1.3.1. As noted, the Commission is funded for a single output class. 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 16.

1.3.2. The performance for the output class is assessed through measures reflecting the balanced score card approach.

Output: Financial, volume, and timeliness measures

1.3.3. Table 1 shows performance measures for the Commission's outputs.

Table 1 Performance measures: financial, volume, and timeliness

Note	Measure	Instrument	2018/19 target	2017/18 estimated actual	2017/18 target
Financial					
1	Average cost of domestic inquiries closed	Timesheet and financial data analysis	\$300K	\$330K	\$300K
Volume					
	Number of reports published for domestic inquiries (including interim reports)	Casebook analysis, manual count	20-25	20	20-25
	Number of inquiries by overseas jurisdictions assisted	Casebook data analysis	4-8	8	4-8
	Number of domestic inquiries in progress at each month's end (12 month rolling average, as at 30 June)	Casebook data analysis	30	30	30
Timeliness					
2	Proportion of closed domestic inquiries completed within 440 working days	Casebook data analysis	70%	60%	60%
Notes					
1	The average cost of inquiries is calculated by allocating all costs (including general overheads) to inquiries. A proportion of overheads is allocated to all open inquiries, plus a further proportion is allocated according to time spend on each inquiry. The cost of an inquiry is taken over the whole of its life.				
2	Each year is calculated as 220 working days. The Commission aims to close in inquiries within 440 working days; however, more complex inquiries may take longer. Complexity can arise because of, for example, technical aspects of the occurrence being investigated, or the number and/or substance of submissions received on draft reports.				

1.4. How the output contributes to strategic intentions

- 1.4.1. The Commission's strategic intentions are set out in the Commission's *Statement of Intent 2018–2022*, which should be read alongside this *Statement of Performance Expectations 2018/19*. Our plan for the next four years is to pursue our aspirational goal of *No repeat accidents—ever!* by working to ensure that we are resilient as an organisation, able to:
- adapt to changes in the transport system
 - properly identify safety issues
 - transfer the knowledge we have gained through investigation
 - communicate our findings in a way that influences others to act.
- 1.4.2. In developing our strategic plan, the Commission recognised that, increasingly, the information we use in an investigation is digital, held in large data sets, and might not be part of the physical evidence found at the site of an occurrence. An example is cloud-based software and data used in navigation systems.
- 1.4.3. Our traditional tools and approaches to investigation, which have served us well, will probably endure. But, we need to be prepared to adapt traditional processes and skills as the digital environment evolves and disruptive technology, such as unmanned transport systems, become a reality.
- 1.4.4. The strategic focus for the period covered by the Statement of Intent is therefore the Commission's capacity and capability to meet the challenge of an operating environment that is undergoing rapid technological change. The Commission's response to this challenge will be critical to our continuing effectiveness in achieving our statutory purpose. In preparing the Statement of Intent we considered:
- What is changing?
 - Are we ready for what is coming?
 - What do we need to do to meet the technology challenge?
- 1.4.5. The intent is to make the Commission a resilient organisation, able to respond to disruptions to our operating environment such as we are experiencing with technology, and to external shocks such as a major accident or a natural disaster that disrupts our ability to operate. Resilience includes being able to continue the knowledge transfer process throughout the life of the inquiry, from the gathering and analysis of evidence, to the publication of the inquiry report.
- 1.4.6. We have extended our commitment to organisational resilience by placing the concept at the centre of our organisational health and capability programme for 2018/19. Figure 1 shows how this programme contributes to our strategic plan.

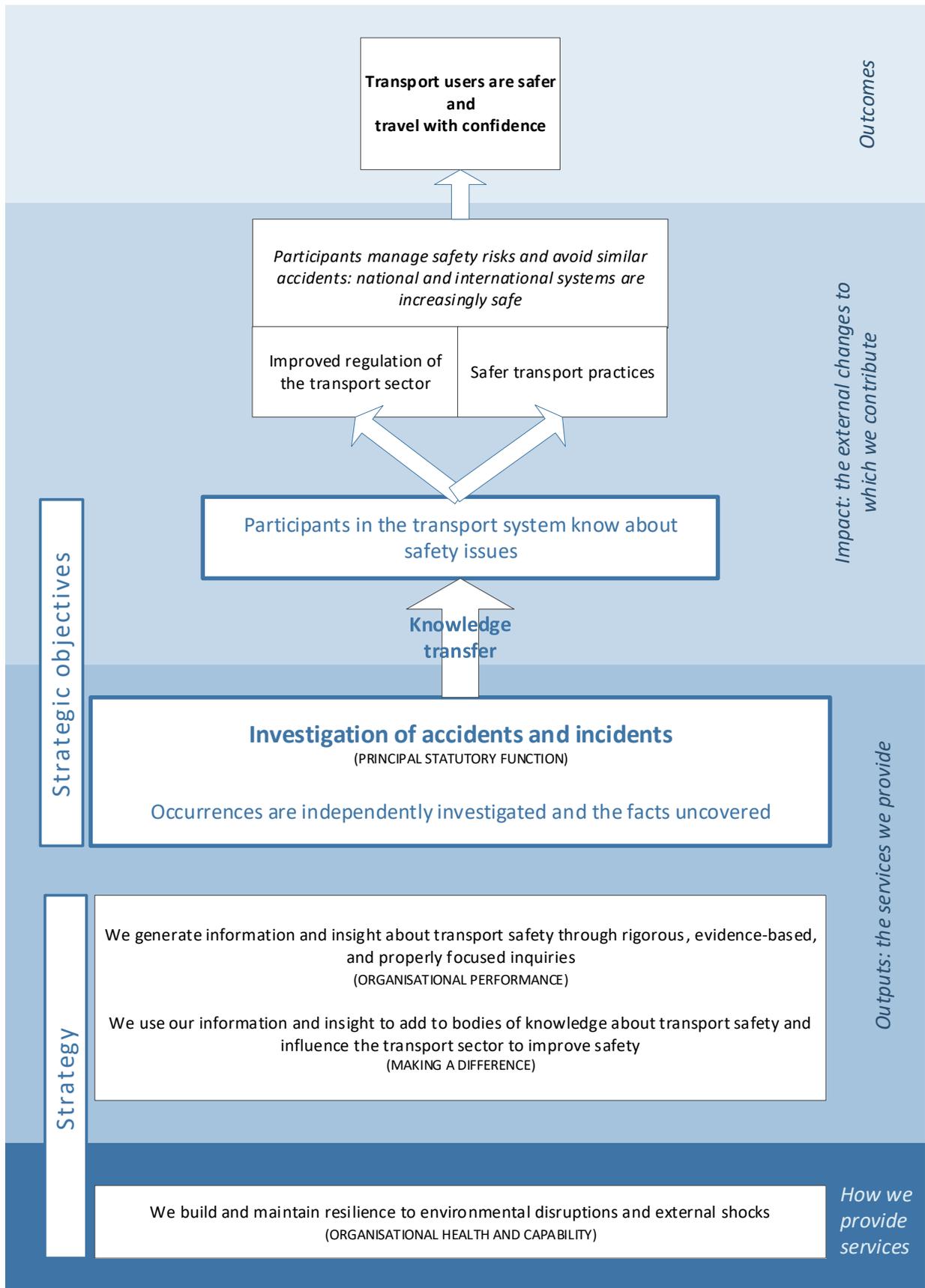


Figure 1: The Commission's strategy and strategic objectives

1.5. Measuring progress in achieving strategic objectives

Approach to measuring progress in achieving strategic objectives

- 1.5.1. The Commission's statutory purpose is to determine the circumstances and causes of accidents and incidents with a view to avoiding similar occurrences in the future, rather than to ascribe blame to any person. Measuring our effectiveness in achieving our higher-level goal of making national and international transport systems safer has always been a difficult task for the Commission. The Commission's recommendations are not mandatory, so we rely on others in the transport system who are accountable for safety to act.
- 1.5.2. The Commission's recommendations, which can be viewed as a call for action, are made within the context of complex systems. Over the last five years or so, the Commission has acknowledged this complexity in our recommendations, which call for recipients to resolve identified safety issues rather than to implement prescribed solutions. This approach allows regulators, and other recipients, to assess implementation options in the context of their competing priorities and resource constraints. Regulators must also consider their intervention logic, including the logic for regulatory intervention, which can change over time.
- 1.5.3. Our aim is to 'avoid similar occurrences in the future'. For any single inquiry, achievement of that aim cannot be seen in terms of a simple relationship between a recommendation and the change in the incidence of the event type over a given period of time. For example:
- The Commission's inquiries can effect change before a recommendation is made. Prompt action taken before the inquiry is closed, obviating the need for a recommendation, is the best outcome of an inquiry.
 - There may be several causes to one event type, which may require more than one inquiry and several recommendations to have significant effect.
 - An inquiry may find several safety issues that although not a factor in the accident, nevertheless result in recommendations that have wide-ranging implications for improving safety.
 - A recommendation may require a long time to plan and implement, especially if requires legislative change.
 - Reporting of the event type might increase as a result of an inquiry or recommendation; or measuring the incidence of the event type might in some other way be difficult, such as lack of reliable normalising data.
 - The Commission focuses on one event, but recipients may take recommendations, findings or key lessons from an inquiry and broaden their application to other contexts. This can be true especially where our reports and findings are sought by other agencies (national or international) to inform their own inquiries.
- 1.5.4. The Commission has no mandate or resourcing other than to issue recommendations. Given our mandate and the complex systems in which we operate, we measure our impact through case studies and proxy measures. We have taken a qualitative approach to measuring impact, which allows a more comprehensive demonstration of our effectiveness.
- 1.5.5. Quality and impact measures are set out in the following section. In 2018/19, the Commission plans to explore the feasibility and options for impact evaluations, beginning in 2019/20, to add to existing impact measures. The evaluations would probably take the form of in-depth, retrospective reviews of areas in which the Commission has had an interest.

Strategic objective: Occurrences are independently investigated and the facts are uncovered

- 1.5.6. The Commission’s purpose is to determine the circumstances and causes of accidents and incidents with a view to avoiding similar occurrences in the future. Our inquiries look at risk within the transport system, identifying safety issues and the conditions under which accidents and incidents happen. This is at the core of our contribution to making transport systems safer: finding out what needs to change to reduce the likelihood of a recurrence. The facts – determined without fear or favour – must be known before the process of change can begin.
- 1.5.7. We know we are successful in achieving this objective when:
- Our investigation processes meet international standards
 - Stakeholders consider our investigations fair and independent
 - Our inquiries are not subject to successful judicial review
- 1.5.8. We will use the indicators outlined below in our annual report to assess how well we have met our strategic objective of rigorous and independent investigations. These are the Commission’s quality measures.

Notes	Indicator	Description
3	The Commission complies with international standards of safety investigation.	The Commission internally audits 7 investigations each year and remedies any deficiencies found.
4	Stakeholders consider our investigations fair and independent.	Most respondents to the Commission’s stakeholder surveys believe the Commission’s investigations are fair, impartial, and independent.
	All Commission inquiries follow proper process.	There are no: <ul style="list-style-type: none"> • judicial reviews of Commission inquiries that identify process issues, or • successful challenges to an Ombudsman, the Privacy Commissioner or the Human Rights Commission of an administrative decision or action.
Notes		
3	<p>This measure represents the Commission’s internal continuous improvement process. It involves managers assessing sampled investigations against the Commission’s quality assurance framework, which reflect ICAO standards.</p> <p>In 2016, independent ICAO auditors reviewed New Zealand’s compliance with international aviation obligations, including the Commission’s performance in its role as New Zealand’s independent safety investigation agency. The audit gave the Commission’s process for conducting investigations a high ranking against ICAO standards. The audit is a ‘spot check’, conducted every few years as part of a continuous monitoring process.</p>	
4	<p>Twice each year, an independent researcher undertakes a stakeholder survey for their views about how the Commission has conducted its investigations (including how well it has demonstrated its values) and how effective it has been in improving safety. Results are not reported in percentage terms because the sample sizes are too small for results to be statistically meaningful.</p>	

Strategic objective: Participants in the transport system know about, safety issues

1.5.9. The process of change towards a safer transport system begins with the Commission's determinations. But once the Commission has identified a safety issue, it relies on others in the system to act to improve safety. We must therefore make sure our work is trusted, our inquiry reports are compelling, and the recommendations we make are well-founded; and we must ensure we transfer the knowledge we have gained to others to enable them to prevent similar occurrences happening again.

1.5.10. We know we are successful in achieving this objective when:

- National and international stakeholders look to our findings for information
- Users find the information they are looking for from our website and reports

1.5.11. We will use the indicators outlined below in our annual report to assess how well we have met our strategic objective of transferring inquiry information to transport sector participant so they can improve safety.

Note	Indicator	Description
	The Commission disseminates information about its most pressing concerns.	The Watchlist is reviewed and published/updated as required by 30 June 2019.
5	Our information is sought after.	Website statistics show an increase in the number of visitors between 30 June 2018 and 30 June 2019.
6	Users find the information they are looking for from our website and reports.	Survey of subscribers to be piloted in 2018/19.
	The Commission's recommendations contribute to improvements in transport safety.	In our annual report we will include case studies of changes to the transport system made in response to our recommendations to show they have contributed to improved safety.
7	Stakeholders believe the Commission is having a positive impact.	Most respondents to the Commission's stakeholder surveys believe the Commission is having a positive impact
Notes		
5	Website statistics can tell us how many people in total visit our website, but they provide only limited information about who those visitors are, and what they do with the information they access. The survey of subscribers (see note 6) is designed to provide this more qualitative information.	
6	The Commission will pilot a survey of its subscribers to find out their experience of accessing information from our website. The results from the pilot will establish a baseline for later surveys. Subscribers are people whom the Commission notifies when it has published a major update to its website – usually the release of an inquiry report. They are the stakeholders who regularly access, for example, the content of inquiry reports. The Commission currently has about 700 national and international subscribers from all parts of the state sector, private organisations, academic institutions, and other investigation bodies.	
7	See note 4 on the previous page.	

Organisational health and capability

1.5.12. The Commission's organisational health and capability strategy is to build and maintain resilience to environmental disruptions and external shocks. We have set in place a resilience programme, and will be emphasising different aspects of it over time, as circumstances require. In 2018/19, our focus will be on assessing priority areas for strengthening resilience in our human and IT capital.

Note	Indicator	Description
8	Priority areas identified for skill development of workforce.	Tasks arising from the 2017/18 review of the workforce plan to be completed by 30 June 2019.
9	IT systems requirements identified.	Tasks arising from the 2017/18 strategic analysis of our IT systems to be completed by 30 June 2019.
Notes		
8	A review of the workforce plan is to be completed by 30 June 2018. The review will include an assessment of the skills we need to meet the demands of a data-driven and technologically changing environment. This includes investigation skills, and quantitative research skills. The review will consider how gaps in capability are most effectively procured (whether by employment, or contract for services, for example).	
9	A strategic analysis of our IT systems is to be completed by 30 June 2018. This will include assessing the required hardware and software for holding data and managing it; and the skills required for governance and management of service contracts (as it likely the Commission will continue to outsource IT services).	

2. Statement of responsibility

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

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 2018 to 30 June 2019.



Jane Meares
Chief Commissioner



Peter McKenzie CNZM QC
Deputy Chief Commissioner

6 June 2018

3. Statement of accounting policies

3.1. 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.

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

The Prospective Financial Statements of TAIC are for the years 2018–2021. The Prospective Financial Statements were authorised for issue by the Board on 18th April 2018. 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.

3.2. 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 their face value, less any provision for impairment.

A receivable is considered impaired when there is evidence that TAIC will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amount expected to be collected.

Investments

Bank term deposits

Investments in bank term deposits are initially measured at the amounts invested.

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	2-10	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 amount 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.

4. Prospective Financial Statements

Note: in the tables below, actual figures for the year ended 30 June 2017 are from the audited financial statements in the 2016-17 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 2017 \$000	Forecast 2018 \$000	Budget 2019 \$000
Revenue			
Funding from the Crown	5,639	5,840	5,520
Interest revenue	22	22	22
Other revenue	51	163	55
Total Revenue	5,712	6,025	5,597
Expenditure			
Audit Fees	19	19	19
Commissioners' fees	211	298	316
Depreciation and amortisation expense	213	227	232
Lease, rentals and outgoings	640	775	655
Personnel costs	3,441	3,271	3,428
Other expenses	1,216	1,323	947
Total Expenditure	5,740	5,913	5,597
Net Surplus/(Deficit)	(28)	112	-
Other Comprehensive revenue and expense	-	-	-
Total Comprehensive revenue and expense	(28)	112	-

TRANSPORT ACCIDENT INVESTIGATION COMMISSION
PROSPECTIVE STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE

For the year ending 30 June 2019	Actual 2017 \$'000	Forecast 2018 \$'000	Budget 2019 \$'000
Current assets			
Cash and cash equivalents	1,066	1,218	1,301
Receivables	36	2	2
Prepayments	85	29	24
Total current assets	1,187	1,249	1,327
Non-current assets			
Property, plant and equipment	328	264	270
Intangible assets	495	371	287
Total non-current assets	823	635	557
Total assets	2,010	1,884	1,884
Current liabilities			
Payables and deferred revenue	357	145	145
Employee entitlements	285	250	250
Total current liabilities	642	395	395
Non-current liabilities			
Employee entitlements	26	35	35
Total non-current liabilities	26	35	35
Total liabilities	668	430	430
Net assets	1,342	1,454	1,454
Equity			
General funds	1,342	1,454	1,454
Total equity	1,342	1,454	1,454

TRANSPORT ACCIDENT INVESTIGATION COMMISSION
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE

For the year ending 30 June 2019	Actual 2017 \$000	Forecast 2018 \$000	Budget 2019 \$000
Balance at 1 July	1,370	1,342	1,454
Total comprehensive revenue and expense for the year	(28)	112	-
Balance at 30 June	1,342	1,454	1,454

TRANSPORT ACCIDENT INVESTIGATION COMMISSION
PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE

For the year ending 30 June 2019	Actual 2017 \$000	Forecast 2018 \$000	Budget 2019 \$000
Cash flows from operating activities			
Receipts from the Crown	5,639	5,840	5,520
Interest received	22	22	22
Receipts from other revenue	44	163	55
Payments to suppliers	(2,258)	(2,537)	(1,932)
Payments to employees	(3,426)	(3,297)	(3,428)
Net cash flows from operating activities	21	191	237
Cash flows from investing activities			
Purchase of property, plant and equipment	(98)	(39)	(114)
Purchase of intangible assets	(46)	-	(40)
Net cash flows from investing activities	(144)	(39)	(154)
Cash Flows from Financing Activities			
Net Cash Flows from Financing Activities	-	-	-
Net (decrease)/increase in cash and cash equivalents	(123)	152	83
Cash and cash equivalents at the beginning of the year	1,189	1,066	1,218
Cash and cash equivalents at the end of the year	1,066	1,218	1,301

TRANSPORT ACCIDENT INVESTIGATION COMMISSION
PROSPECTIVE CAPITAL EXPENDITURE FOR THE YEAR ENDED 30 JUNE

For the year ending 30 June 2019	Actual 2017 \$000	Forecast 2018 \$000	Budget 2019 \$000
Asset programme			
Depreciation and amortisation expense	213	227	232
Buildings	46	8	10
AIMS Hardware and Software	46	-	40
Computer equipment	44	31	90
Investigation, furniture and fittings, office equipment	11	-	14
Total acquisition cost	144	39	154

5. Statement of significant underlying assumptions

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

Personnel costs

5.1.2. For the 2018/19, salary increases have been forecast at no more than 3%.

Other operating costs

5.1.3. It is assumed staff training costs in 2018-19 will be at similar levels to 2017-18.

Revenue

5.1.4. The funding review completed in 2014/15 resulted in an increase in Crown revenue for 2016/17 and out-years.

Investigations

5.1.5. It is assumed in 2018/19's investigation costs will be at a similar level to those in 2017/18. It is assumed that consultants will continue to be engaged to provide specialist investigative advice when required.

Commissioners' fees

5.1.6. In 2018/19, the budget for commissioner numbers is five.

TAIC Statement of Performance Expectations 2018/19

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