



**OTSI** Office of Transport Safety Investigations

# ANNUAL REPORT

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2016 - 2017







## Office of Transport Safety Investigations

The Honourable Andrew Constance, MP  
Minister for Transport and Infrastructure  
52 Martin Place  
SYDNEY NSW 2000

24 October 2017

Dear Minister

It is my pleasure to submit to you the 2016 – 2017 Annual Report of the Chief Investigator of the Office of Transport Safety Investigations (OTSI) for presentation to Parliament.

The Report highlights the *principal undertakings and achievements* of the Office as the State's Transport Safety Investigator throughout the reporting period.

The report has been prepared in accordance with the requirements of the *Annual Reports (Statutory Bodies) Act 1984* and the *Annual Report (Statutory Bodies) Regulation 2015* and the *Public Finance and Audit Act 1983*.

Yours sincerely,

Mick Quinn  
Chief Investigator



## TABLE OF CONTENTS

|   |    |
|---|----|
| Letter to Minister  | 1  |
| Chief Investigator's Report   | 3  |
| Charter   | 5  |
| Aims and Objectives   | 5  |
| Organisation  | 6  |
| Operations  | 8  |
| 2016 – 17 in Review   | 8  |
| OTSI Annual Statistics  | 9  |
| Challenges 2017 – 2018  | 14 |
| Governance and Management Systems   | 14 |
| Management of OTSI Records  | 15 |
| Stakeholder Engagement  | 15 |
| Industry Participants   | 15 |
| Industry Regulators   | 16 |
| OTSI in the Global Transport Safety Environment   | 16 |
| Financial Summary Overview  | 17 |
| Annual Financial Statement  | 18 |
| Independent Auditor's Report  | 44 |
| Payment of Accounts for Goods and Services  | 46 |
| Reporting obligations under the <i>Government Information Public Access Act 2009</i> (GIPA) | 47 |
| Reporting obligations under the <i>Public Interest Disclosures Act 1994</i>                 | 47 |
| Risk Management   | 47 |
| Principal Legislation   | 48 |
| Credit Card Certification   | 48 |
| Response to Significant Issues Raised by the Auditor-General                                | 48 |
| Significant Committees  | 48 |
| Grants to Non-Government Organisations  | 48 |
| Legal Changes   | 48 |
| Major Works in Progress   | 48 |
| Human Resources   | 48 |
| 2016-2017 Staffing  | 49 |
| Senior Executive Reporting  | 49 |
| Trends in the Representation of Workforce Diversity Groups                                  | 50 |
| Multicultural Policies & Service Program  | 50 |
| Consultants   | 51 |
| Land Disposal   | 51 |
| List of Major Assets  | 51 |
| Research & Development  | 51 |
| Economic or Other Factors   | 51 |
| Publications  | 51 |
| Work Health and Safety  | 51 |
| Overseas Travel   | 51 |
| Consumer Response   | 51 |
| Internal Audit and Risk Management Policy   | 51 |
| Digital Information Security Policy Attestation   | 52 |
| Annual Report Costs   | 52 |
| Contact Details   | 53 |

## Chief Investigator's Report

As the State's independent transport safety investigator, responsible for serving the safety interests of the travelling public and those of the rail, bus and ferry operators who provide passenger and rail freight services, the Office of Transport Safety Investigations (OTSI) has continued to make a significant contribution to public transport and rail freight safety through its direct investigative involvement with service providers, industry regulators, government divisions and authorities and the general public. In particular, it has:

- Fostered constructive and open working relationships with transport industries, transport service providers, unions, regulators, the media and the general public.
- Cooperated with the Australian Transport Safety Bureau (ATSB) in keeping with the terms of the Collaboration Agreement which came into effect on 20 January 2013. Under the agreed terms, OTSI conducts selected railway accident and incident investigations in accordance with the provisions of the *Transport Safety Investigation Act 2003* (Cth) on behalf of the ATSB as the national rail safety investigator.
- Maintained its currency and capability as a multi-modal transport accident investigator through the application of contemporary investigative practices and liaison with other investigative jurisdictions, to improve its incident response procedures, investigation management and report presentation.
- Initiated investigations into 17 accidents and incidents (10 bus, one ferry and six rail). Four of the rail investigations were initiated under the *Transport Safety Investigation Act 2003* (Cth) on behalf of the ATSB in accordance with the Collaboration Agreement.
- In accordance with the *Passenger Transport Act 1990* (NSW), the reports into 13 accidents and incidents have been tabled in Parliament and are publicly available on the OTSI website.
- OTSI saw benefit by sharing lessons learned from our investigations directly with operators, regulators and other agencies through industry forums and inter-agency committees. This led to significant change in safety practices.
- During 2016-2017, OTSI introduced response triggers to incidents and accidents which has led to more deployments and has aided the scoping of investigations. Additionally, as a small agency, this has assisted in OTSI's resource management.
- In 2016-2017, the Chief Investigator initiated an investigation at the request of the Minister for Transport and Infrastructure.

OTSI has received considerable support from many departments, authorities, offices and organisations throughout the year. This support has greatly assisted OTSI to perform its various functions. I'm most grateful for that support and assistance. Most importantly, OTSI has had the benefit of the cooperation of rail, bus and ferry operators in the course of its investigations. Without that cooperation, which is gratefully acknowledged, it would be more difficult for OTSI to achieve its purpose of improving public transport safety. The members of the OTSI team also warrant special mention for their dedication and sustained commitment to the primary purpose of improving public transport safety.

Throughout the reporting period, OTSI has continued to make a direct contribution to the provision of safer public transport services and rail freight services in NSW. Its place as one of the important State agencies which provides essential public services to the people of NSW is firmly established. I look forward to further developing the capability and capacity of OTSI to ensure that it continues to serve the broadest possible safety interests of transport industries, operators and the travelling public in NSW.

A handwritten signature in black ink, appearing to read 'Mick Quinn', with a small dot at the end of the signature.

**Mick Quinn**  
**Chief Investigator**

## Charter

OTSI was originally established on 1 January 2004 as a separate division within what was then the Independent Transport Safety and Reliability Regulator (ITSRR). However, with the passage of the *Transport Legislation Amendment (Waterfall Rail Inquiry Recommendations) Bill 2005*, OTSI was separated from ITSRR and the Chief Investigator's Office of Transport Safety Investigations was established as a statutory agency of the NSW Government and commenced independent operations on 1 July 2005.

Amendments to the *Transport Administration Act 1988* confer powers on the Chief Investigator to establish OTSI and conduct investigations into rail, bus and ferry accidents and incidents in accordance with the provisions of the *Passenger Transport Act 1990* and the *Marine Safety Act 1998*.

OTSI was established as an independent office to ensure that both the travelling public and transport service providers could have a high degree of confidence that all safety investigations involving the NSW public transport network were conducted in a fair, impartial and rigorous manner, applying a balanced approach to all investigations.

While the Chief Investigator of OTSI is accountable to the Minister for Transport and Infrastructure, the Chief Investigator is not subject to the direction and control of the Minister in the exercise of the Chief Investigator's investigative and reporting functions. However, in a situation where the Chief Investigator may not have already initiated an investigation into a particular rail or passenger transport accident or incident, he is required to do so when given a written direction by the Minister.

In this 13th year of independent operations, considerable emphasis has been placed on ensuring that OTSI's operations contribute directly to the improvement of transport safety.

## Aims and Objectives

OTSI contributes to the safe operation of public transport and rail freight services in NSW by initiating and directing investigations into accidents and safety-related incidents whenever and wherever they occur. OTSI's investigations are conducted with the purpose of producing the following outcomes:

- ◆ Identification of those factors which have contributed to rail freight and rail, bus and ferry passenger transport accidents and incidents.
- ◆ Determination and specification in its investigation reports of the most appropriate remedial safety action to prevent recurrence of similar types of accidents and incidents.
- ◆ Production of transport safety investigation reports which are tabled in Parliament by the Minister for Transport and Infrastructure and published on the OTSI website for operator, industry and public utilisation.



- ◆ Provision and management of a Confidential Safety Information Reporting Scheme (CSIRS) for use by transport employees for the reporting of safety issues that require remedial action.
- ◆ Analysis of rail, bus and ferry operations and accident investigations in other jurisdictions in order to identify safety trends and contemporary practice.

To achieve these outcomes, OTSI has established and provides the following services and functions:

- ◆ A 24 hour on call duty officer to whom NSW bus and ferry operators and regulators report the occurrence of accidents and incidents. Notifications of serious (Category A) rail accidents and incidents are provided to OTSI by the ATSB in accordance with the provisions of the *Rail Safety National Law (NSW)*, and the Collaboration Agreement.
- ◆ A 24 hour investigation response team capable of providing immediate deployment to an accident or incident site.
- ◆ A team of transport safety investigators capable of undertaking investigations into rail, bus and ferry accidents and incidents.
- ◆ A dedicated response capability for confidential safety information reports.
- ◆ The provision of detailed accident and incident reports which are designed to improve transport safety.
- ◆ The conduct of safety investigations where organisational systemic defects or deficiencies are detected in the course of accident investigations or where safety trend analysis indicates the requirement.

## Organisation

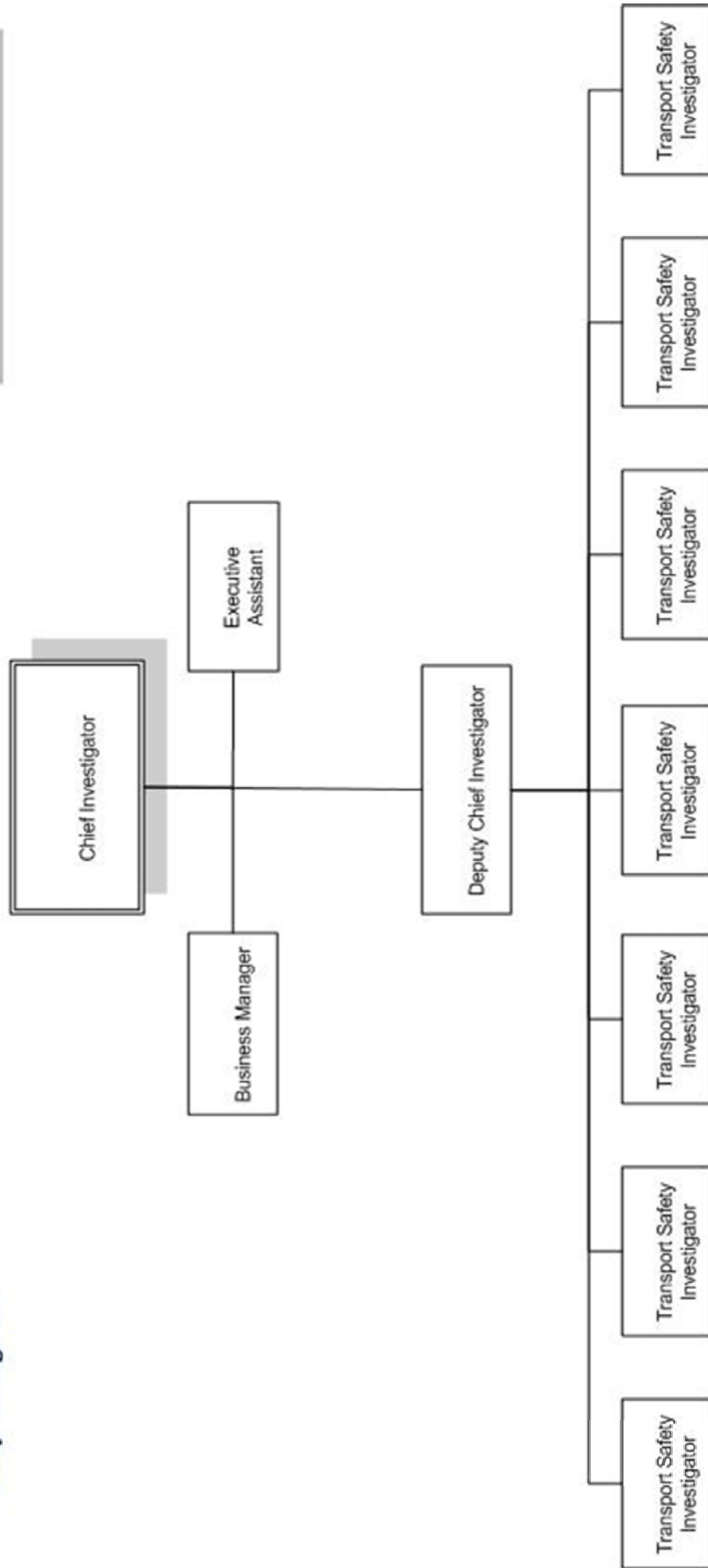
OTSI has nine investigators which includes the Chief Investigator and the Deputy Chief Investigator, supported by a small administrative team. OTSI turned over two staff members during 2016 - 2017. The Chief Investigator and the Deputy Chief Investigator deployed and investigated several incidents and accidents during this period. The organisation of OTSI is shown on the next page.



**Office of Transport  
Safety Investigations**

**Note**

The Chief Investigator is appointed by the Governor on the recommendation of the Minister for Transport and is accountable to that Minister.



## Operations

Throughout the reporting year, OTSI has undertaken the following operational activities:

- ◆ Received and assessed rail, bus and ferry accident and incident notifications from accredited operators and regulators in accordance with the *Passenger Transport Act 1990* and the terms of the Collaboration Agreement with the ATSB.
- ◆ Conducted investigations into rail, bus and ferry accidents and incidents involving fatalities, serious injury and significant damage to determine contributory factors and recommend preventative remedial safety action to improve transport safety.
- ◆ Conducted investigations into factors related to organisation, operations, technology, infrastructure, human-machine interface, communications, human performance and other system deficiencies.
- ◆ OTSI built and applied contemporary safety risk management models to communicate the findings from our investigations to stakeholders.
- ◆ Reviewed the reports of investigations conducted by transport operators to determine the adequacy of those investigations, their findings and recommendations.
- ◆ Received and facilitated the investigation of reports of safety concerns lodged by transport employees under the CSIRS.
- ◆ Conducted analysis of transport accidents and incidents in Australia and abroad to identify safety trends.
- ◆ Engage with industry bodies to facilitate transport safety improvements.
- ◆ Provide regular face to face briefings with the Minister's Office.

### 2016 – 2017 in Review

During the year, OTSI received 652 notifications of incidents and accidents which fell within the category of “Notifiable Occurrences” as described in the *Acts, Regulations* and established reporting protocols. Of these, 459 were bus, 30 were ferry and 163 were rail notifications. Additional requests for information were made by OTSI in relation to 221 incident reports (127 bus, 16 ferry and 78 rail) to assist in the process of determining what investigative action was warranted. OTSI investigators deployed to incident sites on 42 occasions (25 bus, 3 ferry and 14 rail) to conduct preliminary investigations. The following investigations were initiated and undertaken by OTSI in the reporting period:

**OTSI ANNUAL STATISTICS**  
**1 JULY 2016 – 30 JUNE 2017**

| <b>INCIDENTS REPORTS RECEIVED BY THE DUTY OFFICER</b> |                        | <b>ANNUAL TOTAL</b> |
|---|------------------------|---------------------|
| <b>Quarterly totals</b>                               |                        |                     |
| Rail  | 34+ 45+45+39           | 163                 |
| Bus   | 125+120+108+106        | 459                 |
| Ferry   | 9+6+8+7                | 30                  |
| <b>ALL MODES TOTALS</b>                               | <b>168+171+161+152</b> | <b>652</b>          |

**INVESTIGATIONS INITIATED**

| <b>Incident date</b> | <b>Description</b>                                |
|----------------------|---|
| 1 July 2016          | Bus collision with pedestrians - Cammeray         |
| 8 August 2016        | Bus schoolchild pedestrian fatality - Coolagolite |
| 16 September 2016    | Bus fire - Sydney Harbour Bridge                  |
| 12 October 2016      | Ferry collision with wharf - Circular Quay        |
| 3 December 2016      | Train fire - Muswellbrook                         |
| 16 August 2016       | Shunting incident resulting in fatality - Central |
| 04 December 2016     | Two buses destroyed by fire - Mascot              |
| 06 March 2017        | Bus fire - Sawyers Gully                          |
| 20 March 2017        | Train electrical explosion - Burwood              |
| 22 April 2017        | Loss of control of freight train - Dombarton      |
| 26 April 2017        | Bus schoolchild fatality - Rocky Point            |
| 8 May 2017           | Bus fire - Holbrook                               |
| 25 May 2017          | Train near miss - Islington Junction              |
| 9 June 2017          | Bus rollaway - Campbelltown                       |
| 14 June 2017         | Level crossing fatality - Kyogle                  |
| 28 June 2017         | Bus uncontrolled movement - Oatley                |
| 30 June 2017         | Bus fire - Valley Heights                         |

**INVESTIGATIONS PUBLISHED**

| <b>Incident date</b> | <b>Description</b>                                | <b>Date published</b> |
|----------------------|---|-----------------------|
| 18 March 2016        | School bus rollover - Brocklesbury                | 4 July 2016           |
| 21 April 2016        | Train level crossing collision - Moorland         | 10 July 2016          |
| 9 June 2016          | Ferry loss of control - Manly Cove                | 17 August 2016        |
| 10 January 2016      | Ferry control failure - White Bay                 | 17 January 2017       |
| 3 February 2016      | Bus rollaway fatality - Hurstville                | 17 January 2017       |
| 18 March 2016        | Bus loss of control - Tamborine Mountain          | 17 January 2017       |
| 28 April 2016        | Bus fire - Dudley                                 | 17 January 2017       |
| 19 May 2016          | Bus unintentional door open - Point Clare         | 17 January 2017       |
| 8 August 2016        | Bus schoolchild pedestrian fatality - Coolagolite | 17 January 2017       |
| 8 July 2015          | Bus fire summary report for 2016                  | 17 February 2017      |
| 15 September 2016    | Bus fire - Sydney Harbour Bridge                  | 16 March 2017         |
| 10 October 2014      | Rail tunnel defect - Boronia                      | 20 April 2017         |
| 10 August 2016       | Shunting incident resulting in fatality - Central | 20 June 2017          |

**OTSI ANNUAL STATISTICS**  
**1 JULY 2016 – 30 JUNE 2017 (continued)**

| <b>CONFIDENTIAL REPORTS RECEIVED</b> |  |
|--------------------------------------|--|
| <b>Report date</b>                   | <b>Description</b>   |
| 20 July 2016                         | Bus driver's fitness for work questioned - Cammeray                        |
| 1 September 2016                     | Train's skidded wheel not reported - Faulconbridge                         |
| 6 September 2016                     | Bus rollaway not reported - Summer Hill                                    |
| 29 September 2016                    | Train safety vest not provided - Macdonaldtown                             |
| 10 October 2016                      | Bus shuttle accident not reported - Maitland                               |
| 12 October 2016                      | Ferry over speed - Watsons Bay   |
| 1 November 2016                      | Bus rollaway not reported - Bathurst                                       |
| 6 December 2016                      | Rail Rule difference across infrastructure maintainers - Mittagong         |
| 10 December 2016                     | Rail Fatigue issues due to rostering                                       |
| 13 December 2016                     | Bus Report of bus rollaway in yard - Bomaderry                             |
| 24 January 2017                      | School bus collision was not reported - Kellyville                         |
| 24 January 2017                      | Problem with level crossing maintenance - Mangalore                        |
| 24 January 2017                      | Wagon with faulty brakes was attached to a train – Wagga Wagga             |
| 25 January 2017                      | Bus operator had restricted opening of driver's window - Liverpool         |
| 27 January 2017                      | Train control error occurred – St Marys                                    |
| 2 February 2017                      | Freight service ran wagons with faulty brakes – Blue Mountains             |
| 2 February 2017                      | Bus driver did not follow procedures during an emergency - Mascot          |
| 10 February 2017                     | Bus company requested driver break road rules during operations – St Marys |
| 3 April 2017                         | Rail tunnel maintenance - Boronia  |
| 13 April 2017                        | Shift rosters at rail control centre – North Sydney                        |
| 10 May 2017                          | Arris wheel on passenger train – Lithgow                                   |
| 19 May 2017                          | Train braking ECP consistent between wagons & locomotives – Port Waratah   |
| 8 June 2017                          | Auditing not being closed out - NSW  |

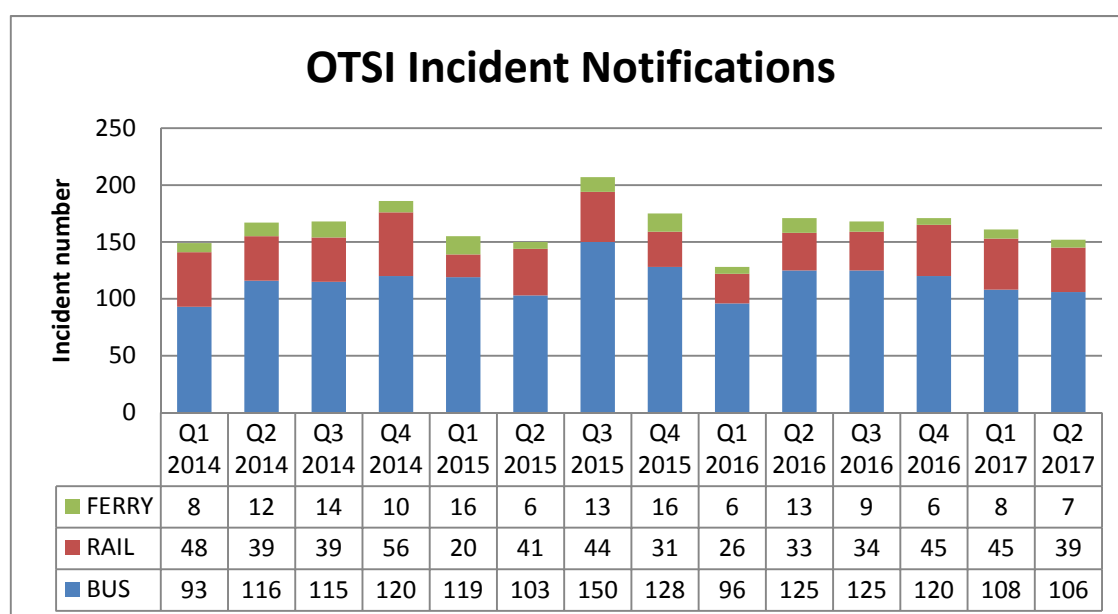
| <b>CONFIDENTIAL REPORTS PUBLISHED</b> |   |
|---------------------------------------|---|
| <b>Report date</b>                    | <b>Description</b>                                |
| 10 December 2016                      | Rule difference across infrastructure maintainers |

**OTSI ANNUAL STATISTICS**  
**1 JULY 2016 – 30 JUNE 2017 (continued)**

| <b>DEPLOYMENTS</b>      |   |
|-------------------------|---|
| <b>Date of incident</b> | <b>Description</b>                                      |
| 1 July 2016             | Bus collision with pedestrians - Cammeray               |
| 8 August 2016           | Schoolchild pedestrian fatality - Coolagolite           |
| 10 August 2016          | Cracked wheel - Chilcotts Creek                         |
| 28 August 2016          | Derailed train - Muswellbrook                           |
| 31 August 2016          | Bus fire - Somersby                                     |
| 6 September 2016        | Wagon structural failure - Wollar                       |
| 16 September 2016       | Bus fire - Sydney Harbour Bridge                        |
| 19 September 2016       | Bus collision with excavator - Parramatta               |
| 21 September 2016       | Bus fire - Crows Nest Warringah Expressway              |
| 26 September 2016       | Bus collision with pedestrian - Park St, Sydney         |
| 11 October 2016         | Rail wagon structural failure                           |
| 12 October 2016         | Ferry collision with wharf - Circular Quay              |
| 13 October 2016         | Bus collided with 3 pedestrians - Park St Sydney        |
| 14 October 2016         | Bus collision with car - William St Sydney              |
| 18 October 2016         | Bus fire - Five Dock                                    |
| 4 November 2016         | Bus fire - M2 Motorway Macquarie Park                   |
| 6 November 2016         | Parasailing incident two persons injured - Manly        |
| 15 November 2016        | School buses collision - Albion Park                    |
| 28 November 2016        | Light rail structural issues – Lewisham bridge          |
| 8 December 2016         | Train fire - Eveleigh                                   |
| 13 December 2016        | Bus Fire - Taren Point                                  |
| 23 December 2016        | Bus Fire - Central                                      |
| 18 January 2017         | Rail level crossing collision with vehicle - Bogan Gate |
| 8 February 2017         | Bus fire - M4 at Homebush                               |
| 6 March 2017            | Bus fire - Sawyers Gully                                |
| 20 March 2017           | Rail electrical explosion - Burwood                     |
| 22 April 2017           | Runaway freight train - Dombarton                       |
| 25 April 2017           | Bus fire - Mascot at airport                            |
| 26 April 2017           | Schoolchild fatality - Rocky Point                      |
| 28 April 2017           | Bus driver incapacitation - Dee Why                     |
| 1 May 2017              | Pedestrian collision schoolchild - Nambucca Heads       |
| 8 May 2017              | Coach destroyed by fire - Holbrook                      |
| 9 May 2017              | Ferry collision with wharf - Taronga Zoo                |
| 11 May 2017             | Bus wheel failure - Strathfield                         |
| 15 May 2017             | Train derailment - Rooty Hill                           |
| 23 May 2017             | Bus driver struck by car - Hassall Grove                |
| 23 May 2017             | Train level crossing collision - Cootamundra            |
| 25 May 2017             | Train near miss - Islington Junction                    |
| 10 June 2017            | Derailment - Goulburn yard                              |
| 8 June 2017             | Bus rollaway - Campbelltown                             |
| 14 June 2017            | Level crossing fatality - Kyogle                        |
| 30 June 2017            | Bus fire - Valley Heights                               |

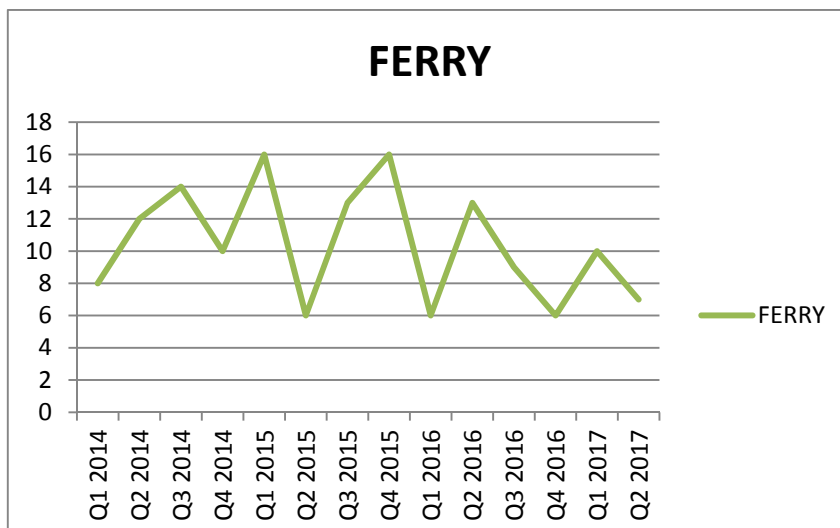
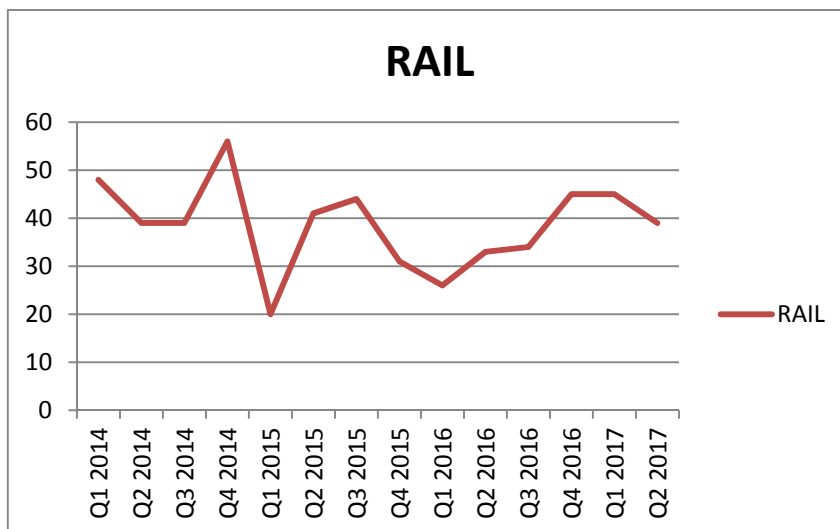
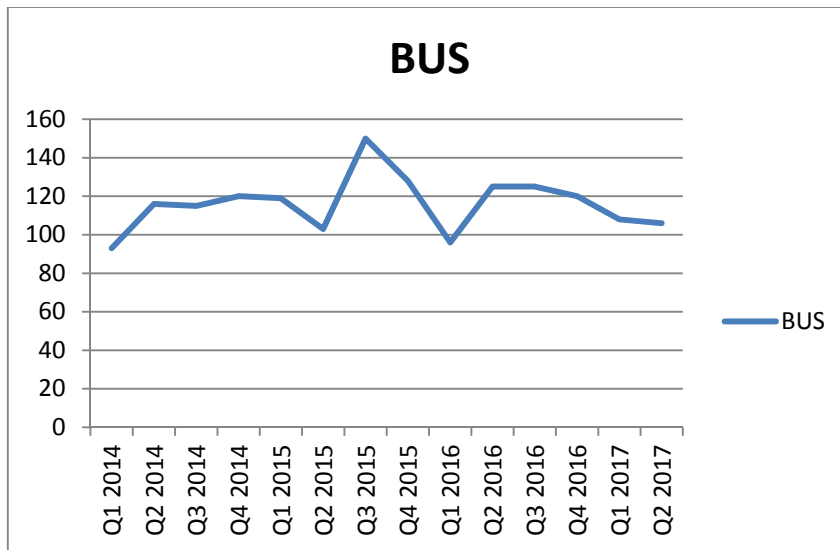
## OTSI ANNUAL STATISTICS 1 JULY 2016 – 30 JUNE 2017 (continued)

| INVESTIGATIONS ONGOING |   |
|------------------------|---|
| Incident date          | Description   |
| 1 January 2014         | Ferry systemic close quarters - Sydney Harbour        |
| 22 May 2014            | Train safeworking - Kilbride                          |
| 10 February 2015       | Derailment - Kankool                                  |
| 17 December 2015       | Derailment - Hornsby                                  |
| 19 January 2016        | Derailment - Denman                                   |
| 17 March 2016          | Bus oil spill - North Sydney to Mosman                |
| 4 April 2016           | Locomotive fire - Cardiff                             |
| 6 April 2016           | Train coupler failure - Parkville                     |
| 5 May 2016             | Ferry collision with wharf - Circular Quay            |
| 5 May 2016             | bus fire - Sydney Harbour Bridge                      |
| 15 May 2016            | Runaway Tram - Loftus                                 |
| 28 May 2016            | Ferry control loss - Fort Denison                     |
| 18 June 2016           | Trackworker fatality - Clyde                          |
| 26 June 2016           | Ferry collision with back board - Circular Quay       |
| 1 July 2016            | Bus collision with pedestrians Cammeray               |
| 12 October 2016        | Ferry wharf collision - Circular Quay                 |
| 3 December 2016        | Train Fire - Muswellbrook                             |
| 4 December 2016        | Buses destroyed by fire - Mascot                      |
| 8 February 2017        | Bus Fire - Homebush                                   |
| 6 March 2017           | Bus fire - Sawyers Gully                              |
| 20 March 2017          | Electrical explosion - Burwood                        |
| 22 April 2017          | Loss of control of freight train - Dombarton          |
| 26 April 17            | Schoolchild fatality - Rocky Point                    |
| 8 May 2017             | Bus fire - Holbrook                                   |
| 25 May 2017            | Two maintenance trains near miss - Islington Junction |
| 9 June 2017            | Runaway bus - Campbelltown                            |
| 14 June 2017           | Level crossing fatality - Kyogle                      |
| 28 June 2017           | Uncontrolled movement - Oatley                        |
| 30 June 2017           | Bus fire - Valley Heights                             |



**OTSI ANNUAL STATISTICS**  
**1 JULY 2016 – 30 JUNE 2017 (continued)**

Incident and Accident Notifications





## Challenges 2017 – 2018

Although much has been achieved in its first 13 years of independent operation, there are important challenges which OTSI continues to confront, and seeks to resolve in the year ahead. Some of those challenges include the following:

- ◆ In 2016 - 2017 OTSI experienced a greater number of deployments and maintained its investigation capability during a period of staff turnover. This is likely to continue with the significant increase in transport services across all modes from the end of 2017.
- ◆ Further refine and apply new OTSI processes and procedures to continue to improve its response triggers to achieve further efficiencies and effectiveness.
- ◆ Continue to undertake rail safety investigations and maintain our investigation standards. This includes the agreed requirements in the Collaboration Agreement with the ATSB.
- ◆ Continue to measure and benchmark OTSI's performance against national and international best practice standards in transport accident investigation methodologies, completion timeframes and report compilation, and ensure that OTSI is at least matching, if not exceeding, those benchmarks.
- ◆ Retain the services of the highly skilled investigators who make up the OTSI team.
- ◆ Engage with industry to enhance the safety of operations, whilst maintaining the OTSI's independent statutory authority status.
- ◆ Research and acquire relevant emerging investigative technologies which have the potential to enhance the techniques, practices and procedures employed by OTSI in the conduct of its investigations.
- ◆ Understand new technologies introduced by industry such as autonomous vehicles, modern control systems and fire suppression systems.
- ◆ Train new staff and maintain investigator training and competency to match an ever changing transport landscape.
- ◆ Migrate over to the Objective records management system which is broadly used across NSW government agencies.
- ◆ Development of a new OTSI website to provide improved stakeholder engagement.

## Governance and Management Systems

The governance and management systems applied in OTSI are appropriate to its size with the Chief Investigator exercising all the powers and functions of a Chief Executive Officer. Given the resources available, the Chief Investigator has more direct span of control over the application of all the resources of OTSI than may be applicable in a larger, more diversified organisation.

## Management of OTSI Records

OTSI has an in-house system in place to maintain electronic records and manage documents. A review of recordkeeping practices and systems is conducted on an annual basis. The aim of this functional system is to enable OTSI to achieve its business objectives by:

- employing best-practice recordkeeping systems;
- improving staff retrieval of key business information;
- ensuring statutory recordkeeping requirements are met; and
- having a single system for record management.

In September 2008, a Functional Retention and Disposal Authority developed by OTSI was approved by the NSW State Records Board. This authority identifies records that can be transferred to State Archives and provides state records approval for the destruction of records after a suitable retention period has been met.

## Stakeholder Engagement

### Industry Participants

In conducting its investigations, OTSI adopts a process in which it initially seeks to establish the facts associated with an incident or accident. Additionally, determine whether the occurrence warrants OTSI to deploy and whether OTSI will investigate. Following deployment a decision is made by the Chief Investigator or Deputy Chief Investigator on the scope of the investigation. OTSI notifies all Directly Involved Parties (DIP) of its intention to investigate and then publishes an Interim Factual Statement, describing what happened, and setting out the Terms of Reference for its investigation.

During the course of the investigation, OTSI works with the nominated representatives of the DIPs to acquire all information that will assist the conduct of the investigation. At the stage where a draft report has been prepared, it is circulated to all DIPs for comment. The purpose of this step in the process is to provide DIPs with the opportunity to contribute to the compilation of the final report by verifying the factual information, scrutinising the analysis, findings and recommendations, and providing any commentary that would enhance the structure, substance, integrity and resilience of the investigation report. The Chief Investigator retains the prerogative as to which matters contained in the responses provided by the DIPs are incorporated in OTSI's final report, and where he rejects any suggested amendment, he may provide feedback through a DIP meeting with the stakeholder.

The final report is then compiled and submitted to the Minister for Transport and Infrastructure for tabling. In the case of rail safety investigations undertaken under the *Transport Safety Investigation Act 2003 (Cth)* on behalf of the ATSB, the investigation system prescribed by the ATSB is adhered to, and the completed report is submitted to the Chief Commissioner of the ATSB for approval and release.

## **Industry Regulators**

OTSI maintains a close working relationship with all the regulators involved in public transport services in NSW. OTSI maintains a sound, cooperative working relationship with the NSW Branch of the Office of National Rail Safety Regulation and with NSW Roads and Maritime Services. The Chief Investigator and Deputy Chief Investigator have regular contact with the regulatory heads and there is frequent contact at officer level.

## **OTSI in the Global Transport Safety Environment**

As with a great number of organisations today, OTSI makes extensive use of the internet to make available to all interested persons the results of its investigations as soon as they are tabled in Parliament by the Minister for Transport and Infrastructure.

The OTSI website provides a valuable resource for professionals reporting on transport safety investigations; for similar investigatory organisations in other parts of Australia and overseas; and for those involved in safety incidents or the reporting of incidents who need access to published investigation outcomes.

OTSI's operations represent a cost effective investment in ensuring the safe operation of the NSW public transport and rail freight industries. While its jurisdiction is currently within NSW, the impact of the work OTSI performs is obvious well beyond NSW borders. Through its operations, OTSI has not only contributed to the delivery of safe and reliable public transport in NSW, it is making a significant contribution towards the understanding of transport accident contributory factors and prevention around the world.

## **Financial Summary Overview**

In 2016 - 17, OTSI received grants and contributions of \$2.7M. OTSI had minor revenue consisting of investment revenue and reimbursements.

The net result showed a surplus \$252,000. OTSI continues to receive an assurance from Transport for NSW to fund any future fiscal needs to ensure that OTSI is operational.

A detailed account of OTSI's financial performance is contained in the audited financial statements which follow.



# **Chief Investigator of the Office of Transport Safety Investigations**

Annual Financial Statements  
for the year ended 30 June 2017

## Table of contents

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|  |    |
|--|----|
| Statement by the Chief Investigator                                      | 20 |
| Statement of comprehensive income  | 21 |
| Statement of financial position  | 22 |
| Statement of cash flows  | 24 |
| 1. Summary of significant accounting policies                            | 25 |
| 2. Expenses excluding losses   | 33 |
| 3. Revenue   | 34 |
| 4. Service group information   | 34 |
| 5. Cash and cash equivalents   | 34 |
| 6. Receivables   | 35 |
| 7. Property, plant and equipment   | 35 |
| 8. Payables  | 36 |
| 9. Employee benefits   | 36 |
| 10. Other provisions   | 36 |
| 11. Commitments for expenditure  | 37 |
| 12. Contingent liabilities and contingent assets                         | 37 |
| 13. Budget review  | 38 |
| 14. Reconciliation of cash flows from operating activities to net result | 38 |
| 15. Non-cash financing and investing activities                          | 38 |
| 16. Financial instruments  | 39 |
| 17. Related party disclosure   | 43 |
| 18. After balance date events  | 43 |

## Chief Investigator of the Office of Transport Safety Investigations Statement by the Chief Investigator

for the year ended 30 June 2017

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Pursuant to section 41C (1B) and (1C) (b) of the *Public Finance and Audit Act 1983* and clause 7 of the *Public Finance and Audit Regulation 2015*, I state that:

- (a) The accompanying financial statements have been prepared in accordance with:
  - Applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
  - The requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*; and
  - The Financial Reporting Directions mandated by the Treasurer;
- (b) The financial report exhibits a true and fair view of the financial position as at 30 June 2017 and of its financial performance for the year ended 30 June 2017; and
- (c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



**Michael Quinn**  
Chief Investigator

**Date: 29 September 2017**

**Chief Investigator of the Office of Transport Safety Investigations**  
**Statement of comprehensive income**

for the year ended 30 June 2017

|   | Notes | Actual<br>2017<br>\$'000 | Budget<br>2017<br>\$'000 | Actual<br>2016<br>\$'000 |
|---|-------|--------------------------|--------------------------|--------------------------|
| <b>Expenses excluding losses</b>  |       |                          |                          |                          |
| <b>Operating expenses</b>   |       |                          |                          |                          |
| Employee related expenses   | 2(a)  | 2,088                    | 1,908                    | 2,063                    |
| Other operating expenses  | 2(b)  | 508                      | 583                      | 576                      |
| Depreciation  | 2(c)  | 24                       | 20                       | 18                       |
| <b>Total expenses excluding losses</b>                                    |       | <b>2,620</b>             | <b>2,511</b>             | <b>2,657</b>             |
| <b>Revenue</b>  |       |                          |                          |                          |
| Grants and contributions  | 3(a)  | 2,685                    | 2,285                    | 2,437                    |
| Acceptance by the Crown Entity of employee benefits and other liabilities | 3(b)  | 187                      | 163                      | 126                      |
| <b>Total revenue</b>  |       | <b>2,872</b>             | <b>2,448</b>             | <b>2,563</b>             |
| <b>Net result</b>   |       | <b>252</b>               | <b>(63)</b>              | <b>(94)</b>              |
| <b>Total comprehensive income</b>   |       | <b>252</b>               | <b>(63)</b>              | <b>(94)</b>              |

The accompanying notes form part of these financial statements.



# Chief Investigator of the Office of Transport Safety Investigations

## Statement of financial position

for the year ended 30 June 2017

|                                      | Notes | Actual<br>2017<br>\$'000 | Budget<br>2017<br>\$'000 | Actual<br>2016<br>\$'000 |
|--------------------------------------|-------|--------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                        |       |                          |                          |                          |
| <b>Current assets</b>                |       |                          |                          |                          |
| Cash and cash equivalents            | 5     | 210                      | 51                       | 48                       |
| Receivables                          | 6     | 55                       | 90                       | 65                       |
| <b>Total current assets</b>          |       | <b>265</b>               | <b>141</b>               | <b>113</b>               |
| <b>Non-current assets</b>            |       |                          |                          |                          |
| Property plant & equipment           |       |                          |                          |                          |
| Leasehold improvements               | 7(a)  | -                        | -                        | 5                        |
| Plant and equipment                  | 7(a)  | 59                       | 47                       | 41                       |
| <b>Total non-current assets</b>      |       | <b>59</b>                | <b>47</b>                | <b>46</b>                |
| <b>Total assets</b>                  |       | <b>324</b>               | <b>188</b>               | <b>159</b>               |
| <b>LIABILITIES</b>                   |       |                          |                          |                          |
| <b>Current liabilities</b>           |       |                          |                          |                          |
| Payables                             | 8     | 35                       | 47                       | 57                       |
| Employee benefits                    | 9     | 344                      | 238                      | 321                      |
| Other provisions                     | 10    | -                        | -                        | 88                       |
| <b>Total current liabilities</b>     |       | <b>379</b>               | <b>285</b>               | <b>466</b>               |
| <b>Non-current liabilities</b>       |       |                          |                          |                          |
| Other provisions                     | 10    | -                        | 87                       | -                        |
| <b>Total non-current liabilities</b> |       | <b>-</b>                 | <b>87</b>                | <b>-</b>                 |
| <b>Total liabilities</b>             |       | <b>379</b>               | <b>372</b>               | <b>466</b>               |
| <b>Net assets</b>                    |       | <b>(55)</b>              | <b>(184)</b>             | <b>(307)</b>             |
| <b>EQUITY</b>                        |       |                          |                          |                          |
| Accumulated funds                    |       | (55)                     | (184)                    | (307)                    |
| <b>Total equity</b>                  |       | <b>(55)</b>              | <b>(184)</b>             | <b>(307)</b>             |

The accompanying notes form part of these financial statements.

## Chief Investigator of the Office of Transport Safety Investigations Statement of changes in equity

for the year ended 30 June 2017

|   | Accumulated funds<br>\$ '000 | Total equity<br>\$ '000 |
|---|------------------------------|-------------------------|
| Balance at 1 July 2016                  | (307)                        | (307)                   |
| Net result for the year                 | 252                          | 252                     |
| Total comprehensive income for the year | 252                          | 252                     |
| Balance at 30 June 2017                 | (55)                         | (55)                    |
| Balance at 1 July 2015                  | (213)                        | (213)                   |
| Net result for the year                 | (94)                         | (94)                    |
| Total comprehensive income for the year | (94)                         | (94)                    |
| Balance at 30 June 2016                 | (307)                        | (307)                   |

# Chief Investigator of the Office of Transport Safety Investigations

## Statement of cash flows

for the year ended 30 June 2017

|   | Notes | Actual<br>2017<br>\$'000 | Budget<br>2017<br>\$'000 | Actual<br>2016<br>\$'000 |
|---|-------|--------------------------|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>     |       |                          |                          |                          |
| <b>Payments</b>                                 |       |                          |                          |                          |
| Employee related                                |       | (1,873)                  | (1,785)                  | (1,909)                  |
| Other   |       | (678)                    | (843)                    | (687)                    |
| <b>Total payments</b>                           |       | <b>(2,551)</b>           | <b>(2,628)</b>           | <b>(2,596)</b>           |
| <b>Receipts</b>                                 |       |                          |                          |                          |
| Interest received                               |       | -                        | -                        | 4                        |
| Grants and contributions                        |       | 2,685                    | 2,285                    | 2,437                    |
| Other   |       | 65                       | 60                       | 7                        |
| <b>Total receipts</b>                           |       | <b>2,750</b>             | <b>2,345</b>             | <b>2,448</b>             |
| <b>Net cash flows from operating activities</b> | 14    | <b>199</b>               | <b>(283)</b>             | <b>(148)</b>             |
| <b>Cash flows from investing activities</b>     |       |                          |                          |                          |
| Purchase of property, plant and equipment       |       | (37)                     | (20)                     | (22)                     |
| <b>Net cash flows from investing activities</b> |       | <b>(37)</b>              | <b>(20)</b>              | <b>(22)</b>              |
| <b>Cash flows from financing activities</b>     |       |                          |                          |                          |
| <b>Net cash flows from financing activities</b> |       | <b>-</b>                 | <b>-</b>                 | <b>-</b>                 |
| <b>Net increase / (decrease) in cash</b>        |       | <b>162</b>               | <b>(303)</b>             | <b>(170)</b>             |
| Opening cash and cash equivalents               |       | 48                       | 354                      | 218                      |
| <b>Closing cash and cash equivalents</b>        | 5     | <b>210</b>               | <b>51</b>                | <b>48</b>                |

The accompanying notes form part of these financial statements.

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

---

### 1. Summary of significant accounting policies

#### (a) Reporting entity

The Office of Transport Safety Investigations (the Office) was established on 1 July 2005 as a statutory authority under the *Transport Administration Act 1988* as amended. The principal objective of this agency is to conduct investigations into rail and passenger transport accidents or incidents under *the Transport Administration Act 1988* and the *Passenger Transport Act 1990*.

The Office also collaborates with the Australian Transport Safety Bureau (Commonwealth) in undertaking rail safety investigations under the 'Collaboration Agreement for Rail Safety Investigations and Other Matters'.

The Office is a not-for-profit entity, as profit is not its principal objective and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

These financial statements have been authorised for issue by the Chief Investigator of the Office of Transport Safety Investigations on the date the accompanying Statement was signed.

#### (b) Basis of preparation

The Office's financial statements are general purpose financial statements, which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- the Financial Reporting Directions mandated by the Treasurer.

Property, plant and equipment are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention.

The financial statements have been prepared on a going concern basis which assumes that repayment of debts will be met, as and when they fall due, without any intention or necessity to liquidate assets or otherwise wind up operations. It is considered that the going concern basis is appropriate for the following reasons:

- the Office is a NSW Government statutory authority;
- the Office is a budget dependent agency receiving grants from Transport for NSW to fund cash flows and their cash projections indicate that the Office will pay its debts as and when they fall due; and
- Transport for NSW has issued a letter of comfort to the Office to ensure its ongoing financial viability.

Judgements, key assumptions and estimations which management has made, are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

#### (c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

---

### 1. Summary of significant accounting policies (cont'd)

#### (d) Insurance

The Office's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claims experience.

#### (e) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except that:

- The amount of GST incurred by the Office as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- Receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

#### (f) Income recognition

Income is measured at the fair value of the consideration or the contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below:

##### (i) Grants and contributions from other bodies

Parliamentary grants and contributions from other bodies (including grants and donations) are generally recognised as income when the agency obtains control over the assets comprising the grants and contributions. Control over grants and contributions are normally obtained upon the receipt of cash.

##### (ii) Rendering of services

Revenue is recognised when the service is provided.

##### (iii) Investment revenue

Interest revenue is recognised using the effective interest method as set out in *AASB 139 Financial Instruments: Recognition and Measurement*.

#### (g) Assets

##### (i) Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Office. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost or for nominal consideration are initially recognised at their fair value at the date of acquisition. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

---

### 1. Summary of significant accounting policies (cont'd)

#### (g) Assets (cont'd)

##### (ii) Valuation of assets

The Office's non-specialised assets have short useful lives and are measured at depreciated historical cost which is used as a surrogate for fair value.

##### (iii) Capitalisation threshold

Property, plant, equipment (including computers and related IT equipment) and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

##### (iv) Impairment of property, plant and equipment and intangible assets

As a not-for-profit entity with no cash generating units, the Office is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing of property, plant and equipment and intangible assets. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less the costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

##### (v) Depreciation and amortisation

Depreciation and amortisation are provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Office. The depreciation rates used are leasehold improvements (20%), office furniture and equipment (20%), computer equipment (20%).

##### (vi) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability. A corresponding provision for make good is also recognised at inception of the lease.

##### (vii) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

##### (viii) Leased assets

Operating lease payments are charged to the Statement of comprehensive income in the periods in which they are incurred. The Office does not have any finance leases.

##### (ix) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement continues to be based on the fair value (equivalent to the amortised cost) because the financial impact of using the effective interest method is immaterial.

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

---

### 1. Summary of significant accounting policies (cont'd)

#### (g) Assets (cont'd)

##### (x) Impairment of financial assets

The receivables are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Office will not be able to collect all amounts due. The amount of the allowance is the difference between the receivables carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate (where material). The amount of the impairment loss is recognised in the Statement of comprehensive income. Any reversals of impairment losses are reversed through the Statement of comprehensive income if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

##### (xi) De-recognition of financial assets and liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or if the agency transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the Office has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the Office has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the agency's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

#### (h) Liabilities

##### (i) Payables

These amounts represent liabilities for goods and services provided to the Office and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rates are measured at the original invoice amount where the effect of discounting is immaterial.

##### (ii) Employee benefits and other provisions

###### (a) Salaries and wages, annual leave, sick leave and on-costs:

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Office has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

---

### 1. Summary of significant accounting policies (cont'd)

#### (h) Liabilities (cont'd)

##### (ii) Employee benefits and other provisions (cont'd)

###### *(b) Long service leave and superannuation:*

The Office's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Office accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSWTC 15/09) to employees with 5 or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

###### *(c) Consequential on-costs*

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

###### *(d) Other provisions*

Other provisions exist when: the Office has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when the Office has a detailed formal plan and the Office has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.



# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

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### 1. Summary of significant accounting policies (cont'd)

#### (i) Fair value hierarchy

A number of the Office's accounting policies and disclosures require the measurement of fair values for financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Office categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets/liabilities that the Office can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Office recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### (j) Equity

Equity comprises accumulated funds which include all current and prior period retained funds.

#### (k) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect to the reporting period. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained in note 13. Any amendments made to the original budget are not reflected in the budgeted amount, but included in the explanation of material variance in note 13.

#### (l) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

### 1. Summary of significant accounting policies (cont'd)

#### (m) Changes in accounting policy, including new or revised Australian Accounting Standards

##### (i) Effective for the first time in 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year with the exception of AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities*. The amending pronouncement extends the scope of AASB 124 *Related Party Disclosures* to include not-for-profit public sector entities. The first time adoption of AASB 124 resulted in additional disclosures in the notes to the financial statements. Refer to Note 17 Related party disclosures for further information.

##### (ii) Issued but not yet effective

Australian Accounting Standards and Interpretations that have been issued or revised but are not yet effective have not been early adopted in accordance with Treasury mandated policy.

AASB 16 *Leases* will apply to annual reporting periods beginning on or after 1 January 2019. The standard introduces a new approach to lease accounting that requires a lessee to recognise assets and liabilities for the rights and obligations created by leases. The Office is yet to undertake a detailed assessment of the impact of AASB 16 however we believe that the application of this standard will not likely have a significant transitional impact as a result of all leases, except short term and low value, brought on balance sheet.

AASB 15 *Revenue from Contracts with Customers*, including the amendments AASB 2014-5, AASB 2015-8, AASB 2016- 3 and AASB 2016-7, has application from annual reporting periods on or after 1 January 2018. We believe this standard will impact on the timing recognition of certain revenue given the core principle of the new standard requires revenue to be recognised when the goods or services are transferred to the customer at the transaction price (as opposed to stage of completion of the transaction). The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

AASB 1058 *Income of Not-for-profit Entities* and AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* has application from annual reporting periods on or after 1 January 2019. The introduction of AASB 1058 results in the amendment of AASB 1004 *Contributions* with many of its requirements being revised and relocated to AASB 1058. The Office is yet to undertake a detailed assessment of the impact of AASB 1058 however we believe the initial adoption may defer the recognition of income in some circumstances.

The impact of the following standards in the period of initial application is not expected to be significant.

| Standard  | Applicable to annual reporting periods beginning on or after |
|---|--|
| AASB 9 Financial Instruments  | 1 January 2018   |
| AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107   | 1 January 2017   |
| AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities | 1 January 2017   |

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

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### 1. Summary of significant accounting policies (cont'd)

(m) Changes in accounting policy, including new or revised Australian Accounting Standards (cont'd)

(ii) Issued but not yet effective (cont'd)

| Standard  | Applicable to annual reporting periods beginning on or after |
|---|--|
| AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 with AASB 4 Insurance Contracts | 1 January 2018   |
| AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle     | 1 January 2017   |
| Interpretation 22 Foreign Currency Transactions and Advance Consideration                                   | 1 January 2019   |

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

### 2. Expenses excluding losses

#### (a) Employee related expenses

|   | 2017<br>\$'000 | 2016<br>\$'000 |
|---|----------------|----------------|
| Salaries and wages (including annual leave) | 1,692          | 1,718          |
| Superannuation - defined benefit plans      | 42             | 45             |
| Superannuation - defined contribution plans | 136            | 136            |
| Long service leave                          | 143            | 79             |
| Workers' compensation insurance             | 5              | 5              |
| Payroll tax and fringe benefit tax          | 70             | 80             |
| <b>Employee related expenses</b>            | <b>2,088</b>   | <b>2,063</b>   |

#### (b) Other operating expenses

|  |            |            |
|--|------------|------------|
| Auditor's remuneration - audit of financial statements | 14         | 14         |
| Communications   | 20         | 19         |
| Other property costs                                   | 6          | 8          |
| Fleet hire and leasing charges including access fees   | 34         | 39         |
| Professional service fees                              | 74         | 69         |
| Office expenses  | 60         | 24         |
| Operating lease rental expense                         | 256        | 348        |
| Travel expenses  | 14         | 16         |
| General expenses                                       | 30         | 39         |
| <b>Other operating expenses</b>                        | <b>508</b> | <b>576</b> |

In 2016 had \$31k of contractor expenses and \$38k of office expenses reclassified to professional service fees, \$13k other computer costs have been reclassified to general expenses.

#### (c) Depreciation

|                        |      |           |           |
|------------------------|------|-----------|-----------|
| Leasehold improvements |      | 5         | 6         |
| Plant and equipment    |      | 19        | 12        |
| <b>Depreciation</b>    | 7(a) | <b>24</b> | <b>18</b> |

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

### 3. Revenue

#### (a) Grants and contributions

|                                 |              |              |
|---------------------------------|--------------|--------------|
| Grant from Transport for NSW    | 2,685        | 2,437        |
| <b>Grants and contributions</b> | <b>2,685</b> | <b>2,437</b> |

#### (b) Acceptance by the Crown Entity of employee and other liabilities

The following liabilities and/or expenses have been assumed by the Crown Entity:

|  |            |            |
|--|------------|------------|
| Superannuation - defined benefit   | 42         | 45         |
| Long service leave   | 143        | 79         |
| Payroll tax on superannuation  | 2          | 2          |
| <b>Acceptance by the Crown Entity of employee benefits and other liabilities</b> | <b>187</b> | <b>126</b> |

### 4. Service group information

The Office has one service group namely:

#### Service group – Investigation and Risk Mitigation Analysis

Description: This service group covers the mandated function of independently investigating safety incidents in public transport and rail freight.

As the Office has only one service group, details of the Office's expenses, income, assets and liabilities are not required to be produced in the Service Group Statement as this information is already available in the Statement of comprehensive income and Statement of financial position.

### 5. Cash and cash equivalents

|                                  | 2017<br>\$'000 | 2016<br>\$'000 |
|----------------------------------|----------------|----------------|
| Cash at bank and on hand         | 210            | 48             |
| <b>Cash and cash equivalents</b> | <b>210</b>     | <b>48</b>      |

For the purposes of the Statement of cash flows, cash and cash equivalents include cash at bank and cash on hand. Cash and cash equivalent assets recognised in the Statement of financial position are reconciled at the end of the financial year to the Statement of cash flows as follows:

|   |            |           |
|---|------------|-----------|
| Cash and cash equivalents (per statement of financial position) | 210        | 48        |
| <b>Closing cash and cash equivalents</b>                        | <b>210</b> | <b>48</b> |

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

### 6. Receivables

|                                    | 2017<br>\$'000 | 2016<br>\$'000 |
|------------------------------------|----------------|----------------|
| Goods and Services Tax recoverable | 11             | 8              |
| Prepayments                        | 36             | 36             |
| Other receivables                  | 8              | 21             |
| <b>Receivables</b>                 | <b>55</b>      | <b>65</b>      |

At balance date there was no need for an allowance for impairment of receivables (2016: no allowance for impairment of receivables).

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 0.

### 7. Property, plant and equipment

#### (a) Property, plant and equipment

|   | Leasehold<br>improvements<br>\$ '000 | Plant and<br>equipment<br>\$ '000 | Total<br>\$ '000 |
|---|--------------------------------------|-----------------------------------|------------------|
| <b>At 30 June 2017</b>                  |                                      |                                   |                  |
| At fair value - Gross carrying amount   | 622                                  | 220                               | 842              |
| Accumulated depreciation and impairment | (622)                                | (161)                             | (783)            |
| <b>Net carrying amount</b>              | <b>-</b>                             | <b>59</b>                         | <b>59</b>        |
| <b>At 30 June 2016</b>                  |                                      |                                   |                  |
| At fair value - Gross carrying amount   | 694                                  | 183                               | 877              |
| Accumulated depreciation and impairment | (689)                                | (142)                             | (831)            |
| <b>Net carrying amount</b>              | <b>5</b>                             | <b>41</b>                         | <b>46</b>        |

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

### 7. Property, plant and equipment (cont'd)

#### (b) Reconciliation

|  | Notes | Leasehold improvements<br>\$ '000 | Plant and equipment<br>\$ '000 | Total<br>\$ '000 |
|--|-------|-----------------------------------|--------------------------------|------------------|
| Net carrying amount at start of year       |       | 5                                 | 41                             | 46               |
| Additions                                  |       | -                                 | 37                             | 37               |
| Disposals                                  |       | (72)                              | -                              | (72)             |
| Depreciation expense                       | 2(c)  | (5)                               | (19)                           | (24)             |
| Depreciation write off for disposals       |       | 72                                | -                              | 72               |
| <b>Net carrying amount at 30 June 2017</b> |       | <b>-</b>                          | <b>59</b>                      | <b>59</b>        |

|  | Notes | Leasehold improvements<br>\$ '000 | Plant and equipment<br>\$ '000 | Total<br>\$ '000 |
|--|-------|-----------------------------------|--------------------------------|------------------|
| Net carrying amount at start of year       |       | 11                                | 31                             | 42               |
| Additions                                  |       | -                                 | 22                             | 22               |
| Depreciation expense                       | 2(c)  | (6)                               | (12)                           | (18)             |
| <b>Net carrying amount at 30 June 2016</b> |       | <b>5</b>                          | <b>41</b>                      | <b>46</b>        |

### 8. Payables

|                         | 2017<br>\$'000 | 2016<br>\$'000 |
|-------------------------|----------------|----------------|
| Creditors               | 15             | 39             |
| Accrued expenses        | 20             | 18             |
| <b>Current payables</b> | <b>35</b>      | <b>57</b>      |

Accrued expenses includes accrued salaries and oncosts of \$11k (2016: \$6k).

Details regarding credit risk, liquidity risk and market risk are disclosed in note 0.

### 9. Employee benefits

|   | 2017<br>\$'000 | 2016<br>\$'000 |
|---|----------------|----------------|
| Annual leave  | 194            | 180            |
| Employee oncosts  | 150            | 141            |
| <b>Current employee benefits</b>                        | <b>344</b>     | <b>321</b>     |
| Annual Leave  | 194            | 180            |
| Employee oncosts and accrued salaries                   | 161            | 147            |
| <b>Aggregate employee benefits and related on-costs</b> | <b>355</b>     | <b>327</b>     |

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

### 10. Other provisions

|   | 2017<br>\$'000                              | 2016<br>\$'000          |
|---|---|-------------------------|
| Lease make good costs                                   | -   | 88                      |
| <b>Current other provisions</b>                         | <b>-</b>                                    | <b>88</b>               |
| <b>Movement in provisions</b>                           |   |                         |
|   | <b>Lease make<br/>good costs<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
| Carrying amount at the beginning of the financial year  | 88  | 88                      |
| Unused amounts reversed                                 | (88)  | (88)                    |
| <b>Carrying amount at the end of the financial year</b> | <b>-</b>                                    | <b>-</b>                |

### 11. Commitments for expenditure

|  | 2017<br>\$'000 | 2016<br>\$'000 |
|--|----------------|----------------|
| (a) Operating lease commitments  |                |                |
| Future non-cancellable operating lease rentals not provided for and payable: |                |                |
| Not later than one year  | 479            | 321            |
| Later than one year and not later than five years                            | 946            | 23             |
| <b>Total (including GST)</b>   | <b>1,425</b>   | <b>344</b>     |

The Office leases its motor vehicles and office accommodation. Input tax on all commitments estimated at \$130k (2016: \$31k) will be recouped from the Australian Taxation Office. The Office does not have any capital or other expenditure commitments at 30 June 2017 or 30 June 2016.

### 12. Contingent liabilities and contingent assets

#### (a) Contingent liabilities

The Office had no contingent liabilities as at 30 June 2017 (2016: nil).

#### (b) Contingent assets

The Office has no contingent assets as at 30 June 2017 (2016: nil).



# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

### 13. Budget review

#### Net result

The net result for the year ended 30 June 2017 was an operating surplus of \$252k which presented a \$315k variation compared to the budget. The main reason for the variation is that the Office received additional \$400k recurrent grant from Transport for NSW to cover its operating costs during 2016-17.

#### Assets and liabilities

The Statement of financial position comprises principal assets and liabilities. The major variations compared to the budget were:

- Actual employee related provisions were \$106k higher than the budget due to less than expected reduction in employees' recreation leave;
- Actual other provisions were \$87k lower than the budget because there is no make good provision required under the new lease agreement entered into in May 2017. As a result the existing provision was reversed.

### 14. Reconciliation of cash flows from operating activities to net result

|  | 2017<br>\$'000 | 2016<br>\$'000 |
|--|----------------|----------------|
| <b>Net cash inflows / (outflows) from operating activities</b> | <b>199</b>     | <b>(148)</b>   |
| Depreciation and amortisation                                  | (24)           | (18)           |
| (Decrease)/increase in receivables                             | (10)           | 50             |
| (Increase)/decrease in payables                                | 22             | 44             |
| (Increase)/decrease in provisions and employee benefits        | 65             | (22)           |
| <b>Reconciliation to net result</b>                            | <b>252</b>     | <b>(94)</b>    |

### 15. Non-cash financing and investing activities

During the period the Office undertook the following non-cash financing and investing activities:

|  | Notes | 2017<br>\$'000 | 2016<br>\$'000 |
|--|-------|----------------|----------------|
| Employee entitlements and liabilities assumed by the Crown | 3(b)  | 187            | 126            |
| <b>Non-cash financing activities</b>                       |       | <b>187</b>     | <b>126</b>     |
| <b>Non-cash financing and investing activities</b>         |       | <b>187</b>     | <b>126</b>     |

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

### 16. Financial instruments

The Office's principal financial instruments are outlined below. These financial instruments arise directly from the Office's operations or are required to finance the Office's operations. The Office does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Office's main risks arising from financial instruments are outlined below, together with the Office's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Chief Investigator of the Office of Transport Safety Investigations has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Office, to set risk limits and controls and to monitor risks.

#### (a) Financial instrument categories

|                              | Note | Category   | Carrying amount<br>2017<br>\$'000 | Carrying amount<br>2016<br>\$'000 |
|------------------------------|------|--|-----------------------------------|-----------------------------------|
| <b>Financial assets</b>      |      |  |                                   |                                   |
| <b>Class:</b>                |      |  |                                   |                                   |
| Cash and cash equivalents    | 5    | N/A  | 210                               | 48                                |
| Receivables                  | 6    | Loans and receivables (at amortised cost)        | 8                                 | 21                                |
|                              |      |  | <b>218</b>                        | <b>69</b>                         |
| <b>Financial liabilities</b> |      |  |                                   |                                   |
| <b>Class:</b>                |      |  |                                   |                                   |
| Payables                     | 8    | Financial liabilities measured at amortised cost | 35                                | 57                                |
|                              |      |  | <b>35</b>                         | <b>57</b>                         |

The above table does not include statutory receivables, payables, prepayments and unearned income as these are not within the scope of AASB 7.

#### (b) Credit risk

Credit risk arises when there is the possibility of the Office's debtors defaulting on their contractual obligations, resulting in a financial loss to the Office. The maximum exposure to credit risk is generally represented by the carrying amount of financial assets (net of any allowance for impairment). Credit risk arises from the financial assets of the Office, including cash and receivables. No collateral is held by the Office. The Office has not granted any financial guarantees.

#### Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System.

#### Receivables – other receivables

Other receivables include recoupment from NSW Treasury on employee benefits assumed by Crown.

Debts, which are known to be uncollectable, are written off. An allowance for impairment is raised when there is objective evidence that the Office will not be able to collect all amounts due. This evidence includes past experience and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

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### 16. Financial instruments (cont'd)

#### (b) Credit risk (cont'd)

The Office is not materially exposed to credit risk as its debtors are minimal. At 30 June 2017, the Office had no receivables that were past due or impaired.

#### (c) Liquidity risk

Liquidity risk is the risk that the Office will be unable to meet its payment obligations when they fall due. The Office's primary source of cash inflows is a grant from Transport for NSW that was initially sourced from the consolidated fund allocation to meet the Office's ongoing operating and capital commitments. The Office is prohibited by Treasury policies and practices from making payments in excess of its revenue, including the grant from Transport for NSW. As such the Office's exposure to liquidity risk is deemed insignificant based on current Treasury policies and practices.

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. The Office's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

Liquidity is monitored as an ongoing basis, with additional funds sought from Transport for NSW if required. It should be noted that Transport for NSW has issued a letter of comfort to the Office to ensure its ongoing financial viability.

**Chief Investigator of the Office of Transport Safety Investigations**  
**Notes to the financial statements**  
for the year ended 30 June 2017

**16. Financial instruments (cont'd)**

**(c) Liquidity risk (cont'd)**

The table below summarises the maturity profile of the reporting entity's financial liabilities, together with the interest rate exposure.

|                 | Weighted<br>Average<br>Effective Int.<br>Rate (%) | Nominal<br>amount<br>\$ '000 | Interest rate exposure            |                                      |                                    | Maturity dates      |                        |                      |
|-----------------|---|------------------------------|-----------------------------------|--------------------------------------|------------------------------------|---------------------|------------------------|----------------------|
|                 |   |                              | Fixed<br>Interest Rate<br>\$ '000 | Variable<br>Interest Rate<br>\$ '000 | Non-interest<br>bearing<br>\$ '000 | < 1 year<br>\$ '000 | 1 - 5 years<br>\$ '000 | > 5 years<br>\$ '000 |
| 2017            |   |                              |                                   |                                      |                                    |                     |                        |                      |
| <b>Payables</b> | -   | 35                           | -                                 | -                                    | 35                                 | 35                  | -                      | -                    |
| 2016            |   |                              |                                   |                                      |                                    |                     |                        |                      |
| <b>Payables</b> | -   | 57                           | -                                 | -                                    | 57                                 | 57                  | -                      | -                    |

**Chief Investigator of the Office of Transport Safety Investigations**  
**Notes to the financial statements**  
for the year ended 30 June 2016

**16. Financial instruments (cont'd)**

**(d) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Office is not exposed to this class of risk because as reported above its main source of cash inflows is the Consolidated Fund allocations. The Office does not hold financial instruments for trading purposes and as such is not exposed to market or price risks.

**(e) Interest rate risk**

Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in market interest rates. The Office does not earn interest on its bank balances per the Treasury Banking System policy.

The Office's exposure to interest rate risk is therefore not applicable.

| 2017                         | Carrying amount        | -1%           |               | +1%           |               |
|------------------------------|------------------------|---------------|---------------|---------------|---------------|
|                              | \$'000                 | Profit \$'000 | Equity \$'000 | Profit \$'000 | Equity \$'000 |
| <b>Financial assets</b>      |                        |               |               |               |               |
| Cash and cash equivalents    | 210                    | -             | -             | -             | -             |
| Receivables                  | 8                      | -             | -             | -             | -             |
|                              | <b>218</b>             | -             | -             | -             | -             |
| <b>Financial liabilities</b> |                        |               |               |               |               |
| Payables                     | 35                     | -             | -             | -             | -             |
|                              | <b>35</b>              | -             | -             | -             | -             |
| <b>2016</b>                  | <b>Carrying amount</b> | <b>-1%</b>    |               | <b>+1%</b>    |               |
|                              | \$'000                 | Profit \$'000 | Equity \$'000 | Profit \$'000 | Equity \$'000 |
| <b>Financial assets</b>      |                        |               |               |               |               |
| Cash and cash equivalents    | 48                     | -             | -             | -             | -             |
| Receivables                  | 21                     | -             | -             | -             | -             |
|                              | <b>69</b>              | -             | -             | -             | -             |
| <b>Financial liabilities</b> |                        |               |               |               |               |
| Payables                     | 57                     | -             | -             | -             | -             |
|                              | <b>57</b>              | -             | -             | -             | -             |

The carrying values of the Office's financial instruments are deemed to be equivalent to their fair value.

# Chief Investigator of the Office of Transport Safety Investigations

## Notes to the financial statements

for the year ended 30 June 2017

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### 17. Related party disclosure

#### (a) Key management personnel compensation

|                              | 2017<br>\$'000 |
|------------------------------|----------------|
| Short-term employee benefits | 502            |
| Post-employment benefits     | 39             |
| Other long-term benefits     | -              |
| Termination benefits         | -              |
|                              | <b>541</b>     |

The above compensation excludes long service leave and defined benefit superannuation scheme benefits assumed by the Crown Entity in accordance with NSWTC 16-12 Related party disclosures.

#### (b) Transactions with government related entities during the financial year

During the 2016-17, the Office received grants revenue from Transport for NSW and made property rental payments to Government Property NSW in the normal course of business.

In addition, with regard to staff employed by the Office:

- all long service leave and defined benefit superannuation scheme expenses were assumed by Crown;
- the Pooled Fund holds in trust the investment relating to the closed NSW public sector superannuation schemes; and
- all payroll taxes were paid to the Office of State Revenue.

### 18. After balance date events

There were no significant events after balance date which impacted on these financial statements.

#### End of audited financial statements



## INDEPENDENT AUDITOR'S REPORT

### Chief Investigator of the Office of Transport Safety Investigations

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the Chief Investigator of the Office of Transport Safety Investigations (the Office), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Office as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Office in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **The Chief Investigator's Responsibility for the Financial Statements**

The Chief Investigator is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Investigator determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Investigator must assess the Office's ability to continue as a going concern except where the Office will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

## **Auditor's Responsibility for the Audit of the Financial Statements**

My objectives are to:

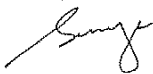
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Office carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Somaiya Ahmed  
A/Director, Financial Audit Services

29 September 2017  
SYDNEY



## Payment of Accounts for Goods and Services

| Aged Analysis at the end of each quarter |  |   |   |   |   |
|--|--|---|---|---|---|
| Quarter                                  | Current<br>(i.e. within<br>due date)<br>\$'000 | Less than<br>30 days<br>overdue<br>\$'000 | Between<br>30 and 60<br>days<br>overdue<br>\$'000 | Between<br>61 and 90<br>days<br>overdue<br>\$'000 | More than<br>90 days<br>overdue<br>\$'000 |
| <b>All Suppliers</b>                     |  |   |   |   |   |
| September                                | 33   | 0   | 0   | 0   | 0   |
| December                                 | 4  | 0   | 0   | 0   | 0   |
| March                                    | 3  | 0   | 0   | 0   | 0   |
| June                                     | 0  | 15  | 0   | 0   | 0   |
| <b>Small Business Suppliers</b>          |  |   |   |   |   |
| September                                | 0  | 0   | 0   | 0   | 0   |
| December                                 | 0  | 0   | 0   | 0   | 0   |
| March                                    | 0  | 0   | 0   | 0   | 0   |
| June                                     | 0  | 0   | 0   | 0   | 0   |

| Accounts due or paid within each quarter                                     |        |        |        |         |
|--|--------|--------|--------|---------|
| Measure  | Sept   | Dec    | Mar    | June    |
| <b>All Suppliers</b>   |        |        |        |         |
| Number of accounts due for payment   | 60     | 44     | 96     | 63      |
| Number of accounts paid on time  | 47     | 41     | 93     | 61      |
| Actual percentage of accounts paid on time<br>(based on number of accounts ) | 78.33% | 93.18% | 96.88% | 96.83%  |
| Dollar amount of accounts due for payment<br>(\$'000)                        | 176    | 227    | 377    | 250     |
| Dollar amount of accounts paid on time<br>(\$'000)                           | 171    | 220    | 372    | 250     |
| Actual percentage of accounts paid on time<br>(based on \$)                  | 97.16% | 96.92% | 98.67% | 100.00% |
| Number of payments for interest on overdue<br>accounts                       | 0      | 0      | 0      | 0       |
| Interest paid on overdue accounts  | 0      | 0      | 0      | 0       |
| <b>Small Business Suppliers</b>  |        |        |        |         |
| Number of accounts due for payment   | 1      | 0      | 1      | 0       |
| Number of accounts paid on time  | 1      | 0      | 1      | 0       |
| Actual percentage of accounts paid on time<br>(based on number of accounts ) | 100%   | 0%     | 100%   | 0%      |
| Dollar amount of accounts due for payment<br>(\$'000)                        | 2      | 0      | 7      | 0       |
| Dollar amount of accounts paid on time<br>(\$'000)                           | 2      | 0      | 7      | 0       |
| Actual percentage of accounts paid on time<br>(based on \$)                  | 100%   | 0%     | 100%   | 0%      |
| Number of payments for interest on overdue<br>accounts                       | 0      | 0      | 0      | 0       |
| Interest paid on overdue accounts  | 0      | 0      | 0      | 0       |

## Reporting obligations under the *Government Information Public Access Act 2009 (GIPA)*

### Review of proactive release program - Clause 7(a)

Under section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available.

OTSI has an ongoing and proactive process and communications function which regularly reviews information for public release through its website, publications and stakeholder events. Reviews during the year to its website reflect any changes within OTSI as well as aligning it with legislative changes under the GIPA Act.

### Number of access applications received - Clause 7(b)

During the reporting period, OTSI received no formal access applications.

### Number of refused applications for Schedule 1 information - Clause 7(c)

OTSI did not refuse, either wholly or partly, any access applications for the reason that it addressed information referred to in Schedule 1 of the Act (information for which there is conclusive presumption of overriding public interest against disclosure).

## Reporting obligations under the *Public Interest Disclosures Act 1994*

The Public Interest Disclosure Act 1994, Section 31, requires each public authority to prepare an annual report on obligations under the Act. In accordance with Section 4 of the Public Interest Disclosures Regulation 2011, the following information is provided on public interest disclosures for the period 1 July 2016 to 30 June 2017.

| July 2016 - June 2017  |   |
|--|---|
| Number of public officials who made Public Interest Disclosures (PIDs)     | 0 |
| Number of PIDs received  | 0 |
| Of PIDs received, number primarily about:                                  |   |
| <input type="checkbox"/> Corrupt conduct                                   | 0 |
| <input type="checkbox"/> Maladministration                                 | 0 |
| <input type="checkbox"/> Serious and substantial waste                     | 0 |
| <input type="checkbox"/> Government information contravention              | 0 |
| <input type="checkbox"/> Local government pecuniary interest contravention | 0 |
| Number of PIDs finalised   | 0 |

## Risk Management and Insurance activities

OTSI has insurance cover for all major assets and significant risks through the NSW Government Self Insurance scheme. This includes full workers compensation, motor vehicle, property, public liability and miscellaneous insurance cover. No claims were lodged in relation to Workers Compensation or any of the other insurance policies held through the TMF by OTSI in 2016 - 2017.

OTSI has regular reviews of its corporate risk management policies and conducts an annual review of its risk register.

### **Principal Legislation**

OTSI exercises functions under the:

- ◆ *Transport Administration Act 1988;*
- ◆ *Passenger Transport Act 1990;*
- ◆ *Rail Safety Act(Adoption of National Law) 2012,*
- ◆ *Marine Safety Act 1998 and*
- ◆ *Regulations made under those Acts.*

### **Credit Card Certification**

OTSI credit card policies and procedures outline conditions for eligibility, usage and management of corporate cards. These are consistent with NSW Government policy as outlined in relevant Treasury circulars and Treasury Directions. OTSI credit cards are used primarily for:

- expenses incurred in connection with travel on official business;
- the purchase of minor stores and services; and
- meeting the cost of official out-of-pocket expenses when investigators are deployed in the field.

OTSI has a credit card policy in use and all expenditure on the cards is subject to monthly reconciliation and authorisation procedures by the cardholder and the Authorising Manager.

### **Response to Significant Issues Raised by the Auditor-General**

No significant issues for OTSI were raised by the Auditor General during 2016 – 2017.

### **Significant Committees**

OTSI does not participate in any committee activities relative to its role.

### **Grants to Non-Government Organisations**

There were no grants to non-government organisations.

### **Legal changes**

There were no changes in the Acts and subordinate legislation.

### **Major Works in Progress**

There were no major works undertaken by OTSI in 2016 – 17.

### **Human Resources**

OTSI is an agency with a total staffing of 11 as at 30 June 2017. Given the size of the organisation and the nature of its functions, there is limited scope for OTSI to be represented across all the categories in the table below. OTSI is staffed by officers with industry and investigative experience in the various

transport modes and with qualifications in engineering, safety science, occupational health and safety and accident forensics.

## 2016 - 2017 Staffing:

Population: Headcount: Non-casual Employees at June by Remuneration Level of Substantive Position

| LEVEL                 | Number      |           |          |   |   |   |                          |  |
|-----------------------|-------------|-----------|----------|---|---|---|--------------------------|--|
|                       | TOTAL STAFF | Men       | Women    | Aboriginal People & Torres Strait Islanders | People from Racial, Ethnic, Ethno-Religious Minority Groups | People Whose Language First Spoken as a Child was not English | People with a Disability | People with a Disability Requiring Work-related Adjustment |
| < \$52,477            |             | 0         | 0        | 0   | 0   | 0   | 0                        | 0  |
| \$52,477 - \$60,221   |             | 0         | 0        | 0   | 0   | 0   | 0                        | 0  |
| \$60,221 - \$69,109   |             | 0         | 0        | 0   | 0   | 0   | 0                        | 0  |
| \$69,109 - \$79,399   |             | 0         | 0        | 0   | 0   | 0   | 0                        | 0  |
| \$79,399- \$91,001    |             | 0         | 0        | 0   | 0   | 0   | 0                        | 0  |
| \$91,001-\$104,423    | 1           | 0         | 1        | 0   | 0   | 0   | 0                        | 0  |
| \$104,423 - \$119,828 | 0           | 0         | 0        | 0   | 0   | 0   | 0                        | 0  |
| \$119,828 - \$142,396 | 8           | 8         | 0        | 0   | 0   | 0   | 0                        | 0  |
| > \$142,396           | 2           | 2         | 0        | 0   | 0   | 0   | 0                        | 0  |
| <b>TOTAL</b>          | <b>11</b>   | <b>10</b> | <b>1</b> |   |   |   |                          |  |

## Senior Executive Reporting

| Band                               | 2017   |          | 2016     |
|------------------------------------|--------|----------|----------|
|                                    | Female | Male     | Male     |
| Band 2 (Chief Investigator)        |        | 1        | 1        |
| Band 1 (Deputy Chief Investigator) |        | 1        | 2        |
| <b>Total</b>                       |        | <b>2</b> | <b>3</b> |

| Band   | Range<br>\$        | Average remuneration<br>2017<br>\$ | Average remuneration<br>2016<br>\$ |
|--------|--------------------|------------------------------------|------------------------------------|
| Band 2 | 255,051–320,900    | 313,050                            | 286,962                            |
| Band 1 | 178,850 – 255,0500 | 222,099                            | 143,410                            |

Executive year to date represents 25.6 per cent of overall salaries –related expenses for 2016-17(27.7% in 2015-16)

## Trends in the Representation of Workforce Diversity Groups

| EEO Group  | % of Total Staff    |      |      |      |      |
|--|---------------------|------|------|------|------|
|  | Benchmark or Target | 2014 | 2015 | 2016 | 2017 |
| Women  | 50%                 | 9%   | 9%   | 9%   | 9%   |
| Aboriginal people and Torres Strait Islanders              | 2%                  |      |      |      |      |
| People whose first language was not English                | 30%                 |      |      |      |      |
| People with a disability                                   | 12%                 |      |      |      |      |
| People with a disability requiring work-related adjustment | 6%                  |      |      |      |      |

### Multicultural Policies and Service Program

OTSI is a relatively small agency that does not deliver direct services to the public. OTSI does not have specific policies and procedures on multicultural issues and is not required to develop a relevant plan.

OTSI does, however, recognise the principles of multiculturalism and is aligned to the broader direction of the *The Multicultural NSW Act 2000* (the Act).

In line with these principles OTSI continued with the following activities during 2016 – 17:

- Ensured its recruitment practices are merit-based and not disadvantageous to any specific cultural group,
- Ensured that discrimination is not tolerated in any behaviour or practice in relation to OTSI, and
- Took into consideration cultural needs of our staff and stakeholders in our communication activities.

OTSI recognises that competent service delivery requires us to understand diversity, to confidently manage it, to reflect it and to draw on it. Diversity of people, languages, backgrounds, education and opinions is considered a valuable resource which is available to our investigators. It is valuable in terms of collating information, tasking, deployment and reporting.

Staff needs for cross-cultural training and education will be assessed and appropriate strategies developed to raise the competence, skills and awareness of staff to work with and meet the needs of culturally and linguistically diverse groups within their community.

## **Consultants**

OTSI did not engage any consultants in the 2016 - 17 financial year.

## **Land Disposal**

OTSI does not have any land to dispose of.

## **List of Major Assets**

OTSI has no major assets to report against.

## **Research and Development**

No research and development activities undertaken in 2016-2017

## **Economic or Other Factors**

There were no economic or other factors affecting OTSI's operational objectives in 2016-2017.

## **Publications**

Apart from the investigation reports that were tabled in Parliament, the only other OTSI publication that was released in 2016 -17 was its Annual Report for 2015 -16.

## **Work Health and Safety**

In conformity with the *Work Health and Safety Act 2011*, OTSI operates its OHS Consultative Committee at full staff meeting. Staff raise any concerns directly, and given the functions performed by OTSI, it is acutely aware of the need for safe working practices, especially in regard to its considerable field activities.

## **Overseas Travel**

No overseas travel undertaken by OTSI employees.

## **Consumer Response**

No complaints were received in 2016- 2017.

## **Internal Audit and Risk Management Policy**

OTSI has an internal auditor that provides management with independent and objective advice to improve the agency operations. Reports on internal audits conducted are provided to management and the Audit Office of NSW. In May 2016, OTSI was granted an exemption from the requirements of TPP 15-03 - Internal Audit and Risk Management Policy)

## **Digital Information Security Policy Attestation**

As required under the NSW Government policy on Digital Information Security, the Chief Executive provides the following attestation of compliance with the policy.

### **Digital Information Security Annual Attestation Statement for the 2016 - 2017 Financial Year for the Office of Transport Safety Investigations**

I, Michael Quinn am of the opinion that the Office of Transport Safety Investigations had an Information Security Management System in place during the 2016-2017 financial year that is consistent with the Core Requirements set out in the Digital Information Security Policy for the NSW Public Sector.

The security controls in place to mitigate identified risks to the digital information and digital information systems of Office of Transport Safety Investigations are adequate.

There is no agency under the control of OTSI which is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy.

A handwritten signature in black ink, appearing to read 'Mick Quinn', with a small dot at the end of the signature.

Mick Quinn  
Chief Investigator

## **Annual Report Costs**

The cost of printing and production of the annual report was \$40.

## Contact Details

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Facsimile: 1800 180 528

OTSI's office hours of business are 9am to 5pm Monday to Friday (except public holidays)

OTSI operates on a 24 hour/ seven day basis through a duty system of a rostered Duty Officer and Investigator in Charge. The duty officer can be contacted on:

Telephone: 1800 677 766