

New Zealand Forest Industry Safety Council Trust

Performance Report

for the year ended 31 December 2018

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Entity Information

Independent Forestry Safety Review in 2014 delivered a range of recommendations including the creation of a pan-industry body to spearhead injury prevention activities. With the backing of industry, government and unions, New Zealand Forest Industry Safety Council Trust (also known as and further referred to as FISC) was set up.

Settlers of the Trust: The New Zealand Forest Owners Association Incorporated ('FOA') and The New Zealand Farm Forestry Association Incorporated ('NZFFA'), and the Founding Trustees: Warwick Foran of Wellington, General Manager at Crown Forestry, Ian Jackson of Canterbury, NZFFA President, Robert Reid of Auckland, General Secretary of FIRST Union Incorporated, Kevin Ihaka of Whangarei, Managing Director of FPS Forestry, Brian Neil Thomas of Dunedin, Director of ForestSafe Limited, Lee William Edmonds of Rotorua, Director of Tuakiri Limited, and Kirstie Hewlett of Wellington, General Manager Strategy and Stakeholder Engagement of WorkSafe New Zealand have agreed to establish a trust for charitable purposes. **FISC was incorporated on 30 July 2015 under the Charitable Trusts Act 1957.**

Registration Number 2629711

The **mission** of FISC is to reduce the rates of injuries and deaths in the New Zealand plantation forest sector, with an ultimate goal of eliminating injuries and deaths in the sector.

FISC is administered by the **Council** comprising **the Trustees**. The Council shall be comprised of no less than six and no more than 15 Trustees representing WorkSafe NZ (WSNZ), Accident Compensation Corporation (ACC), First Union Incorporated, Forest Industry Contractors Association Incorporated, FOA, NZFFA, worker representatives that work in the New Zealand plantation forest industry, one person to represent the interests of iwi having interests in the forest industry, and include an Independent Chair.

This organisation was founded on two key principles to greatly strengthen its effectiveness – collaboration and leadership.

FISC has developed an initial three-year work programme that reflects the recommendations in the Review and the requirements of the new Health and Safety at Work Act. It focuses on leadership, communication, competency, health and safety reforms and performance management. A subsequent three year tranche of work has been developed to continue this work with the sector.

The entity uses a mix of government funding through ACC and WSNZ and commodity levy (harvested wood material) through FOA. Funding is provided pursuant to funding agreements that detail annually approved work programme, deliverables and due dates.

FISC overall programme is approved by the FISC Council. It is developed with the help of an **Operational Advisory Group (OAG)**, which includes representatives from forestry companies, WorkSafe, First Union, independent forestry workers and industry training organisation Competenz.

Technical Action Groups (TAGs) have been set up to implement each of the five work-streams, again made up of representatives from our key stakeholders.

FISC is reliant on partnership with workers, industry and government as the work programme is being delivered in close consultation with the industry and stakeholders including WorkSafe. Industry representatives are involved at all levels of work – from being council members to participating in the Technical Action Groups.

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Statement of Service Performance

as at 31 December 2018

Description of the Entity's Outcomes

The overall industry objective is zero fatalities and serious harm: Together towards zero.

There is a real opportunity to work in partnership and embrace the new H&S legislation as a way to think differently about achieving safe outcomes.

FISC will work with our stakeholders to provide appropriate support, tools and resources to empower the industry to achieve this objective. In delivering our objective we will also improve the overall public image of the forestry industry and raise the industry profile as an employer, and career, of choice.

Description of the Entity's Outputs

Target area

Developing H&S Leadership via a cross Industry Supply Chain.

Achievements

- Safety Culture tool now implemented and 711 people have been involved (cumulative)
- Leadership Charter developed
- Interactions and joint meetings with Business Leaders H&S Forum and Forestry CEO's
- Leadership training for crew leaders, health and safety representatives and crews

Develop and Leverage effective Industry Communication.

- Guidance documents produced and published on Safetree covering new H&S legislation
- Safetree website further developed - 3950 registrations; 2063 Facebook followers
- Tailgate meeting cards developed for frontline crew - 3000 cards produced, 2350 distributed
- 14 regional workshops with focus on worker health across the sector

Industry H&S Governance and Performance Management

- Performance dashboard developed and published on Safetree quarterly
- Research conducted to improve incident investigation outcomes - 6 reports completed, 4 published
- Industry incident database reviewed, reports developed and published on Safetree quarterly

Capability Development - People, processes and systems

- Review of Training Model ongoing
- Safetree Professional Forest Worker Certification Scheme developed and implemented (234 cumulative)
- Safetree Contractor Company Certification Scheme developed and implemented (92 contractors are certified)

Industry H&S Reform is led and informed by Good Practice and Learning

- Five industry stories (case studies) developed on Leadership and Business Capability solutions

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Statement of Financial Performance

for the year ended 31 December 2018

	Note	Actual the year ended 31 December 2018	Budget the year ended 31 December 2018	Actual the year ended 31 December 2017
Revenue	1			
Forest Industry funding		747,002	893,335	721,559
Government funding		512,692	368,000	558,533
Interest		24	0	72
Other		266	0	8,077
Total Revenue		1,259,984	1,261,335	1,288,242
Expenses	2			
Costs related to providing goods and services		886,822	857,000	925,408
Administration and overhead costs		150,104	154,900	149,179
Employee related costs		218,977	241,400	209,428
Total Expenses		1,255,904	1,253,300	1,284,015
Surplus/(Deficit) for the period		4,080	8,035	4,227
Income tax	8	1,745	0	1,304
Surplus/(Deficit) after tax		2,334	8,035	2,923

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Statement of Financial Position

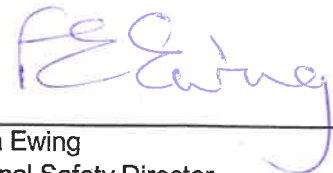
as at 31 December 2018

	Note	Actual 2018 \$	Actual 2017 \$
ASSETS			
Current Assets			
Bank accounts and cash		5,113	1,903
Debtors and prepayments		68,446	149,415
Total Current Assets		73,559	151,319
Non-Current Assets			
Property, plant and equipment	3	667	459
Total Non-Current Assets		667	459
Total ASSETS		74,226	151,778
LIABILITIES			
Current Liabilities			
Creditors and accrued expenses		64,684	144,744
Employee costs payable		6,422	6,247
Total Current Liabilities		71,106	150,992
Total LIABILITIES		71,106	150,992
Total Assets less Total Liabilities		3,121	786
Accumulated Funds			
Accumulated surplus (deficit)		3,111	776
Capital contributed by Settlers		10	10
Total Accumulated Funds		3,121	786



Alison Paterson
Chair

22 May 2019



Fiona Ewing
National Safety Director

22 May 2019

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Statement of Cash Flows

for the year ended 31 December 2018

	for the year ended 31 December 2018	the year ended 31 December 2017
Cash Flows from Operating Activities		
Cash was received from:		
Forest Industry Funding	740,267	737,012
Other funding	567,347	554,664
Net GST	2,535	-4,065
Cash was applied to:		
Payments to suppliers and employees	1,306,238	1,312,704
Net cash flows from operating activities	3,910	-25,093
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Interest	24	72
Cash was applied to:		
Payments to acquire property, plant and equipment	724	0
Net Cash from Investing and Financing Activities	-700	72
Net increase/(Decrease) in Cash	3,210	-25,021
Opening Cash	1,903	26,924
Closing Cash	5,113	1,903
This is represented by:		
Bank Accounts and Cash	5,113	1,903

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Statement of Accounting Policies

for the year ended 31 December 2018

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting.

The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future. Funding from the government has been pledged for the three year period since FISC establishment. Commodity levy funding is approved annually and 2019 funding has been secured. FOA, in its absolute discretion and with approval from Forest Growers Levy Trust's board, may advance FISC further amounts from the next year's Annual Levy Budget to satisfy this shortfall or address that negative equity position, as applicable, either in whole or in part.

Goods and Services Tax (GST)

FISC is registered for GST. All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Bank Accounts and Cash

Bank Accounts and Cash in the Statement of Cash Flows comprise cash balances and bank balances.

Property, Plant and Equipment

Property, Plant and Equipment is measured at cost less accumulated depreciation and accumulated impairment losses (if any).

Debtors

Debtors are measured at the amount owed less any amounts that are impaired.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

Comparative Information

Comparative information for the work-streams is shown according to the general headings only.

The projects within the work-streams are not comparable year by year.

Once a project is implemented, the ongoing costs are reported as running costs of health and safety systems and applications.

NZ Forest Industry Safety Council Trust

Notes to the Performance Report

for the year ended 31 December 2018

for
the year ended the year ended
31 December 2018 31 December 2017

Analysis

Note 1. Analysis of Revenue

Forest Industry Funding	New Zealand Forest Owners Association (FOA) is contracted by Forest Growers Levy Trust Inc. to manage the levy funded Work Programme. Health and Safety forms a part of the levy funded Work Programme. Since formation of FISC, FISC is responsible for delivery of the health and safety section of the Work Programme and receives levy funding through FOA.	747,002	721,559
	This included \$23,334 prepaid by FOA in 2017 and realised in 2018.		
Government Funding	WorkSafe and ACC provide further project funding to supplement industry funding on a business case basis.		
	ACC funding	440,852	338,740
	WorkSafe funding	71,840	219,792
Interest	Bank interest	24	72
Other	Income from training	266	7,927
	Re-imburement of office costs	0	150
	Total Revenue	1,259,984	1,288,242



NZ Forest Industry Safety Council Trust

Notes to the Performance Report

for the year ended 31 December 2018

Analysis	for the year ended 31 December 2018	the year ended 31 December 2017
Note 2. Analysis of Expenses		
Costs related to providing goods and services	TAGs in charge of implementing each of the five work-streams (comparative figures for the work-streams are shown according to the general headings only):	
Leadership	87,122	15,721
Engagement	305,426	187,224
Performance Management	110,010	145,090
Competency	158,350	313,850
Health and Safety Reform	17,500	17,081
Overall programme management	39,299	112,880
Total TAG costs	717,707	791,845
Running costs for health and safety systems and applications	133,952	92,046
Travel costs related to providing goods and services (travel costs for OAG and Council members are included under Administration and overhead costs)	35,164	41,516
Total costs related to providing goods and services	886,822	925,408
Administration and overhead costs		
Council	43,121	53,631
Operations Advisory Group (OAG)	17,308	23,666
Communications	12,195	12,482
Other office costs	77,481	59,400
Total Administration and Overhead Costs	150,104	149,179

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Notes to the Performance Report

for the year ended 31 December 2018

Note 3. Property, Plant and Equipment

At 31 December 2018

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Computers (including software)	459	0	0	459	0
Office equipment (including furniture)	0	724	0	57	667
Total property, plant and equipment	459	724	0	516	667

At 31 December 2017

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Computers (including software)	2,005	0	0	1,546	459

Computers (including software) are depreciated on a straight-line basis at the rate of 40%.
Office equipment is depreciated on a straight-line basis at the rate of 10.5%.

Note 4. Goods and Services in Kind Provided to the Entity

FOA staff is provided to support FISC with office management and accounting services.

Note 5. Commitments and Contingencies

Commitment	Explanation and Timing	Current	Non-current
Office Rent	FORESTWOOD Centre Memorandum of Agreement for FISC office till 1 January 2020, excl.GST Total commitment of \$9,034	9,034	0

There are no contingent liabilities or guarantees as at balance date. (2017: Nil)



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Notes to the Performance Report

for the year ended 31 December 2018

Note 6. Related Party Transactions

FOA and FISC have members of key management personnel in common. FISC manages the Health & Safety section of the Work Programme approved by Forest Growers Levy Trust Board. During the year FISC funding from FOA includes \$227,839 for projects and \$519,163 to cover its administrative expenses. The funding amount \$38,275 was outstanding as accounts receivable at year end.

FOA staff is provided in kind to support FISC with office management and accounting services.

In November 2017 FISC relocated its offices to Level 9, The Terrace where FOA is the main tenant. During the year FOA charged FISC for rent and related occupancy expenses \$15,909 in cost recovery. All expenditure incurred has been repaid by FISC except for the amount of \$1,273 outstanding as accounts payable at year end.

Note 7. Events after the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (2017: Nil)

Note 8. Income Tax

	2018	2017
Taxable Income/(loss carried forward)	5,291	3,953
Taxation @ 33%	1,746	1,304

Note 9. Credit facilities

At balance date FISC had BNZ visa business card available for its use. The limit on this facility is \$20,000. This was not fully utilised at balance date.