

New Zealand Forest Industry Safety Council Trust

Performance Report

for the year ended 31 December 2020

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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 serious 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 developed an initial three-year work programme that reflected the recommendations in the Review and the requirements of the new Health and Safety at Work Act. It focused 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 WorkSafe and commodity levy (harvested wood material) administered by the Forest Growers Levy Trust. Funding is provided pursuant to funding agreements that detail an 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, contractors, WorkSafe, First Union, independent forestry workers and industry training organisation Competenz.

Technical Action Groups (TAGs) are set up to implement project work as required, again made up of representatives from our key stakeholders. FISC is reliant on partnerships with workers, industry and government as the work programme is being delivered in close consultation with the industry and stakeholders.

NZ Forest Industry Safety Council Trust

Statement of Service Performance

as at 31 December 2020

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

- Growing our Safety Culture tool further developed with 1,119 people having participated since its launch in 2018. In 2020 152 people joined the programme.
 - Engagement with the Business Leaders Health and Safety forum and continued interactions with Forestry CEO's.
 - Frontline Leadership and Team Up training developed and delivered to 436 participants since 2019.
 - Safetree conference 2020 in Wellington had 174 industry participants (2019 in Christchurch had 150).
 - KYND app developed to help workers with their health, and the industry to aggregate health statistics. This included the distribution of 486 health cards.
 - The forestry industry was severely impacted by Covid-19, in terms of both the supply chain disruption and the NZ lockdown. Covid-19 resulted in the FISC NSD, communications and other resources being redirected into developing industry safe working protocols in conjunction with the Ministry of Primary Industries. These protocols were endorsed by WorkSafe and directly led to forestry harvesting, silviculture and activities being able to resume immediately under Level 3 restrictions.
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- Safetree website was further developed as a connector to forest workers and industry - 3,666 registrations for the National Safety Director updates and 2,567 Facebook followers (2019 had 3,751 registrations & 2,192 followers).
 - Tailgate meeting cards developed and delivered to 134 frontline crew in 2020 (274 in 2019).
 - Delivered Safetree information to 125 participants at the three MPI Forestry Workforce Roadshows held in November and December 2020 (111 in 2019).
 - High level industry communications plan developed to improve industry engagement.

Develop and Leverage effective Industry Communication.

NZ Forest Industry Safety Council Trust

Statement of Service Performance

as at 31 December 2020

Industry H&S Governance and Performance Management

- Industry quarterly performance dashboard published on Safetree (Q1 wasn't published due to Covid).
- Industry incident database produced four reports of incidents.

Capability Development - People, processes and systems

- Safetree professional forest workers certification increased to 379 (326 in 2019).
- Safetree contractor certification increased to 258 companies (an increase of 65 since 2019), with 175 currently moving towards certification.

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

- There were 3 industry stories (case studies) developed highlighting industry best practice.

NZ Forest Industry Safety Council Trust

Statement of Financial Performance

for the year ended 31 December 2020

	Note	Actual the year ended 31 December 2020	Budget the year ended 31 December 2020	Actual the year ended 31 December 2019
Revenue	1			
Forest Industry funding		685,843	827,000	899,834
Government funding		720,571	1,104,250	380,761
Interest		3,040	2,098	485
Other		10,000	0	0
Total Revenue		1,419,453	1,933,348	1,281,080
Expenses				
Costs related to providing goods and services	2	888,841	1,338,750	860,476
Administration and overhead costs	2	94,872	136,800	134,737
Employee related costs		433,411	454,800	284,153
Total Expenses		1,417,124	1,930,350	1,279,366
Surplus/(Deficit) for the period		2,329	2,998	1,714
Income tax	8	1,427	0	879
Surplus/(Deficit) after tax		901	2,998	835

NZ Forest Industry Safety Council Trust

Statement of Financial Position

as at 31 December 2020

	Note	Actual 2020 \$	Actual 2019 \$
ASSETS			
Current Assets			
Bank Accounts & Cash		617,980	333,494
Debtors		55,083	189,621
Prepayments		11,223	28,869
Total Current Assets		684,286	551,984
Non-Current Assets			
Property, Plant & Equipment	3	998	1,120
Total Non-Current Assets		998	1,120
Total ASSETS		685,284	553,104
LIABILITIES			
Current Liabilities			
Creditors & Accrued Expenses		113,656	212,187
Income Received in Advance		548,504	325,919
Employee Costs Payable		18,266	11,042
Total Current Liabilities		680,426	549,148
Total LIABILITIES		680,426	549,148
Total Assets less Total Liabilities		4,858	3,956
Accumulated Funds			
Accumulated surplus (deficit)		4,848	3,946
Capital contributed by Settlers		10	10
Total Accumulated Funds		4,858	3,956



Alison Paterson
Chair of Trustees
5 March 2021



Fiona Ewing
National Safety Director
5 March 2021

NZ Forest Industry Safety Council Trust

Statement of Cash Flows

for the year ended 31 December 2020

	for the year ended 31 December 2020	the year ended 31 December 2019
Cash Flows from Operating Activities		
Cash was received from:		
Forest Industry Funding	775,535	799,889
Other funding	981,160	660,013
Net GST	0	23,005
Cash was applied to:		
Payments to suppliers and employees	1,472,737	1,154,023
Net GST	2,942	0
Net cash flows from operating activities	281,016	328,883
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Interest	3,470	42
Cash was applied to:		
Payments to acquire property, plant and equipment	0	544
Net Cash from Investing and Financing Activities	3,470	(502)
Net increase/(Decrease) in Cash	284,486	328,381
Opening Cash	333,494	5,113
Closing Cash	617,980	333,494
This is represented by:		
Bank Accounts and Cash	617,980	333,494

NZ Forest Industry Safety Council Trust

Statement of Accounting Policies

for the year ended 31 December 2020

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. All amounts are presented in NZ dollars and rounded to the nearest dollar.

The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future. Commodity levy funding is approved annually and 2021 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 any shortfall or address any 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

Statement of Accounting Policies

for the year ended 31 December 2020

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Forest Industry Funding and Government Funding are recognised in the month costs related to providing goods and services are incurred. Additional funding is regularly received to cover Administration, Overhead and Employee related costs and are recognised when received as those costs are being incurred regularly as well.

Interest revenue is recognised as it accrues, using the effective interest method.

NZ Forest Industry Safety Council Trust

Notes to the Performance Report

for the year ended 31 December 2020

for
the year ended the year ended
31 December 2020 31 December 2019

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.	685,843	899,834
Government Funding	WorkSafe and ACC provide further project funding to supplement industry funding on a business case basis.		
	ACC funding	156,712	244,892
	WorkSafe funding	563,859	135,869
Interest	Bank interest	3,040	485
Other	Conference contribution	10,000	0
	Re-imbursment of office costs	0	0
	Total Revenue	1,419,453	1,281,080

NZ Forest Industry Safety Council Trust

Notes to the Performance Report

for the year ended 31 December 2020

Analysis	for the year ended 31 December 2020	for the year ended 31 December 2019
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	157,162	174,404
Engagement	353,779	55,189
Performance Management	10,675	55,000
Competency	107,683	157,395
Health and Safety Reform	14,179	189,425
Overall programme management	93,980	50,109
Total TAG costs	737,457	681,521
Running costs for health and safety systems and applications	127,050	143,594
Travel costs related to providing goods and services (travel costs for OAG and Council members are included under Administration and overhead costs)	24,334	35,361
Total costs related to providing goods and services	888,841	860,476
Administration and overhead costs		
Council	27,722	43,266
Operations Advisory Group (OAG)	12,496	21,088
Communications	16,257	7,715
Other office costs	38,397	62,667
Total Administration and Overhead Costs	94,872	134,736

NZ Forest Industry Safety Council Trust

Notes to the Performance Report

for the year ended 31 December 2020

Note 3. Property, Plant and Equipment

At 31 December 2020

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Computers (incl software)	0	0	0	0	0
Office equipment (incl furniture)	1,120	0	0	122	998
Total property, plant & equipment	1,120	0	0	122	998

At 31 December 2019

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Computers (incl software)	0	0	0	0	0
Office equipment (incl furniture)	667	544	0	91	1,120
Total property, plant & equipment	667	544	0	91	1,120

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 8.5% & 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

There are no commitments as at balance date. (2019: nil)

There are no contingent liabilities or guarantees as at balance date. (2019: Nil)

NZ Forest Industry Safety Council Trust

Notes to the Performance Report

for the year ended 31 December 2020

Note 6. Related Party Transactions

FOA, FGLT 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 received funding for projects of \$18,704 from FOA and \$119,639 from FGLT and funding to cover its administrative expenses of \$153,000 from FOA and \$394,500 from FGLT. The funding amount outstanding as accounts receivable at year end was \$nil from FOA and \$54,622 from FGLT.

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 \$15,351 in cost recovery. All expenditure incurred has been repaid by FISC except for the amount of \$1,499 outstanding as accounts payable at year end.

Note 7. Covid-19

The impact of Covid-19 could potentially have an impact beyond the control of the FISC Board. In the event further lockdowns occur within NZ and forestry is not given an exemption, there would be a direct impact on the levy income received by FGLT, which could see that Board suspend or defer work programme projects and reduce the administrative amount it pays for the operation of FISC. Efforts are being made to secure changes to the Covid-19 Public Health Act to ensure forestry is included, but this has not been confirmed.

This financial year saw a lockdown, which affected the levy income during that period. The impact of a second NZ lockdown could be more severe than the first instance for the processing industry with potential closures. If this were the case, there would be a flow on effect to harvesting. The forestry sector would also be negatively affected by a lockdown in China.

FISC receives funding from three sources - FGLT, ACC and WorkSafe. Contracts with ACC and WorkSafe are in place through to 30 June 2022. FGLT has agreed funding for 2021 and in the event they are forced to reduce their funding, FISC would likely manage any reduction in funding by reducing expenses. FGLT do have reserves that can also be drawn on.

Due to these factors, the Council considers that FISC is a going concern and the financial statements have been prepared on that basis.

Note 8. Income Tax	2020	2019
Taxable Income/(loss carried forward)	4,325	2,663
Taxation @ 33%	1,427	879

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.