

# TOGETHER TOWARDS ZERO

## ANNUAL REPORT

For the 12 months  
ended 31 December 2017

Delivering initiatives that will create a safe,  
sustainable and professional forestry sector



FOREST  
INDUSTRY  
SAFETY  
COUNCIL



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[www.fisc.org.nz](http://www.fisc.org.nz)

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# THANKS TO OUR SUPPORTERS

Thanks to everyone who contributed to FISC's work in 2017, particularly our funders – ACC and the Forest Growers Levy Trust. Thanks to all the individuals and organisations listed here, and everyone else who gave their time to support our work.

Aaron Levack  
(WorkSafe), Alec  
Cassie (Wenita), Allan Laurie  
(Laurie Forestry), Andrew Widdowson  
(HFM NZ), Andy Warren (Rayonier Matariki),  
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Forests), Bill McCallum (FOA; HFM NZ), Bob Shirley  
(Summit Forests), Brendan Slui (Rayonier Matariki), Brent  
Searle (Harvesting & Silviculture), Brionny Hooper (Scion), Brook  
Eagle (RF Davis Logging), Brooke O'Connor (Scion), Bruce Easton  
(RMS NZ), Cam Eyre (NZ Forestry Ltd), Catherine Ross (Transpower),  
Chris Lindley (BraveGen), Colin Maunder (Timberlands), Dayle Filer  
(NZFM), Dan Gaddum (FOMS), Dan Wallace (NZRF), Dave Adams (Rotorua  
Forest Haulage), David Bristow (First Union), David Hilliard (JNL), David  
Wills (BM Services), Diego Rodrigues (ACC), Donna Clarke (Hauraki Logging),  
Doug Drucker (Pan Pac), Dylan Foster (JNL), Frances Martin (BookerMartin  
Communications), Frances Skilton (Tregaskis Brown), Francois Barton (Business  
Leaders' Health and Safety Forum), Fraser Field (RMF), Gareth White (GW  
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Gee Dennis (WSNZ), Chas Hutton (NZFM), Glen Coleman (HFM NZ), Glen  
Mackie (FOA), Geoff Parsons (Hancock Forest Management), Graham Smith  
(NorthTec), Grant Dodson (City Forests), Grant Duffy (WorkSafe), Greg  
Lorkin (Pan Pac), Hamish Owen (Kohurau Contracting), Hillary Bennett  
(Leading Safety), Ian Jackson (NZFFA), Jackie Delaney (FISC), Jacqui  
Coyne-Apiata (Coyne & Co.), Jason Koia (Impact Forestry/JNL),  
Jason Sutherland (Independent Contractor), Jermaine Ormsby  
(GW Logging), Jim MacBride-Stewart (Competenz), Jo-Ann  
Pugh (WorkSafe), John Stulen (FICA), Julian Bateson  
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Rosewarne Contractors)

Kevin Small  
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Linton (Pan Pac), Kim Danz (GJ Sole), Kristy  
Kewene (Blackburne Group), Lee-Anne Duncan,  
Les Bak (Nelson Forests), Linton Winder (Toi Ohomai  
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Francis (ACC), Malcolm Wano (Shilo Silvi), Marcel van Westbrook  
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Wood Council), Rebecca Brennan (WorkSafe), Richard Parker (Scion), Richard  
Stringfellow (Toi Ohomai Institute of Technology), Robert Green (Timberlands),  
Rob Prebble (LFITB Ltd), Robert Reid (First Union), Robert Stubbs (Stubbs  
Contracting), Robin Thompson (AFM), Rona Wheeldon (Olsen Forest  
Management), Rory Cobb (AFM), Rose Percival (Tregaskis Brown), Ross  
Davis (FICA, Log Lease), Rowan Struthers (HFM NZ), Sean McBride  
(JNL), Shaun Solomon (Goodman Logging), Steve Phelps (EIT),  
Steve Yeoman (Volcanic Plateau), Tim Grubb (Haunt), Tim Sandall  
(Pan Pac), Tony Gamble (Gamble Forest Harvesting), Tracey  
Campbell (Hasnz), Warwick Foran (FOA; Crown Forestry),  
Wayne Dempster (Rayonier Matariki), Wayne Millicich  
(Optimum Results), Wiremu Edmonds (Māori  
Rep; Tuakiri Ltd), Vivian Todd  
(BM Services).

If you'd like to get involved  
in FISC's work in 2018  
contact: [enquiries@fisc.org.nz](mailto:enquiries@fisc.org.nz)

# OUR GOAL

**OUR GOAL IS TO CREATE A SAFE, SUSTAINABLE AND PROFESSIONAL FORESTRY SECTOR, WITH ZERO FATALITIES AND SERIOUS INJURIES.**



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# ABOUT US

## FISC IS LEADING EFFORTS TO IMPROVE HEALTH AND SAFETY IN FORESTRY

The Forest Industry Safety Council (FISC) involves representatives of forest owners, forest managers, contractors, farm foresters, ACC, WorkSafe New Zealand, unions and workers.

### Our goal

Our goal is to create a safe, sustainable and professional forestry sector, with zero fatalities and serious injuries.

FISC's creation was a recommendation of the 2014 Independent Forestry Safety Review. Our workplan is based on the recommendations in the Review.

In addition to running workshops and hui, our [www.safetree.nz](http://www.safetree.nz) website and Safetree NZ Facebook page provide 'one-stop shops' for health and safety resources specific to forestry.

### By industry, for industry

FISC's initiatives and resources are developed with significant input from people working in forestry. This is to ensure they are practical and meet the needs of the New Zealand industry.

More than 73 people from forestry are involved in our working groups, while another 442 companies and individuals have been involved in testing initiatives and resources.

The Council includes representatives of NZ Forest Owners Association, Forest Industry Contractors Association and NZ Farm Forestry Association. It includes representative for Māori and workers, including one from First Union. See a full list of Council members at: [www.fisc.org.nz/fisc.html](http://www.fisc.org.nz/fisc.html).

### Focus areas

To achieve our goal, we're focusing on:

Contractor and Worker Certification

Growing our Safety Culture

Improving Risk Management

Improving Leadership

Delivering to the Sector

# FROM THE CHAIR

## INCREASE IN PLANTING RATES BRINGS NEW CHALLENGES

2017 marked a major milestone for FISC and the forestry industry with the launch of the *Safetree Contractor Certification* scheme. Contractor certification was a key recommendation of the 2014 Independent Forestry Safety Review. It follows the worker certification scheme launched by FISC in 2016, another recommendation of the 2014 Review.

Promoting these initiatives will be a focus for FISC in 2018 because they will only have an impact on injury rates if they are widely adopted by industry. Sadly, seven forestry workers died in 2017 – the highest toll since 10 workers died in 2013. This rise in fatalities is a stark reminder that forestry's safety problems have not gone away.

Much of what FISC has achieved to date has been done in collaboration with the large-scale owners who together control about 70% of the wood production from plantation forests. FISC has had less interaction with the more than 14,000 forest owners who control the remaining production. Developing links with these small woodlot owners, particularly by working with the Farm Forestry Association, will be a focus for FISC in 2018.

Another focus will be a third recommendation of the 2014 Review, on the need to improve worker engagement, participation and representation, and to develop the existing trained health and safety representatives into a functioning network. Feedback from hui run in Gisborne during 2017 confirmed our view that we have not yet delivered on this recommendation. We will be exploring the various ways we can communicate with forestry workers. One key initiative in this area is FISC's *Growing Our Safety Culture* programme, which will be launched in early 2018.



While FISC has achieved some important milestones in 2017 there is still much work to do

Finally, when assessing emerging risks for which the industry must be prepared, the Government's signalled intention to double the annual planting rate over the next decade cannot be ignored. This will bring new entrants into the workforce, underlining FISC's responsibility to support the new Silviculture Action Group. The goal of this Action Group is to produce a financially viable, sustainable, compliant and professional silviculture contracting workforce. Among other things, it will look at whether operating practices, some of them developed 20-30 years ago, need to be re-evaluated in light of modern health and safety rules and thinking.

So, while FISC has achieved some important milestones in 2017, there is still much work to do to achieve our goal of zero fatalities and serious harm. I look forward to your support in 2018 to help us move closer towards that goal.

I would like to thank industry bodies, FISC Council and committee members, and FISC staff for their efforts in 2017.

**Dame Alison Paterson**  
Independent Chair, FISC



# FROM THE NATIONAL SAFETY DIRECTOR

## A FOCUS ON IMPROVING ENGAGEMENT WITH THE SECTOR AND WORKERS

FISC's 2018 work programme will focus on embedding existing initiatives, improving engagement with iwi and small woodlot forest owners, and looking into emerging trends including injuries during mechanical harvesting.

We will work to achieve a high uptake of the *Safetree Contractor Certification* and *Safetree Professional Forestry Worker Certification* schemes. These initiatives will only achieve their full potential if they are supported and used right across the industry. They are 'user-pays', so it is essential that contractors value this investment in health and safety, and that forest owners and managers recognise contractors who make this investment.

As part of our work to embed these schemes, we will establish an industry-led Certification Panel to govern and oversee them. We will also form partnerships with third party providers who will deliver them on behalf of FISC.

We will work in a number of ways to improve engagement and reach. This includes holding workshops around the country to tell people about FISC's initiatives, and to get their feedback on what else we should be doing. We will work with the Farm Forestry Association to raise awareness of these workshops, to encourage their members to attend. We will also work with the Association to raise the profile of the *Safetree* website and Facebook page, which have health and safety information tailored for forestry.



We will launch our *Growing our Safety Culture* initiative, which aims to give workers a voice in health and safety

We have talked to several groups about how we can improve worker involvement and representation, including with iwi and the Council of Trade Unions. We really value this input and will continue to listen to views and suggestions on ways to enhance worker involvement in health and safety.

Importantly, we will launch our *Growing our Safety Culture* initiative, which aims to give workers a voice in health and safety. We had very positive feedback from forestry companies involved in the trial of this initiative, with Timberlands being so impressed with the results that it is running the exercise right through its business – from the people working the front desk, to those on the chainsaws, to the company's board.

To improve management of risks, we will engage with the industry to share lessons about how to best manage risks created by mechanical harvesting, and health and safety issues created by work pressures. We will also share lessons from the *Learning Review* project – which aims to improve the way investigations are conducted so more can be learned about how to prevent future incidents.

In addition, we will develop resources to help the industry learn from 'successful work', as well as incidents. These resources will help forestry companies build high performing businesses that are safe, sustainable and professional.

Thank you for your support for FISC in 2017 and I look forward to working with you in 2018.

**Fiona Ewing**  
National Safety Director, FISC



# 2017 MILESTONES

## Certification

<b>Safetree Contractor Certification</b>	Launched this certification scheme for contractors.
<b>Safetree Professional Forestry Worker Certification</b>	130 workers awarded certification.

## Safety Culture

<b>Growing our Safety Culture</b>	Successfully piloted this tool to engage workers in health and safety.
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## Risk Management

<b>Risk management</b>	Published a guide on <i>How to Manage Forestry Risks</i> .
<b>Safety alerts</b>	Promoted four safety alerts, including some created by forestry companies.
<b>Dashboard</b>	Improved the information in our <i>How are we tracking</i> dashboard.
<b>Fatality data</b>	Began publishing WorkSafe information on forestry fatalities.
<b>Safe Start 2018 resource</b>	Developed this resource to use at 2018 Safe Start meetings.
<b>Health</b>	Piloted an initiative to address body stressing injuries in silviculture.
<b>Mental health</b>	Negotiated discounted access to Vitae Workplace Wellbeing Services.
<b>Learning Reviews</b>	Published Alerts and guidance using this investigation technique.

## Leadership

<b>Senior leadership</b>	Ran a seminar for forestry leaders on improving contractor safety.
<b>Frontline leadership</b>	Developed a Frontline Leadership Training programme to be piloted in 2018.
<b>Case study</b>	Published a case study on front-line leadership, with Hancock Forest Management.
<b>Site visit resource</b>	Published great questions to ask when doing a forestry site visit.

## Delivering to the Sector

<b>Forest Industry Safety Summit</b>	Presented to 380 attendees on FISC's work.
<b>Summit 2017 Workshops</b>	Presented four workshops on FISC initiatives, with registrations of 260.
<b>Regional Workshops</b>	Held 17 regional workshops on key FISC initiatives attended by about 600 people.
<b>Hui</b>	Held two hui in Gisborne attended by 120, in response to fatalities and injuries in the region.
<b>Safetree website</b>	Revamped the site to make resources easier to find.
<b>Growth in Safetree</b>	Safetree newsletter subscribers now 4278; Facebook followers nearly 2000.
<b>Securing our future</b>	Business case and programme management developed. Funding secured from our government partners, WorkSafe and ACC, until end June 2019. Processes agreed for future funding.

# OUR WORK

## CONTRACTOR CERTIFICATION

The Safetree Contractor Certification scheme was launched in October 2017 and, by December 2017, 98 contractors had registered their interest in becoming certified.

Certification provides an opportunity for contractors to have their professionalism publicly recognised by the industry. It sets a benchmark that health and safety systems can be assessed to, and assists contractors to improve their performance.

For forest owners and managers, certification provides an assurance that their contractors are competent to do the job. For workers, it will lead to improved health and safety and employment conditions.

The certification scheme was designed in consultation with the regulator, WorkSafe, and with extensive input from the industry.

Eight contracting companies took part in a pilot of the scheme during 2017 and their feedback was used to make improvements before the launch.

Twenty auditors have been appointed to undertake the on-site assessments. A Certification Governance Panel will oversee both contractor and worker certification.

**98**  
**CONTRACTORS**

registered interest in certification at end of 2017



## WORKER CERTIFICATION



Brett Erni from Erni Logging gets his certificate from Matt Croft, Rayonier Matariki Forests and Fiona Ewing, FISC

**Safetree Professional Forestry Worker Certification has been awarded to 130 workers.**

Certification provides an on-the-job assessment of the competency of workers doing two high risk tasks: tree felling and breaking out. It confirms that the worker's skills are up-to-date and that they are able to work safely and professionally.

That means they are doing what a WorkSafe inspector would expect to see and know how to protect themselves and their workmates.

Free online tools are available on the Safetree.nz website to help workers prepare for the assessments. These include an updated competency tool for breakers out.

Competenz has been engaged to run the certification process on behalf of FISC. The scheme is governed by the Certification Governance Panel.

130 workers were certified at the end of 2017. This is an encouraging start, but we still have some way to go before we can be confident that all our workers have the current skills that they need to work safely.

**130**  
**WORKERS**

were certified at the end of 2017

# SAFETY CULTURE

During the year we developed and piloted the **Growing our Safety Culture programme**, for launch in early 2018.

The programme aims to help forestry businesses find out what's really going on with health and safety in their teams. It involves a culture survey that identifies strengths and weakness, then a facilitated session where teams can work on ways of improving health and safety.



We saw the FISC safety culture programme as a great mechanism to initiate and develop our safety dialogue. We started with a successful pilot and have since engaged the culture team to facilitate the exercise throughout all roles in our business...

During 2017, the programme was piloted by nine forestry companies covering 31 crews and seven groups of employees – 364 workers in total. The response to the pilot was very positive – with one participant now rolling the programme out across its entire business – including the board.

Trained facilitators are now in place to help run the programme.

### What people are saying about the programme

“We saw the FISC safety culture programme as a great mechanism to initiate and develop our safety dialogue. We started with a successful pilot and have since engaged the culture team to facilitate the exercise throughout all roles in our business. This includes the people on our front desk, the people operating chainsaws and yellow machines, as well as those around the boardroom table.”

**Robert Green**  
CEO Timberlands



Crews working for Timberlands test drive the Growing our Safety Culture programme.

# RISK MANAGEMENT

### Learning Reviews

Five incident reports that use the *Learning Review* approach to investigations have been completed by Scion. These reports are being turned into Alerts and posted on the **Safetree.nz** website. A guide on how forestry companies can use the *Learning Review* approach to improve their own investigations has also been published.

The *Learning Review* approach was initially developed by the US Forest Service to better understand the ‘context’ surrounding an incident. Understanding the context gives companies more information that will help them avoid similar incidents in future.

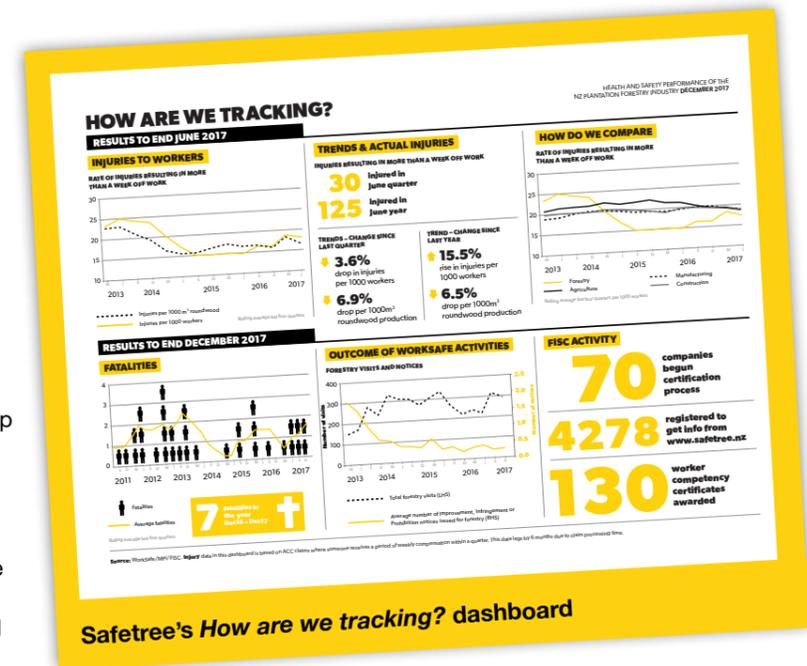
### Risk management guide

A guide on *How to Manage Forestry Risks* was published in March 2017. The booklet runs through the main types of forestry risks, includes a four-step plan for managing risks, and provides examples of practical methods to assess and manage risk. It is designed to help forestry companies keep their people safe and meet their legal duties.

### Health

A pilot to address body stressing injuries in silviculture was held in Nelson in November and 37 people attended these sessions. The results of the pilot are still being evaluated. However, the programme has already been picked up by one forest owner manager who attended the training.

FISC negotiated an arrangement with Vitae Workplace Wellbeing Services that means forestry employers can access counselling services for employees at a discounted price. This service is useful for employers who might recognise that a worker needs help, but who might not know how to help. The service is paid for by employers and can only be accessed with the employer’s approval.



### Alerts and statistics

Safetree provides an important mechanism for the industry to share lessons from investigations/incidents. In addition to the alerts published as part of the *Learning Review* initiative, we have published alerts from forestry companies and machinery providers.

We have also begun publishing information from WorkSafe, as it comes to hand, about forestry fatalities.

Our *How are we tracking* performance dashboard was updated during the year to include more accurate information about injury trends. The dashboard also includes indicators to measure improvements in safety, such as the number of workers being certified.

Safetree also publishes IRIS reports, compiled from incident reporting by 35 forestry companies and providing information about the type, frequency and severity of incidents, to help identify key contributing causes.

# LEADERSHIP

## Senior leadership

In September FISC ran a seminar on contractor safety for forestry leaders that included a presentation from senior executives at Transpower. Transpower shared the story of how it struggled to improve the safety performance of its painting contractors. Improvements only came after it changed the commercial arrangements the painters worked under – arrangements that had been undermining safety. These changes included extending the length of contracts to give contractors better security and trusting contractors to come up with their own ways to improve safety.

## Frontline leadership

**Piloting training programme:** We worked with Learning Wave to develop a Frontline Leadership programme suitable for forestry. We will run regional pilots in Gisborne, Whangarei and Balclutha to test the programme, before evaluating and refining for further roll out in 2018. Initial feedback from the pilot has been very positive.

**Case study:** We also published a video and written case study involving Hancock Forest Management. In this case study the company's management and workers talk about the benefits of initiatives Hancock put in place to improve culture and frontline leadership.



**We worked with Learning Wave to develop a Frontline Leadership programme suitable for forestry.**

## Safety II resource

In March we published a fact sheet on Safety II, a new approach to health and safety that focuses on learning from everyday work. The fact sheet included good questions leaders can ask on site visits to help identify if workers have what they need to work safely. This includes the right equipment, work methods and work environment.

### Helpful questions to ask on a forestry visit

One way to find out if workers have what they need to work safely is to go on site and ask open, non-threatening questions like:

- ❓ Tell me about a time when your work was difficult? Uncomfortable? Slow?
- ❓ What bothers you about the job?
- ❓ What solutions have you come up with to make the job better?
- ❓ What can we do to make that solution even better?
- ❓ What does the best crew look like? What do they do? How do they work?
- ❓ What is it about your workmates that makes them good to work with?
- ❓ How do we help you to get the right resources for the job?
- ❓ Can you tell me about the best clients/customers/suppliers you work with?
- ❓ Can you tell me about the ones that are difficult or frustrate you?

# DELIVERING TO THE SECTOR

**FISC promotes its initiatives and resources in a variety of ways, in order to reach as many people within forestry as possible.**

## Events

**Forestry Industry Safety Summit 2017:** FISC used this event to promote our key initiatives. The National Safety Director did a presentation to **380 people attending** the Summit on FISC's key initiatives. FISC also ran four workshops on these initiatives – certification, risk management, safety culture and Learning Reviews. There were more than 260 registrations at these workshops. Hard copies of FISC's Risk Management guide and some other resources were also distributed at the event.

**Regional workshops:** About **600 people attended** 17 regional workshops run between August and September. These workshops raised awareness of FISC's initiatives and resources. They were run in Stratford, Masterton, Napier, Gisborne, Kaitia, Whangarei, Wanganui, Rotorua, Tokoroa, Taupo, Greymouth, Kaiapoi, Timaru, Balclutha, Invercargill, Blenheim.

**Hui:** Following fatalities and serious injuries in the region, two hui were run in Gisborne in September and November. These were **attended by 120 people**. Feedback on how FISC can support improved health and safety was captured at both events. This reinforced our focus on good risk management, effective worker engagement and improving worker health.

## Website and social media

FISC delivers safety information and resources through its Safetree.nz website, Facebook page and fortnightly newsletter.

During 2017, visits to the website totalled nearly 18,000, with just under 9500 users visiting the site at least once. The Safetree Facebook page had nearly 2000 followers, many of them forestry workers and their families. Subscribers to the Safetree email newsletter – who tend to be managers, foremen and people in safety-related roles, rose to 4278.

During the year the Safetree website was improved when a Resources section was created that enables users to easily search for topics and types of information they are seeking.

## News media

The National Safety Director was interviewed by news media on several occasions and asked to comment on incidents, fatalities and industry efforts to improve health and safety. FISC also supplied several columns to industry and safety-related publications on initiatives to lift the industry's safety performance.

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**4278**  
**PEOPLE**  
subscribed to the Safetree newsletter

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# AUDITORS REPORT

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CHARTERED ACCOUNTANTS

21 March 2018

New Zealand Forest Industry Safety Council Trust  
PO Box 10029  
The Terrace  
Wellington 6143

To the Trustees

## **New Zealand Forest Industry Safety Council Trust – Review for the year ended 31 December 2017**

The aim of a review is to obtain limited assurance about whether the Performance Report as a whole is free from material misstatement, enabling a conclusion to be expressed on whether anything has come to our attention that causes us to believe the Performance Report is not prepared, in all material respects, in accordance with an applicable financial reporting framework.

In performing our work we reviewed the key controls in place to ensure the effective operation of your accounting systems and internal controls as they relate to the preparation of the Performance Report. To ensure you receive maximum benefit from our review we provide feedback from our evaluation of your systems and highlight areas of possible weakness or where we believe improvements can be made. That is the major purpose of this letter.

### **Specific matters arising from the Review**

There were no specific matters raised during the review that require the attention of the New Zealand Forest Industry Safety Council Trust.

It should be noted that these matters are not exhaustive and detailed work has not been performed on the internal control environment of the above entity.

If there is anything about the review you would like to discuss please do not hesitate to call me.

Yours faithfully

  
Robert Elms  
Director

Email: [robert.elms@stapleswellington.co.nz](mailto:robert.elms@stapleswellington.co.nz)

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CHARTERED ACCOUNTANTS

## **INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT To the Members of New Zealand Forest Industry Safety Council Trust**

We have reviewed the performance report of New Zealand Forest Industry Safety Council Trust on pages 2 to 11, which comprises the entity information, the statement of service performance, the statement of financial position as at 31 December 2017, the statement of financial performance and the statement of cash flows for the year then ended, and a summary of accounting policies and other explanatory information.

### **Board's Responsibility for the Performance Report**

The Board are responsible for the preparation and fair presentation of this performance report in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) and for such internal control as the Board determines is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

### **Assurance Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying performance report. We conducted our review in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400, *Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity*. ISRE (NZ) 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the performance report, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements. We have conducted our review of the entity information and the statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE 3000 (Revised), *Assurance Engagements other than Auditors or Reviews of Historical Financial Information*.

A review of the performance report in accordance with ISRE (NZ) 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on the performance report. Other than in our capacity as assurance practitioner we have no relationship with, or interests in, New Zealand Forest Industry Safety Council Trust.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the performance report does not present fairly, in all material respects:

- the entity information,
- the reported outcomes and outputs and quantification of the outputs to the extent practicable in the statement of service performance,
- the financial position of New Zealand Forest Industry Safety Council Trust as at 31 December 2017,
- the financial performance and cash flows of New Zealand Forest Industry Safety Council Trust for the year then ended;

In accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit).

  
21 March 2018  
Staples Rodway Audit Limited  
Wellington

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# PERFORMANCE REPORT

the year ended 31 December 2017

## NON-FINANCIAL INFORMATION

P18 Entity Information

P19 Statement of Service Performance

## FINANCIAL INFORMATION

P20 Statement of Financial Performance

P21 Statement of Financial Position

P22 Statement of Cash Flows

P23 Statement of Accounting Policies

P24 Statement of Performance Report

### 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 a 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.

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.



## NZ Forest Industry Safety Council Trust

### Statement of Service Performance

as at 31 December 2017

#### 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

Description of the Entity's Outputs	Actual
Developing H&S Leadership via a cross Industry Supply Chain. - Safety Culture tool reviewed, revised and piloted. - Leadership Charter developed. - Interactions and joint meetings with Business Leaders H&S Forum and Forestry CEO's.	Ongoing
Develop and Leverage effective Industry Communication. - Guidance documents produced and published on Safetree covering new H&S legislation.	Ongoing
Industry H&S Governance and Performance Management. - Performance dashboard developed and published on Safetree. - Research conducted to improve incident investigation outcomes.	Ongoing
Capability Development - People, processes and systems. - Review of Training Model ongoing. - Safetree Professional Forest Worker Certification Scheme developed. - Safetree Contractor Company Certification Scheme developed.	Ongoing
Industry H&S Reform is led and informed by Good Practice and Learning. - Case studies developed on Growing a Safety Culture, Leadership and Engineering Safety solutions.	Ongoing



## NZ Forest Industry Safety Council Trust

### Statement of Financial Performance

for the year ended 31 December 2017

	Note	Actual the year ended 31 December 2017	Budget the year ended 31 December 2017	Actual the year ended 31 December 2016
<b>Revenue</b>	1			
Forest Industry funding		721,559	930,000	546,164
Government funding		558,533	749,320	320,771
Interest		72	0	213
Other		8,077	0	318
<b>Total Revenue</b>		<b>1,288,242</b>	<b>1,679,320</b>	<b>867,467</b>
<b>Expenses</b>	2			
Costs related to providing goods and services		925,408	1,267,400	475,485
Administration and overhead costs		149,179	195,000	186,503
Employee related costs		209,428	210,000	204,884
<b>Total Expenses</b>		<b>1,284,015</b>	<b>1,672,400</b>	<b>866,871</b>
<b>Surplus/(Deficit) for the period</b>		<b>4,227</b>	<b>6,920</b>	<b>596</b>
Income tax	8	1,304	0	0
<b>Surplus/(Deficit) after tax</b>		<b>2,923</b>	<b>6,920</b>	<b>596</b>



NZ Forest Industry Safety Council Trust

Statement of Financial Position

as at 31 December 2017

	Note	Actual 2017 \$	Actual 2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Bank accounts and cash		1,903	26,924
Debtors and prepayments		149,415	100,975
<b>Total Current Assets</b>		<b>151,319</b>	<b>127,898</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	3	459	2,005
<b>Total Non-Current Assets</b>		<b>459</b>	<b>2,005</b>
<b>Total ASSETS</b>		<b>151,778</b>	<b>129,903</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses		144,744	125,862
Employee costs payable		6,247	6,177
<b>Total Current Liabilities</b>		<b>150,992</b>	<b>132,040</b>
<b>Total LIABILITIES</b>		<b>150,992</b>	<b>132,040</b>
<b>Total Assets less Total Liabilities</b>		<b>786</b>	<b>-2,136</b>
<b>Accumulated Funds</b>			
Accumulated (deficit)		776	-2,146
Capital contributed by Settlers		10	10
<b>Total Accumulated Funds</b>		<b>786</b>	<b>-2,136</b>

*Alison Paterson*

Alison Paterson  
Chair  
9 March 2018

*Fiona Ewing*

Fiona Ewing  
National Safety Director  
9 March 2018



NZ Forest Industry Safety Council Trust

Statement of Cash Flows

for the year ended 31 December 2017

	for the year ended 31 December 2017	the year ended 31 December 2016
<b>Cash Flows from Operating Activities</b>		
<b>Cash was received from:</b>		
Forest Industry Funding	737,012	588,164
Other funding	554,664	275,347
Net GST	-4,065	-1,611
<b>Cash was applied to:</b>		
Payments to suppliers and employees	1,312,704	840,954
<b>Net cash flows from operating activities</b>	<b>-25,093</b>	<b>20,946</b>
<b>Cash Flows from Investing and Financing Activities</b>		
<b>Cash was received from:</b>		
Interest	72	213
<b>Cash was applied to:</b>		
Payments to acquire property, plant and equipment	0	0
<b>Net Cash from Investing and Financing Activities</b>	<b>72</b>	<b>213</b>
<b>Net increase/(Decrease) in Cash</b>	<b>-25,021</b>	<b>21,159</b>
<b>Opening Cash</b>	<b>26,924</b>	<b>5,765</b>
<b>Closing Cash</b>	<b>1,903</b>	<b>26,924</b>
<b>This is represented by:</b>		
Bank Accounts and Cash	1,903	26,924



NZ Forest Industry Safety Council Trust

Statement of Accounting Policies

for the year ended 31 December 2017

**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 2018 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 2017

Analysis	for the year ended 31 December 2017	the year ended 31 December 2016
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**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.	721,559	546,164
Government Funding	WorkSafe and ACC provide further project funding to supplement industry funding on a business case basis.		
	ACC funding	338,740	272,410
	WorkSafe funding	219,792	48,362
Interest	Bank interest	72	213
Other	Income from training	7,927	0
	Re-imburement of office costs	150	318
	<b>Total Revenue</b>	<b>1,288,242</b>	<b>867,467</b>



NZ Forest Industry Safety Council Trust

Notes to the Performance Report

for the year ended 31 December 2017

**Note 3. Property, Plant and Equipment**

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

At 31 December 2016

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Computers (including software)	3,550	0	0	1,546	2,005

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

**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 \$18,068	9,034	9,034
Subscription fee	Contract with BraveGen for Safetree software management and reporting system till 30 August 2019 Total commitment of \$58,946	35,204	23,742

There are no contingent liabilities or guarantees as at balance date. (2016: Nil)



NZ Forest Industry Safety Council Trust

Notes to the Performance Report

for the year ended 31 December 2017

**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 received funding from FOA, including \$233,313 for projects and \$488,246 to cover its administrative expenses. The funding amount \$57,180 was outstanding as accounts payable of 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. Since relocation FOA charged FISC for rent and related occupancy expenses \$2,427 in cost recovery. All expenditure incurred has been repaid by FISC except for the amount of \$1,679 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. (2016: Nil)

<b>Note 8. Income Tax</b>	2017	2016
Taxable Income/(loss carried forward)	3,953	-1,621
Taxation @ 33%	1,304	0

**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.



**FOREST  
INDUSTRY  
SAFETY  
COUNCIL**



TOGETHER TOWARDS ZERO

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