



FOREST INDUSTRY
CONTRACTORS
ASSOCIATION

ANNUAL REPORT 2023

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EXECUTIVE BOARD



PRUE YOUNGER
FICA CEO



ROSS DAVIS
Acting Chair



DALE EWERS
Board Member



KEVIN IHAKA
Board Member



SONYA ELMIGER
Board Member



STEVEN YEOMAN
Board Member



TONY GAMBLE
Board Member



NATHAN TAYLOR
Board Member



NICK TOMBLESON
Board Member

AGENDA 2023



FOREST INDUSTRY
CONTRACTORS
ASSOCIATION

AGM AGENDA 2023 TOPICS

4.00 PM - 6.00 PM, WEDNESDAY 6 OCTOBER 2023
EAST PIER CONFERENCE CENTRE, NAPIER

1. Welcome
2. Apologies
3. Minutes of Previous AGM - Rotorua, November 2022
4. Matters Arising
5. Chair's Report
6. CEO's Report
7. Financial Report
8. Appointment of Board
9. General Business
10. Close



A handwritten signature in blue ink that reads "Ross Davis".

ROSS DAVIS
Acting Chair



A handwritten signature in blue ink that reads "Prue Younger".

PRUE YOUNGER
CEO

AGM MINUTES 2022



FOREST INDUSTRY
CONTRACTORS
ASSOCIATION

AGM MINUTES 2022

4.30PM - 7.00PM, 17TH NOVEMBER 2022
DISTINCTION HOTEL, ROTORUA

Present	Reference attached list below
Minutes Accepted	Previous minutes accepted by Matt Winmill, Seconded by Ross Woods
Action Items	
4.30pm	Matters Arising - No Matters arising

Chair's Report -

Overall it has been a year of ups and downs but never the less has been a positive year. CoVID is still influencing our industry. This year your board have done a lot of work on reviewing our strategic plan. Plus, we are working on a benchmark template contract that will hopefully end up in the hands of forest companies. We believe there is a need to improve the way contractors are being employed. We need a level playing field. Some contractors don't have travel pay, fuel adjustments in their contracts. We believe everyone needs to be on the same page.

In progress is the contractor certification. We need to get this right and be seen as showing value to both the contractors and the corporates that are supporting it.

I would like to thank all our sponsors. We have a great range of sponsors; they support this organisation well and encourage all that we do. I want to thank the board for all the work they do. Also, to thank Prue who does a fantastic job and who does 90% of the work.

We have done quite a bit of work this year trying to strengthen our relationship with the government. Which is reasonably hard work at times. Through the revamp of the training there has been a lot of work been done and a positive move there. Prue has been knocking on doors and working tirelessly to be heard.

CEO's Report - Summary of my report

Back in April we were on the verge of putting in a silviculture subsidy. This was to get new people into the industry and support them until they reached a productive level. We are only just finishing this, with 30 people that have stayed on being offered a \$1000/month pay-out to the employer post 6 months. A similar scheme was introduced in July for the harvesting sector.

Safetree contractor certification, finally we got a Technical advisory group that was put together for the Safetree contractor certification review.

Generation programme has been a success, we worked with the new CNI wood council to get this into their region, and they have taken a lot of graduates through. FICA received financial support from MSD (70k) to put together a series of career expos as well. This was an eye opener for us to see how hard it is to encourage young people into forestry.

Funding from Worksafe to implement a national contract template between principals and contractors. This is still in progress.

May export prices were at their highest for several years. Chain on custody verifies the path from the input material to the final product and gives assurance of sustainability.

Log advisory scheme came into force.

ROVE came into establishment where we created FRAG, we felt we needed a central point for entities to contact for forestry.

July export log prices continued to rise.

Primary industry summit invited us to speak. So, at long last forestry industry was seen as primary industry.

Yarder tower app was designed – about to sign off the best practice guidelines.

August market dropped and tipped the industry over again. With reduced production, delays in signing up pending contracts and genuine stoppages on the back of infrastructure pressures have all been seen.

MSD gave us some more money to run a 12-month challenge. Still had issue with the workforce in this sector.

FICA in focus, a way to get out what the board is doing for our members and sponsors. Constituted a revamp of our strategic plan.

Things were bad by the end of the year due to CoVID and log prices. FICA ended up having to do a lot of zooming and webinars to reach their members. We ended up seeing this as a positive because we realised, we were able to reach a lot more groups at once than we would have going to individual regions.

Funding from Worksafe to revamp ACOP, unfortunately took a fatality to get the ACOP reviewed.

The industry worked hard to come together during Omicron. FISC, FICA, FOA, NZIF together feel we implemented the bubble isolation ruling. Believe we did well to keep the industry going under those legalisations.

Mental health was starting to bubble away, we have been running a Mates4Life pilot in Central North Island and Hawke's Bay. Looking at getting this rolled out to the whole industry.

I feel it has been a tough year with the flow on from 2021 with CoVID, with the added stress of climate change and regional weather bombs.

Moving forward, we are taking a focus on upstream responsibilities working with Forest owners taking a share in the responsibilities. From investment, health, and safety etc.

National Contract template pilot is well under way.

Find your fit in forestry campaign has been another pot of money we have secured through MPI to engage with school leavers. We have reskinned the FOA forestry careers website which has again been a great connection with forest owners.

Eastland contractors reasonably dire, 20 odd contractors moving on or closing. A lot of the conversations were had at the regional leader's level. A lot of focus in this region with Waka Kotahi and Worksafe included.

Financial Report -

Statement of financial performance. The organisation overall revenue for the year declined by \$27,000 (3%). This is largely because of the reduction in funding received in the 2022 financial year particularly in respect of the 1 billion trees programme.

Both membership fees and sponsorship income increased by over 1%.

As with the reduction in income so did the organisations overall expenses reduce. The reduction in these expenses were at a higher rate than the income. Income reduced by 3% expenses reduced by 5%.

The reduction in costs was largely the result of significant declines in costs for FICA workshops, travel, and equipment hire. This was due to covid where a lot of training and workshops were covered by zoom.

The net result of the income and expense reductions has been an overall improvement in the profit position by just over \$10,000 which is a 1.3% improvement.

Statement of financial position. Current assets have increased by just under \$203,000. This is largely the result of increased funds retained in the bank. Together with higher trade receivables that have been recorded at year end.

Current liabilities also reflected an increase year on year. Up by \$114,000. This is a result of higher trader creditors and also the funds that have been paid in advance to the organisation. Largely thanks to the Safetree conference and Worksafe ACOP project. This income will come through into the next financial year, year ending March 23.

The net asset position of the organisation has improved by just under \$89,000. From \$494,000 to \$582,000. This is a healthy position for the organisation to be in. This ensures the ability to move forward with confidence and invest further in projects that benefits the members.

Further details and analysis of the incoming expenses are reported on within

the notes to the financial statements. These are more detailed than they have been in previous years. The reason for this, is due to the increase in projects that FICA is now involved with, and we wanted to create a better user experience for members in reviewing the accounts, by breaking the income and expenses down based on the specific projects they relate to. By putting them in their projects you can see what is coming in and what is going out and what money is being received/spent on.

Appointment of Board -

All the board members have decided to stand again. This is Ross's last year on the board and Robert Stubbs is the new chair.

General Business -

Why has there been increase in membership fees on the financials??

We have a stable membership base. We have had more silviculture contractors come on board, which we had discounted them previous years to encourage them to join FICA. We have also had a few contractors bump up a level. Plus we were in a position this financial year 2022 to give all FICA members a discount.

Meeting Close 5.30pm

This is an accurate record of the AGM meeting held on the 17 November 2022

Signed Chair FICA:

Date:



ROSS DAVIS
Chair



PRUE YOUNGER
CEO

Company	Name	Extra Guests Names
Volcanic Plateau Logging Ltd	Steven Yeoman	Julie Yeoman
Brand Logging Ltd	Tony Brand	Simon Brand, Emma Brand, Adam Brand
Mechanised Cable Harvesting	Nathan Taylor	Tracey Myers ,Hamish Matthews ,Kylie Matthews ,Ross Wood
AB Equipment	Craig Morrison	
Jensen Logging	Rachael Brown	Russell Jensen
Blackburne Group	Sonya Blackburne	
Baird Harvesting Ltd	Gareth Baird	Leslee Baird
KDL Contractor Ltd	Leisha Andrews	Hohepa Yates
Gillion Logging	Matt Winmill	
Reed Contracting Nelson Ltd	Scott Reed	Chelsea Reed
OFMLtd	Paul Olsen	Megan Olsen
Drummond and Etheridge	Jason Huitema	
AB Equipment	Hayden McCulloch	Ryan Petersen, stuart drew, Gareth Cryer, Chris King, Martin Talbot-Price, Mark Hill, Ben Kendrick, Marcus Bourke
Waratah Forestry Equipment	Jules Larsen	Karl Christensen, Gerard Crichton, Nelson Iliev, Heather Robinson, Alaric Ngawaka
CNI Wood council	Damitia Mita	
Pinedale Logging	Chris Rowe	
A Contractors	Dean	Larrisa
CNI Forest Management Ltd T/A Mahi Rakau	Stewart Hyde	Ryan Hyde, Joe Taute
Mike Hurring Logging	Michael Hurring	Josh Hurring
Terra Cat	Wayne Baker	
Te Wananga o Aotearoa	Travis	
AB Equipment	Craig Morrison	
Havendale Logging	Chris wise	
UDC	Matthew Richards	
Tane Mahuta NZ Lrd	Simon Geddes	Wini Geddes
Ocean View Logging	Mariana Rist	
COOKES	Shane Weeden	Warren Schultze
FICA	Prue Younger	
Loglease / FICA	Ross Davis	Sarah Davidson , Lynette Davis
Competenz	Christine Ewart	
FPS / FICA	Kevin Ihaka	
Stubbs Contracting / FICA	Robert Stubbs	
OFM Ltd	Blair Cooper	
Kajavala	Jacob Kajavala	
OFM Ltd	Rona Wheeldon	
Gamble Logging / FICA	Tony Gamble	
AB Equipment	Michael Crawley	
MHE Ltd Logging	Christine Axtens	
AB Equipment	Chris Groves	Jeffery McPhie
AB Equipment	Phil McKenzie	
FITCO Ltd	Greg Steele	
AB Equipment	Bob Baucke	
FICA	Dale Ewers	
Gavins Logging Ltd	Kerry Gavin	Kirsty Gavin
Nixin Contractors Ltd	Nick Cusack	Sophie Cusack

CHAIR'S REPORT



FOREST INDUSTRY
CONTRACTORS
ASSOCIATION

CHAIR'S REPORT

As Acting Chair of the FICA board, I am presenting this annual report for the 2022-23 financial year ending 31 March 2023. This time last year I had announced I would be stepping down as Chair at the 2022 AGM and handing over the reins to a new Chair. However due to difficult economic conditions, I have stepped back into the role as Interim Chair to the 2023 AGM.

The financial year started out positively and a highlight was the successful delivery of the 2022 Fast and Forward Forestry Expo in Rotorua in November. The event went very well, attracting a range of domestic and overseas visitors from as far afield as South America, North America and Australia. It was a milestone for FICA in putting on such a successful forestry show, giving us a good foundation to build on in future. These events are commonplace overseas but until now haven't been done here in New Zealand, so I congratulate everyone involved.

Then the start of 2023 brought some new challenges, particularly with the weather and a market downturn. To put it bluntly, the wheels fell off. So many have been affected by these challenging conditions, doing it extremely tough for extended periods of time. It has had huge and lasting impacts on our people and our industry, and we hope things improve from here.

Meanwhile, there has still been some good work happening in pockets. The Hauler Guarding project is making good progress, and we are seeing a conclusion to the Yarder Tower Inspector Certification project which has been three years in the making.

FICA also brought together the Pan-Sector Workshop to get around the table and look at the current situation. The key is finding some long-term sustainable and future-focused solutions, and it is my personal opinion that our industry is lacking leadership. While FICA is the voice of forestry contractors, we are only one piece of the puzzle and can only do so much. We don't know what all of the answers are, but we know we are part of the solution.

I personally believe that the industry is punch-drunk – it falls over and it gets back up again. A lot now believe this is normal – we've normalised that we're going to have a downturn again. Why are we accepting of this? Personally, I think we can do it better and address some of the issues in the industry. Primarily, that means addressing the power imbalance and where the risk is being taken between owners and contractors.

On a positive note, FICA is in a strong financial position. We are reviewing our constitution and tidying up the board election process which I believe is a welcome change.

I'd like to thank our CEO Prue Younger and her team. It has been a particularly challenging year for Prue personally, but she has put in endless hard work and drive to represent FICA and make things happen. Thank you also to our FICA Executive Board, who all work in a voluntary capacity and take time away from your own businesses for the greater good.



A handwritten signature in blue ink that reads "Ross Davis".

ROSS DAVIS
Acting Chair

CEO'S REPORT



**FOREST INDUSTRY
CONTRACTORS
ASSOCIATION**

CEO'S REPORT

I am unsure how to describe the last year but my conversation with Duncan Garner was to describe this year as a “cluster”. Only 12 months ago at our last AGM we were celebrating the opening of the Fast & Forward Forestry EXPO and that really does not seem that long ago. I have to say life had been testing for you, me and the industry and what we have been asked to endure this last year has been probably quite catastrophic!

But you know I think I can truly put hand on heart and say we are here today, stronger, more resilient and prepared to stay in an industry that so many of you are so passionate about. I think we all have an appreciation of “crisis” and what that means now but we don't want to go back to the same.

Despite the challenges we have forged ahead and been able to continue the advocacy and innovation, improvements, and support as business as usual. It is times like this that FICA's role really does become obvious. I think moving ahead we will make great gains out of what we all are going through and although the industry may not look like what it does today, it will still be a very important sector to the NZ economy and be providing jobs to communities which may look quite different to the skills of our workforce today. The key will be that we need to be prepared to make those necessary changes and mindsets to make that transformational change.

FICA has ticked off a lot in this last 12 months and we have been able to capture funding and network with others to support the industry with new initiatives and some initiatives that have were started prior to CoVID have finally been complete. Our Strategic Focus streams of Education and Promotion have met the needs of our sector well and we have a work stream that will take us into next year, to continue future proofing the contractors. Here is a snippet of some of the highlights of the year:

FICA's aims in education are to upskill the contractor community, prioritise safety in the workplace, increase best practice adoption and advance industry professionalism:

1. **Model contract template project launched** in August 2023 transformational negotiations and demonstrating “**what good**” looks like
2. ROVE advisory group completes **BluePrint for vocational training** and advocating to TEC organisations

3. Mates 4 Life pilot completed in Hawkes Bay with an **Auction that raised \$40K** for further development
4. **Be a Mate : Hei Hoa Te Ngahere** Business Case and forestry centric wellbeing programme underway for 2023/24
5. Monthly **webinars bringing experts** in on business support topics through challenging times
6. Part of a **Hauler Guarding** Technical Advisory Group to establish an industry **best practise guide**
7. Involved in **Toroawhi and Safetree Certification** Governance
8. **Yarder Tower Inspectors Certification Programme** stepped up to professional management
9. Steering Group for the **Industry Transformation Plan**
10. **ACOP Review** support and industry input
11. **Silviculture / Migrant Worker Guidelines** - being a good employer
12. **FENZ** Partnership opportunity
13. MOU Partners and lead in **Training & Education Entity**
14. Pio Terei **Wellbeing Video Series** during Cyclone Gabrielle & A-OK support

Through promotional activity FICA is focused on strengthening the “social licence” to operate, encouraging entry into the contractor workforce and growing the voice of the forestry contractor community:

1. **Immigration Class Exception** for forestry workers received **500 places** to get more workers to ground in 2023
2. **Fast & Forward Forestry EXPO** saw over 5000 visitors through the gates over 2 days and a sell out of trade stands with outstanding feedback for this inaugural event owned by FICA

3. **Celebrating 20 years of FICA**
4. Lead role for the implementation and design of **Find Your Fit In Forestry** – diversity of roles to the public via radio – newspaper – social media and TV
5. Support and judging panel for **Micro Innovation Competition**
6. **“Doing it Real”** Contractor good bugger stories on video
7. State of the Nation PR’s through media during **Cyclone Gabrielle** crisis
8. Promotional stand at the **National Fieldays Forestry Hub**

I can’t think of a better time to raise the flag when you hit rock bottom as things can often start working in reverse and it can generate better communications, networking, collaboration and proactive activities. That’s what I am feeling about the energy that is now going into the Pan Sector Group development and being taken up by a group of passionate forestry leaders.

The Forestry Supply Chain – Pan Sector Meeting held on July 26 in Rotorua provided a shared understanding of the problems and opportunities the sector faced in this 15-year crisis.

Collective discussions were had around what change would look like to generate a sustainable operating model that we don’t currently have. This collective direction setting can better guide decisions for the future and define what can be done more effectively, more efficiently and potentially what can be rationalised or minimised.

The solutions that were discussed did accommodate many challenges but the main solution from a majority in the hui, was to harness a new entity with a pan sector membership.

The greater and long-term goal for the Pan Sector initiative is the desire to improve the structure of the sector and make it communicate, promote, and improve the total value chain. The benefit of a common and collective ‘whole of industry’ voice, with direction and future opportunities stands to be shared with the industry and Government providing credibility that the ‘whole of industry’ is backing the content.

The proposed objectives of such a group would improve communication throughout the supply chain to ensure continued growth and ensure issues are managed with the interest of the whole sector in mind, on the basis it is socially responsible, environmentally, and ecologically sustainable, internationally competitive and profitable. Watch this space!

Thanks to the FICA Board, who continue to be a rock and an awesome group of people that allow me the rope to go further than many leaders but provide enough guidance to feel that I am doing what I need to do to meet industry needs. I feel like a chameleon at times changing many coats but loving the challenge that life throws up and working with people of the same mindset to make a difference and challenge the norm!



PRUE YOUNGER
CEO - FICA

ANNUAL ACCOUNTS



FOREST INDUSTRY
CONTRACTORS
ASSOCIATION

Annual Financial Statements

Forest Industry Contractors Association
For the year ended 31 March 2023

Prepared by Blackburne Group LP

Contents

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INDEPENDENT AUDITOR'S REPORT

To the Board of Forest Industry Contractors Association Inc

Report on the Performance Report

We have audited the performance report of Forest Industry Contractors Association Inc (the Incorporation) on pages 7 to 18 which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2023, the statement of financial position as at 31 March 2023, and the statement of accounting policies and other explanatory information.

In our opinion:

a) except for the matters raised under the Basis of Qualified Opinion with regard to the statement of service performance, the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;

b) except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph with regard to the expenditure incurred on the credit card, the accompanying performance report on pages 7 to 18, presents fairly, in all material respects,

- the entity information for the year then ended;
- the service performance for the year then ended; and
- the financial position of Forest Industry Contractors Association Inc as at 31 March 2023, and its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board

Basis for Qualified Opinion on Statement of Service Performance and Financial Performance

The Incorporation did not prepare a statement of service performance for the prior year, so we were unable to form an audit opinion on the comparative statement of service performance outputs.

We were also unable to confirm that all the expenditure incurred on the credit card (approximately \$35,000) was business expenditure for the purpose of the Forest Industry Contractors Association Inc, as there was limited supporting documentation to support the expenditure incurred. There are no practical audit procedures to determine the effect of this limited control and documentation on the incorporations reported expenditure.

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised).

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of Forest Industry Contractors Association in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Forest Industry Contractors Association Inc.

Responsibilities of the Board for the Performance Report

The Board are responsible for:

(a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;

(b) the preparation and fair presentation of the performance report on behalf of the entity which comprises:

- the entity information;
- the statement of service performance; and
- the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and

(c) 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.

In preparing the performance report, the Board are responsible on behalf of Forest Industry Contractors Association for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate Forest Industry Contractors Association Inc or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our 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, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

Other Matter

The financial statements of Forest Industry Contractors Association Inc for the year ended 31 March 2022 were audited by another auditor who expressed an unqualified opinion on those statements on 09 November 2022.

Restriction on Responsibility

This report is made solely to the Board, as a body, in accordance with section 9 of the rules of Forest Industry Contractors Association Inc. Our audit work has been undertaken so that we might state to the Board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board as a body, for our audit work, for this report, or for the opinions we have formed.



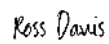
Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand
Date: 15 December 2023

Approval of Financial Report

Forest Industry Contractors Association For the year ended 31 March 2023

The Board are pleased to present the approved financial report of Forest Industry Contractors Association for the year ended 31 March 2023.

Approved this 15th day of December 2023.



Ross Davis
Acting Chair



Dale Ewers
Deputy Chair

Entity Information

Forest Industry Contractors Association For the year ended 31 March 2023

Legal Name of Entity

Forest Industry Contractors Association Incorporated

Entity Type and Legal Basis

Incorporated Society

Registration Number

1238821

Entity's Purpose or Mission

Be the strong, informed, and respected voice of the forestry contractor community.

Entity Structure

The organisation is governed by an executive committee consisting of a president and a minimum of eight other board members.

Main Sources of Entity's Cash and Resources

Membership fees, sponsorship revenue and contracts for project delivery.

Main Methods Used by Entity to Raise Funds

The entity is not an active fundraiser.

Entity's Reliance on Volunteers to provide peer support to fellow members

Board members provide their time as volunteers to attend meetings, meet with related groups and provide peer support to fellow members.

Physical Address

74 Kaimanawa Street, Taupo, New Zealand. 3330

Postal Address

PO Box 12017, Napier, New Zealand. 4144

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Audit Report.

Statement of Service Performance

Forest Industry Contractors Association For the year ended 31 March 2023

Description of the Entity's Outcomes

Drive the professionalism of forestry contractors and support members to prepare for the changing industry environment, compliance, and future opportunities.

Description and Quantification (to the extent practicable) of the Entity's Outputs	Actual This Year	Actual Last Year
Maintain steady membership numbers and encourage new memberships	213	222
Events and workshops held during the year to support members and the forestry community	9	
Newsletters prepared on monthly basis (1 newsletter for January/February) to keep members updated on industry updates and news/recognitions and upcoming events	11	11

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Audit Report.

Statement of Financial Performance

Forest Industry Contractors Association For the year ended 31 March 2023

	NOTES	2023	2022
Revenue			
Revenue from providing goods or services	1	1,338,872	783,951
Interest, dividends and other investment revenue	1	12,071	3,438
Total Revenue		1,350,944	787,389
Expenses			
Costs related to providing goods or service	2	1,141,854	664,463
Other expenses	2	40,665	34,317
Total Expenses		1,182,519	698,780
Surplus/(Deficit) for the Year		168,425	88,609

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Audit Report.

Statement of Financial Position

Forest Industry Contractors Association As at 31 March 2023

'What the entity owns?' and 'What the entity owes?'

	NOTES	31 MAR 2023	31 MAR 2022
Assets			
Current Assets			
Bank accounts and cash			
Business Online Saver		36,071	89,055
FICA Westpac (NZ) Rotorua		360,594	234,631
Total Bank accounts and cash		396,665	323,686
Other Current Assets			
Trade receivables		35,546	131,017
Prepayments		16,055	16,986
Accrued Interest		5,931	1,247
Goods and Services Tax		37,141	40,631
Income Tax Refund	10	1,293	475
Term Investment		332,924	329,531
Total Other Current Assets		428,890	519,886
Total Current Assets		825,555	843,573
Non-Current Assets			
Property, Plant and Equipment	4	6,862	353
Total Non-Current Assets		6,862	353
Total Assets		832,418	843,925
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	59,143	186,607
Other current liabilities	3	22,652	75,120
Total Current Liabilities		81,795	261,728
Total Liabilities		81,795	261,728
Total Assets less Total Liabilities (Net Assets)		750,623	582,198
Accumulated Funds			
Accumulated surpluses or (deficits)	5	750,623	582,198
Total Accumulated Funds		750,623	582,198

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Audit Report.

Statement of Cash Flows

Forest Industry Contractors Association For the year ended 31 March 2023

	2023	2022
Cash Flows from Operating Activities		
Cash was received from:		
Providing goods or services		
Receipts from members and customers	1,371,249	783,646
Total Providing goods or services	1,371,249	783,646
Interest, Dividends & Other Investments		
Interest received	7,387	2,715
Total Interest, Dividends & Other Investments	7,387	2,715
Total Cash was received from:	1,378,636	786,361
Net GST		
GST	(2,901)	1,327
Total Net GST	(2,901)	1,327
Cash was applied to:		
Payments to suppliers	(1,287,927)	(668,199)
Total Cash was applied to:	(1,287,927)	(668,199)
Total Cash Flows from Operating Activities	87,809	119,489
Cash Flows from Investing Activities		
Cash was applied to:		
Payments to acquire property, plant & equipment	(11,436)	-
Payment for investments	(3,393)	(2,103)
Total Cash was applied to:	(14,830)	(2,103)
Total Cash Flows from Investing Activities	(14,830)	(2,103)
Net Cash Flows	72,979	117,386
Cash Balances		
Cash and cash equivalents at beginning of period	323,686	206,301
Cash and cash equivalents at end of period	396,665	323,686
Net change in cash for period	72,979	117,386

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Audit Report.

Statement of Accounting Policies

Forest Industry Contractors Association For the year ended 31 March 2023

Basis of Preparation

These are the Financial Statements of Forest Industry Contractors Association. Forest Industry Contractors Association is an Incorporated Society established under the Incorporated Societies Act 1908.

Forest Industry Contractors Association 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 equal to or less than \$2,000,000. All transactions in the Annual Report are reported using the accrual basis of accounting. The Annual Report is prepared under the assumption that the entity will continue to operate in the foreseeable future. Forestry Industry Contractors Association is not required to produce a Statement of Service Performance.

Tier 2 PBE Accounting Standards Applied

The Board has not applied any Tier 2 PBE Accounting Standards in the preparation of the performance report.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable 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 (including short term deposits) with original maturities of 90 days or less.

Trade Receivables

Trade receivables are stated at their estimated realisable value.

Income Tax

Income tax is calculated on payments basis. The Association is liable for income tax on all non-member income less a \$1,000 exemption.

Property, Plant & Equipment

Property, plant and equipment is shown at cost less any accumulated depreciation and impairment losses. Gains and losses on disposals of fixed assets are taken into account in determining the operating result for the year.

Depreciation

Depreciation is charged on a diminishing value basis on all property, plant and equipment, at rates permitted by the Income Tax Act 2007. The rates of depreciation used are:

Property, Plant & Equipment 40% DV

Website Development 50% DV

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Audit Report.

Revenue from Providing Goods or Services

Revenue from providing goods or services is recognised on an accrual basis. Project funding income is accounted for depending upon whether or not it has a "use or return" condition attached. Where no use or return conditions are attached, the funding is recorded as income when it becomes receivable under the terms of the project. Where project funding income includes a use or return condition, it is initially recorded as a liability when it becomes receivable under the terms of the project. The income is then subsequently recognised within the Statement of Financial Performance as the performance conditions are met.

Investment Income

Investment income is recognised on an accrual basis.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Audit Report.

Notes to the Financial Report

Forest Industry Contractors Association For the year ended 31 March 2023

	2023	2022
1. Analysis of Revenue		
Revenue from providing goods or services		
Association		
Membership Fees	233,675	235,442
Member Fee Discount 15%	(24,388)	-
Other Income	5,854	886
Total Association	215,141	236,328
Taxable Income		
Taxable Activities		
Event Sponsorship	32,584	24,000
Event Fees	38,475	49,930
Fast Forward Forestry Expo	369,859	-
Food & Fibre CoVE Board Fees	12,500	8,333
Harvesting Subsidy Administration	7,750	-
Other Contracts & Services	2,500	-
Silviculture Subsidy Administration	-	80,500
Sponsorships	180,000	193,890
Yarder Tower Income	1,056	15,629
Total Taxable Activities	644,724	372,283
Funding Received		
1BT Funding - Swift Trust	-	10,000
Mates4Life Pilot	20,000	-
Ministry of Education Project	-	56,340
Model Contract Template	95,000	50,200
MPI - Universal Forestry Platform	163,250	-
Recruitment Campaign	145,758	58,800
Worksafe ACOP Project	55,000	-
Total Funding Received	479,008	175,340
Total Taxable Income	1,123,731	547,623
Total Revenue from providing goods or services	1,338,872	783,951
Interest, dividends and other investment revenue		
Interest Income	12,071	3,438
Total Interest, dividends and other investment revenue	12,071	3,438

This statement is to be read in conjunction with the Audit Report.

2023 2022

2. Analysis of Expenses

Costs related to providing goods or services

Taxable Expenses

Taxable Activities

Administration Contract Fees 60%	8,850	12,195
Advertising	27,677	17,658
Conference Costs	134,646	11,761
Credit Card Merchant Fees/Bank fees	109	104
Corporate Gifts	1,715	1,224
Donation	3,000	-
Other Contracts & Services	5,000	-
Event Sponsorship	2,500	12,468
Fast Forward Forestry Expo	233,264	638
FICA Workshops	5,116	1,569
Journals	9,163	13,040
Management Contract Fees 60%	107,267	110,080
Postage & Courier Fees	719	23
Printing & Stationery	443	2,041
PR/Marketing Costs	13,828	9,854
Telephone & Internet	3,004	3,035
Travel Expenses	20,160	22,391
Yarder Tower	7,698	11,840
Total Taxable Activities	584,158	229,920

Funded Project Expenses

Career Expos	225	32,745
FRAG	2,131	20,580
Generation Programme	-	10,000
Learning from Everyday Work	-	6,098
Mates4Life Pilot	32,969	-
Ministry of Education Project	-	692
Model Contract Template	27,319	66,276
MPI - Universal Forestry Platform	172,828	-
MSD Harvesting Subsidy	11,288	7,658
Recruitment Campaign	163,616	140,430
Silviculture Funding Administration	435	7,120
Total Funded Project Expenses	410,809	291,599
Total Taxable Expenses	994,967	521,520

This statement is to be read in conjunction with the Audit Report.

	2023	2022
Association Expenses		
Administration Contract Fees 40%	5,900	8,130
Catering	1,529	1,569
Computing Services	118	149
General Expenses	1,461	2,425
Insurance	4,794	5,796
Management Contract Fees 40%	71,511	73,387
Motor Vehicle Expense	2,403	1,989
Motor Vehicle Lease	5,773	6,539
Promotion Collateral	812	120
Sponsorship	23,325	15,500
Subscriptions	27,376	24,958
Venue & Equipment Hire	1,457	1,440
Website & Updates	426	941
Total Association Expenses	146,887	142,943
Total Costs related to providing goods or services	1,141,854	664,463
Other expenses		
Association Expenses		
Accounting Fees	12,957	7,373
Audit Fees	6,000	4,249
Depreciation	4,927	303
Other Consultants Fees	16,781	22,392
Total Association Expenses	40,665	34,317
Total Other expenses	40,665	34,317

3. Analysis of Liabilities

	2023	2022
Creditors and accrued expenses		
Accounts Payable	59,143	186,607
Total Creditors and accrued expenses	59,143	186,607
Other Current Liabilities		
Insurance Funds Received in Advance	1,203	1,203
Membership Fees Received in Advance	2,700	2,912
MSD Harvesting Subsidy	18,750	-
SafeTree Conference Received in Advance	-	16,006
Worksafe ACOP Project Funds Received in Advance	-	55,000
Total Other Current Liabilities	22,652	75,120

This statement is to be read in conjunction with the Audit Report.

	2023	2022
4. Property, Plant & Equipment		
Property, Plant & Equipment		
Property, Plant & Equipment	1,084	1,084
Less Accumulated Depreciation on Property, Plant & Equipment	(995)	(936)
Total Property, Plant & Equipment	89	148
Website Development		
Website Development	6,098	6,098
Purchases	11,436	-
Less Accumulated Depreciation on Website Development	(10,760)	(5,893)
Total Website Development	6,774	205
Total Property, Plant & Equipment	6,862	353
	2023	2022

5. Accumulated Funds

Accumulated Funds		
Opening Balance	582,198	493,589
Accumulated surpluses or (deficits)	168,425	88,609
Total Accumulated Funds	750,623	582,198
Total Accumulated Funds	750,623	582,198

6. Management Contracts / Contracts for Service and Related Parties

Forest Industry Contractors Association has a contract for services agreement with Public Impressions Limited (a company owned by Prue Younger, the current CEO of Forest Industry Contractors Association). The contract is for the provision of management and operational services by Public Impressions Limited. The amount paid was \$201,545 (2022: \$229,169).

Forest Industry Contractors Association also has a contract for event management services with Public Impressions Limited. The amount paid was \$43,078 (2022: Nil).

Forest Industry Contractors Association has a contract for services agreement with Frank Communication NZ Limited (a company owned by Sarah Davis the daughter of Ross Davis the current acting Chair of Forest Industry Contractors Association). The contract is for the provision of consultancy and marketing services by Frank Communications NZ Limited. The amount paid was Nil (2022: \$3,713).

Blackburne Group are not independent of Forest Industry Contractors Association as Sonya Elmiger, a partner in the firm, is a member of the executive committee that governs the organisation Forest Industry Contractors Association. The amount paid for accounting services was \$12,957 (2022: \$9,718). The amount received for sponsorship and event registration fees was \$10,000 (2022: \$5,300).

7. Operating Lease Commitments and Other Commitments

Forest Industry Contractors Association has a 36 month lease agreement for a Maxxia Truck, at \$481.12/month. This lease expires on 1 August 2023. There are no other commitments as at 31 March 2023 (Last year – Nil).

8. Contingent Liabilities, Guarantees and Securities

There are no contingent liabilities or guarantees as at 31 March 2023 (Last year - Nil). There is a business Mastercard facility available with Westpac Bank, with a limit of \$10,000.

This statement is to be read in conjunction with the Audit Report.

9. 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 (Last year - nil).

10. Income Tax

These figures are subject to confirmation by Inland Revenue.

Administrative and overhead expenses, other than management contract fees, CEO Support Services and performance payments which are attributed separately, are allocated to Association Expenses for the purpose of calculating the association's income tax liability, based on the percentage of total income.

The losses are subject to Inland Revenue approval. The taxation benefits of losses will be available if provided:

- The association complies with conditions for offset imposed by the Income Tax Act 2007 and amendments thereto; and
- No change in taxation legislation adversely affects the association in realising the taxation benefits of those losses; and
- The association generates assessable income in the future, against which the losses can be offset.

Income Tax Calculation	2023	2022
Gross Interest Received	12,071	3,438
Net Surplus (Deficit) from Taxable Trading	128,764	26,103
Share of Administration/Overhead Expenses	(97,395)	(72,488)
Exemption	(1,000)	(1,000)
Add:		
Non Deductible Provisions		
Exemption Lost	-	1,000
Taxable Income /(Loss)	42,440	(42,947)
This is made up of:		
Interest Income	12,071	3,438
Business Income / (Loss)	30,369	(46,385)
	42,440	(42,947)
Taxation Due		
Plus: Losses Brought Forward	(561,041)	(518,094)
Total Losses to Carry Forward	(518,601)	(561,041)
RWT Paid	1,293	475
Tax Payable/(Refund) as per Statement of Financial Position	(1,293)	(475)

This statement is to be read in conjunction with the Audit Report.

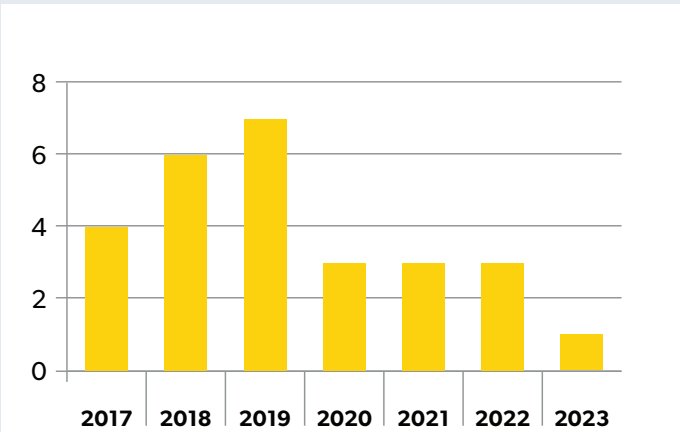
SAFETREE DASHBOARD

HOW ARE WE TRACKING?

HEALTH AND SAFETY PERFORMANCE OF THE NZ PLANTATION FORESTRY INDUSTRY

FATALITIES AS AT AUGUST 2023

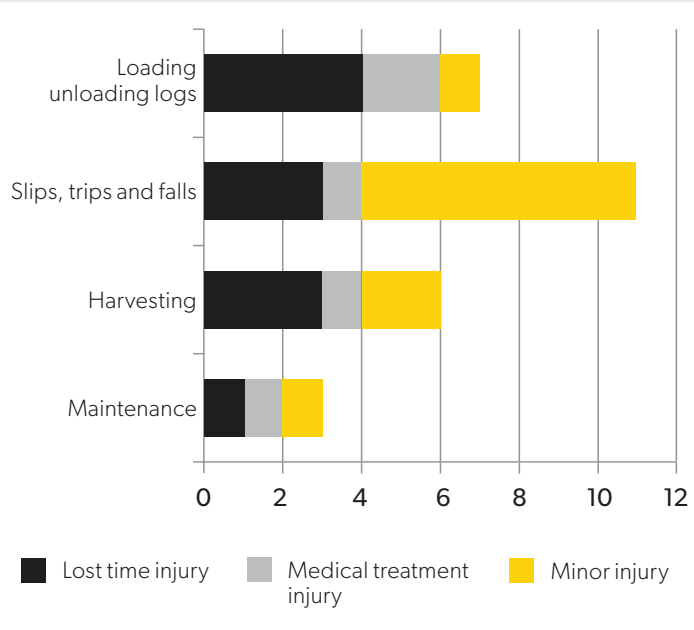
Fatalities



+ 1 fatality in 2023

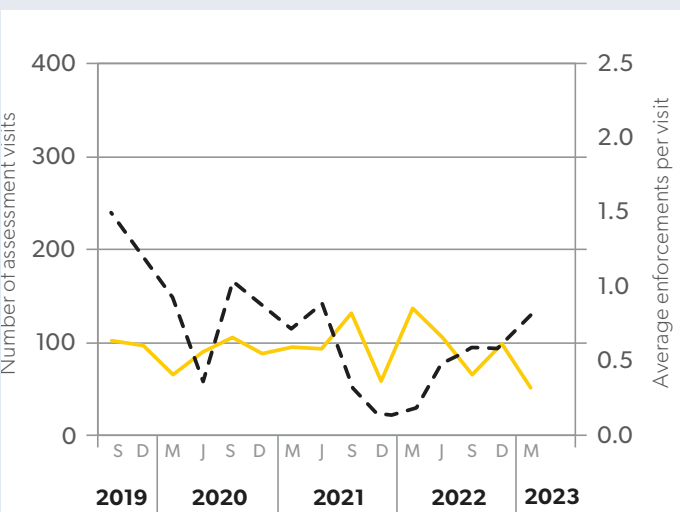
FORESTRY INDUSTRY ACTIVITY Q2 2023

Critical risk area analysis



RESULTS TO END OF MARCH 2023

WorkSafe visits and notices



RESULTS FROM MAY TO AUGUST 2023

FISC Activity

↑ 9,300
Safetree Facebook followers

↑ 487,000
TikTok views last quarter

↑ 656,000
Facebook Reach last quarter

↑ 3,812
Safetree subscribers

↑ 5,236
TikTok followers

↓ 271
Certified or pending Contractors

RESULTS TO END OF MARCH 2023

Trends & actual injuries

Injuries resulting in more than a week off work

31

injured in quarter

164

injured in year

Trends – Change since last quarter

↓ **-3.6%**

rise in injuries per 1000 FTE workers

↓ **-3.0%**

fall per 1 million m³ roundwood production

Trends – Change since last year

↑ **5.8%**

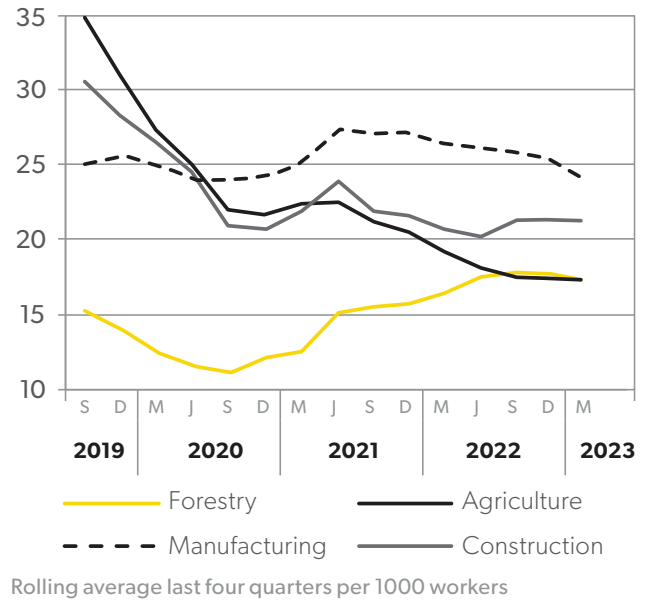
rise in injuries per 1000 FTE workers

↑ **1.6%**

rise per 1 million m³ roundwood production

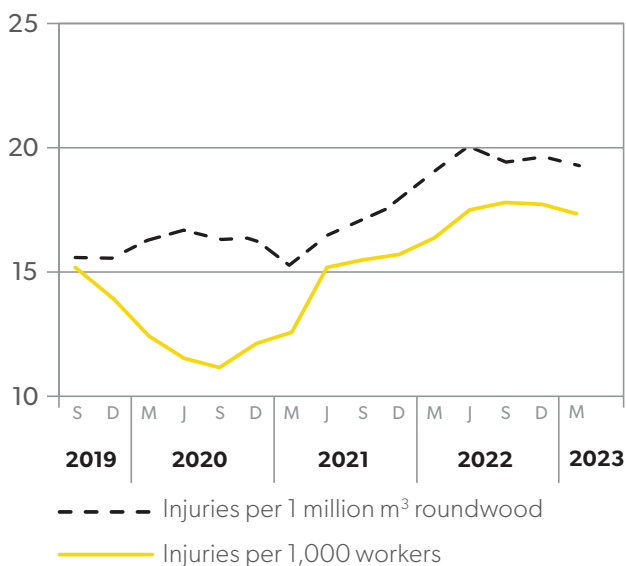
Injuries to workers

Rate of injuries resulting in more than a week off work



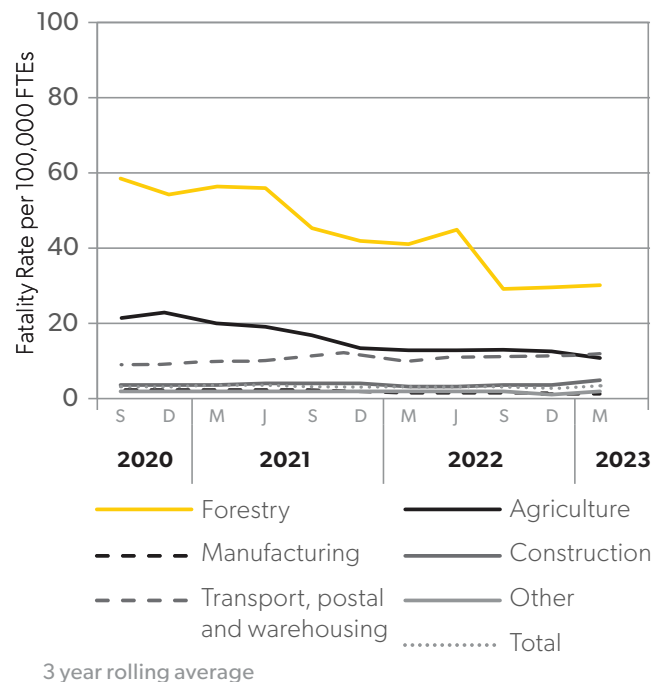
How do we compare

Rate of injuries resulting in more than a week off work



Fatalities

Rate of fatalities per 100,000 FTEs



WHAT DOES FICA DO?

As the voice of contractors, FICA aims to partner with other forestry entities and work in collaboration to support the growth, capability and promotion of the forestry industry throughout New Zealand. Here are some of the latest programmes and initiatives FICA is delivering and/or contributing to.

**MODEL CONTRACT
TEMPLATE -
SHOWING WHAT
GOOD LOOKS LIKE**

**MENTAL HEALTH
AND WELLBEING
INITIATIVES
INCLUDING BE A
MATE IN FORESTRY
NATIONAL
PROGRAMME**

**NATIONWIDE
RECRUITMENT
CAMPAIGN**

**FIND YOUR FIT
IN FORESTRY**

Te mahi paina me te painga o te mahi nei māu, tirohia



**WINCH ASSIST / YARDER
TOWER INSPECTION /
HAULER GUARDING BEST
PRACTICE GUIDELINES
(BPGS)**



**GOVERNMENT
ADVOCACY FOR
CONTRACTORS
AND WIDER
INDUSTRY ISSUES**



DEVELOPING BUSINESS MODEL OF SILVICULTURE



SAFETREE CERTIFICATION GOVERNANCE GROUP INVOLVEMENT



INDUSTRY TRANSFORMATION PLAN INVOLVEMENT

REVIEW OF VOCATIONAL EDUCATION (ROVE) INVOLVEMENT



FAST & FORWARD FORESTRY EXPO

NEXT SHOW COMING 2025



SAFETREE "LEARNING FROM EVERYDAY WORK" APP





**FOREST INDUSTRY
CONTRACTORS
ASSOCIATION**

FICA PARTNERS

Thank you to all of the organisations who support FICA, which in turn works to promote business growth and improved safety and efficiency amongst forestry contractors for the benefit of New Zealand's Forestry Industry.

STRATEGIC PARTNERS



BUSINESS PARTNERS



GOLD PARTNERS

»» SHAW'S

