



PrefabNZ Incorporated trading as

**OFFSITENZ**

**ANNUAL REPORT  
2022/23**

## Chair Message from Andrew McKenzie



The OffsiteNZ board are very pleased with the organisation's achievements over the past 12 months as we come out of the Covid era. While the covid restrictions have been replaced with economic headwinds we see the offsite sector advance greatly and in part due to OffsiteNZ's hard work.

Key highlights from the year include:

- **Colab2022** in Wellington after two years of lock downs and cancellations, Scott Fisher & Jessica Gray led a very successful well attended event, further raising the profile of OffSiteNZ and strengthening the organisations finances.
- Completion of the MSD funded **Offsite Sector Insights Research project**, which continues to help position the industry positively.
- The launch of MBIE's **BuiltReady** factory certification scheme, which had input from OffsiteNZ and other sector leaders via a technical working group chaired by Scott.
- Scott's active involvement in the **Construction Sector Accord** has seen Scott appointed to their **Residential Sector Reference Group**.
- The **Commerce Commission's Recommendation 7** for the government to support the OSM more including mandates and incentives to promote the adoption of offsite solutions. OffsiteNZ has been advocating these points for some time.
- Active involvement in the **Construction & Infrastructure and the Manufacturing, Logistics & Engineering Workforce Development Councils** including Scott invitation to be on both WDC's sector reference groups.

The 2022 Successes Infographic at the end of the financial report is a great summary of the hard work we have been doing on behalf of members and the broader sector.

A special thanks to Mike Fox and Andrew Booker as they stepped down from the Board at the June 2022 AGM. Mike & Andrew's contribution was invaluable, particularly in regard to the Building Amendment Act journey and in the re-setting of OffsiteNZ's strategic direction. We welcomed Ben Drake and Stijn van den Eeden as our 2 new Board members.

The 2023 AGM will be the last meeting for Toni Kennerley, Bernie O’Fagan & Kerry Edwards. Toni, Bernie & Kerry have all provided valuable input as the Board has redefined the organisations strategy and vision. Toni’s Board tenure included being Chair over 2021-22 during a time of significant change and challenges and has provided support over and beyond what would normally be expected from a voluntary Board member. Toni led the board from the impact of lockdowns and online Colab21 and out into the in-person event that was Colab22 in Wellington. She provided great support and advice to Scott and kept the organisation on track and focussed on its strategic goals.

The OffsiteNZ board also recognises and thanks Scott for his hard work, passion, persistence and diligence over the last year and we look forward to working alongside Scott and the Offsite team in 2023.

Regards  
Andrew

**Andrew McKenzie - Board Chair**

## **CEO Message from Scott Fisher**



As I write my 4<sup>th</sup> Annual Report, I reflect on the significant progress that we have made to advance the offsite sector in New Zealand. Each milestone achieved is another step towards a better performing construction industry. The 2022/23 year has had many highlights as outlined in Andrew's message above.

For me one success is when the things we discuss as an industry are picked up embraced by others in the broader construction industry. This includes the Construction Sector Accord 2.0, which now has an Innovation workstream as well as a Residential Sector Reference Group, which I am on. The Accord 2.0 secured \$37.485m to continue the work of achieving a thriving, fair and sustainable construction sector.

Further, Waihangā Ara Rau (the Construction Workforce Development Council) set up an Offsite Sector Reference Group, Kāinga Ora continue to rolling out an OSM strategy and BuiltReady (a factory certification scheme) is a tangible outcome from the Building Amendment Act 2021. I was honoured to be asked by MBIE to chair the technical working group for the Modular Component Manufacturing Scheme which helped shape BuiltReady. Late in 2022 I was appointed as a member of MBIE's Building Advisory Panel another honour and endorsement that innovation is a key to a better performing construction sector.

A significant amount of time and resource is spent on advocating for the offsite sector. Through our advocacy we help broaden the understanding of the benefits of adopting an offsite strategy. I participated in the Commerce Commission's Residential Building Supplies Market Study Conference during 2022 and it was extremely encouraging that the Commerce Commission included an OSM recommendation for the government to develop an all-of-government strategy. The government has subsequently adopted and gone even further in its intent to support the offsite sector.

Operationally we continued to work hard to continue to deliver value to members and opportunities for everyone to connect. While the covid era is behind us, it has now been replaced by tough economic conditions which impact our members, potential members, partners, potential partners and access to project funding. Subscriptions, sponsor income and project grants continue to be challenging to secure and grow.

The financial performance over 2022/23 for OffsiteNZ saw an improvement over the previous year with a small surplus of \$9,896 and improved member equity to (-\$17,738) as at 31 March 2023. Sponsorship income continued to be challenging to secure and a key project funding application to BRANZ was unsuccessful which was disappointing. The Offsite team and Board will continue to work hard to secure more sustainable funding in the 2023/24 year so we can continue our important work.

I would like to thank all members for their continued support and contribution to an exciting and valuable part of the construction sector. Also, a big thanks to Andrew and the Board for their ongoing support. The Board represents members extremely well and without the time they volunteer we would not be able to achieve the amount we do. A special thanks to Toni Kennerley, Bernie O’Fagan & Kerry Edwards as they step down from the Board and whose contribution has been invaluable particularly in regard to the Building Amendment Bill journey and in the re-setting of OffsiteNZ’s strategic direction.

Our part of the industry is going from strength to strength and you should be proud that you are at the forefront of innovation in the construction sector.

**Scott Fisher – CEO**

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**PREFABNZ INCORPORATED**  
**trading as**  
**OFFSITENZ**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**PREFABNZ INCORPORATED**  
**trading as**  
**OFFSITENZ**

**SOCIETY INFORMATION**  
**AS AT 31 MARCH 2023**

<b>Registered Office</b>	206 Papawai Road Rd 1 Greytown 5794
<b>Nature of Business</b>	Non-Profit Membership Organisation for the Prefabricated industry
<b>Company Number</b>	2538416
<b>Bankers</b>	ANZ Bank Wellington

**PREFABNZ INCORPORATED**  
**trading as**  
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**COMPILATION REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

Compilation report to the board of Prefabnz Incorporated.

**Scope**

On the basis of information you provided, I have compiled the financial statements of Prefabnz Incorporated for the year ended 31 March 2023. These have been prepared in accordance with Generally Accepted Accounting Practice described in Note 1 to the financial statements.

**Responsibilities**

You are solely responsible for the information contained in the financial statements and have determined that the Generally Accepted Accounting Practice used is appropriate to meet your needs and for the purpose that the financial statements were prepared. The financial statements were prepared exclusively for your benefit. I do not accept responsibility to any other person for the contents of the financial statements.

**No audit or review engagement undertaken**

My procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. My procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

**Disclaimer of liability**

I do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do I accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

6 June 2023

Auckland

R Holyer  
Chartered Accountant



**PREFABNZ INCORPORATED**

**trading as**  
**OFFSITENZ**

**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	2023	2022
<b><u>Income</u></b>		
Membership Subscriptions	94,181	94,577
Sponsorship	89,792	100,541
Other Income	6,375	1,340
Conference/CoLab Event	131,132	2,169
Project: Industry Partnerships	-	52,083
Covid-19 Wage Subsidy Income	-	15,836
Interest Received	1,011	536
	<hr/>	<hr/>
<b><u>Total Income</u></b>	322,491	267,082
<b><u>Deduct Expenses</u></b>		
ACC Levies	1,144	-
Contract Payments	228,333	211,086
Accountancy and Software Fees	2,991	3,237
Bank Fees	1,938	808
Board Expenses	426	337
Computer Expenses	-	122
Conference/CoLab Event	58,055	770
Internet	1,971	1,137
Insurance	1,745	1,745
Low Value Asset Write Off	782	-
Marketing and Sponsorship	2,234	10,192
Meeting Expenses	408	1,171
Membership & Subscription Fees	-	3,000
Printing, Stationery & Postage	7	83
Project: Webinar	948	4,571
Project: Industry Partnerships	-	47,000
Recruitment/Personnel	356	174
Share of Office Expenses	776	574
Telephone Expenses	1,682	1,525
Travel Expenses	1,314	1,396
Travel - International	342	-
Website Expenses	6,024	6,733
Covid 19 Wage Subsidy Expense	-	15,836
	<hr/>	<hr/>
	81,999	100,411
Depreciation as per Schedule	1,119	740
	<hr/>	<hr/>
<b><u>Total Expenses</u></b>	312,595	312,237
	<hr/>	<hr/>
<b><u>Net Profit/(Loss)</u></b>	9,896	(45,155)
	<hr/>	<hr/>

The attached notes form part of and are to be read in conjunction with these Financial Statements

**PREFABNZ INCORPORATED**  
trading as  
**OFFSITENZ**

**STATEMENT OF MOVEMENTS IN MEMBERS FUNDS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	2023	2022
Net Profit/(Loss) for the Year	9,896	(45,155)
<b>Total Recognised Revenues and Expenses for the Year</b>	9,896	(45,155)
Members Funds at Beginning of the Year	(27,634)	17,521
<b><u>Members Funds at End of the Year</u></b>	<u>(17,738)</u>	<u>(27,634)</u>

The attached notes form part of and are to be read in conjunction with these Financial Statements

**PREFABNZ INCORPORATED**  
trading as  
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**BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	2023	2022
<b><u>Current Assets</u></b>		
ANZ Cheque Account	54,590	50,168
ANZ - Debit Card	903	4,591
ANZ - Paypal	4,853	9,650
Accounts Receivable	99,604	130,051
Prepayments	26,345	6,931
Taxation Refund Due	510	460
	<hr/> 186,805	<hr/> 201,851
<b><u>Deduct Current Liabilities</u></b>		
Accounts Payable	2,913	8,154
Accrued Expenses	-	2,300
Membership Subscriptions Received in Advance	99,785	101,761
Other Income in Advance	66,932	90,618
Annual Leave Accrual	12,846	10,098
Goods and Services Tax	23,032	17,322
	<hr/> 205,508	<hr/> 230,253
<b><u>Working Capital/(Deficit)</u></b>	(18,703)	(28,402)
<b><u>Add Non-Current Assets</u></b>		
<b><u>Property, Plant and Equipment</u></b>		
Property, Plant and Equipment at Cost	31,635	29,645
<b><u>Less</u></b> Accumulated Depreciation	29,996	28,877
	<hr/> 1,639	<hr/> 768
<b><u>Deduct Non-Current Liabilities</u></b>		
Spark NZ Loan	674	-
	<hr/> 674	<hr/> -
<b><u>Net Assets/(Liabilities)</u></b>	<hr/> (17,738)	<hr/> (27,634)
 <b><u>Represented By</u></b>		
<b><u>Member Funds</u></b>		
Retained Earnings/(Accumulated Losses)	(17,738)	(27,634)
<b><u>Total Member Funds</u></b>	<hr/> (17,738)	<hr/> (27,634)

For and on behalf of the Board;

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date

The attached notes form part of and are to be read in conjunction with these Financial Statements

**PREFABNZ INCORPORATED**

**Property, Plant and Equipment Schedule**  
**For the Year Ended 31 March 2023**

	Private Use	Date	Orig Cost	Open W.D.V	Add'ns (Sales)	Profit(Loss) on Sale	Dep Method	YTD Dep	Accum Depn	Close W.D.V
<b>Fixed Assets at Cost</b>										
Website Development			11199				60.00 D		11199	
Projector & Pointer for Events			590	50			25.00 D	13	553	37
Toshiba Laptop			800				50.00 D		800	
Website Upgrade (25%)			2762	39			50.00 D	20	2743	19
Website Upgrade (75%)			8288	140			50.00 D	70	8218	70
Website Upgrade			2320	132			50.00 D	66	2254	66
MSI Laptop			1739	144			50.00 D	72	1667	72
Microsoft Surface Pro 6			1947	263			50.00 D	132	1816	131
Microsoft Surface Laptop Studio		14/07/2022	1990		1990		50.00 D	746	746	1244
			31635	768	1990			1119	29996	1639

**PREFABNZ INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES**

**Reporting Entity**

The PrefabNZ Incorporated Society is an incorporated society registered under the Incorporated Societies Act 1908. The financial statements have been prepared in accordance with generally accepted accounting practice.

**Measurement Base**

The financial statements have been prepared on the basis of historical cost with the exception of certain items for which specific accounting policies are identified.

**Specific Accounting Policies**

The following specific accounting policies which materially affect the measurement of net surplus and the financial position have been applied:

- i) **Accounts Receivable**  
Accounts receivable are valued at anticipated realisable value. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.
- ii) **Property, Plant and Equipment**  
Property, plant and equipment are recorded at cost less accumulated depreciation.  
  
Depreciation of property, plant and equipment, (other than freehold land), is calculated at rates as allowed by the Inland Revenue Department.
- iii) **Income Tax**  
Income tax is accounted for using the taxes payable method after taking full advantage of all deductions and concessions. No provision has been made for deferred taxation.
- iv) **Goods and Services Tax (GST)**  
The statement of financial performance has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables which include GST invoiced.

**Changes in Accounting Policies**

There have been no significant changes in accounting policies. All policies applied have been on a basis consistent with those used in previous years.

**NOTE 2: CAPITAL EXPENDITURE COMMITMENTS**

There are no liabilities in respect of capital expenditure at balance date other than those provided for in the accounts.

**NOTE 3: CONTINGENT LIABILITIES**

There are no contingent liabilities at balance date.

# OFFSITE NZ VISION



Offsite construction in New Zealand is mainstream, productivity is high and value is created for clients and society.



\* Further details are provided overleaf

# OFFSITE NZ BLUEPRINT ACTION PLAN



## BUSINESS AS USUAL

### ADVOCACY

We seek to influence an environment conducive to offsite manufacturing (OSM)

### EDUCATION

We inform, collate & disseminate credible data to support evidence based decision-making.

### COLLABORATION

We enable connections with & within the offsite manufacturing supply chain.

### LEADERSHIP

We provide leadership to effect change and show courage in turbulent times.

## STRATEGIC GOALS 2022 - 2032



## HOW DO WE ACHIEVE THEM?

- By developing a research proposal and forming industry partnerships (including funding) to complete this work.

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- By forming industry partnerships to find data sources and regularly monitor and report the achievement of this goal.

- By advocating to central govt
- By educating govt and industry (using international examples).

## WHAT WE NEED



Financial support



Industry partnerships



Offsite and onsite working together

Offsite NZ seek meaningful industry partnerships to raise quality and productivity within New Zealand's built environment and the entire construction sector.

# SUCCESSES IN 2022

for the offsite sector in New Zealand



**OffsiteNZ working hard to support members and improve the construction sector.**

## Launch of BuiltReady

MBIE's factory certification scheme was passed into law. Over the last 5 years OffsiteNZ has been helping to shape this significant milestone.

OffsiteNZ's CEO Scott Fisher chaired the technical working group advising MBIE.



## MBIE's Building Advisory Panel

Appointment of OffsiteNZ's CEO to MBIE's Building Advisory Panel.



## ComCom's Recommendation 7 – OSM Support

The Commerce Commission's Recommendation 7 for the government to support the OSM more including mandates and incentives to promote the adoption of offsite solutions.

OffsiteNZ has been advocating these points for 3 years.



## Colab22 – In person



Holding the first in-person event for over 3 years. Come along to Colab23 this year.



## Accord Representation

Active involvement in the Construction Sector Accord including OffsiteNZ's representation on the Residential Sector Reference Group.



## Offsite Sector Insights Research

Completing the MSD funded Offsite Sector Insights Research which continues to help position the industry positively.



## Workforce Development Council representation

Active involvement in the Construction & Infrastructure and the Manufacturing, Logistics & Engineering Workforce Development Councils (WDC) including Scott's invitation to be on both WDC sector reference groups.



## OTHER GREAT STUFF ON BEHALF OF MEMBERS



**12**  
newsletters  
sent to



**4,018**  
readers

**19**

conference  
and workshop  
presentations  
outlining the merits  
of the offsite sector



**11**

engagements  
with government  
and  
opposition  
ministers



**704**  
social media  
reach



**1,005**  
website visits

**18**

media  
interviews



ADVOCACY



EDUCATION



CONNECTING



MARKETING



SHOWCASING

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