

# STELLARIS

THE OFFICIAL NEWSLETTER OF STELLARIS LTD

## ABOUT STELLARIS // OUR SERVICES



MEETING FACILITATION



TRAINING WORKSHOPS FOR  
TRUSTEES AND DIRECTORS



COACHING AND MENTORING  
OF KEY STAFF AND BOARD  
MEMBERS



POLICY DEVELOPMENT

STELLARIS IS YOUR ONE STOP  
SHOP FOR ALL THINGS GOVERNANCE

## STRATEGIC STARTER OF THE MONTH

### Strategic Questions for Your Business

1. Do you make a point of gathering evidence towards strategic objectives?
2. If the evidence points in a direction you don't like do you ignore it and go your own way in any case?

#### HOW TO **NOT** MAKE A GOOD STRATEGIC DECISION

A big piece of news in my world this month was the announcement of the abolition of the 20 DHBs and replacement with a National Health Authority and a Maori Health Authority. As from June 30 next year I will no longer be a DHB board member.

Health has endless demand. Technology, medicine and techniques are improving as fast as expectations of being treated for conditions that were once untreatable. Our life expectancy is so much longer than in previous decades because of these developments.

A person who would have died in the 1960s will now receive life lengthening treatment -sometimes extending their life by decades.

Unfortunately, that has meant that the health sector has really become the sickness sector with all the incentives to wait until you get sick and then fix you with a hip replacement, cardiac stent, dialysis or whatever.

Really what's required is to incentivise keeping healthy in the first place. But its boring: exercise and proper diet in most cases. Open the windows to let in fresh air and dry out condensation. Those things alone will reduce diabetes, rheumatic fever, heart conditions, and such like.



Give **Ron Scott** at Stellaris a call on  
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to discover how  
Stellaris can help you!

The two drivers of health restructuring are always “Cost” and “Equity”. Although a visit to the GP seems free this is not really the case for a person who has to take time off work, perhaps travel for some distance and then pay for medicine.

And yet not seeing a GP early enough leads to worsening conditions and ultimately more expensive treatment solutions.

Poverty is a cause of poor health in that it demands/allows people to make poor decisions. It costs nothing to open a window. A meal for 4 can be bought at New World for \$20.

But if the stress of every day life by poor choices of those who raised you mean you don't know how to cook a meal for example then that is where the system needs some resources.

Equity of access is difficult when comparing a remote rural community with a central city. There are burgeoning solutions such as using telehealth but even that requires good access to the internet.

So will the new health set up work? Probably not. A bureaucrat in Wellington is going to struggle to understand the needs of Opotiki and Murupara. Hospital based administrators are going to struggle to think beyond “fixing” people in hospitals. Cost and equity have not been addressed.

And, as usual, it will once again be the people who are already struggling who will miss out – especially those who haven't been taught how to make good decisions or who are in a place where good decisions seem impossible.

What is interesting about this announcement is that there does not appear to be any strategic analysis that went into it. In fact the analysis that was done by a Working Group suggested something quite different (see last months newsletter).

Read more here: <https://www.minterellison.co.nz/our-view/significant-organisational-reforms-to-the-health-system-announced>

## Let's Talk Statistics

I have included a random range of statistics. Please let me know other statistics you would like to follow.

		Previous		Latest	Comments
<b>Business Confidence</b> ANZ	Mar 2021	0	April 2021	-8	Very big drop in business confidence. Has implications for investment levels.
<b>Bankruptcies per month</b> <a href="https://www.insolvency.govt.nz/support/about/statistics/insolvency-procedure-statistics/monthly-bankruptcy-figures/">https://www.insolvency.govt.nz/support/about/statistics/insolvency-procedure-statistics/monthly-bankruptcy-figures/</a>	Feb 2021	73	Mar 2021	77	Lower than the peaks of GFC (131 in Aug 2020)
<b>GDP Growth pa</b> <a href="https://www.stats.govt.nz/topics/gross-domestic-product">https://www.stats.govt.nz/topics/gross-domestic-product</a>	Nov 2020	-2.3	Dec 2020	-2.9	Surprise to see recession type figures
<b>Unemployment rate</b> <a href="https://www.stats.govt.nz/indicators/unemployment-rate">https://www.stats.govt.nz/indicators/unemployment-rate</a>	Sept 2020	5.3	Dec 2020	4.9	Trending down. Effectively full employment
<b>Workforce Participation rate</b> <a href="https://www.stats.govt.nz/topics/labour-market">https://www.stats.govt.nz/topics/labour-market</a>	Sept 2020	66.4	Dec 2020	66.8	Constant
<b>Inflation rate</b> <a href="https://www.stats.govt.nz/indicators/consumers-price-index-cpi">https://www.stats.govt.nz/indicators/consumers-price-index-cpi</a>	Sept 2020	1.4	Dec 2020	1.4	Constant
<b>Public sector wages change.</b> <a href="https://www.publicservice.govt.nz/our-work/workforce-data/annual-salary-in-the-public-service/">https://www.publicservice.govt.nz/our-work/workforce-data/annual-salary-in-the-public-service/</a>	Dec 2019	4.3% \$81300	Dec 2020	3.9% \$84500	Public sector salaries rising a third faster than the rate of taxpayers
<b>Private sector wage change</b>	Dec 2019	1.9	Dec 2020	1.6 \$67028	
<b>Business lending rate (ANZ)</b> <a href="https://www.interest.co.nz/borrowing/business-base-rates">https://www.interest.co.nz/borrowing/business-base-rates</a>	Mar 2021	8.34	Apr 2021	8.35	Creeping up
<b>Tourist Arrivals -Visitors visa</b> <a href="https://www.immigration.govt.nz/documents/statistics/statistics-arrivals-by-month">https://www.immigration.govt.nz/documents/statistics/statistics-arrivals-by-month</a>	Feb 2021	1614	Mar 2021	1734	Will be more now that the Australians are in our bubble
<b>Work Visas</b> <a href="https://www.immigration.govt.nz/documents/statistics/statistics-arrivals-by-month">https://www.immigration.govt.nz/documents/statistics/statistics-arrivals-by-month</a>	Feb 2021	399	Mar 2021	407	Not a lot of immigrants coming to work. Dire for home care support and fruit sectors
<b>Govt debt to GDP</b> <a href="https://www.treasury.govt.nz/system/files/2021-03/fsgnz-8mths-feb21.pdf">https://www.treasury.govt.nz/system/files/2021-03/fsgnz-8mths-feb21.pdf</a>	Jan 2021	34%	Feb 2021	32.6%	Still one of the best in the world -as long as GDP does not contract much further.
<b>Household debt as % of household income</b> <a href="https://www.rbnz.govt.nz/statistics/key-graphs/key-graph-household-debt">https://www.rbnz.govt.nz/statistics/key-graphs/key-graph-household-debt</a>	Sept 2020	162.6	Dec 2020	165.6	Scary...but serviceability has improved to 5.8 % from 6.0% of income
<b>Credit Card Debt % annual change</b> <a href="https://www.rbnz.govt.nz/statistics/c12">https://www.rbnz.govt.nz/statistics/c12</a>	Jan 2021	-13.9	Feb 2021	-14.8	Reduction of \$1.1 billion since Feb 2020.



# RONNING AROUND

Anzac Weekend. A great time to kick back, have the final swim of summer and prepare for Winter.

I took the opportunity to pick up an old book that was lying round the home library. S. Harvey Franklin was controversial when he wrote Trade, Growth and Anxiety in 1978. A Professor of Geography at Victoria University he had a wonderful turn of phrase, for example describing Ohariu Valley as providing "grazing for the horses of a large number of schoolgirls, who maintain the foul-mouthed habits traditional in ostlers".

He was writing in the Muldoon years prior to the near bankruptcy of New Zealand in 1984 and was prescient in a number of ways. The book demonstrates how the rigid welfare state was creating vested interests even in the 1970s.

He wrote how public discussion of urban issues is "emotive, flatulent, uninquisitive, platitudinous as well as prejudicial" and "displays an astonishing ignorance of the causes of urban growth". Sound familiar?

Most scarily he notes that because New Zealand is so small, "the majority of experts have found employment in the public sector and in the welfare agencies especially". For this reason, our supposedly egalitarian society has ended up actually being bureaucratic and elitist.

For someone writing 40 odd years ago he certainly had a good grip on the present. Mind you he did notice that New Zealanders "are a people with a poor sense of history. Too readily they are prepared to discount the influence of their still too palpable British origins." He continues, "They are too busy with and too anxious about the present ever to consider the future."

Franklin died in 2015 having been controversial for what Stuff describes as his "controversial and progressive" ideas based on his belief that "there are no authorities, just evidence".

Where oh where are those experts today?



## MEETING FACILITATION

Whether it's a strategic planning session, a discussion group or an annual team building day - give us a call!



## TRAINING WORKSHOPS FOR TRUSTEES AND DIRECTORS

We developed the 'The Directors Chair' Course, a series of workshops designed to further your knowledge and skill set in all areas of governance.



## POLICY DEVELOPMENT

We help you create fit for purpose policies for your organisation.



## COACHING AND MENTORING OF KEY STAFF AND BOARD MEMBERS

It could be helping a CEO understand the Board's needs or talking through approaches to leadership challenges or even helping the Chair of the Board design a regular agenda.

All training and coaching can be altered to suit the level of your Trustees and Directors.

## CONTACT US



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