

STELLARIS

THE OFFICIAL NEWSLETTER OF STELLARIS LTD



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

HINDSIGHT IS TOO LATE!

A great place to start when you are thinking about your strategy is to ask questions about what your business environment looks like now and what changes can you see on the horizon.

To ensure you cover more than the obvious we have an acronym, STEEPLE, which stands for Social, Technical, Economic, Environmental, Political, Legal and Ethical changes.

Immediately you will notice that if there are not many changes in these areas then it will be easy to create a strategy with certainty as you can make some confident predictions. When change is well flagged businesses can plan ahead.

For example it is clear that consumers want environmentally friendly practices so even the dirtiest businesses will be planning to find cleaner ways to operate.

Over the years many of my clients have been surprised by a change which seemed predictable in hindsight. I suggest that hindsight is too late. By asking your STEEPLE questions at least annually you will see the changes coming at you.

For example it has been well signalled for over a year that immigration will be tightened. Many businesses have just not believed that the government would do this given their history of non-delivery. But a business should still prepare for the 'What if they did?' scenario.

Look at our statistics in this newsletter. Can you see how in March 2019 there were 19,000 work visas issued but last month just 440 were issued? This has affected businesses as diverse as orchards, farmers, healthcare providers and engineering companies.

A cynic might argue that even Immigration can't find workers if the Department has reduced output from 863 a day to just 20 a day. By way of context there are 9,000 current expressions of interest in the skilled migrant category.

Equally concerning is emigration. So far this year over 3,300 more people have left New Zealand than arrived.

I know the health sector is facing a huge upheaval with the change to the National and Maori Health Authorities in July next year.

Our workforce is a global workforce and our salaries are much lower than even Australia. Those with the get up and go, are getting up and going.

STRATEGIC QUESTIONS FOR YOUR BUSINESS

1. How is your business impacted by fewer people coming or more people leaving New Zealand?
2. If other economies can offer better wages is it possible that they have incomes that would make better customers for you i.e. export potential?
3. What do your competitors in those countries do to be able to offer more competitive pay?
4. What responsibility do you take for upskilling your workforce so that you (and your sector) do not have skills shortages.



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

Let's Talk Statistics

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

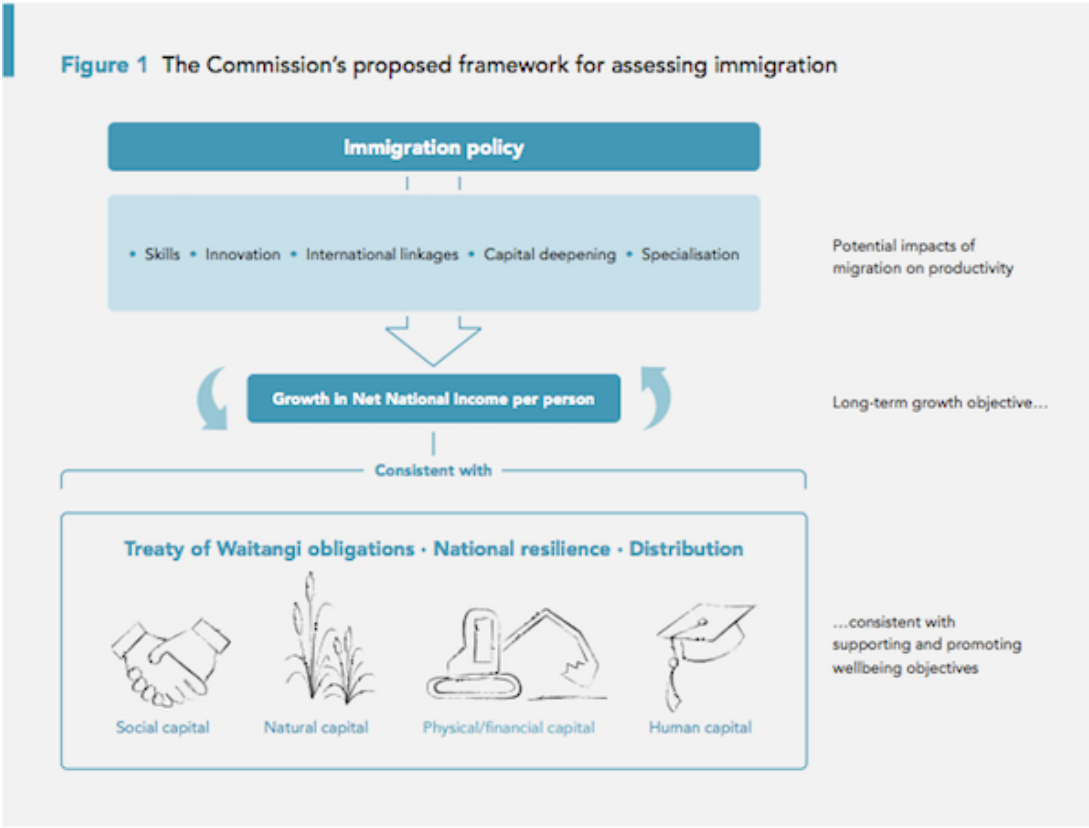
		Previous		Latest	Comments
Business Confidence ANZ	May 2021	1.8	June 2021	-0.4	Very big drop in business confidence. Has implications for investment levels.
Bankruptcies per month https://www.insolvency.govt.nz/support/about/statistics/insolvency-procedure-statistics/monthly-bankruptcy-figures/	Mar 2021	77	May 2021	53	Lower than the peaks of recent years (131 in Aug 2019)
GDP Growth pa https://www.stats.govt.nz/topics/gross-domestic-product	Dec 2020	-2.9	Mar 2021	-2.3	The budget is predicting annual GDP growth to be +2.9 by June 2022.
Unemployment rate https://www.stats.govt.nz/indicators/unemployment-rate	Dec 2020	4.9	March 2021	4.7	Trending down. Effectively full employment 135,000 unemployed
Workforce Participation rate https://www.stats.govt.nz/topics/labour-market	Dec 2020	66.8	March 2021	67.1	More people working as % of workforce
Inflation rate https://www.stats.govt.nz/indicators/consumers-price-index-cpi	Dec 2020	1.4	March 2021	1.5	Budget expects inflation of 2.5% for the year
Public sector wages change. https://www.stats.govt.nz/information-releases/labour-market-statistics-march-2021-quarter	Dec 2020	2.9% \$81588	March 2021	1.9% \$83462	Average weekly earnings for Full Time Employees in March 2021 compared to March 2019 was 9.03% higher for public sector and 4.78% for the private sector
Private sector wage change https://www.stats.govt.nz/information-releases/labour-market-statistics-march-2021-quarter	Dec 2020	1.6 \$65539	March 2021	1.6 \$65384	Private sector earnings fell for private sector due mainly to a 1.1% fall in overtime
Business lending rate (ANZ) https://www.interest.co.nz/borrowing/business-base-rates	Apr 2021	8.35	June 2021	8.35	Stable for now
Tourist Arrivals -Visitors visa + Australians https://www.immigration.govt.nz/documents/statistics/statistics-arrivals-by-month	Mar 2021	1783 + 766	May 2021	2464 + 31140	Huge increase in Aussie visitors. March 2019 225,000 visitors and 98,000 Australians. But the travel bubble has popped this week.
Work Visas https://www.immigration.govt.nz/documents/statistics/statistics-arrivals-by-month	April 2021	319	May 2021	440	Still tight.(19,000 in March 2019)
Govt debt to GDP https://www.treasury.govt.nz/system/files/2021-03/fsgnz-8mths-feb-21.pdf	Jan 2021	34%	Feb 2021	32.6%	Budget predicts 34% by June 2022. One of the lowest in the world.
Household debt as % of household income https://www.rbnz.govt.nz/statistics/key-graphs/key-graph-household-debt	Sept 2020	162.6	Dec 2020	165.6	Scary...but serviceability has improved to 5.8 % from 6.0% of income
Credit Card Debt % annual change https://www.rbnz.govt.nz/statistics/c12	April 2021	8.2% \$6273m	May 2021	+3.7% \$6246	A \$billion less than April 2019 and a \$billion more than April 2020. Now growing at the rate of inflation.



RONNING AROUND

My reading this month has included the latest report from the Productivity Commission (<https://www.productivity.govt.nz>). The topic is Immigration and is interesting to understand how the Commission has redefined “productivity”. (see diagram).

The DHB Board members are having to consider what it means to govern a DHB given we have just 12 months of life left before all the DHBs fold into the new system. I am particularly concerned for our staff in this time of uncertainty when they are dealing with extra Covid duties (vaccinating and testing and tracing when there is an outbreak as well as trying to catch up the backlog from last years interruptions), getting flu, MMR, HPV vaccination programmes underway, higher needs patients arriving as a result of delaying treatment last year and many have not had the leave they would normally take to recharge. No one has been able to let them know exactly what the new system will mean to them.



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.

COACHING AND MENTORING OF KEY STAFF AND BOARD MEMBERS

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

POLICY DEVELOPMENT

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

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

CONTACT US



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