# 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

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**POLICY DEVELOPMENT** 

### STELLARIS IS YOUR ONE STOP SHOP FOR ALL THINGS GOVERNANCE

# STRATEGIC STARTER OF THE MONTH

### **Strategic Questions for Your Business**

- 1. Who in your organisation is good at understanding information?
- 2. What information is so important to your business that you should get the data from the original source rather

than rely on journalists whose skills are words not numbers?

The State of the Nation Report from the Salvation Army was released recently. It makes disturbing reading.

Unfortunately the author is innumerate. On page 36 he writes "Since 2010, there has been a 57 percent increase in the annual number of consents for new builds across the country". His numbers on page 38 show consents increased from 16,167 in 2010 to 37,614 in 2020 an increase of 132%. What he actually calculated was that the 2010 numbers were just 57% of today's numbers.

Of course no media picked up on this. Neither have I seen any rebuttal from those in charge of housing policy. Mind you when I see this story in the Herald is it surprising that even those apparently responsible for social policy, reporters and commentators can't do basic arithmetic?

Look at the graph -doesn't it show that housing consents have at least doubled rather than drifted up by just over half?

Reading a graph is important when you are looking at your business strategy. The information should give you insights in what is happening and what might happen in your marketplace.

Source: <u>NZ Herald</u> Source: <u>Salvation Army Report</u>



Give **Ron Scott** at Stellaris a call on 0800 23 23 78 or e: info@stellaris.co.nz

to discover how Stellaris can help you!

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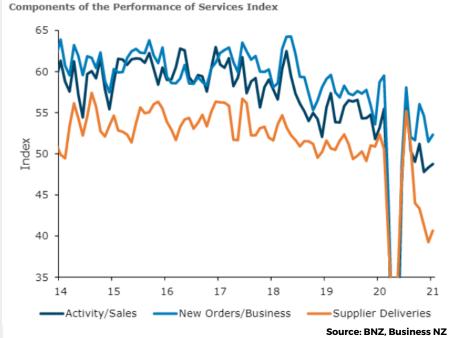
I've included a graph prepared from BNZ statistics that show what has been happening to various services.

Yes, Covid hit the country hard but have a look at the trend until 2018 and then the trend after.

What was happening to the economy even before Covid struck if deliveries were falling off?

Have a look at the housing consents from 2000 to 2008 and then from 2008 to 2018.

Which Government did most to address housing and which caused the shortage?







## Let's Talk Statistics

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

		Latest		Previous	Comments
Business Confidence	Feb 2021	11.8	Dec 2020	9.4	Turn around from worst of Covid
Bankruptcies per month	Jan 2021	28	Aug 2020	95	Is the worst behind us?
GDP % Growth pa	Sept 2020	-2.2	June 2020	-1.7	Effects of Covid?
Unemployment rate %	Dec 2020	4.9	Sept 2020	5.3	Trending down. Effectively full employment
Number employed (million)	Dec 2020	2.734	Sept 2020	2.709	25 000 more employed post covid lockdown
Inflation rate	Dec 2020	1.4	Sept 2020	1.4	Constant
Median Public sector	June 2020	84,500	June 2019	81,300	3.9% increase for public servants
Median Private sector wage	June 2020	55,224	June 2019	52,832	4.5% raise for wage and salary earners
Median self-employed income	June 2020	33,904	June 2019	36,712	7.6% fall -Employers take all the risk and most earn less than minimum wage.
ANZ Business indicator lending rate	Feb 2021	8.35	Dec 2020	8.37	Creeping down
Tourist Arrivals	Feb 2021	5290	Nov 2020	5116	5000 tourists and increasing despite kiwis trying to get home
Household debt to GDP	Sept 2020	95	June 2020	94.4	Pretty flat. Was 27.9% in 1990!
Percentage of income servicing household debt	Sept 2020	6	June 2020	6.4	Sept 2008 peaked at 14% due to high interest rates on mortgages (9.4%)

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# **RONNING AROUND**

This month has mainly been about getting the year properly started.

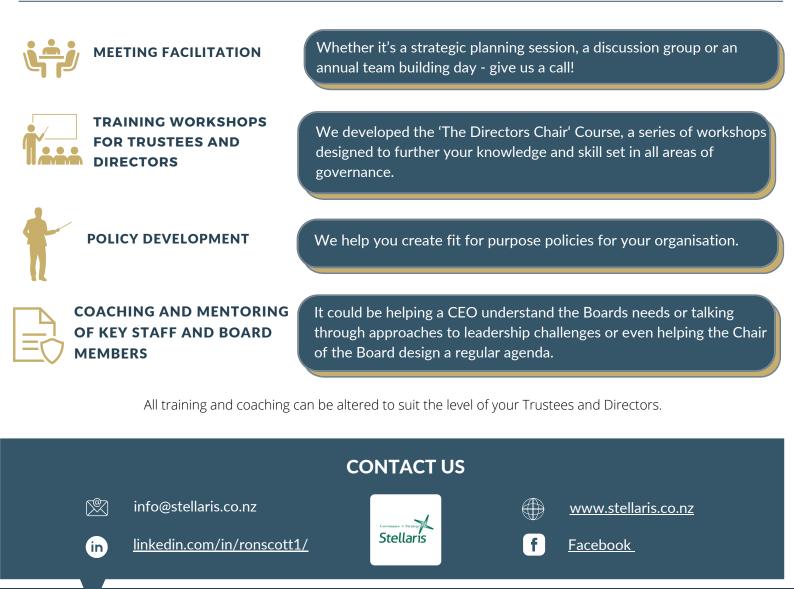
Board meetings at SILC, the DHB, Suzanne Aubert Catholic School and the AA (BoP) District Council have all kicked off.

The DHB of course is front and centre regarding Covid-19. There are huge logistic efforts going on behind the scenes organising PPE distribution, ensuring sufficient vaccinators, planning for distributing the vaccines, and all the time being ready for yo-yoing between alert levels.

Meanwhile people are still getting ill, breaking bones and needing treatment for various illnesses. Our staff are very tired and we need to be aware of our duties as a good employer. As Chair of the DHB Audit Committee I met this month with my colleagues across the region and have been on a national zoom call discussing the implications of our finances. Our challenge? Provide more services at a faster rate than funding growth.

My reading has been the Health and Disability System Review (<u>https://systemreview.health.govt.nz/</u>) chaired by Heather Simpson.

While the headline news is the merging of DHBs the real impact (positively or negatively to be seen) is the restructure of the Ministry of Health.



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