

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

WHY IS THE EDUCATIONAL ACHIEVEMENT OF OUR CHILDREN DROPPING LIKE A STONE?

EDUCATION

Last year I chaired the Establishment Board to establish a new school. In just 12 months, even though impacted by all that Covid threw at us, we went from an empty paddock to a fully subscribed school with modern, permanent classrooms and administration block, full staff complement and 100 happy students.

It got me thinking about how we do education in New Zealand.

Any business will tell you their greatest asset is their people, any politician will say our greatest investment is in the education of our next generations.

Kids today are your future employees and entrepreneurs. They are also the ones who will be paying your superannuation while they pay off the government debt we ramped up over Covid to protect mostly the older generations.

And yet Stuff reported with respect to the latest PISA international educational comparison measure (this was pre-covid):

"A global education report showed an overall decline in New Zealand's level of reading, mathematics and science since 2009 - equating to a loss of about 3/4 of a year's worth of a student's schooling against 2009 results".

The graphs show some other international comparisons.

The first graph shows how many hours a year primary age children spend in the classroom. Note that longer hours do not mean better outcomes. Costa Rica achieved 58th place in the latest PISA rankings while South Korea achieved 6th place. Children spent 33% more time in school in Costa Rica than in Korea. New Zealand achieved 15th place and children spent an average 950 hours in the classroom.

So hours in school does not appear to be a good proxy for educational success.

Let's look at how well teachers are respected as a profession.

Our longest working teachers from Costa Rica end up being the poorest paid as starting teachers but actually on average earn more than the OECD average. In Korea a teacher starts on roughly the same as in New Zealand but the best teachers end up earning twice as much as a Kiwi teacher at the top of the scale. It really pays to be a top notch, experienced teacher in South Korea.

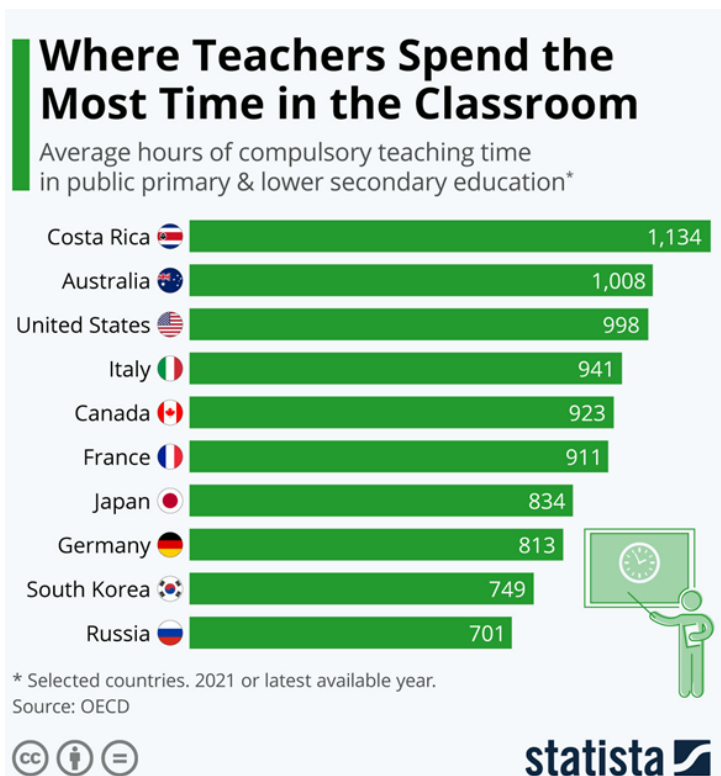
Is it possible that in New Zealand there is no recognition for getting better and staying longer in a teaching role?

(Interestingly in Korea the teachers union represents 15% of teachers while in New Zealand the ratio is closer to 100%).

To be fair Luxembourg, Switzerland and Germany all have higher pay rates for teachers than in New Zealand but all come in lower in the PISA rankings.

So if it is not teacher pay that makes a difference and not hours in the classroom that makes a difference why is our educational performance dropping like a stone?

I'm interested in your feedback.

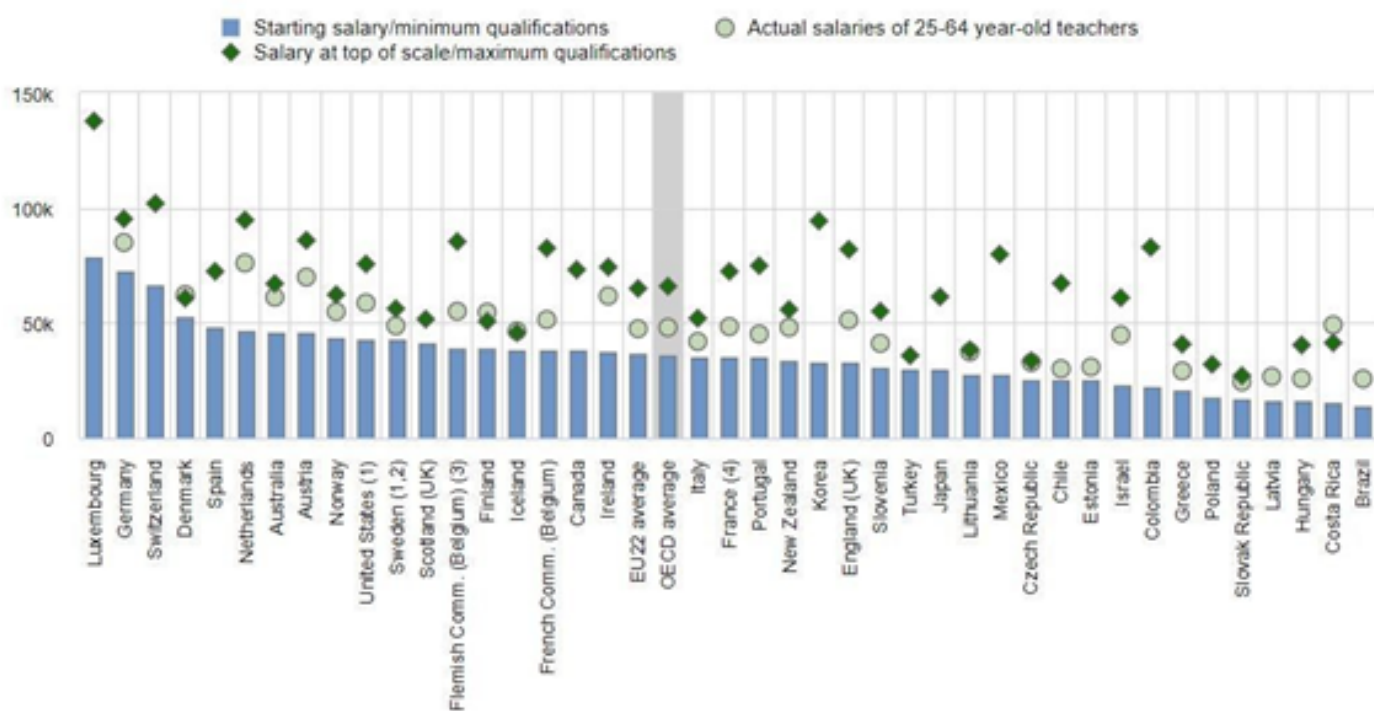


As a proxy measure of that I use teacher salaries. The numbers are adjusted using \$US and Purchasing Power Parity (PPP) so that \$1 in Country A will be what \$1 in Country B will buy. This allows fair comparisons.

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Figure D3.2. Lower secondary teachers' average actual salaries compared to the statutory starting and top of the scale salaries (2020)

Annual salaries of teachers in public institutions, in equivalent USD converted using PPPs



ACTION

I encourage you to become involved in the education of your children, grandchildren, nieces and nephews.

Take an interest. Ask what they learned at school today and listen to them put into their own words what they understand. Ask them to read to you the story they wrote. Ask questions about the characters in their stories to stimulate their imagination. Ask them to choose the best value jam or bike or whatever it is you are buying to get them using their maths and also their critical facilities that doesn't necessarily equate cheap with better.

Above all do not weigh them down with the tyranny of low expectations. Help this young generation out now by giving them a great start to their education.

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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
Inflation rate https://www.stats.govt.nz/indicators/consumers-price-index-cpi	June 2021	3.3	Sept 2021	4.9	Govt Budget expected inflation of 2.5% for the year so there will be consequences
Business lending rate (ANZ) https://www.interest.co.nz/borrowing/business-base-rates	September 2021	8.35	October 2021	8.8	Rate up 45 basis points -more than OCR uptick
Companies Removed from Companies register https://companies-register.companiesoffice.govt.nz/news-and-notice/	Oct 2019	5208	Oct 2021	5543	6.4% uplift compared to a 13.5% uplift in September
Bankruptcies per month https://www.insolvency.govt.nz/support/about/statistics/insolvency-procedure-statistics/monthly-bankruptcy-figures/	Sept 2020	69	Sept 2021	41	Much lower than the peaks pre-covid (131 in Aug 2019).
Business Confidence ANZ	September 2021	-7.2	October 2021	-8.1	Interestingly Auckland is more confident (-2.5 compared to the rest of NZ -11%)
GDP Growth pa https://www.stats.govt.nz/information-releases/gross-domestic-product-june-2021-quarter	Mar 2021	-1.4	June 2021	5.1	Huge turnaround
Unemployment rate https://www.stats.govt.nz/indicators/unemployment-rate	March 2021	4.7	June 2021	4.0	There are 2.3 million paid jobs in New Zealand and 117,000 unemployed people
Workforce Participation rate https://www.stats.govt.nz/topics/labour-market	March 2021	67.1	June 2021	67.6	More people working as % of workforce
Public sector wages change. https://www.stats.govt.nz/information-releases/labour-market-statistics-june-2021-quarter	March 2021	1.9% \$83,525	June 2021	1.9% \$84,821	Central Government up 2% and Local 1.1%
Private sector wage change https://www.stats.govt.nz/information-releases/labour-market-statistics-june-2021-quarter	Mar 2021	1.6 \$65,421	June 2021	2.2 \$67,135	Private sector earnings up from this time last year led by 3.2% increase in construction earnings
Tourist Arrivals -Visitors visa + Australians https://www.immigration.govt.nz/documents/statistics/statistics-arrivals-by-month	May 2021	2464 + 31140	August 2021	1674 + 400	Effect Covid lockdowns
Work Visas https://www.immigration.govt.nz/documents/statistics/statistics-arrivals-by-month	July 2021	798	August 2021	473	Still tight – even fewer visas than in July. (20,142 work visas in August 2019).
Govt debt to GDP https://www.treasury.govt.nz/system/files/2021-03/fs_gnz-8mths-feb21.pdf	Jan 2021	34%	Feb 2021	32.6%	Budget predicted 34% by June 2022. Treasury update changed this to 43.8% in Oct 2021 update.
Household debt as % of household income https://www.rbnz.govt.nz/statistics/key-graphs/key-graph-household-debt	March 2021	167	June 2021	168.6	Scary...but serviceability has improved to 5.3 % from 5.8% of income in Dec. because interest rates fell from 3.8% to 3.3% in that period
Credit Card Debt % annual change https://www.rbnz.govt.nz/statistics/c12	August 2021	-6.0% \$5691m	Sept 2021	-10.2% \$5544m	Big reduction in credit card debt as households save.

RONNING AROUND



I sit on the boards of the Bay of Plenty DHB (and chair the Audit and Finance Committee), SILC Charitable Trust (as Chair), the Royal New Zealand Foundation of the Blind and the AA (Bay of Plenty) Council.

Of these, SILC trustees appoint replacement trustees, and the remainder are elected by stakeholders. In the case of the AA it is those present at the AGM, for the Blind Foundation it is members of the Foundation and for the DHB it is residents of the Bay of Plenty.

I am up for re-election at the Foundation and last weekend spoke by zoom to members of Blind Citizens, Auckland at a meeting to hear from candidates. Eleven people are standing for the three positions. There was an impressive turnout of members to hear what we candidates had to say. A sign of democracy in action.

At the other end of the democratic spectrum the DHB role comes to an end on June 30th next year as the government has decided that a centralised Health Authority (actually TWO Authorities as there is also a Māori Health Authority) will better serve the needs of the good people of Tauranga, Te Kaha and Te Puke. From that date, a lot will be different although it is not clear to either Board members or staff what the new management structure will be. This week the members of the Authorities were named (see <https://dpmc.govt.nz/news/boards-announced-interim-maori-health-authority-and-health-new-zealand>).

Experts generally view 12 years as about the right length of tenure for a director and as I would have reached the 12 years next year, I was not going to stand again for the DHB but I will follow developments keenly from the side lines.

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 offer a range of workshops covering Understanding financials, Meeting procedure, Strategic planning, Expectations of an employer, Health and safety, Creating a strategic plan and more. We adjust the level of the training to suit the level of your board members.

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

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