

# 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

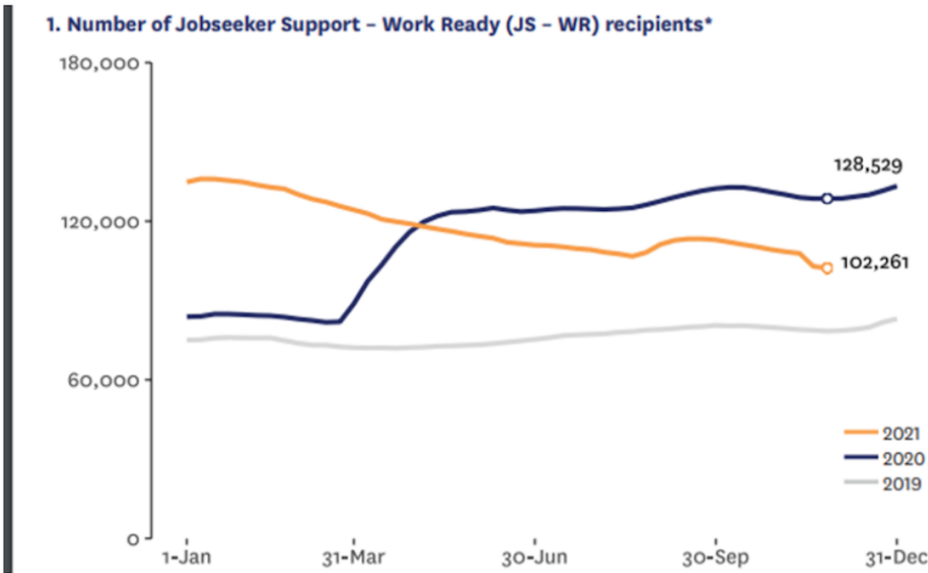
DO THE FACTS YOU REPORT REFLECT WHAT IS ACTUALLY  
HAPPENING?

### GUT V FACTS

Am I an eternal pessimist? The numbers look good for the economy and yet something doesn't feel right. That is a problem because I am not a proponent of the current fashion for feelz ("forget the facts go with the feeling"). As a strategist I have to agree that the facts tell the story.

### The facts:

**Unemployment numbers are down.** As at November 26th the Ministry of Social development reports 663 fewer "Job Seeker Support-Work Ready" beneficiaries than a week earlier. More than 2500 benefits were cancelled in that week alone - meaning they all went into work. This has been the trend all year. (see Graph 1)



**Incomes are up.** Statistics New Zealand numbers show that in the last 12 months incomes have risen 5.8% with even the lowest paid getting 5.3% higher incomes. This is actual income received over a 34 day rolling period so includes any overtime, or reduced payments due to standdowns etc. These numbers outstrip inflation so it represents a real increase in income particularly in the primary sector -so good for the regions.

**Paid jobs have increased.** There are 3.4% more paid jobs in the country i.e. jobs where a PAYE return is submitted. They are generally not part time jobs because total incomes increased as we saw in the previous paragraph. On top of this number are all those people doing contract jobs.

So with all this good news why do things not “feel” right?

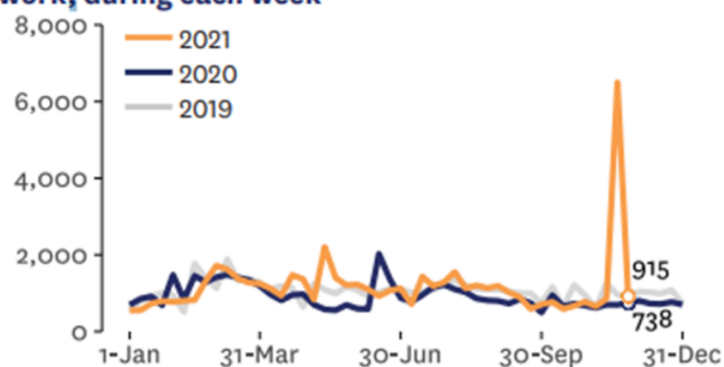
Perhaps this graph (**Graph 7**) from MSD is behind it? For some reason on November 12th there was a huge spike in people leaving the job seeker benefit – but not to go to work. **Graph 10** tells the story: They all moved to the sole parent benefit.

And while unemployment is the lowest rate in living memory at less than 4% at the same time 11.3% of the working age population is on a main benefit.

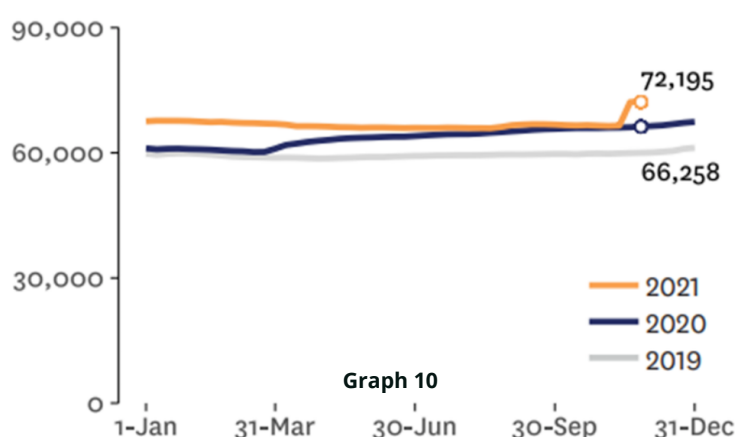
So am I just a curmudgeonly middle aged man? Possibly, but I am in good company.

According to the ANZ confidence survey the country hasn't been this pessimistic since the Great Financial Crisis of 2008. And as Figure 4 (below) shows GDP tends to follow confidence.

**7. Number of JS cancels for all reasons other than work, during each week\***

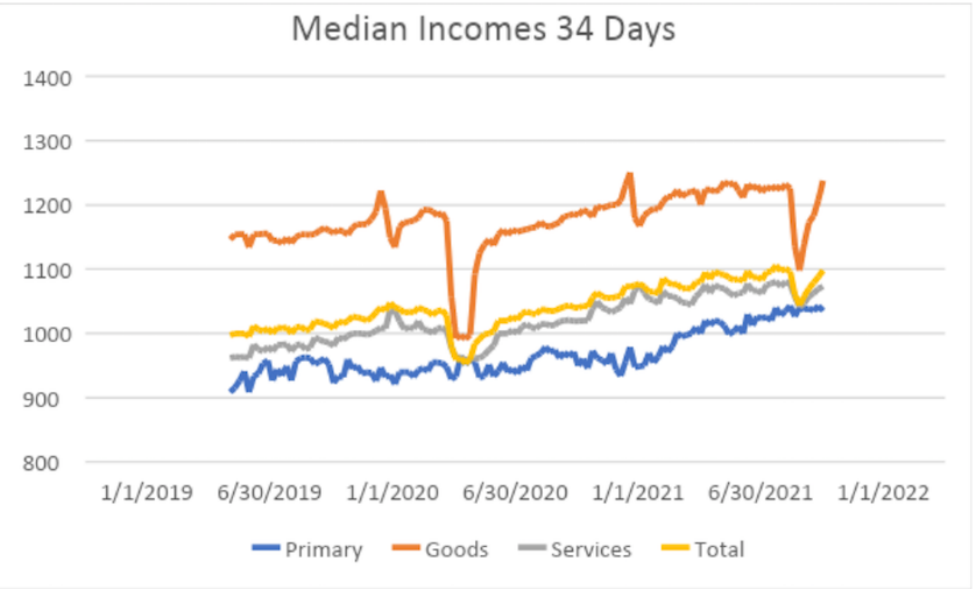


**10. Number of Sole Parent Support recipients\***



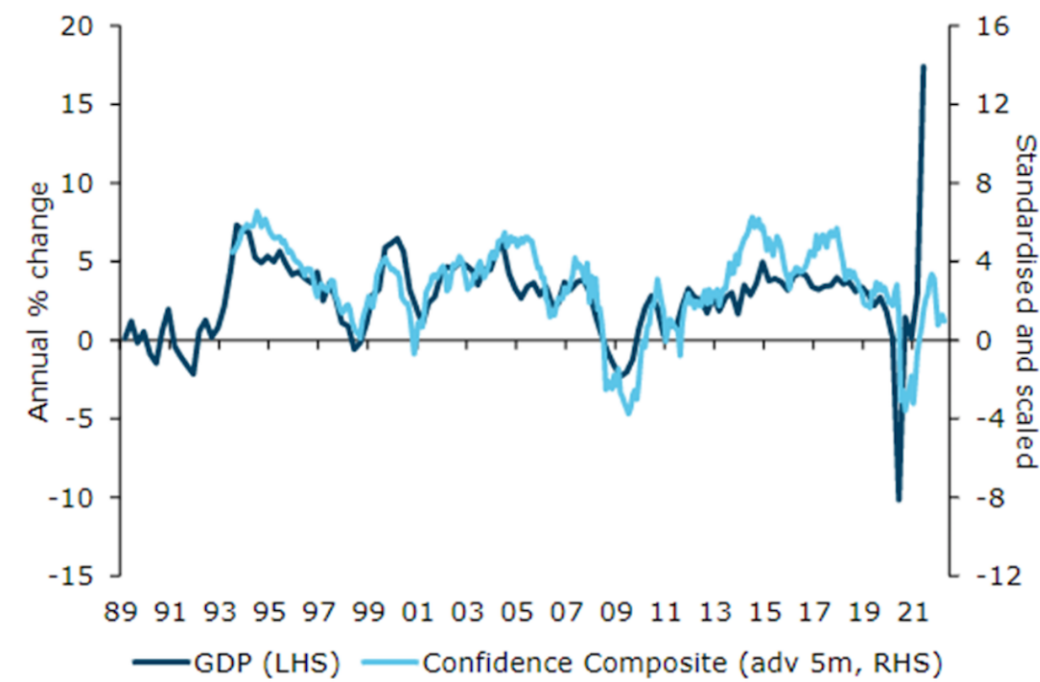
Graph 10

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



**Sources:**  
ANZ NZ Roy Morgan Consumer Confidence  
<https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/weekly-reporting/>  
<https://www.stats.govt.nz/information-releases/employment-indicators>

Figure 4. GDP vs Confidence Composite



Source: ANZ Research, Roy Morgan, Statistics NZ

# 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 <a href="https://www.stats.govt.nz/indicators/consumers-price-index-cpi">https://www.stats.govt.nz/indicators/consumers-price-index-cpi</a>	June 2021	3.3	Sept 2021	4.9	Govt Budget expected inflation of 2.5% for the year. Reserve bank raising OCR rates.
Business lending rate (ANZ) <a href="https://www.interest.co.nz/borrowing/business-base-rates">https://www.interest.co.nz/borrowing/business-base-rates</a>	October 2021	8.8	Nov 2021	8.87	Rate up another 25 basis points this month -more than OCR uptick
Companies Removed from Companies register <a href="https://companies-register.companiesoffice.govt.nz/news-and-notice">https://companies-register.companiesoffice.govt.nz/news-and-notice</a>	Nov 2019	5819	Nov 2021	5711	200 more this month than in October
Bankruptcies per month <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>	Oct 2020	65	Oct 2021	46	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 <a href="https://www.stats.govt.nz/information-releases/gross-domestic-product-june-2021-quarter">https://www.stats.govt.nz/information-releases/gross-domestic-product-june-2021-quarter</a>	Mar 2021	-1.4	June 2021	5.1	Huge turnaround
Unemployment rate <a href="https://www.stats.govt.nz/indicators/unemployment-rate">https://www.stats.govt.nz/indicators/unemployment-rate</a>	June 2021	4.0	Sept 2021	3.4	There are 2.3 million paid jobs in New Zealand and <b>98,000</b> unemployed people in stats NZ data
Workforce Participation rate <a href="https://www.stats.govt.nz/topics/labour-market">https://www.stats.govt.nz/topics/labour-market</a>	June 2021	67.6	September 2021	71.1	More people working as % of workforce
Public sector weekly earnings Change since last year <a href="https://www.stats.govt.nz/information-releases/labour-market-statistics-september-2021-quarter">https://www.stats.govt.nz/information-releases/labour-market-statistics-september-2021-quarter</a> Table 7	June 2021	1631.19 6.0%	Sept 2021	1663.01 6.5%	Government announced wage freeze having zero impact.
Private sector weekly earnings Change since last year <a href="https://www.stats.govt.nz/information-releases/labour-market-statistics-september-2021-quarter">https://www.stats.govt.nz/information-releases/labour-market-statistics-september-2021-quarter</a> Table 7	June 2021	1291.07 10.3%	Sept 2021	1290.56 6.2%	Overtime has eased but earnings increase above inflation
Tourist Arrivals -Visitors visa + Australians <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>	Sept 2021	2308 + 128	October 2021	2243+368	Tourism sector hanging out for international visitors next year
Work Visas <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>	Sept 2021	347	October 2021	285	Number of work visas issued have reduced every month since June. (20,142 work visas in August 2019).
Household debt as % of household income <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>	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 <a href="https://www.rbnz.govt.nz/statistics/c12">https://www.rbnz.govt.nz/statistics/c12</a>	Sept 2021	-10.2% \$5544m	Oct 2021	2.7% \$5696m	Slight increase coming out of lockdown



## RONNING AROUND

Last month I noted that I was up for re-election for Blind/Low Vision NZ. I am pleased to report that I have been re-elected and will sit on the Audit and Governance committees. I'm really looking forward to the work of the Blind Foundation - and especially looking forward to visiting the dog training school in Auckland which has been off limits during the lockdown.

Covid has been high on the agenda for my DHB work but I am increasingly concerned about which balls have been dropped. For example Kawerau is a hot spot for Rheumatic fever.

Rheumatic fever is a serious and largely preventable third world disease that is highly prevalent in some of our communities. It starts with a simple sore throat - a streptococcus A infection and, untreated with antibiotics, can lead to permanent heart damage. Maori and Pacific people - mostly children - living in cold overcrowded homes are most likely to get it - and they are 20 and 37 times more likely to be admitted to hospital with first time acute rheumatic fever than anyone else. About 70% of children who get Rheumatic fever will suffer some heart damage. But with proper treatment of a sore throat, that risk is reduced by 80 per cent.

My concern is that next to no extra funding is available for this important work which arguably will have a greater impact on the population health moving forward.

This is just one example. Strategically we should allocate our resources so as not to cut back on planned surgeries for example. Unfortunately the government has stopped DHBs from making these local decisions. Look at the statistics in the statistics table which report work visas granted this month. Even if every single work visa was for a health professional the fact is that 285 is not even enough to staff the Bay of Plenty DHB.

I recommend that you do not let yourself become ill for the foreseeable future because at the moment I fear our health sector is not fit for purpose.

### 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.

## CONTACT US



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