

Tough Kiwi battlers

Daniel Mussett describes the conditions in which Kiwi actuarial students work and battle their way through the exams.

AT THE LATEST COUNT (May 2004) there were 279 members of the New Zealand Society of Actuaries (NZSoA). Of these, 100 were actuarial students. Of the students, 31 are female.

This compares with about 10,000 members of the UK profession, of whom 4,255 are students. The proportion of female students is very similar, about 31%.

The majority of New Zealand students work for life companies and consultancies. A small proportion are active in general insurance and fund management. Most work in Auckland (51) or Wellington (41), with a few in Christchurch and elsewhere.

Study conditions

The student's study package is comparable to what UK employers offer. Paid study materials, study leave, and pay increases for exam passes are standard.

A bizarre outcome of the smaller scale down under is that it is common for a student to find that he or she is the only student sitting a given exam. I sat a couple of 100-level papers and all of my 300s as the only candidate in Auckland.

Tutorials are not available and there is no central resource centre or library to speak of.

The New Zealand Society of Actuaries informs us all of who is sitting what exams. This is an attempt to encourage students to form study groups, but student apathy guarantees that such study groups never materialise. The annual actuarial analysts' pre-Christmas lunch in Auckland is, however, very well patronised. It is in one way encouraging to see that students prefer to eat and socialise together, rather than to study together!

New Zealand universities do not offer courses in actuarial science. The closest we get is a graduate diploma or masters in financial mathematics, available from Victoria University in Wellington. Students attending other universities may pick up a few exemptions if they take the relevant courses in mathematics, statistics, finance, and economics.

Working conditions

Most students work in small teams. Some (myself included) work alone. A rather worrying observation is the apparently top-heavy nature of New Zealand actuarial teams. In some consultancies, qualified actuaries now outnumber students. This makes for either poor career prospects or a thinning of the profession from its already tiny size – or both.

New Zealand students very quickly work out that there are greener pastures overseas. A quick flick through *The Actuary* magazine's recruitment pages can show some very attractive salary levels, additional fringe

benefits, and annual leave allowances. Whether higher salaries can offset a higher cost of living is debatable. In any event, wider practical experience can only be beneficial.

A recent survey* of 18 newly qualified New Zealand actuaries indicated that over half believed they would end up working overseas.

Job prospects

The number of practising actuaries in New Zealand increased markedly over most of the second half of the 20th century, but levelled off in the 1990s. Many UK and even Australian actuaries are surprised to learn that, with the exception of a few special investment vehicles, returns for New Zealand pension funds have no tax relief.

Over the 1990s there was a sharp reduction in second-pillar pension schemes, merger activity in life assurance, and a decrease in with-profits business. This is reflected in the recent slowdown in the growth of the profession in New Zealand.

As is hoped worldwide, wider fields might just offer a panacea for the worrying possibilities here. Nonetheless, very few Kiwi students work outside pension consultancies and life offices, although there has been some growth in general insurance.

Qualifying times

In New Zealand – without allowing for voluntary breaks from study – average qualification times for UK Institute students are 7.3 years and slightly less for Australian Institute students. The average age at qualification is 31.

Battling on

This article is by no means designed to elicit sympathy from our fellow students in other regions. However, it is hard to deny that a comparatively harsher clime is faced in New Zealand. This is no doubt a character-building feather in Kiwi students' caps. At the same time, we automatically gain an appreciation for two economic and commercial environments. This has to be a good thing. Living in the best country in the world helps a lot too!

* Acknowledgements to Margaret Cantwell, Andrea Gluyas, and Charmaine Green, authors of *Actuaries of the New Millennium*, a report presented to the New Zealand Society of Actuaries, November 2002.

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Home and away

Hello again. I've been missing for the past couple of months – mainly because of lack of page space. But I'm still here! I hope the exams went OK. I'm just pleased they're over (or at least I shall be – at the time of writing they're still to come).

I was accused not so long ago of not fairly representing the interests of my fellow students from far-flung lands. As I said then, I only have my own experience to go on, with no working/studying overseas. But I'm pleased to say that my new friend Daniel has documented his experiences over in New Zealand. (This may turn out to be the shortest friendship in history, however. I'm not sure he's still talking to me after I accused him of being an Aussie – BIG *faux pas*.)

Just one last reminder before I go – the Student Consultative Committee (SCC) will be meeting soon to discuss all aspects of student life. Feel free to make your feelings on exams/study/tutorials known, either to your local SCC rep (details can be found on the profession's website) or to me. Thanks.

Hannah

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