



Asia Pacific Federation of Human Resource Management

New Zealand Report – March 2012

www.hrinz.org.nz

Economic Profile¹

New Zealand is a parliamentary democracy situated in the south west Pacific. It has a population of around 4.3 million in a country similar in land area to Japan. New Zealand has a market economy with sizeable manufacturing and services sectors complementing a highly efficient export-oriented agricultural sector. Exports of goods and services account for around one third of real expenditure GDP. New Zealand's high proportion of winter sunshine hours and considerable rainfall provide an ideal resource base for pastoral agriculture, forestry, horticulture and hydro-electricity generation. Hydro-electricity provides a relatively cheap source of energy and has allowed the development of energy-based industries such as aluminum refinement. New Zealand is also a popular overseas visitor destination and tourism is an important source of export income.

Current Trends

The retail sector ended 2011 on a high, helped by the Rugby World Cup, but the picture for the rest of the economy at the end of last year is more mixed. The outlook for the year ahead is broadly consistent with Treasury's latest forecasts and there are some signs of stabilisation in the global economy, but risks remain

The steady release of activity data from the December quarter has painted a mixed picture of the state of the economy at the end of last year. The retail sector ended 2011 on a high, with core sales volumes growing by a record 2.9% in the December quarter. This undoubtedly owed much to the Rugby World Cup, although there were signs of reasonably robust underlying demand too.

Meanwhile, good growing conditions in the dairy industry suggest that net exports made a sizeable contribution to GDP growth in the December quarter as well. However, other signals from much of the rest of the economy were more patchy. The terms of trade edged lower at the end of last year (albeit remaining at a very high level) and amid signs of producers' margins coming under pressure, corporate profits were largely subdued in the second half of 2011. On balance, we remain comfortable with our forecast of solid, albeit unspectacular, 0.7% GDP growth in the December quarter.

Turning our attention to 2012 and the year ahead, we expect GDP growth to take a leg down before picking up towards the end of the year. Admittedly, both business and consumer confidence made reasonably sprightly starts to the year. However, we expect consumer spending to catch its breath in the March quarter as the level of activity adjusts after the RWC.

Delays to the Canterbury rebuild suggest underlying weakness in the labour market will remain a feature until rebuilding activity gathers pace into 2013. All told, the outlook remains broadly in line with Treasury's latest set of forecasts released in support of the Government's Budget Policy Statement last month. On the international front, the outlook for the global economy has stabilised somewhat over the past month or so. An agreement on a new bailout for Greece, a second round of the ECB's Long-term Refinancing Operations, and stronger than expected economic data from the US have helped to support the recent improvement in global financial market sentiment. However, with many of the underlying structural problems remaining unsolved, we expect global economic and financial conditions to remain highly volatile for the foreseeable future.

¹ www.treasury.govt.nz

In this month's Special Topic we examine the evidence and drivers behind the loss of competitiveness seen in New Zealand's economy over the past decade. We find that while the strong nominal exchange rate is at least part of the story, improving competitiveness and productivity in New Zealand requires an economy-wide perspective and wide ranging reforms.

Treasury recently released a revised set of economic forecasts in support of the Government's Budget Policy Statement (BPS). While not a full economic and fiscal update, the forecasts present a weaker outlook than that contained in the Pre-election Economic and Fiscal Update (PREFU) released last October. In this month's MEI we review February's economic developments in light of our BPS forecasts. Weaker outlook driven by global risks. The weaker outlook for the year head underpinning the BPS reflects a number of factors. On the domestic front, delays to the Canterbury rebuild, which is now not expected to get underway until late 2012, partly explain the outward shift in the growth profile. The lower level of GDP in Treasury's updated forecasts is also a function of official revisions to GDP back-data (Figure 1). However, ongoing risks in the global economy, emanating from Europe, are the main factor behind the weaker forecasts. While there are tentative signs of some degree of stability emerging in the global economy (see later on), the underlying issues appear only to have been 'kicked down the road'. Treasury's new forecasts incorporate weaker trading partner growth than in PREFU.

Employment Data²

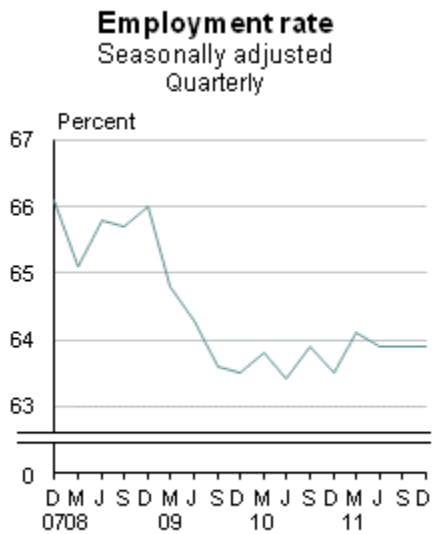
In the December 2011 quarter compared with the September 2011 quarter:

- The unemployment rate fell 0.3 percentage points, to 6.3 percent.
- 7,000 fewer people were unemployed.
- 3,000 more people were employed.
- The employment rate was flat, at 63.9 percent.

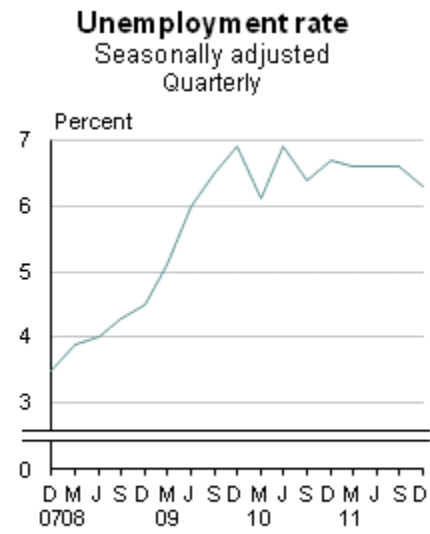
All figures are seasonally adjusted.

	December 2011 quarter	Quarterly change	Annual change
	(Percent)	(Percentage points)	
Unemployment rate	6.3	-0.3	-0.4
Employment rate	63.9	0.0	+0.4
Labour force participation rate	68.2	-0.2	+0.2
	(000)	(Percent)	
Unemployed	150	-4.2	-3.7
Employed	2,221	+0.1	+1.6
Not in the labour force	1,107	+1.0	+0.4

² www.stats.govt.nz



Source: StatisticsNewZealand

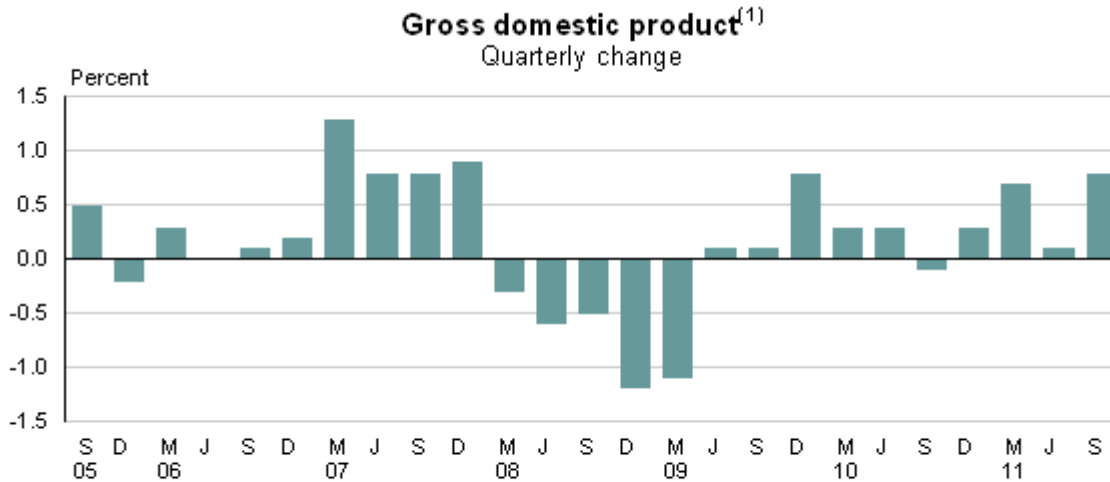


Source: StatisticsNewZealand

GDP Update³

- Economic activity increased 0.8 percent in the September 2011 quarter.
- Manufacturing (up 2.3 percent) was the largest contributor to this quarters' increase.
- Retail, accommodation, and restaurants (up 2.5 percent) and finance, insurance, and business services (up 0.6 percent) were also up this quarter.
- GDP was up 1.3 percent for the year ended September 2011.
- For the expenditure measure of GDP:
 - The expenditure measure of GDP was up 1.0 percent in the September 2011 quarter.
 - Household consumption expenditure was up 1.5 percent.
- For the year ended September 2011, expenditure on GDP was up 1.4 percent.

³ *ibid*



1. Seasonally adjusted chain-volume series expressed in 1995/96 prices.

Source: Statistics New Zealand

Update on the HR Institute of New Zealand

Leadership

President: Ms Catherine Taylor

Vice Presidents:

- Ms Debbie Dawson
- Mr Tony McKone

Governance and Committees⁴

The HRINZ reviewed its constitution and Board structure during 2011 moving to a smaller number of elected members which replaced a larger branch representative model. More information may be found at:

<http://www.hrinz.org.nz/Site/About/constitution.aspx>

Membership

Membership stands at 4010 approx which is approximately 53% of the HR sector in New Zealand. The Institute only offers individual membership of which there are two main categories:

- **General Members** are people who are interested or involved in some aspect of Human Resources management and development.
- **Professional Members** are members who seek and gain the institute's formal recognition and accreditation of their skills, knowledge and experience in Human Resources management and development. This group is growing at 12.5% pa and stands at just under 10% of the Institute.

⁴ www.hrinz.org.nz

The first level of Professional Membership is recognised with the suffix - **MHRINZ** (Generalist and Specialist). The second level of Professional Membership is when the member is subsequently recognised by the institute and can advance to become Associate Fellows - **AFHRINZ** - and Fellows - **FHRINZ** - in recognition of outstanding contribution to Human Resources and the institute.

Professional Membership. Accreditation is an important membership step. It demonstrates that a Human Resources practitioner has satisfied the institute that they have particular qualifications and experience and possess an ongoing commitment to professionalism and excellence. Accreditation also provides a visual reminder to others that the member has advanced skills and knowledge in Human Resources Management.

Professional Members have full rights to participate in the activities and affairs of HRINZ, including the right to hold membership of the National Board and various other governance roles in the institute. Professional Members are presented with a certificate to recognise their status and may use the letters **MHRINZ** to denote Generalist Member or **SHRINZ** to denote Specialist Member, after their names.

Fellows. Associate Fellows will have had Professional Membership status for at least two years and who have been recognised by their Branch peers as having been actively involved as an influential leader in the HR community and branch. Fellowship of the institute is only granted to leaders in the HR Industry who have had Professional Membership status for at least five years and satisfies the Board of a high standard of personal integrity and professional competence; and has made an outstanding contribution.

Social Media

HRINZ uses social media to reach members with regular updates being made most weeks on twitter, Facebook and HRINZ blogs. Linked In also features HRINZ discussion groups

Academic Linkages

The inaugural Research Forum was held in Auckland in November 2010 and again in October 2011. These initiatives are hosted by the HRINZ Academic Branch and enable effective linkages and networking between practitioners and applied HR research work by Academics and students from New Zealand universities.

Professional development Update

HRINZ provides a range of professional development courses which are offered throughout the country. To best fit our delegates' needs we offer a range of courses from 2.5 hours to four days duration.

- All HRINZ courses are aligned to addressing one or more of the competencies outlined in the internationally benchmarked HRINZ HR Competencies
- All HRINZ courses are also recorded in HRINZ member Career Logs
- As a HRINZ Member you will receive a discount on attending all courses

HRINZ Professional Development Courses include:

- [Achieving Success for HR Practitioners](#)
- [CEO for a Day](#)
- [Challenge of Change](#)
- [Creating Change Capability](#)
- [Enhanced Interviewing Skills for HR Professionals](#)

- [Essential Employment Law](#)
- [HR and Business Performance](#)
- [HR Business Writing](#)
- [HR Foundations](#)
- [HRINZ Webinars](#)
- [HR Workforce Performance Metrics & Reporting](#)
- [Positive Approaches to Organisational Restructuring](#)
- [Refresh HR](#)
- [Seven Habits of Very Safe People](#)
- [Strategic Human Resource Management](#)

HRINZ members are now able to receive PRINZ (Public Relations Institute of New Zealand) member rates on some [PRINZ courses](#) and [AMINZ courses](#).

More information at:

http://www.hrinz.org.nz/Site/National_Events/courses/default.aspx