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Committee Wellington Regional Strategy Committee
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Genuine Progress Indicator Framework For WRS

1. Purpose

To update the committee on the status of the ‘genuine progress indicators’ (GPI) component of the Wellington Regional Strategy.

Set out in this report are:

- An overview of the adopted genuine progress indicators’ (GPI) concept; and,
- Next steps in implementing the GPI framework

The matters for decision in this report **do/do not [delete as necessary]** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

2. Background

2.1 Where did GPI come from?

Genuine progress indicators (GPI) are a means of measuring progress in a more holistic way than previous systems (e.g. Gross Domestic Product).

The GPI system is a response to global attention being given to sustainable development. In 1992 New Zealand, along with other nations, adopted the 27 principles that constitute ‘Agenda 21’ at the first UN Conference on Environment and Development in Rio de Janeiro in 1992.

These 27 principles encourage the integration of economic, social and environmental interest to guide decision-makers and the community towards sustainable development.

Since the 'Earth Summit' (as this conference is known), individuals, N.G.O.'s and government organisation's alike have analysed and interpreted the term sustainable development in several ways.

The NZ Government defines it as:

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987).

Sustainable development acknowledges that:

- ecosystems (natural life supporting systems) are in the end limited to absorb the effects of human activities.
- interactions between environmental, social and economic factors must be taken into account when making decisions, to achieve sustainable outcomes.
- the well being of current and future generations has to be a key consideration

2.2 How do you measure sustainable development?

The next step has been to find appropriate ways to measure progress towards sustainable development. This has led to development of the Genuine Progress Indicator (GPI) accounting system.

Nations have over the last 50 years generally measured and compared their economic well-being according to Gross Domestic Product. The GPI system sets out to supersede GDP.

Gross Domestic Product measures the output of an economy resulting from the production of marketed goods and services within the national or regional boundary. Traditionally the more GDP rises, the better the overall welfare of the nation or community has been assumed to be. The shortcoming of GDP is that it is not sustainable if environmental or social conditions on which current and future societal well-being depends are being eroded.

Also GDP can capture negative events as 'positives'. For example, a chemical pollution incident shows up as positive for GDP because of the costs incurred producing the chemicals as well as the cost of cleaning up the pollution.

3. Comment

3.1 New measures of success: The GPI Accounting System

GPI is a comprehensive assessment of the total well being of a community including social and cultural aspects, its economy, and the natural environment in a standardised framework.

It integrates current economic theory with social, environmental and cultural value's in a systemic fashion. It complements the existing frameworks that measure well-being and environmental progress. In essence it provides a single framework to address well-being, measure performance and sustainable development.



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3.2 Background to GPI

GPI was developed in 1995 by Redefining Progress, an American non-profit research and policy organisation. The GPI concept has been picked up and adapted and modified by various groups, including The Australia Institute, GPI Atlantic and the Pembina Institute (GPI Alberta blueprint).

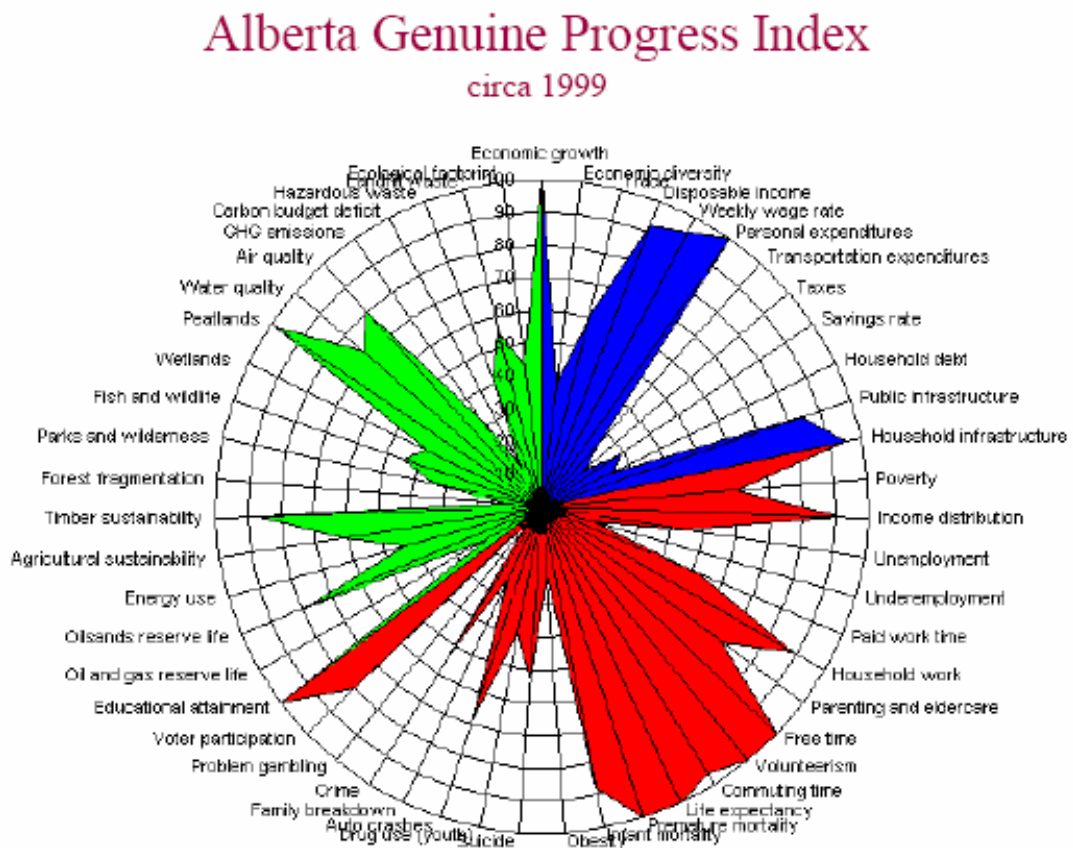
The GPI accounts are developed along the same lines as traditional accounting systems and represent a synthesis of many existing measurement approaches. The innovation of GPI stems from providing a more holistic and integrated accounting of economic, environmental and social indices.

A key improvement over GDP is that GPI is rooted in the ‘natural capital’ approach, which has a focus on inter-generational equity. It presents a full cost benefit account.

Various alternative systems have been developed for measuring genuine progress, many of them were reviewed thoroughly while developing the GPI well-being accounting system. (Anielski, 2002). Currently one of the most advanced GPI accounting frameworks (Anielski) is that from Alberta Canada. Further information on GPI frameworks is set out in **Attachment 1**.

GPI lends itself to communicating information to decision-makers and the public in readily accessible ways. **Figure 1** below shows one means of showing the state of various valued elements.

Figure 1: The Alberta GPI Assessment



Source: Anielski, M, M. Griffiths, D. Pollock, A. Taylor, J. Wilson, S. Wilson. 2001. *Alberta Sustainability Trends 2000: Genuine Progress Indicators Report 1961 to 1999*. Pembina Institute for Appropriate Development. <http://www.pembina.org/green/gpi/> April 2001.

This example combines genuine progress across environmental, economic, social and cultural measures.

More detail on the individual components is set out in **Attachment 1** to this report.

3.3 Choice of GPI for the WRS

The Wellington Regional Strategy Forum (the precursor to the current WRS Committee) recognised the need to be in a position to assess prosperity and quality of life in the region. A scan of options for an holistic assessment framework resulted in the Forum deciding to adopt the GPI framework. This approach was validated through feedback from consultation on the WRS Growth Framework document.

Public feedback was that prosperity in the Wellington region meant more than monetary wealth¹. Survey work and submissions indicated that quality of life for all members of our society had to be addressed under the WRS. Economic growth was not sought at the expense of the community or the environment.

Council officer evaluation work concluded that following the Canadian framework (GPI Blueprint) appears best suited to achieve these ends. The Canadian model is based on an iterative process that grows the GPI based on incremental improvements backed by the community and expertise and has built on the results of previous efforts.

Further support for this position was received through active championing of GPI by Mr Morgan Williams, (then) Parliamentary Commissioner for the Environment. In late 2006 he hosted a workshop of central government agencies and other interested stakeholders on GPI. Participants heard from Mr Ron Colman who is a recognised international expert in GPI.

As the WRS has adopted GPI as its measurement framework the Wellington region was offered to the PCE workshop group as a potential 'pilot project' / test bed site for implementing GPI. This proposal was favourably received and interest exists from Statistics New Zealand, MfE, (Ministry for the Environment) Victoria University and others on potential for collaboration.

Also of relevance is that funding support has been given to Massey University through the Foundation for Science and Research to 'monetarise' elements that would contribute to a GPI framework.

The opportunity to pursue ongoing working relationships on GPI with the parties above remains open and is to be pursued now that WRS implementation arrangements are in place.

¹ Decision Research Survey for the WRS Project of 1500 Residents and 500 businesses. 2006

4. GPI Next Steps

4.1 Timing for GPI Implementation

For WRS purposes an initial GPI framework needs to be operational by 1 July 2008. This will include information to cover the present 2007 / 2008 period.

Elements to be contained in the GPI can be defined much earlier (and in many cases likely elements are known now), however the importance of building shared understanding across all the relevant stakeholders, and buy-in to implementing GPI has given rise to the timetable suggested.

A key consideration is integrating with LTCCP 'community outcomes' programs of councils in the region, and ensuring there is clarity around where existing information can service both community outcomes and GPI needs. Also to be addressed is where any additional data may be needed.

The GPI project is to be championed out of the Senior Officers Resource Group (SORT) on behalf of the local government Chief Executives Group.

Following appointment of the WRS Implementation Project Team members (WRS Office) in the last quarter of 2007, they will provide logistical support and oversight for the GPI project.

A task plan has been developed to bring together, in the first instance, those local government officers needed from around the region to ensure alignment of GPI activity with individual council's 'community outcomes' monitoring obligations under the Local Government Act.

Having confirmed the platform for local government engagement around GPI, the next task is to establish those aspects of GPI where academic and central government collaboration will be beneficial.

It is envisaged that this will be further developed and strengthened over subsequent years in line with developing international GPI practice, and as connections with central government and academic institutions programs become stronger.

4.2 GPI Information Needs

The WRS GPI can rely on existing data to construct the 'starting point'.

Broad indicator categories and measures have been identified that are considered to have potential to represent the region's values. Assessment work to date suggests that for most aspects specific, measurable data is available regionally and can be gathered within a reasonable timeframe.

The GPI indicators and measures need to be aligned with the monitoring work that councils currently do through their Long Term Council Community Plans, District and Regional Plans and through the Regional Policy Statement.

A significant proportion of data is already available through the Quality of Life project of which Wellington, Porirua and the Hutt Cities are part. Councils are also collecting information for their LTCCPs which can be used.

Other data comes from Statistics New Zealand, Ministry of Social Development, Ministry for the Environment and Ministry of Economic Development.

An opportunity is created for improvements to the framework to be made over time through (real life) application, experimentation and further research. Input from the Massey University research, and other indicator work from the national level can be integrated in this way.

The GPI framework is inherently flexible and allows for progressive change. If values change, or we find that our measurements fall short of reporting genuine progress, then adjustments can be made to the GPI to address those issues.

The elements identified in the WRS as likely candidates for the initial GPI framework are shown in **Table 1**. Ongoing work will see this list refined and adjusted to ensure appropriate coverage based on international best practice.

Table 1: WRS GPI Potential Elements

Economic	Environmental	Social	Cultural
Regional GDP per capita	Local natural environmental issues	Population/ Demographics	Recreation and leisure
Income	Air quality	Education	Ethnic mix
Economic activity	Freshwater quality	Health of the community	Maori language, education and culture
Employment	Soil quality	Level of social connectedness	Taonga tuku iho
Cost of living	Biodiversity	Level of civil participation	Heritage
Net worth	Coastal environment quality	Level of safety	
	Green space	Drinking water levels and quality	
	Ecological footprint		

4.3 Genuine Progress Indicators Group

For ongoing development of the GPI a specialist technical group is to be maintained.

The Group includes Statistics NZ, Ministry of Economic Development, Ministry of Social Development, Ministry for the Environment, Tertiary Education providers, and private sector interests. A strong degree of ‘in principle’ support exists for the WRS GPI initiatives and good potential exists to progress this quickly.

Connecting to and aligning with a nationally consistent approach is both desirable and will be more efficient for the WRS process. Being able to credibly measure and benchmark WRS high level outcomes necessitates building strong working relationships with parties such as Statistics New Zealand and others with responsibilities for national measurement metrics.

WRS officer work will focus on integrating the WRS agreement to use the GPI with the national level initiatives underway. The nature of this engagement is largely an operation / technical process currently, and it is intended that regular progress reporting to the WRS Committee occur.

5. Communication

Media interest in GPI has to date been limited. A specific task in the coming GPI program will be to explore scope for raising the profile of GPI as implementation begins. Scope for this will be improved to the extent that partnerships with other stakeholders are put in place around GPI initiatives.

No immediate need exists for press releases or media statements on GPI until such agreements are in place.

6. Recommendations

That the Committee:

1. ***Receives the report.***
2. ***Notes the content of the report and proposed timing for implementing the GPI framework.***

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Attachment 1: GPI Information