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Committee Wellington Regional Strategy Committee
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Genuine Progress Index

1. Purpose

To seek a staged sign-off of the Wellington region Genuine Progress Index (GPI) from the WRS Committee. This report outlines the approach taken in developing the Wellington region GPI, and the process for selecting indicators. This comprises Part I of the sign-off process for Phase I of the GPI.

2. Significance of the decision

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

3. Background

One of the key elements of the Wellington Regional Strategy (WRS) is sustainable economic growth. Page 51 of the document sets out how the Strategy will be monitored, utilising a GPI. It should be recognised that the GPI is not the only tool for monitoring the success of the WRS, and that there are aspects of the strategy that are unable to be quantified such as the value of inter-agency collaboration and information sharing.

The GPI working group, made up of officer representatives from each of the councils in the region (one Wairarapa representative) have met eleven times since the establishment of the working group in early May 2008. A terms of reference was developed for this group.

The GPI working group has drawn on the background research and analysis of GPI for the Wellington region that took place in 2005. The working group has also assessed many GPI frameworks being utilised around the world, including the draft New Zealand national-level GPI due to be released shortly by Massey University/NZ Centre for Ecological Economics/Market Economics/Landcare NZ.

Statistics New Zealand has recently released its Framework for Monitoring Sustainable Development. This framework discusses definitions of

sustainability and comments on how complex it is to provide a comprehensive mechanism for measuring sustainable development.

Through the development of the GPI, the working group has been in liaison with both Statistics NZ and the NZ Centre for Ecological Economics.

4. GPI approach and framework

The GPI working group has determined that the framework for a regional GPI is to be based on the **WRS Outcomes** (see **Attachment 1**). These outcomes are high level outcomes that embody a range of aspirations for the region that are aimed at underpinning the goals of the WRS for Wellington to become an “internationally competitive” region. The WRS outcomes were agreed on by all the region’s councils and the public through the development and consultation stages of the WRS, and are almost identical to the Long Term Council Community Plan (LTCCP) community outcomes for Greater Wellington Regional Council.

There is an opportunity for the region’s GPI to be developed in such a way that it can eventually replace the monitoring of regional LTCCP community outcomes. Many other regional councils are also interested in determining how to align their community outcomes with a GPI and to deliver a fuller picture for measuring the well-being of their region. This could lead to a new model for monitoring and reporting on community outcomes at a regional level.

It is planned that the Wellington region GPI will have the ability to be built on and further developed over time. Its main focus is to provide a regional picture. Where appropriate, indicators in the GPI may be able to be aggregated up or disaggregated to a territorial authority level (see section 4 on selection of indicators below). The GPI is not intended to replace any territorial authority LTCCP community outcomes process, but has the potential to provide a useful baseline for individual councils when selecting core indicators.

The GPI working group has determined a two-phase process for developing the GPI.

Phase 1: development of a GPI monitoring framework

Phase 2: undertaking full cost accounting of selected accounts (decision to proceed yet to be decided).

5. Selection of indicators

The GPI working group has developed a set of indicator criteria to assist with indicator selection for the GPI (see Attachment 2). In determining the criteria, the working group analysed a number of other criteria from central and local government including Statistics NZ, Quality of Life, Te Puni Kokiri and other regional councils.

Indicators used in the Wellington region GPI will largely come from existing sources (e.g. Statistics New Zealand, Quality of Life survey, Ministry of Social

Development Social Report, Ministry of Health surveys). The GPI working group is recommending that when analysing whether or not an indicator is appropriate for the GPI that as a rule of thumb, greater importance be given to the following indicator selection criteria listed in Attachment 2:

- reliable
- valid
- repeatable
- shows change
- leading indicator.

Traditionally GPIs have not been regarded as measures of sustainable development. Their main purpose has been as a measure of well-being. Since the WRS is a sustainable development strategy the aim is to broaden the GPI for the Wellington region to move it closer to being a measure of sustainable development. We intend to do this by assessing the indicators against the Statistics New Zealand sustainable development framework indicator typology. Where appropriate additional indicators may need to be added to move it in this direction.

In addition we intend to be able to benchmark this GPI against other New Zealand regional council community outcome indicators. We intend to do this by developing a common set of indicators that each of the regions is comfortable using for this purpose.

6. GPI reporting, forums and workshops

Since May 2008, the GPI working group has organised two GPI forums to enable communication and sharing information. Agencies involved included:

- local government representatives (Auckland Regional Council, Canterbury Regional Council, Environment Waikato, Environment Bay of Plenty, Hawke's Bay Regional Council, Nelson/Marlborough unitary authorities, Christchurch City Council)
- central government organisations (Statistics New Zealand, Department of Internal Affairs, Ministry of Economic Development, Ministry of Social Development, Ministry for the Environment, New Zealand Transport Agency)
- researchers and academics from Victoria University, Massey University, NZ Centre for Ecological Economics
- the Wellington Regional Chamber of Commerce
- Grow Wellington and the Nelson Economic Development Agency.

There is increasing interest in GPI throughout New Zealand which also reflects a growing interest in GPI around the world. The Wellington region is the first region in New Zealand to be mandated to develop a GPI.

The working group has provided regular reporting to the WRS Committee and has also provided a GPI workshop for the WRS Committee on 25 August 2008.

An additional GPI workshop is to be held with the WRS Committee on 6 November 2008 to further discuss the development of Phase 1 of the GPI. All local government Chief Executives will be invited to attend this workshop.

7. Tangata Whenua involvements

The inclusion of Maori specific measures (recognising the special role of Tangata Whenua in the Wellington region) has been discussed with Greater Wellington's iwi advisory group Ara Tahi at its 24 June meeting and also at a workshop held in August 2008. As representatives of the region's iwi, Ara Tahi are very interested in the development of the GPI and have recommended that tangata whenua-specific indicators be included.

A report was provided to Ara Tahi on 15 October seeking confirmation of the key topics for tangata whenua-specific issues to be included in the GPI. The GPI working group will provide recommendations on tangata whenua-specific indicators to Ara Tahi at their 4 December 2008 meeting.

The GPI working group continues to seek advice from Greater Wellington's iwi liaison officers (one whom is a member of SORT) on the development of the cultural indicators part of the GPI.

8. Cost

It is envisaged that there will be minimal cost to source the indicators for Phase 1 of the GPI as the majority of the indicators are likely to come from existing sources. However, the working group recognises that there may be some indicators that are not currently available and that may be vital for developing a regional GPI. Data from such indicators may become available in the future. Any data gaps will be identified through the process of finalising indicators and can be built on over time.

9. Phase I output

The GPI (Phase 1) will allow progress towards the WRS outcomes to be monitored. There are a variety of ways that the indicator results can be represented. Figure 1 below represents the 'full' results of all topics included in the 1999 Alberta, Canada GPI. Each individual year can be represented in such a way to display 'performance'. In this example, each indicator is assessed against the best year, with better performance closer to the outside of the circle.

In the case of the Wellington regional GPI we could roll up the indicator topics into each of the WRS outcome areas.

Figure 8: Alberta GPI Sustainability Circle Index for 1999

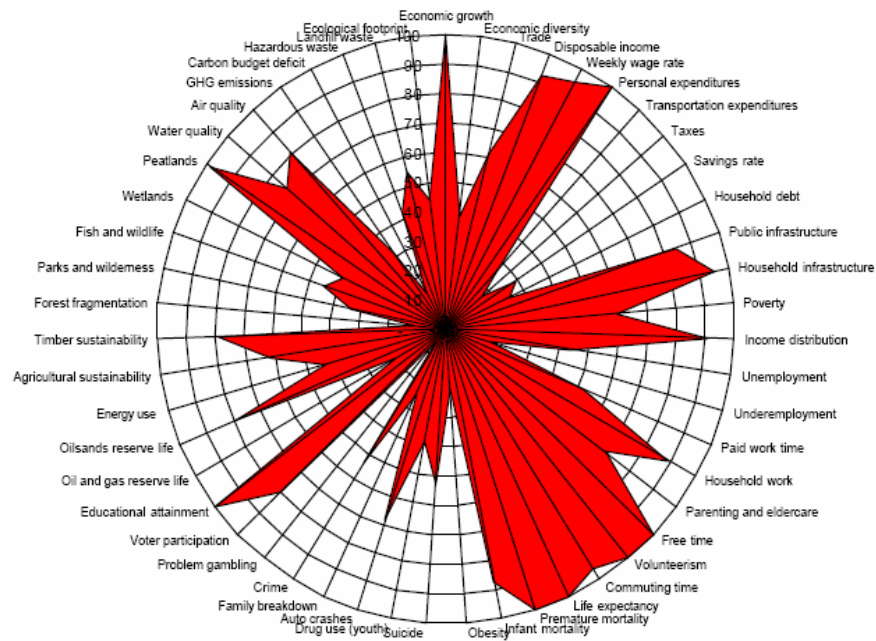


Figure 1: Example of Alberta GPI circle index

Another way that indicator performance can be presented is in the form of a report card (see Figure 2). In this model the raw data for each indicator is indexed to its most favourable year in the time series. For example, if unemployment is lowest in the region (a desirable result) in 2006 it is given a value of 100 and the other data points for that indicator is compared to that value.

This allows for dissimilar indicators to be aggregated to an overall index value as comparisons over time to be made.

Table 7: The Alberta GPI Sustainability Condition Report Card for 1999 and Well-being Trends, 1961 to 1999








ECONOMIC WELL-BEING Genuine Progress Indicators	GPI Condition Index in 1999 (100 = best) (0 = worst)	Highest Index Year / Worst Index Year*	Trend in the GPI variable 1961-1999	Description of Trend
Economic growth (real GDP per capita)	100	1999 1961*		The economy (real GDP, 1998\$) grew 400% in 40 years, representing a growth rate of 4.4% per annum or 2.2% per capita.
Economic diversity (distribution of GDP)	38	1971 1983*		Alberta's economy was more diversified in 1999 than in 1985 but less diversified than in 1971.
Trade balance (exports less imports)	61	1996 1971*		The balance of exports to imports has been variable, though slightly improved.
Real disposable income	92	1981 1961*		Higher than in the 1960s and 1970s but virtually unchanged since 1984.
Real weekly wage rate	95	1982 1964*		Real weekly wages while higher in 1999 compared to the 1960s have been stagnant since 1984.
Personal consumption expenditures	100	1999 1961*		Real spending per capita grew at 2.0% per annum.
Transportation expenditures	26	1961 1997*		Real transportation expenditures per capita are growing at 3.8% per year.

Figure 2: Example of Alberta GPI report card

10. Timeline

It is proposed that Phase 1 (including decisions on weighting of indicators, indicator type and number, rules for aggregation, assumptions around reporting on topic levels, peer review process, frequency of reporting on GPI) be signed off by the WRS Committee at its 10 December 2008 meeting.

A decision on whether or not to proceed with Phase 2 (full cost accounting) and the process for selecting accounts will be made at the first WRS Committee meeting of 2009.

GPI development (Phase 1) proposed timeframe

10 October 2008	CEG meeting
15 October 2008	Ara Tahi meeting
22 October 2008	WRS Committee – sign-off of approach taken to GPI and indicator selection criteria
6 November 2008	WRS Committee workshop
11 November 2008	SORT meeting
21 November 2008	CEG meeting
4 December 2008	Ara Tahi meeting
10 December 2008	WRS Committee – sign off of draft GPI – Phase 1

11. Recommendations

That the Committee:

1. **Receives** the report.
2. **Notes** the content of the report.
3. **Agrees** with the proposed approach of the GPI and confirms the selection criteria for choosing indicators.

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Attachment 1: WRS Outcomes

Attachment 2: Indicator Selection Criteria