

Wellington Region Genuine Progress Index (GPI)

Frequently Asked Questions

What is a GPI?

The GPI is a holistic measurement tool that government and communities can use to account for the real costs and benefits of economic activity. It counts beneficial activities as positive, harmful activities as negative, and provides a systematic way to integrate economic issues with environmental, social and cultural concerns.

For example, the GPI counts the costs of obesity and its consequent adverse health impacts as a negative, whereas within GDP these same costs are considered positive because they contribute to economic activity through increased medical costs.

How can we use the GPI?

A GPI aims to measure whether a country or region's growth, increased production of goods, and expanding services have actually resulted in the improvement of the welfare (or well-being) of the people in the region or country. A GPI can distinguish between growth that signifies an improvement in well-being and growth that signifies a decline in well-being.

A GPI will enable us to make better decisions now and for the future. Valuing economic, social, environmental, human and cultural assets means decisions can be made with our overall well-being in mind and in a way that leaves a better world for our children and grandchildren.

Will the GPI replace GDP?

The GPI is not intended to replace GDP. GDP will continue to function for the purpose for which it was intended – as a measure of exchange of goods and services in an economy. The GPI adds significantly to GDP as a measure of overall progress and well-being.

How does the GPI measure well-being?

The GPI consists of two parts:

1. The development of indicators to measure progress and trends over time, and
2. Full cost accounts which assign monetary value to areas not valued in traditional economic assessments, such as the cost of inequality to a region.

The Wellington Regional Strategy (WRS) has nine community outcomes which define the well-being goals of the strategy. By looking at the trends of the data used to measure the outcomes, we can determine whether we are making progress towards those goals.

The GPI puts a value on things we say are most important, such as our health, education, a clean environment, decent living standards, economic security, feeling connected to our community, and our overall quality of life.

Why was a GPI done for the Wellington region?

In the development of the WRS it was considered important to measure well-being in the region. The main aim of the GPI is to measure the economic, social, environmental and cultural well-being of the Wellington region. The GPI is based on these four aspects of well-being and the nine WRS community outcomes that represent the well-being goals of the region.

Why does data not provide local detail?

The data does not include local detail because this is a regional level GPI. The aim of this GPI is to achieve a regional understanding of progress, whereas local data is the domain of TA's to analyse and describe.

How far does the data go back to?

The data goes back to 2001.

Will the GPI be repeated and if so how often?

Yes, it is anticipated that the GPI will be updated every two years.

Is the GPI as robust as a measure such as GDP?

The Genuine Progress Index is not a final product, but a small step in the direction of more comprehensive measures of progress than are currently in use. The GPI itself should be seen as a work in progress subject to continuous revision, improvement in methodologies, and inclusion of additional variables. It will continue to evolve in form and content with further research, the development of new methods of measurement, and the availability of improved data sources. It took many decades of refinement to develop the GDP to where it is today.

How were the indicators chosen that make up the GPI?

Indicators were selected on the basis that they represented aspects of the community outcomes identified in the WRS. It was important that they could show clear positive or negative trends towards the well-being goals of the region. The data comes from reliable and official sources, and experts were consulted on the validity and robustness of the measures.

Are the indicators weighted in any way?

The indicators are not weighted because different people attach different values to indicators and so it would be difficult to decide on weighting. It is also a very expensive process to undertake full cost accounting.

Why are the indicators indexed?

In order to assess overall trends within each community outcome, particularly where the outcome combines indicators with different types of data, i.e. economic data and perception information, an index was created for each indicator.

Who owns the data?

The statistics are owned by Greater Wellington Regional Council. Much of the data comes from various government agencies including the Ministry of Health, Ministry of Education, Statistics New Zealand, the NZ Transport Agency and the Department of Internal Affairs.

The data largely comes from existing sources (e.g., Statistics New Zealand, Quality of Life survey, Ministry of Social Development Social Report, Ministry of Health surveys). Other data sources include councils in the region and the Ministry of Education.

Are other parts of NZ considering a similar approach?

Waikato Regional Council and Auckland Council have developed GPI's for the period 1990 to 2006, which they are currently updating. We are currently working with these councils to align our research and work.

At the national level, Statistics NZ (2008) has developed a Framework for Measuring Sustainable Development (FMSD) for the period 1970 to 2008. At the non-governmental level, the New Zealand Centre for Ecological Economics (NZCEE) is shortly to release the first iteration of a national level GPI for NZ.