

Information sheet 1 (Simplified): Population sustainability and household consumption

(Adapted from Ministry for the Environment, Environment New Zealand (2007) at www.mfe.govt.nz)

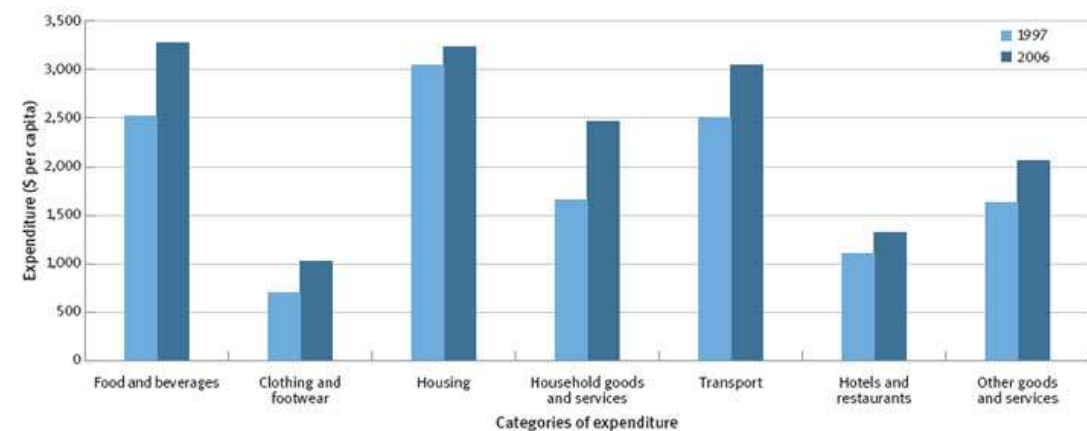
When populations grow they use more resources. Some parts of our planet are becoming overpopulated and have too many people. According to the WWF, 'Overpopulation means that the population cannot be supported by its environment. Therefore population growth needs to be carefully planned, managed and monitored.'

Environmental reporting is one way to check how the environment is being affected by its management. State of the Environment reporting done by the Ministry for the Environment is one type of environmental reporting in New Zealand. This type of reporting looks at key areas in the environment (**environmental indicators**). Environmental indicators are used because we cannot continuously measure everything in our environment. Using indicators makes the job of measuring environmental impacts easier.

One indicator for measuring the pressure that households place on the environment is called 'household consumption'. There are two parts in household consumption:

1. How much money is spent.
2. The kinds of products and services that are used (see Figure 1).

Figure 1. Household consumption expenditure in 1997 and 2006 (Ministry for the Environment)



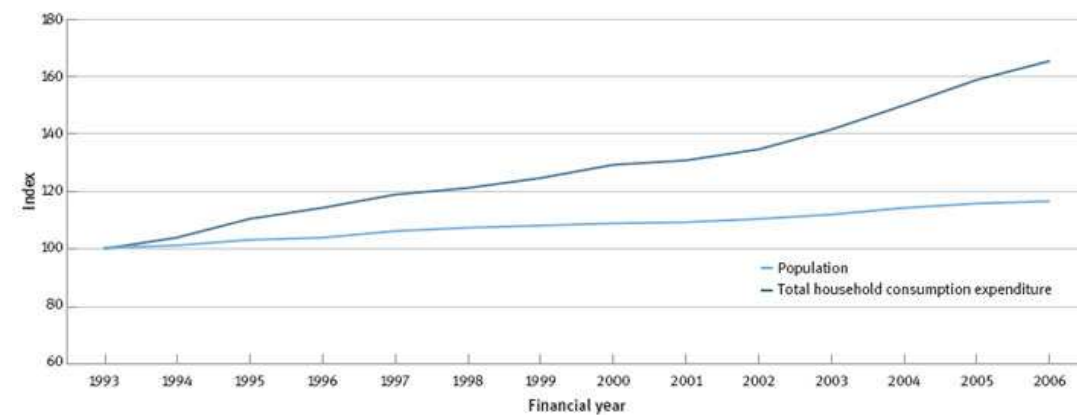
Factors that affect household consumption

The way households spend money changes as our lifestyles change, for example changes in the size of our families and our homes. Factors that can affect spending include new technologies, advertising, changes in fashion, income levels and individual choices. Following is a summary of how some factors have changed in New Zealand. This summary is important when studying the Western Bay of Plenty, as this area has one of the fastest growing populations of New Zealand.

Population

Between 1993 and 2006, New Zealand's population grew by 16 percent and the estimated number of households went up by 22 percent. Total spending has been growing at a greater rate than the population has been growing. Total amount of money spent per household increased about 65 percent meaning New Zealanders are spending more now than they were spending 10 years ago (see Figure 2).

Figure 2 Change in population and real total household consumption spending, 1993–2006 (March financial years)



Source: Ministry for the Environment

Households and household size

Between 1997 and 2006, the number of households in New Zealand grew but there were fewer people living in each household (Statistics New Zealand, 2003). At the same time, the amount of one-person households grew from nearly 21 percent (256,569) to 23 percent (328,299) (Statistics New Zealand, 2007). Larger houses tend to use more resources. However, smaller households (fewer people living in a housing unit) 'generally use more space, energy and water, and generate more waste per person' than do larger households' (European Environment Agency, 2005).

Availability and affordability of goods and services

New Zealanders have access to more cheap mass-produced goods (Organisation for Economic Co-operation and Development, 2002b, p. 6). This changes household spending and the type of goods brought. For example, in some cases it may become cheaper to buy something new rather than to repair the old one.

Economic growth and income levels

Economic growth and household spending are closely linked, and have followed similar trends. Earning more money means more money is available to spend on stuff aside from the basics such as food. People can also buy more expensive stuff.

Individual choices

By making choices that think about the effect on the environment, such as choosing appliances or vehicles that are more energy efficient, people can reduce the effects of their spending on the environment. The opposite is also true!

References

Ministry for the Environment. 2007. *Environment New Zealand*. MfE. Wellington.
Statistics New Zealand. 2003. *New Zealand 2021: The growth dilemma*. Electricity engineers conference speech presented by John Cornish, Deputy Government Statistician, on 20 June 2003 in Christchurch.
Statistics New Zealand. 2007. QuickStats about Housing: Number of usual residents.

SmartGrowth three-level Reading Guide

“Population sustainability and household consumption”

Level 1 (reading on the lines)

Instructions: Tick those statements that appear in the text. They may be worded differently but have the same meaning. Be ready to give evidence from the text.

1. Sustainable population growth takes careful planning. _____
2. Environmental reporting is part of environmental management. _____
3. Household consumption has two parts; money spent and type of products/services used. _____
4. Households are spending more money on consumption. _____
5. Three of the factors that can affect spending are new technologies, income levels and individual choices. _____
6. Smaller households occur when fewer people are occupying a housing unit. _____
7. There is a connection between economic growth and the amount of household consumption. _____

Level 2 (reading between the lines)

Instructions: Tick those statements that you think are true from what the text suggests. Find evidence in the text to support your answer.

1. Overpopulation will have a negative impact on our planet. _____
2. It would be impossible to measure everything in our environment. _____
3. Environment indicators give us a partial but useful picture of the human impact on the environment. _____
4. The western Bay of Plenty sub-region has one of the fastest growing household consumption levels in New Zealand. _____
5. Total spending has been increasing too fast to sustain in the future. _____
6. People prefer to live with fewer people in each household these days _____

Level 3 (reading beyond the lines)

Instructions: Tick those statements you agree with using what the author says and what you know. Be prepared to back up your argument with reasons.

1. New Zealand is becoming a society of high household consumption. _____
2. Easy access to global markets through internet shopping means New Zealanders are spending more on new goods instead of repairing existing goods. _____
3. Richer people will spend more on consumables than the poor. _____