



Western Institute of Technology at Taranaki 40 Years Footprint of WITT

October 2012

Economic assessment

What did we set out to achieve?

Assess the economic impacts and benefit of WITT to the Taranaki regional economy.

Western Institute of Technology at Taranaki

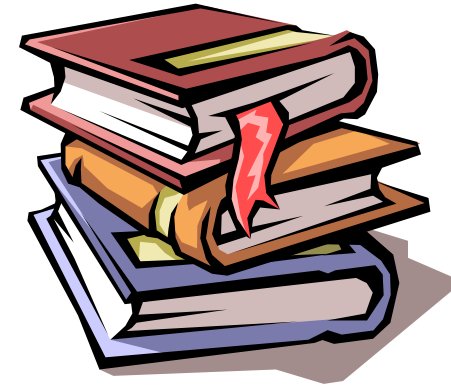
- Part of Taranaki economy since 1972
- 4,025 students in 2011*
- 1,200 graduates in 2011**
- Comprehensive range of courses:
 - Engineering to nursing
 - Hair and beauty to art and design



*Includes those doing study in formal programmes that result in qualifications as well as those in training or short awards which have no qualifications awarded.

**The Graduates in 2011 who gained their formal qualifications (in this particular year) but have been studying over current/past years towards these degrees/diplomas/certificates.

Methodology



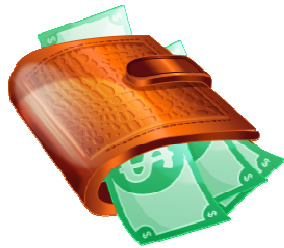
- **Analysis of WITT revenue and expenditure flows e.g. grants, operational and capital expenditure etc**
Source: WITT Annual Report
- **Analysis of expenditure by students living in the region**
Source: Witt student numbers and existing research on student expenditure
- **Economic impact analysis** utilising an economic model tailored to Taranaki's regional economy
- **High-level human capital assessment** - added value to regional economy from higher salaries received by graduates living in region

Results

Economic impact of WITT's operations

Considers:

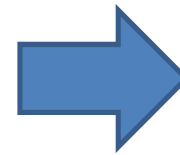
- Government grants/student fees
- Facility operations/revenue
- Research revenue



Direct impact on regional economy:
\$24.87m



Flows through Taranaki regional economy e.g. to sectors supplying to households such as retail trade.



**Total impact:
\$38.44m**

Source: WITT/Annual Report

Economic impact of student expenditure

4,025 students

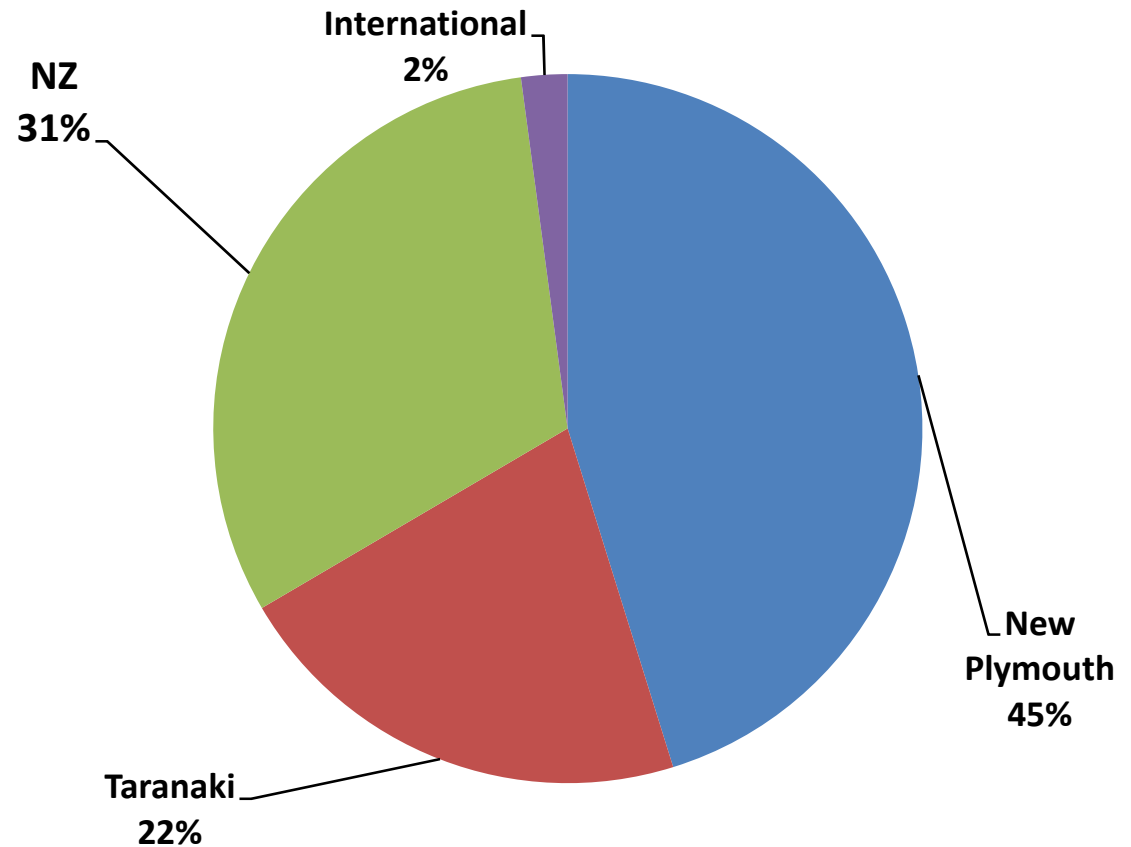
45% - from New Plymouth

55% - outside New Plymouth

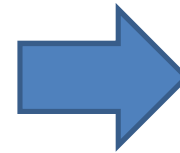
Expenditure patterns vary

e.g. student living at home differs from flatting situation, local/NZ student differs in expenditure from international student

N= 4,025



Economic impact of student expenditure



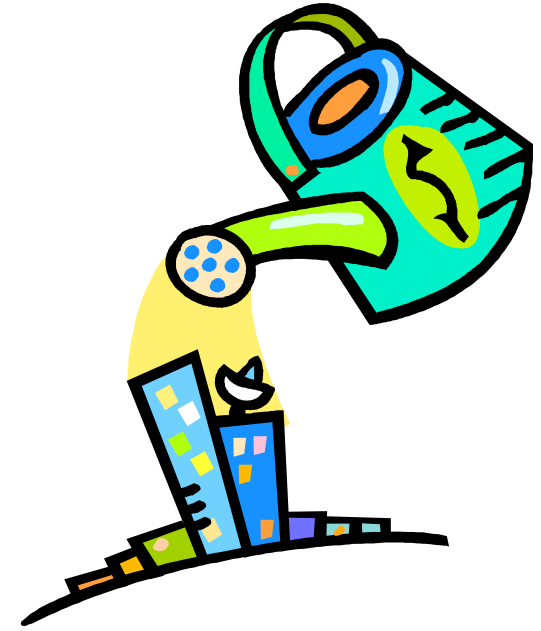
**Total impact
= \$91.62m**

Direct impact on
regional economy =
\$48.03m

Flows through
Taranaki regional
economy
e.g. retail, electricity,
bars, restaurants,
transport etc.

Total Impact

Spending by WITT generated
\$130.06 million
for the Taranaki economy in 2011



This includes direct expenditure by the institute and its students plus flows-ons into supplying sectors such as retail, energy, transport, sport and recreation, personal and community services.

Contribution to GDP*

\$55.84 million



Definition: Value-added/GDP

The value added to goods and services by the contributions of capital and labour:
i.e. what is left in the region after the costs of bought-in materials and services
have been deducted from the total value of output.

***2011 assessment**

Human Capital

Any **gain in salary** that a WITT graduate achieves upon entering the Taranaki workforce also **contributes directly to Taranaki's GDP**

This contribution has not been included in the previous assessment.



About our high level assessment of

Human Capital

The Parameters considered:

- Average gain in salary for a WITT graduate upon entering workforce
- Percentage of WITT graduates remaining in Taranaki workforce
- Number of graduates per year

A range of scenarios were applied:

e.g. Salary increases upon graduation: \$2,000-\$5,000

e.g. Percentage of students remaining in region: 30%-50%;



Gain to Taranaki economy from

WITT graduates

over **last 40 years to 2012:**

\$30 million

(mean outcome conservative estimate)

Scenarios applied:

- Possible salary increases upon graduation: \$2,000-\$4,000
- Percentage of students remaining in region: 30%-50%
- N= 25,000 graduates (head count)

Gain to Taranaki economy from
WITT graduates
over the **next 10 years:**

\$36 million

(mean outcome conservative estimate)

Scenarios applied:

- Possible salary increases upon graduation: \$3,000-\$5,000
- Percentage of students remaining in region: 65%-85%
- N= 1,200 per year

Addition of

Human capital:

Past + future graduates (next 10 years) adds:

1% to Taranaki's GDP

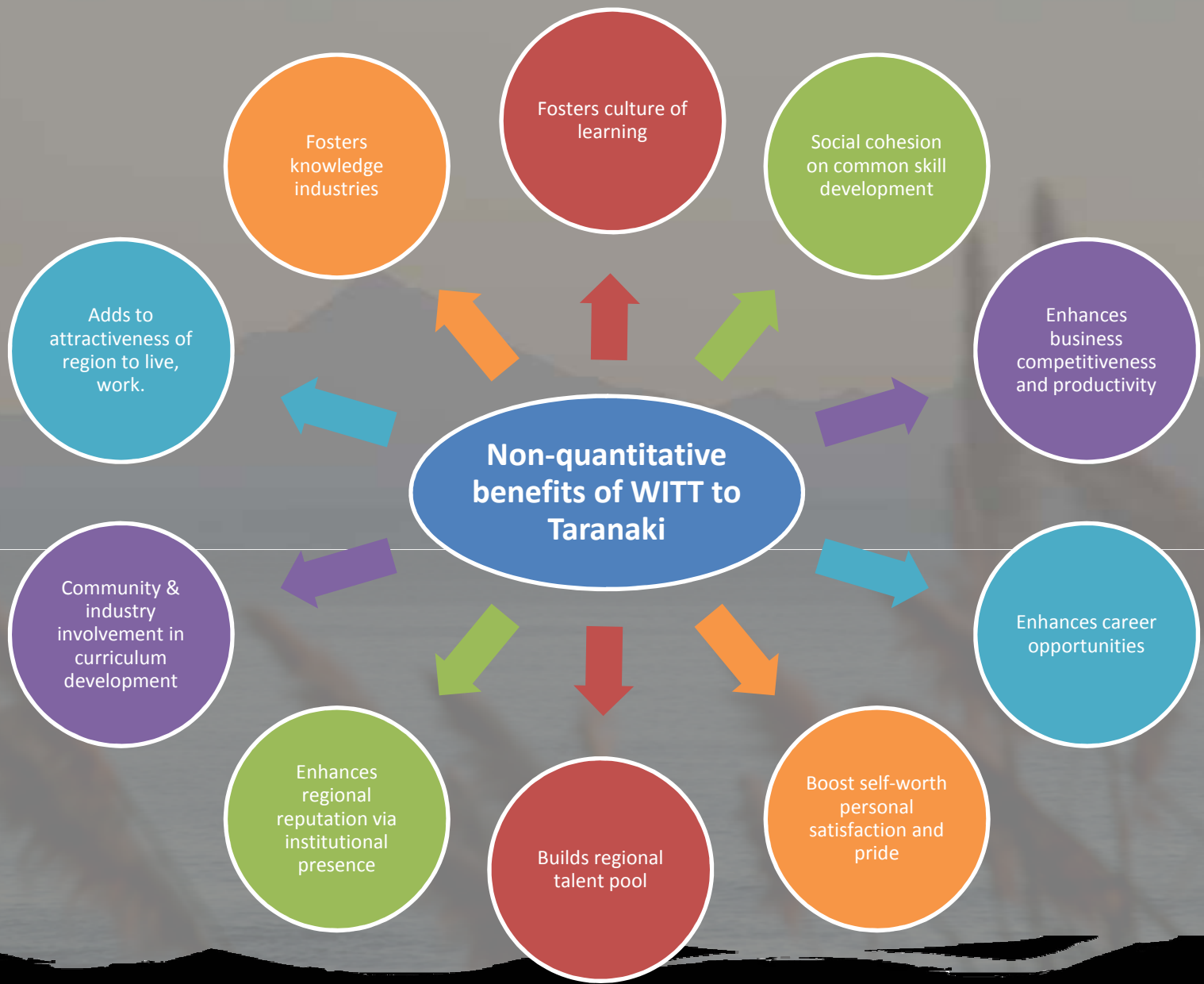
This result could be even higher given:

- More WITT students/graduates
- A greater proportion of WITT graduates remaining in the region
- WITT graduates earning higher salaries

“Education is not the filling of a pail
but the lighting of a fire”

- *William Butler Yeats*

Non-Quantitative Benefits



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