

2.10 Index of disadvantage

An analysis of the relative disadvantage within the Aboriginal and Torres Strait Islander population compared with the non-Indigenous population.

Data sources

Data for this measure come from the 2001 Census of Population and Housing and the 2006 Census of Population and Housing.

Census of Population and Housing

The Census of Population and Housing is conducted by the ABS at 5-yearly intervals with 2006 the most recent, and is designed to include all Australian households. The Census uses the ABS standard Indigenous status question and it is asked for each household member.

Socio-Economic Indexes for Areas (SEIFA)

The ABS has developed indexes to allow measurement of relative socioeconomic status at a small area level. These indexes summarise a range of socioeconomic variables associated with disadvantage.

Index of Advantage/Disadvantage

This index is a continuum of advantage to disadvantage and is available for both urban and rural areas. Low values indicate areas of disadvantage, and high values indicate areas of advantage. It takes into account variables such as the proportion of families with high incomes, people with a tertiary education, and employees in skilled occupations (ABS 2003).

Data analyses

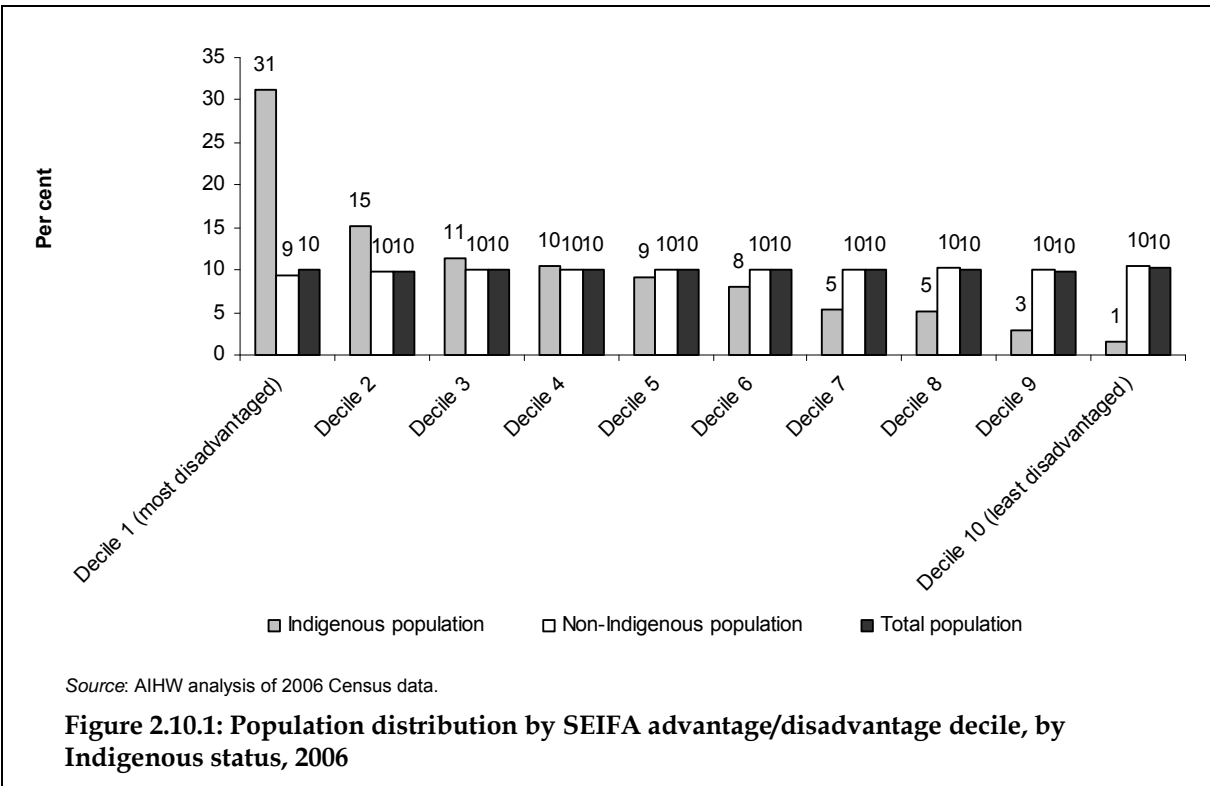
Following the concepts and methodology of the SEIFA Index of Advantage/Disadvantage, persons surveyed were ranked according to their SEIFA score of advantage/disadvantage and then split into deciles or quintiles based on total population.

Analysis of the SEIFA results at small area levels has found that within any area there will be individuals and subpopulations with very different characteristics to the overall population of the area. When judgments are made about the individual or subpopulation based on the characteristics of the area, there is considerable potential for error. This issue is particularly relevant for the Indigenous population, because they make up a small proportion of the population in most areas in Australia. Kennedy and Firman (2004) found that Indigenous Australians suffer a high level of social and economic disadvantage regardless of whether they live in high or low socioeconomic status areas. They found that 93.3% of Indigenous people in Queensland are in the lowest decile for disadvantage. Of the approximately 126,000 Indigenous people living in Queensland, less than 2,000 have SEIFA scores in the top five deciles, even though 35,000 live in areas coded to SEIFA scores in the top five deciles. Therefore, the traditional approach to analysing SEIFA at an area level masks the socioeconomic status of Indigenous Australians who make up a small proportion of most areas. Kennedy and Firman (2004) also call into question the view that Aboriginal and Torres Strait Islander peoples living in urban areas are generally better off than those in remote areas.

Note: For the next version of this report it is hoped to be able to produce SEIFA scores for individuals to compare Indigenous and non-Indigenous Australians excluding the problems associated with statistical local areas.

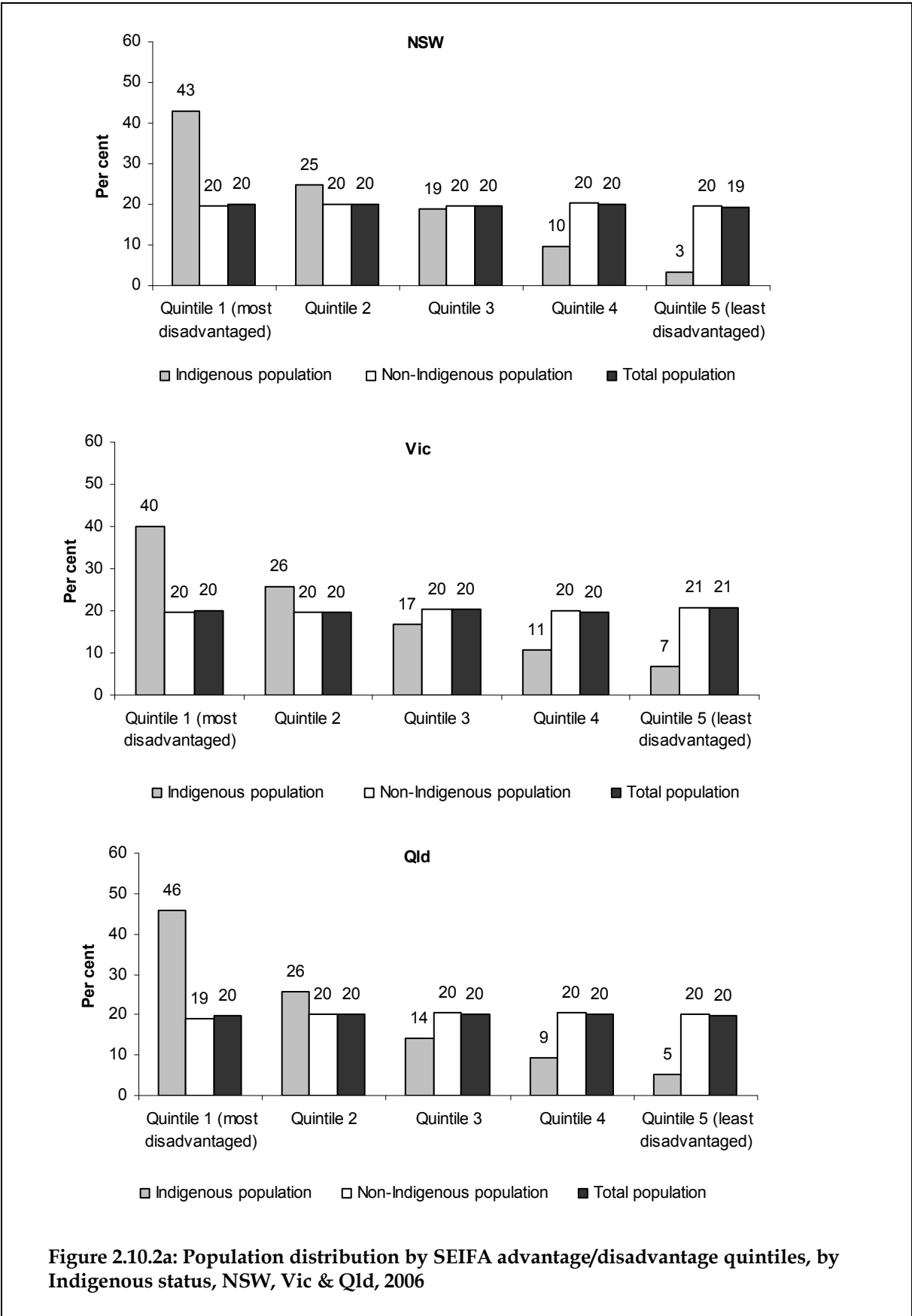
SEIFA

- Indigenous Australians are over-represented in the three most disadvantaged deciles; for example, 31% of the Indigenous population are in the most disadvantaged decile compared with 9% of the non-Indigenous population (Figure 2.10.1).
- Only 1% of the Indigenous population are in the least disadvantaged decile compared with 10% of the non-Indigenous population.



SEIFA by state/territory

- In 2006, in all states and territories a greater proportion of the Indigenous population were in the most disadvantaged quintile than the non-Indigenous population. The Northern Territory had the highest proportion (58%) (Figure 2.10.2c) and the Australian Capital Territory had the lowest proportion (27%) of the Indigenous population in the most disadvantaged quintile (Figure 2.10.2b).
- New South Wales had the lowest proportion (3%) and the Australian Capital Territory had the highest proportion (10%) of the Indigenous population in the least disadvantaged quintile (Figure 2.10.2a & Figure 2.10.2b).



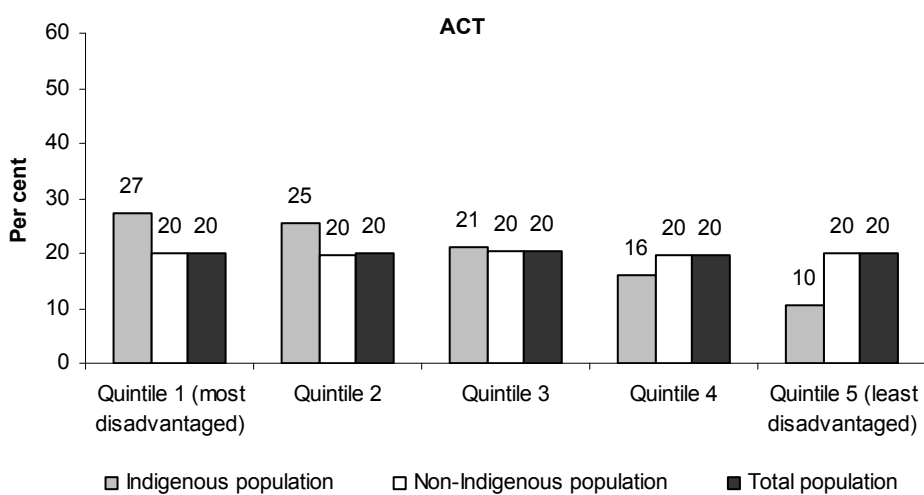
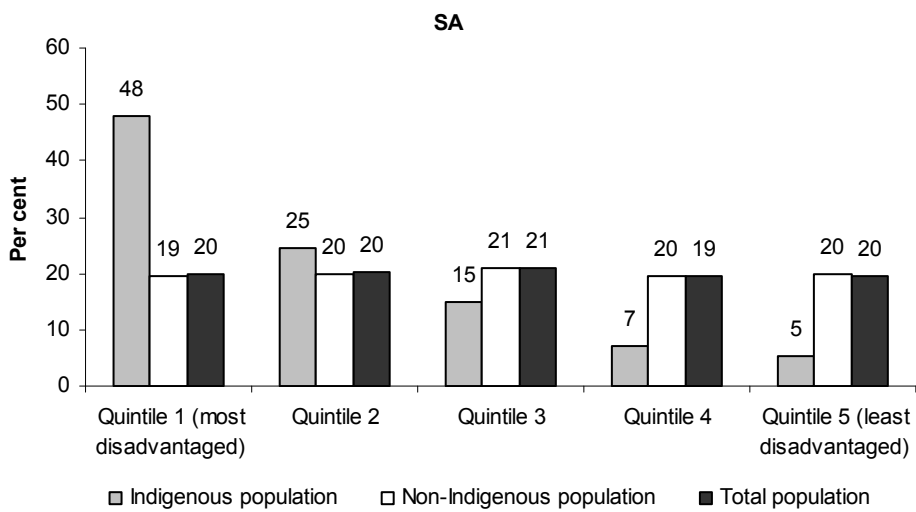
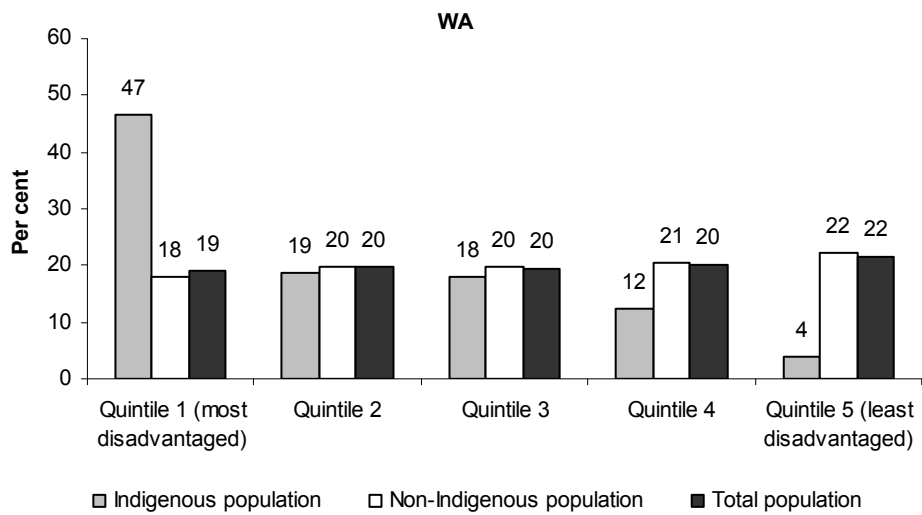
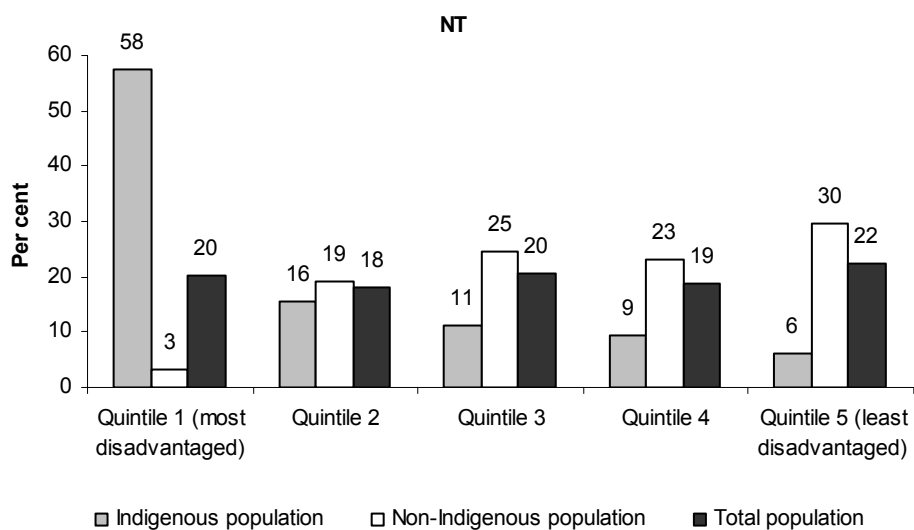


Figure 2.10.2b: Population distribution by SEIFA advantage/disadvantage quintiles, by Indigenous status, WA, SA & ACT, 2006



Note: The population of some states/territories was unable to be split into exact quintiles based on the SEIFA index of advantage/disadvantage. In all except one of these cases, the best approximate quintiles were calculated. Approximate population quintiles based on the SEIFA Index of Advantage/Disadvantage were unable to be calculated for Tasmania because of the population spread.

Source: AIHW analysis of ABS 2006 Census data.

Figure 2.10.2c: Population distribution by SEIFA advantage/disadvantage quintiles, by Indigenous status, NT, 2006

Data quality issues

Census of Population and Housing

The Census uses the National health data dictionary standard Indigenous status question and it is asked for each household member. Measures that are drawn from Census data are subject to broad data concerns relating to the unexplainable growth in the Aboriginal and Torres Strait Islander population since the 1991 Census, and limitations of self-identification. Other Census data issues relate to the accuracy of the Census count itself, for example whether people are counted more than once or are undercounted (ABS 1996).

Socio-Economic Indexes for Areas (SEIFA)

There are a range of data items that can be included in an index on socioeconomic disadvantage and the Census does not collect all of the variables identified as being related to socioeconomic status. Some of the variables may be context-specific (e.g. a low mortgage in Sydney may be high in another city) and some are associated with age (e.g. income), yet the methodology does not allow for age-standardisation. This is particularly relevant in the context of this performance measure where we are comparing two populations that have different age structures.

Analysis of SEIFA results at small area levels has found that within any area there will be individuals and subpopulations with very different characteristics from the overall population of the area. When judgments are made about the individual or subpopulation based on the characteristics of the area, there is considerable potential for error (Baker & Adhikari 2007). This issue is particularly relevant for the Indigenous population, because they make up a small proportion of the population in most areas of Australia.

Kennedy and Firman (2004) found that the traditional approach to analysing SEIFA at an area level masks the socioeconomic status of Indigenous Australians who make up a small proportion of most areas. They found that stratifying SEIFA scores by Indigenous and non-Indigenous households in each area shows that Indigenous populations suffer a high level of social and economic disadvantage regardless of whether they live in high or low socioeconomic areas.

References

- ABS (Australian Bureau of Statistics) 1996. Occasional paper: Population issues, Indigenous Australians. ABS cat. no. 4708.0. Canberra: ABS.
- ABS 2003. Information paper: Census of Population and Housing, Socio-Economic Indexes for Areas, Australia 2001. ABS cat. no. 2039.0. Canberra: ABS.
- Baker J & Adhikari P 2007. Research paper: Socio-economic indexes for individuals and families. ABS cat. no. 1352.0.55.86. Canberra: ABS.
- Kennedy B & Firman D 2004. Indigenous SEIFA – revealing the ecological fallacy. Paper presented at the 12th Biennial Conference of the Australian Population Association, Canberra, September.