

Inquiry into the future role and contribution of regional capitals to Australia

Australian Bureau of Statistics, Senate Committee Hearing, March 4, 2016

Answers to questions on notice are provided below.

QUESTION - What is ABS view of the index produced by Catholic Social Services Australia?

From Hansard, Page 40

Senator WHISH-WILSON: It seems to me that it is the fundamental building block of just about everything that we need to do. We need to have the right information. I would be interested to know if you have any views—and you can take this on notice—on the index of the Catholic Social Services Australia. They said that they put significant time and resources into developing that.

Dr Jelfs: We can take that on notice.

Answer

The Catholic Social Services Australia index of disadvantage refers to work that was commissioned by Jesuit Social Services and Catholic Social Services Australia that is detailed in the report "Dropping off the Edge 2015, Persistent Communal Disadvantage in Australia", and was led by the University of Sydney. Contained within that report is some description of the methodology, data sources and regions used by the researchers to create an index of disadvantage based on a series of 22 indicators using a statistical analysis technique known as Principal Components Analysis (PCA).

The PCA method is a sound choice of method to generate an index of disadvantage and is also the method used by the ABS to develop a suite of Socio-economic Indexes For Areas (SEIFA). The most recent suite of SEIFA released by ABS in 2013 was based on the 2011 Census data and consisted of four separate indexes:

- The Index of Relative Socio-economic Disadvantage (IRSD)
- The Index of Relative Socio-economic Advantage and Disadvantage (IRSAD)
- The Index of Education and Occupation (IEO)
- The Index of Economic Resources (IER)

The regions used in the "Dropping off the Edge" (DOE) study varied across State and Territory jurisdictions as it needed to be tailored to the data availability within each jurisdiction. The index of disadvantage has been calculated at the postcode level for New South Wales, Victoria; the Statistical Local Areas (SLA) level for Queensland, South Australia and the Northern Territory; and the Local Government Area (LGA) level for Western Australia. The index provides a rank for each of the geographical regions of choice within each state and hence can be used to identify those areas that are the most disadvantaged based on the index of disadvantage. A previous Dropping of the Edge (DOE) study was undertaken in 2007 and so the authors sought to compare results between the two studies to identify geographical areas of persistent disadvantage.

By comparison the ABS SEIFA indices provide a ranking of disadvantage across Australia, using a consistent geographical region called the Statistical Area 1. This allows for ranking of regions across Australia, whereas the DOE indices provide ranking within each State or Territory. Either approach is useful.

The main difference between the DOE index and the ABS SEIFA is that different data sets are used to create the indexes. The ABS has used the Census of Population and Housing. The DOE study has used a wider range of data sources, including: the Census of Population and Housing, NAPLAN results, the Australian Early Development Index, Crime and Justice data and some data from state and territory government human services agencies. These other data sources are reasonable choices for analysing disadvantage, which is a concept that can be measured in many different ways.

Essentially, the ABS has chosen one set of data inputs into its indices and the DOE index has chosen another set and as a result the outcomes of the analysis to create the respective indexes will be slightly different. For the purposes of responding to this Question on Notice, ABS has undertaken a brief analysis of some of the results from the two reports and found that there is broad agreement in the ranking of the most disadvantaged areas in NSW and Victoria. Most of the postal areas in the bottom 5% DOE ranking within NSW and Victoria were also in the bottom 10% for ABS SEIFA rankings nationally. There were some discrepancies for a few regions, and a more thorough confrontation of the data could be undertaken to understand how the different sources of data may impact results.

Overall, the DOE study makes a good contribution to the analysis of the complex concept of locational disadvantage.

QUESTION - What data can be used to understand the differences across regional areas

From Page 43

Senator WHISH-WILSON: One thing I wanted to ask, and I might have hinted at it a little earlier—and you could perhaps take it on notice or give it some consideration; maybe the committee could even recommend it as part of the report—is that we could look at different ways of defining regional capitals based on the kinds of metrics that we have been discussing. On regional centres more generally, things are left in and out of the definitions, because the group have got a fairly broad definition. It is interesting that we do not have a nationally coordinated approach to developing second cities or regional capitals, and that is why we started this in the first place. Everybody knows what a capital city is but, outside that, there does not seem to be any nationally coordinated approach.

Dr Jelfs: In some ways, I can understand your interest in that space. I am not sure that the ABS is in the right position to create a definition of what a regional capital is. However, we can provide you, as we have talked about before, with a range of characteristics that might help define that but I suspect that the choice of which of those characteristics you might adopt is probably elsewhere.

Answer

There are a wide range of data sets that may be used to describe regional differences, covering population, economic and environmental characteristics. Such data sets exist within the ABS as well as with other agencies and data providers. In order to make objective and consistent comparisons it is recommended that nationally consistent data sets are used. There are a number of portals where regional data sets could be found, including the Australian Government's [National Map](#) interface which provides a very good range of environmental and land based data, as well as some selected ABS population data. The regional data sets that can be sourced from the ABS are described in summary through the [ABS Data By Region](#) interface, which can be found on the ABS web site home page.

If required, the ABS can provide guidance about use of specific data sources for particular purposes, such as describing the population, economy or role of a regional centre.