

APPENDIX 7: NZ DEPRIVATION INDEX

The NZ Deprivation Index (NZDep) is a small area index of deprivation, which has been used as a proxy for socioeconomic status in this report. The main concept underpinning small area indices of deprivation is that the socioeconomic environment in which a person lives can confer risks/benefits which may be independent of their own social position within a community [1]. They are thus aggregate measures, providing information about the wider socioeconomic environment in which a person lives, rather than about their individual socioeconomic status.

The NZDep was first created using information from the 1991 census, but has since been updated following each census. The NZDep2006 combines 9 variables from the 2006 census which reflect 8 dimensions of deprivation (**Table 1**). Each variable represents a standardised proportion of people living in an area who lack a defined material or social resource (e.g. access to a car, income below a particular threshold), with all 9 variables being combined to give a score representing the average degree of deprivation experienced by people in that area. While the NZDep provides deprivation scores at meshblock level (Statistics NZ areas containing approx 90 people), for the purposes of mapping to national datasets, these are aggregated to Census Area Unit level (≈1,000–2,000 people). Individual area scores are then ranked and placed on an ordinal scale from 1 to 10, with decile 1 reflecting the least deprived 10% of small areas and decile 10 reflecting the most deprived 10% of small areas [2].

Table 1. Variables used in the NZDep2006 Index of Deprivation [3]

No	Factor	Variable in Order of Decreasing Weight in the Index
1	Income	People aged 18–64 receiving means tested benefit
2	Employment	People aged 18–64 unemployed
3	Income	People living in households with income below an income threshold
4	Communication	People with no access to a telephone
5	Transport	People with no access to a car
6	Support	People aged <65 living in a single parent family
7	Qualifications	People aged 18–64 without any qualifications
8	Owned Home	People not living in own home
9	Living Space	People living in households below a bedroom occupancy threshold

The advantage of NZDep is its ability to assign measures of socioeconomic status to the elderly, the unemployed and to children (where income and occupational measures often don't apply), as well as to provide proxy measures of socioeconomic status for large datasets when other demographic information is lacking. Small area indices have limitations however, as not all individuals in a particular area are accurately represented by their area's aggregate score. While this may be less of a problem for very affluent or very deprived neighbourhoods, in average areas, aggregate measures may be much less predictive of individual socioeconomic status [1]. Despite these limitations, the NZDep has been shown to be predictive of mortality and morbidity from a number of diseases in New Zealand.



References

1. Berkman L, Macintyre S. 1997. The Measurement of Social Class in Health Studies: Old Measures and New Formulations. In Kogevinas M, Pearce N, Susser M, et al. (Eds.), *Social Inequalities and Cancer* 51-64. Lyon: IARC Scientific Publications.
2. Salmond C, Crampton P. 2002. NZDep2001 Index of Deprivation. Wellington: Department of Public Health, Wellington School of Medicine and Health Sciences
3. Salmond C, Crampton P, Atkinson J. 2007. NZDep2006 Index of Deprivation. Wellington: Department of Public Health, Wellington School of Medicine and Health Sciences

