



Direct Measure of Income (DMI) Refinement Working Group

The Department of Education, Skills and Employment (the department) established the DMI Refinement Working Group (Working Group) to undertake further work on the DMI methodology. As whole of government data is expected to become increasingly available, further work is being undertaken to explore how innovations in the use of additional Multi-Agency Data Integration Project (MADIP) data could be used to further refine the DMI. This will ensure that the DMI continues to be the most reliable and robust measure available to determine the Commonwealth's contribution to non-government school funding.

Meeting 3 – 13 January 2021 - Communique

The third meeting of the DMI Refinement Working Group was held via video conference.

Analysis of change in the rolling average DMI score from 2020 to 2021

The department presented an analysis of the change in the rolling average DMI score from 2020 to 2021. This analysis shows that most schools experience no change in average DMI score from 2020 to 2021. For schools that experience a change in average DMI score, most are within one funded point of the previous year's average DMI score. This trend was observed across different regions and sectors. The Working Group discussed the funding implications of the change in the average DMI score year to year.

Regional income analysis on the Capricornia region, Queensland

The department presented an analysis on income quartile data for the Capricornia region, Queensland, as requested by Independent Schools Queensland (ISQ) and the Queensland Catholic Education Commission (QCEC). The department's analysis showed Capricornia has smaller interquartile ranges when compared to Queensland and National data, indicating less spread of incomes.

Income imputation

The ABS presented preliminary findings on the imputation strategy that could be used to estimate incomes of parents and/or guardians where personal income taxation information is not known. The ABS recommended that Government payments be used and suggested a multi-stage strategy. The ABS also recommended that the ABS Survey of Income and Housing (SIH) be further explored for potential use as part of the imputation strategy. The Working Group discussed different sources of data and explored the correlation to the Australian Taxation Office Adjusted Taxable Income (ATI).

Statistical measures

The ABS presented different statistical measures that could be used to derive a DMI score – median, first quartile, mid-hinge, tri-mean, mean, trimmed mean and winsorised mean. The Working Group discussed developing principles that could be used to assess the fitness-for-purpose of the different measures.