



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 6 – 22 April 2021 - Communiqué

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

Linkage improvement investigation

The Australian Bureau of Statistics (ABS) presented their findings and recommendations from the linkage improvement investigation. As an outcome address coding for Aboriginal and Torres Strait Islander Community localities enabled an additional 2,700 parent records to be coded to a geographic location, which supported improvements to linkage rates for a subset of schools. The ABS highlighted the 2020 high-quality linkage rate of 90.8%. The Department and ABS will continue to investigate linkage improvements with future advancements in whole-of-government data.

Family size

The ABS presented their findings on the incorporation of family size into a refined DMI methodology. The ABS found that standard approaches could not be used due to data limitations. Members agreed there was merit for the inclusion of an adjustment for family size in the methodology and that further investigations should be undertaken if a fit-for-purpose dataset becomes available in the future. In the meantime, schools are able to seek a review of their CTC score based on large family size. Details about the review process are available in the CTC review Guidelines.

Alternative statistical measures

The University of Adelaide presented its literature and peer review of the ABS papers on the alternative statistical measures. The Department summarised some of the key challenges with different measures if used to calculate DMI scores. The Working Group discussed the trade-offs that exist among the alternative measures, noting for example the capacity of the median to deal with missing incomes. Overall, as tested against the seven principles agreed by the Working Group, the median performed well against all principles but it does have limitations in representing the shape of the distribution of incomes in schools.