



# 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 will be undertaken to explore how innovations in the use and availability of additional Multi-Agency Data Integration Project (MADIP) data could be used to further refine the accuracy of the DMI. This will ensure that the DMI continues to be the most reliable and robust measure available to determine non-government school funding.

## Meeting 1 – 23 October 2020 – Communique

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

### Forward Work Program

The department provided the Working Group with an overview of the Forward Work Program and the projects being undertaken. The Working Group agreed to the Forward Work Program, which set out the following projects for consideration:

- *Project 1:* Estimating income - options for estimating a value for the income for parents and/or guardians linked to a concession card (we are currently assuming nil income) and unlinked populations (who are currently excluded from the calculations)
- *Project 2:* Statistical average - re-evaluating the statistical average used to ensure that the methodology takes account of the diversity of income in a school community population
- *Project 3:* Options for developing family size indicators

### Income Distribution

The Working Group discussed an analysis of the income distribution of school communities provided by the Australian Bureau of Statistics (ABS). The ABS presented information on the distribution of incomes within school communities. The objective of this analysis was to assess the diversity of incomes within school communities and evaluate the use of the median income as a measure of determining the capacity of a school community to contribute to the cost of schooling.

## Safe Data Release

The ABS provided the Working Group with an overview of safe data release principles. The department discussed the importance of assessing information needs and confidentiality risks associated with the Capacity to Contribute (CTC) data. Any release of data will be considered based on the balance between releasing useful information while protecting confidentiality and parent privacy. Australian Government agencies, including the ABS and the department, are responsible for maintaining the confidentiality of those who provide information, in accordance with legislation such as the *Privacy Act 1988*. CTC data is protected under the *Census and Statistics Act 1905* which strictly prohibits the release of information in a manner likely to enable the identification of a person. The department and the ABS will assess the release of data on a case by- -case basis for the Working Group to ensure it is useful and maintains privacy.

## Stakeholder Engagement

Further work on the DMI will be undertaken in partnership with the ABS, Australian Taxation Office, Department of Social Services, key non-government sector representatives, and relevant academic experts. The department will convene the DMI Consultative Reference Group Forum to present work and discuss key considerations and outcomes from the Working Group. The DMI Consultative Reference Group consists of state-based Catholic commissions, state and territory Associations of Independent Schools as well as smaller non-government school systems and other national sector groups.