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 and availability 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 2 – 25 November 2020 – Communique

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

Outcomes and action items from Meeting 1

The department and the Australian Bureau of Statistics (ABS) provided the Working Group with an overview and update on action items from Meeting 1. The department will publish the communiques and papers presented at Working Group meetings on the department's website.

Linkage improvements

The ABS presented a paper on the areas of improvements to the annual linkage of the capacity to contribute (CTC) Student Residential Address and Other Information Collection to the Multi-Agency Data Integration Project (MADIP) spine. The ABS are investigating solutions to improve linkage as well as understand why some unlinked records do not match to the MADIP spine. This work will investigate the population characteristics of schools with lower linkage rates and inform potential solutions to improve linkage outcomes. The Working Group discussed potential sources of data to improve linkage and characteristics of populations more likely to not be linked.

Imputation of income approach and potential data sources

The ABS presented a paper on a methodology for estimating an income where the income of the parent and/or guardian is not known. The ABS is currently engaged in two projects to inform the income estimation (or imputation) strategy for the DMI. The first project aims to examine the fitness-for-purpose of using government payments data to estimate an income value for those whose taxation data is not available. The second project explores the use of statistical modelling to estimate an income value for those who do not match to the MADIP spine or are missing from taxation and government payment data. The Working Group discussed other potential Australian Government income data that could be used to estimate income. The ABS will present further findings at the next Working Group meeting in January 2021.