



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 4 – 17 February 2021 - Communique

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

Advice from the Coalition of Regional Independent Schools Australia (CRISA)

The Coalition of Regional Independent Schools Australia (CRISA) shared their position on the current DMI methodology and discussed potential merits of alternative statistical measures with the Working Group. The Working Group members thanked CRISA for their input into the process.

Alternative statistical measures – preliminary results

The Australian Bureau of Statistics (ABS) presented preliminary findings on seven alternative 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 ABS proposed a framework of six principles for assessing the alternative statistical methods. Findings were presented on the first three principles, the relative orientation to DMI score, volatility and confidentiality. Analysis on the remaining three principles will be presented at the next meeting in March 2021. The Working Group agreed to discuss the alternative measures after analysis has been completed based on all six principles.

Members were reminded that the median is the Australian Government's default position and any change to the statistical measure would require a compelling case.

Additionally, the DMI is a relative measure, so any changes to the methodology could result in a different ranking of all schools.