



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 7 – 12 May 2021 - Communique

The seventh and final meeting of the DMI Refinement Working Group was held via video conference.

Family size

The University of Adelaide presented its peer review of the Australian Bureau of Statistics (ABS) paper on family size. The Working Group concluded that while there is merit in the inclusion of an adjustment to account for family size in the DMI methodology, the current data limitations mean it is best considered on a case by case basis as part of the Capacity to Contribute (CTC) reviews process.

Income imputation investigation

The ABS presented their findings and recommendations from the income imputation investigation. The ABS found that using the Department of Social Services (DSS) Data Over Multiple Individual Occurrences (DOMINO) dataset can marginally improve income data coverage among parents and guardians in the CTC population. The Working Group and academic expert supported the inclusion of DOMINO data in a refined income imputation strategy.

The ABS refined the approach for statistical modelling using the Survey of Income and Housing (SIH) data to estimate parental Adjusted Taxable Income (ATI) from Meeting 3. Refining the model did not improve its predictive power. The Working Group agreed that there is insufficient data available at this time to use a statistical model to impute for income which is currently missing and doing so would open the methodology up to too many complex assumptions.

Alternative statistical measures

As reported in previous communiques, it was confirmed that the group's analysis of alternative statistical measures is complete, with statistical measures considered against seven principles agreed by members in meetings between February and April. This analysis was at a national level, with the work of the group not extending to considering how different statistical measures impact individual schools.