



Direct Income Measure of Capacity to Contribute Technical Working Group

The Department of Education has established the Technical Working Group to undertake further work on the implementation of the direct income measure of capacity of a school community to contribute to the cost of schooling. The Technical Working Group will also provide advice on refinements to the measure for further consultation and feedback, to support the development of a high quality, reliable and robust methodology for use in the Schooling Resource Standard funding model.

The Technical Working Group will meet on a regular basis and consists of representatives from the non-government schools sector, the Australian Government, state and territory governments.

Meeting 7 – 6 August 2019 | Communiqué

The Technical Working Group held its seventh meeting in Canberra on Tuesday 6 August 2019. The Technical Working Group discussed a range of issues including Standardisation, Methodology options and the data quality framework.

Standardisation, methodology options and analysis of data

The Department and Members welcomed Dr Stephen Farish to the Technical Working Group. Dr Farish developed the previous socio-economic status score methodology, and is an expert in data transformations. Dr Farish outlined his views on the different possible approaches for standardisation.

The Department presented a paper that provided a summary of the technical issues discussed in previous meetings on the components of the methodology to calculate a capacity to contribute score for schools. Members discussed the importance of a measure and a methodology that was representative of the school community. Members asked the department to consider this when determining the viability of different methodological elements.

The Department presented a paper on volatility across tax years, noting that this was only one dimension of volatility. The analysis indicates that CTC scores are stable across tax years for the vast majority of schools except very small schools.

Members discussed an analysis provide by the Department of the proportion of students/families with concession cards compared by school median income. Members noted that schools with the same median income can have different distributions of family income within the school.

Data Quality Framework Project

The ABS provided an update on the data quality framework project. The quality framework will incorporate the seven different aspects of quality including: institutional environment, relevance, timeliness, accuracy,

coherence, interpretability and accessibility. ABS notes that all seven dimensions will be used in quality assessment and reporting the seven dimensions are not equally weighted as they are also dependent on the data source and context. The presentation explained concepts including understanding the quality at each stage of the process, the linkage strategy and quality indicators, income coverage of tax data and the address collection. The framework will inform the appeals process.

Background

The National School Resourcing Board (the Board) undertook an independent review of the methodology used to calculate capacity of a non-government school community to contribute to the cost of schooling to ensure it is the fairest, most effective, accurate and transparent model available. The Board's final report made six recommendations, including that the capacity to contribute for a school be determined based on a direct measure of income of parents and/or guardians of the students at the school.

The Government has accepted all of the Board's recommendations and will use a direct income measure of capacity to contribute from 2020 based on the income of parents and/or guardians of students at a school. This more targeted, more accurate measure will ensure funding flows to the schools that need it the most.