



Direct Measure of Income Webinar

Frequently Asked Questions

Release of Information to Schools

1. Will further information such as annual Direct Measure of Income (DMI) scores and coverage rates be released to schools?

The Department of Education, Skills and Employment (the department) is working with the Australian Bureau of Statistics (ABS) on what additional information can be made available to help Approved Authorities understand capacity to contribute (CTC) scores for their schools. We are working with the ABS to find a balance between transparency and privacy protection.

In August 2020, department wrote to Approved Authorities for non-government schools with over 200 full-time equivalent (FTE) students which passed the manual review, advising them of their school's or schools' coverage rates and annual DMI scores for 2018 and 2019. For schools with less than 200 FTE students, the release of information will be on a case-by-case basis. Schools for which one or both DMI scores did not pass the manual review, and which therefore do not have an average DMI score, have not been advised of the score.

2. What median income correlates to the CTC scores given to schools?

The department is working with the ABS on what additional information can be made available to help Approved Authorities understand how their schools' CTC scores were calculated. We are working with the ABS to find a balance between transparency and privacy protection.

3. When will 2021 scores be available?

Following a rigorous [data validation and quality assurance process](#) undertaken in October 2020, the 2020 DMI score will be used as part of the rolling average to determine an average DMI score to inform the 2021 CTC score. The department anticipates 2021 CTC scores based on an average of 2018, 2019 and 2020 DMI scores will be available from November 2020.

4. Will the median income related to each DMI score be published every year?

The department is continuing work with the ABS on what additional information can be provided to schools, including in relation to the distribution of income in a way that will protect the privacy of parents and/or guardians of students at a school. The department has also established a DMI Refinement Working Group where topics such as the safe release of de-identified data will be discussed.

DMI Methodology

5. What definition of dependents is the department using to arrive at the average of 2.76 dependents?

The definition of a dependent for the purposes of the review process is based on the 2016 Census of Population and Housing data, where a dependent is defined as:

- a child under the age of 15 or
- a member of the household under the age of 24 who is a full-time student.

6. How do you treat schools with a large proportion of foreign students?

Full-fee paying overseas students are not funded by the Commonwealth and are excluded from the calculation of DMI. This is consistent with how these students were treated under the previous socio-economic status (SES) score methodology and in the calculation of the Schooling Resource Standard (SRS).

7. How are single parent families accounted for when calculating total family income?

If a family only has one parent associated with the student, then total family income is the income of that parent.

8. Are parents counted multiple times in the DMI methodology if they have more than one student at a school?

Yes, the DMI is based on the median income of parents and/or guardians of students at the school. Therefore, each child is counted in the methodology and parents and/or guardians are counted multiple times if they have multiple students attending that school. The methodology accounts for the number of students in the school and the parents and/or guardians responsible for those students, not the number of families of students that attend the school.

9. How is total family income accounted for in split families or for foster children?

The annual family income for a student calculated using the DMI is based on the sum of – at most – two parents or guardians of the student. This is usually the two parents/guardians submitted in the annual Student Residential Address and Other Information Collection (Address Collection). For split families, only those two parents/guardians' incomes are calculated and summed together. For foster children, the foster parents should be the guardians submitted for the student so the annual family income using the DMI is based on the two foster parents' incomes.

10. Does the DMI account for the difference in operating costs between metropolitan schools and regional schools, especially regional and remote boarding schools?

Commonwealth recurrent funding arrangements recognise that it generally costs more to educate students going to schools in regional and remote areas. This is why extra funding through the SRS location loading is provided for students in regional and remote areas.

It is important to note the CTC discount only applies to the base amount of funding for non-government schools. Commonwealth and state/territory governments each provide a contribution to the SRS for both government and non-government schools. Minimum state/territory funding contributions are set out in bilateral agreements with the Commonwealth which sees funding for both sectors increasing each year.

Non-government regional and rural schools will continue to attract 100 per cent of all the loadings as per the specific needs of their student population. The Choice and Affordability Fund will also provide financial assistance to help regional and remote schools in their transition to the DMI.

The National School Resourcing Board is currently undertaking a review of regional SRS loadings. The review will focus on the total level of funding provided to regional and remote schools and make recommendations on possible improvements to the school location loading and the school size loading. The National School Resourcing Board has developed an Issues Paper and is accepting submissions. Further information is available at www.education.gov.au/review-regional-schooling-resource-standards-loadings. The National School Resourcing Board will provide its report to the Government by May 2021.

11. How is adjusted taxable income calculated?

A school's DMI score for a given year is based on the standardised median family Adjusted Taxable Income (ATI) for a specified financial year and is worked out by:

- calculating the family ATI for each student at the school by adding the income of both parents or guardians for the relevant financial year
- identifying the median (middle) family income from those individual students' family ATIs within the school
- converting that median family income into a score by standardising all schools' median family incomes to a scale with a target mean of 103 and a target standard deviation of 13, weighted by enrolments.

For the 2016-17 tax year, the Australian Taxation Office (ATO) defined a person's adjusted taxable income as the sum of the following amounts:

- taxable income
- adjusted fringe benefits (total reportable fringe benefits amounts multiplied by 0.51)
- reportable employer superannuation contributions
- deductible personal superannuation contributions
- certain tax-free government pensions or benefits received
- target foreign income (income and certain other amounts from sources outside Australia not included in taxable income or received as a fringe benefit)
- net financial investment loss (the amount by which the person's deductions attributable to financial investments exceeded their total financial investment income)
- net rental property loss (the amount by which the person's deductions attributable to rental property exceeded their rental property income)

less any child support payments the person provided to another person.

12. Why is the median used in the DMI methodology?

The median income of a school was supported by the National School Resourcing Board as a stable representative measure of the capacity of the school community to contribute to the costs of schooling. Using the median also allows for low income parents on concession cards to be included in the DMI. Where the exact income of these parents is not known, the use of the median allows them to be assigned a zero income and to be included in the income distribution for the school, improving coverage and the reliability of the DMI.

The use of other measures, such as the mean, would require further development to implement. These measures may be more volatile and are affected by outliers within school communities. As part of the DMI Forward Work Program, the department is working with the ABS, the ATO, the Department of Social Services, state and territory education departments, the non-government sector and academic experts to evaluate the statistic used to ensure the DMI methodology continues to provide a robust and reliable measure of capacity to contribute.

13. Some schools in the same area charge higher fees than other schools but have been given similar CTC scores – how is this possible?

The National School Resourcing Board found that neither school fees nor total private income should be included in a measure as they are not reliable indicators of capacity to contribute (National School Resourcing Board report, section 7.3, page 42). Non-government schools are independent organisations and their governing bodies are responsible for setting fee levels. Fees are determined separately by each school.

14. Why are so many high-fee schools with a DMI/CTC above 125 protected from funding loss?

For most non-government schools, calculation of the SRS base amount includes a reduction of the base amount by the anticipated capacity of the school community to financially contribute to the school's operating costs. Under the *Australian Education Act 2013*, schools with a CTC score of 125 and above receive the highest discount to the SRS base funding from the Australian Government, which is 80 per cent.

For schools with a CTC score of 93 or below, the discount is the lowest under the *Australian Education Act 2013*, at 10 per cent of the SRS base funding.

15. With missing data, how are you determining whether there are trends in the data?

The department conducts a comprehensive quality assurance and data validation process annually to evaluate whether missing data make the linked data less representative of the whole school population. To assess this, the department considers a range of data and factors including:

- the number of students with income data as a proportion of all students in the school;
- variation in the income distribution across the school community;
- the difference between the DMI score and the score created if the missing population was assumed to have a low income; and
- any data and information on the difference between the linked and the unlinked population within a school community.

Further information can be found at Appendix 3 of the [ABS Data Quality Framework](#) which sets out the data quality indicators and sensitivity tests undertaken.

16. Where coverage rate is insufficient, what feedback is there to help improve quality of data submitted?

An automatic quality assurance process built into the online platform of the Address Collection performs a range of statistical checks on the quality of information submitted by all schools. The department also undertakes a manual quality assurance check for any abnormalities to continuously improve the quality of the collection and improve the coverage rate for schools with a DMI score.

The ABS links information obtained through the Address Collection with income data, such as tax records, and other information in the Multi-Agency Data Integration Project (MADIP). In some circumstances, the ABS may be unable to link information. In this circumstance, the department and the ABS analyse the unlinked population to determine whether the characteristics of the unlinked or missing population are different from those of the linked population and whether the missing population would impact the annual DMI score.

As part of the CTC Forward Work Program, the department, the ABS and the DMI Refinement Working Group are investigating solutions within MADIP to improve coverage rates. Where potential improvements to the quality of schools' Address Collection data are identified, the department will work directly with schools to establish the causes of low coverage rates and improve future collections.

17. As the quality of data for the two earlier collections was relatively poor for some schools, will you be weighting the data from the third collection for those schools?

No, the average DMI score uses each year's DMI score equally.

The data validation and quality assurance process designed by the ABS ensures that only DMI scores that meet the quality gates and tolerance thresholds are used for funding purposes. The data from 2018 and 2019 used to calculate DMI scores have met the quality assurance and data validation requirements as set out in the [ABS Data Quality Framework](#).

CTC Forward Work Program

18. What is the Forward Work Program?

The Australian Government is undertaking a program of work over the next few years to ensure the DMI methodology reflects the latest available data. As the volume and granularity of whole-of-government data is expected to increase in the coming years, further work will be undertaken to explore how innovations in the use and availability of additional MADIP data could be used to further refine the accuracy of the DMI.

This work is necessary so that as more whole-of-government data becomes available, the methodology used to calculate the DMI can be adapted to ensure more funding is provided to the schools and students who need it the most. The department is moving into the consultation phase of the forward work program on the following projects:

- **Project 1: Options for estimating incomes** for parents and/or guardians linked to **concession card** (currently assumed to have nil income) and **unlinked populations** (who are currently excluded from the calculations)
- **Project 2: Re-evaluating the statistical average** used (e.g. mean/median/tri-mean) to ensure that the methodology takes into account diversity of income across a school community population
- **Project 3: Developing family size indicators**

19. What has been done on the Forward Work Program?

A Memorandum of Understanding (MoU) is in place with the ABS to support the DMI forward work program.

The department has established a Direct Measure of Income Refinement Working Group with representatives from the ABS, the ATO, the Department of Social Services and the non-government school sector to support the forward work program. The first meeting was held on 23 October 2020.

In September 2020, the department started the process to procure academic experts for further independent oversight of the projects in the Forward Work Program.

Transition to CTC

20. Will transition be extended because of COVID-19?

No, the department will not be extending transition. The Australian Government is keenly aware of the pressures on all parts of the economy arising from COVID-19. To deal with the significant economic impacts, the Government is investing over \$320 billion to keep Australians in jobs, keep businesses in business, support households and keep investment flowing. Non-government schools should consider the supports available.

The department has prepared a factsheet with information to assist students, parents and schools. This can be accessed at www.dese.gov.au/covid-19.

21. What is the Government doing to support schools during transition to an equal Commonwealth share of SRS?

The Australian Government is ensuring that all schools will be funded on the Commonwealth's nationally consistent share of the SRS. Schools currently funded below their Commonwealth share of SRS will transition to the target by 2023. Non-government schools that are currently funded above their target Commonwealth share will gradually transition downwards to the target by 2029.

22. What is the Government doing to support schools during transition to the DMI?

The Australian Government is supporting schools with the transition to the new school funding arrangements by providing:

- 'best of' arrangements for funding in 2020 and 2021. The 'best of' transition allows funding to be calculated on the best of the 2011 or 2016 SES score or the new DMI-based CTC score.
- an extra \$1.2 billion from 2020 to 2029 for the non-government sector through the Choice and Affordability Fund to address specific government priorities, including transition to the DMI.

23. Are state and territory governments adopting the 'best of' CTC score to determine funding in 2021?

Bilateral agreements set out agreed minimum funding contributions state and territory governments are required to provide from 2018 to 2023. Minimum contributions are expressed as a percentage of the SRS for the government and non-government sector in each jurisdiction.

Changes to capacity to contribute settings, including the 'best of' CTC transitional arrangements in 2020 and 2021, will result in a change to the base funding component of the SRS for non-government schools. This will impact the minimum funding contribution amount for states and territories.

In early 2020, the department wrote to all state and territory governments to advise them on the impact of the final DMI settings on their contributions under bilateral agreements. Under clause 61 of the National School Reform Agreement and under bilateral agreements, states and territories may request an amendment to agreed shares to ensure the state contribution amount is not impacted as a result of the new CTC settings.

Volatility

24. In addition to using a rolling average, what other measures are used to avoid sharp increases in CTC/DMI scores?

The rolling average of three-years of DMI scores to create a CTC score was implemented to minimise volatility and provide greater certainty to assist schools to plan financially. To further minimise volatility during implementation of the DMI between 2020 and 2022, a school's transition pathway will be reset if the methodology used to calculate the CTC score for that school for the year is different to the methodology used the year before (for example, SES is used one year and DMI the next). This ensures schools transition smoothly to the nationally consistent Commonwealth share of 80 per cent of the SRS.

For small and very small schools, departmental analysis has shown that these schools are likely to experience greater volatility due to annual changes in the student cohort, even with the application of an average DMI score. To reduce potential negative impacts on small and very small schools, there will be an annual cap of two-points once these schools have transitioned onto the direct measure of income.

In addition, in 2020 and 2021, the department will facilitate an administrative review of a DMI score where it is 3 funded points (or greater) more than a school's SES score. These reviews aim to provide approved authorities with certainty and enable planning. They will be subject to the same assessment process as reviews of funded scores. Any score or findings from this process may be used to inform a 2022 CTC score or may be updated subject to the provision of additional evidence or data.

Small Schools

25. What size constitutes a small school?

Section 43 of the *Australian Education Act 2013* defines a small school as:

- any primary school with up to 200 students and
- any secondary school with up to 500 students

and a very small school is defined as:

- any primary school with less than 15 students and
- any secondary school with less than 100 students.

Boarding schools

26. How are schools that have a boarding population considered in the methodology? **Boarding student fees are higher than day student fees – is this accounted for in the DMI methodology?**

Boarding students and schools are treated the same as day students and schools in the DMI methodology. As recommended by the National School Resourcing Board, capacity to contribute is based on the income of parents and guardians. Expenses such as food and housing, including boarding costs, are not taken into account.

Regarding school fees, the National School Resourcing Board found that school fees of total private income should not be included in a measure as they are not a reliable indicator of capacity to contribute (National School Resourcing Board report, section 7.3, page 42). Non-government schools are independent organisations and their governing bodies are responsible for setting fee levels. Fees are determined separately by each school.

27. The DMI will impact the number of boarding students schools choose because their DMI will be higher (as they have more capacity to contribute), even though parents pay twice as much in fees as day students. What support is being given to boarding schools to ensure their viability?

The National School Resourcing Board found that school fees should not be included in the measure as they are not a reliable indicator of capacity to contribute (National School Resourcing Board report, section 7.3, page 42). As recommended by the National School Resourcing Board, capacity to contribute is based on the income of parents and guardians. Boarding students and schools are treated the same as day schools in the DMI methodology.

The Australian Government supports schools through recurrent funding under the *Australian Education Act 2013* and some boarding students through income and access support payments, for example, Assistance for Isolated Children and ABSTUDY, to study away from home. The Government has also introduced temporary changes to Assistance for Isolated Children and ABSTUDY policy for Terms 2, 3 and 4 of 2020 as a result of the COVID-19 pandemic. These changes were implemented to support the boarding sector to maintain continuity of education services to students, including protecting students' boarding places so they can return to boarding as soon as they are able.

Regional schools

28. Why have some regional schools suffered the most severe impact in relation to DMI funding when compared to metropolitan schools?

Under the new CTC arrangements, funding for students in regional schools is, on average, higher than for students in metropolitan schools and will grow from \$6,556 to \$8,877 per student over 2020 to 2029. This represents growth of \$2,322 per student or an increase of 35.4 per cent from 2020 to 2029. Metropolitan students will be supported with ongoing per-student growth, rising from \$5,203 to \$6,991 over 2020 to 2029, an increase of \$1,788 or 34.4 per cent.

29. What percentage of the Choice and Affordability Fund is quarantined for regional transition assistance?

A minimum of 9 per cent of both the Catholic and independent sector national Choice and Affordability Fund allocation must be quarantined for regional transition assistance. The amount of quarantined regional transition assistance has been agreed with each school sector. This information will be made publicly available once agreements with all state and territory non-government representative bodies have been signed.

30. Is there an update on the Review of Regional SRS Loadings?

To ensure regional schools and students are adequately supported through the SRS model, the National School Resourcing Board has been commissioned to undertake a review of regional SRS loadings. The review will focus on the total level of funding provided to regional and remote schools and make, where possible, recommendations on improvements to the school location loading and the school size loading.

The National School Resourcing Board has developed an issues paper and is accepting submissions. Further information is available at www.education.gov.au/review-regional-schooling-resource-standards-loadings. The National School Resourcing Board will provide its report to the Government by May 2021.

Recurrent funding

31. Are loadings treated separately from the Schooling Resource Standard?

The SRS is made up of a base amount for all primary and secondary students and up to six needs-based loadings for student priority cohorts and disadvantaged schools. For most non-government schools, calculation of the base amount is discounted by the anticipated capacity of their school community to financially contribute towards the school's operating costs. There is no 'capacity to contribute' discount applied to the loadings.

The base and loadings are not treated separately for the application of the Commonwealth share or any transitional arrangements. Rather, each non-government school's SRS – that is, its discounted base amount and its (non-discounted) loading amounts – is transitioned to the Commonwealth target share of 80 per cent.

32. What happens to a school's transition if they are part of a system?

For schools that are part of a system, their Commonwealth SRS entitlement that is attracted to the system was reset in 2020 based on the reported system redistribution as well as the 'best of' transition policy. The 'best of' transition allows a school's funding to be calculated using the most financially beneficial of its 2011 SES-based CTC score, its 2016 SES-based CTC score or its CTC score based on the new DMI methodology.

In 2022, schools' Commonwealth shares will be reset, as they move on to the DMI CTC score. Non-government schools that are funded below their target Commonwealth share of the SRS will transition to the target by 2023. Those above will transition to it by 2029.

33. Has the small school loading been removed from metropolitan schools?

The small school loading continues to apply to all schools, including metropolitan schools.

34. Would the government consider providing funding directly to the non-government schools?

The Government cannot make recurrent funding payments directly to schools. Under the Australian Constitution, Commonwealth payments for school education must be made to or through the states and territories. Also, the *Australian Education Act 2013* requires payments be made to the body corporate approved by the Minister for the school for the purposes of recurrent funding.

For systemic schools, that is, those belonging to a school system, the body corporate for the school for the purposes of recurrent funding is the approved system authority. Most Catholic schools and all government schools belong to a school system. There are also a number of Independent school systems. Approved system authorities must redistribute the Commonwealth recurrent funding they receive to their member schools using their own needs-based funding arrangement that complies with subsection 78(5) of the *Australian Education Act 2013*. The redistribution of Commonwealth funding by school systems is a longstanding arrangement that recognises that systems are best placed to understand the individual needs of their schools and students and budget accordingly.

For non-systemic schools, that is, independent non-government schools, the body corporate is the approved authority for the school. Most approved authorities for non-systemic schools are the approved authority for a single school. Some, however, are the approved authority for a number of schools and these must pass on to each school the amount of recurrent funding calculated by the Australian Government for the school.

The National School Resourcing Board's *Review of Needs-Based Funding Requirements* considered how transparency of needs-based funding arrangements can be improved. Further information about the Review, including the Final Report and Australian Government response can be found [here](#).

DMI Forward Work Program

35. When do you expect to begin and conclude work on the three items in the DMI Forward Work Program?

The DMI Forward Work Program commenced in September 2020 with both the department and the ABS focusing on this work. The three work items in the Forward Work Program, called projects, will be undertaken simultaneously with priority given to improving missingness in the data.

CTC review process

36. Can you provide an update on the CTC review process and CTC review guidelines?

Under subsection 53(2) of the Act, an approved authority may apply to the department for a review of a CTC score if it believes the score does not accurately reflect the school community's circumstances.

The [Guidelines for Approved Authorities – Capacity to Contribute \(CTC\) Review Process](#) (the Guidelines) have been designed to assist approved authorities in determining whether exceptional circumstances exist for a school to seek a review. The Guidelines were developed in consultation with the non-government school sector and informed by the ABS' Technical Framework. Some possible exceptional circumstances where a review request would be considered include, but are not limited to:

- a change in circumstance not reflected in data or methodology, which could include recent significant changes in enrolments or local economic impacts affecting a school community
- unique circumstances of the school community or school itself which impact the financial capacity of the school community to contribute. This could include high proportions of students from large families (e.g. those with greater numbers of dependants).

37. How long will a CTC review take?

The time taken to process a review will depend on a number of factors, including the total number of applications received by the department, the complexity of each application and the reason for review. In some instances, it could take up to six months to process a review, particularly if a school is required to undertake a parental survey or re-linkage of data is required through the ABS.

The department will maintain regular communication with the nominated contact for the approved authority and will seek agreement before proceeding with a parental survey or re-linkage.

38. Can a school appeal a 2020 DMI score if it is not using it for funding?

Yes – approved authorities may seek an 'administrative review' where there is a difference of three points or more between a school's funded SES score for a year and its annual DMI score for that year.

39. What happens following an administrative review?

If an administrative review results in a lower DMI score for a school for the relevant year (but still higher than its SES score), the score will not take effect immediately due to 'best of' arrangements for 2020 and 2021. However, it may inform the school's funded scores in future years.

40. When can schools lodge an application for a review of their score?

Approved authorities can lodge an application for a review of their CTC score now. The CTC score review guidelines are available [here](#) along with the ABS' Technical Framework for CTC score reviews.

It should be noted that for 2020 and 2021, as part of the 'staggered start' implementation, a school's CTC score will be the most financially beneficial of its 2011 SES score, its 2016 SES score or its DMI score as calculated for the year. This means that schools for which the DMI score is higher than their SES scores will stay on the previous SES methodology until 2022.

41. For a school directed to complete a parent survey, why is there a 100 per cent coverage rate requirement?

The 100 per cent response rate of eligible parents and/or guardians is the target rate.

The department will work with individual schools to achieve an appropriate number of completed responses. The high survey response rate is necessary to ensure the quality and completeness of the data on which funding entitlements are based and that the data are of comparable quality to that generated using the DMI methodology.

42. When requesting a DMI review due to a localised economic impact, what type of evidence is required to substantiate a review?

The types of evidence required to substantiate a review will depend on the nature of the individual circumstance. An application for the review of a 2020 CTC score based on a sudden and local economic impact must provide evidence that the impact is greater than the nationwide economic downturn resulting from COVID-19. Examples of evidence the department would generally expect to be provided include (but are not limited to):

- correspondence from the relevant employer body(s)
- data on the proportion of school families directly employed or impacted by closure of a major local industry and estimated impact
- academic literature from labour market experts
- ABS data of local income decline
- data obtained through a self-administered questionnaire of parent circumstances or some other type of data collection process undertaken by the school
- media articles documenting the closure of a major industry in the area.

43. What are the different types of reviews and how does a school request a review?

A review under **section 120** of the *Australian Education Act 2013* is an internal review that considers whether procedural aspects of the decision to determine a CTC score for a school were undertaken in accordance with relevant legislation or stated administrative policies. Essentially, this is a 'check' to ensure the department calculated a school's CTC score in line with the *Australian Education Act 2013* and the *Australian Education Regulation 2013* and any other prescribed requirements. A request for an internal review must be lodged within 30 days of the score being determined unless a longer period is allowed. For 2020 CTC scores, a 45-day period was allowed – the timeframe for lodging an internal review request elapsed on 4 June 2020.

A review under subsection **53(2)** of the *Australian Education Act 2013* considers whether exceptional circumstances exist for a school and whether the score determined for the school – using the data and/or methodology as set out in the *Australian Education Act 2013* and *Australian Education Regulation 2013* – reasonably reflects its community's anticipated capacity to contribute.

Guidelines on reviews under subsection 53(2) are published on the department's CTC reviews [webpage](#).

An administrative review has no legislative basis. Administrative reviews aim to provide approved authorities with certainty and enable planning. This type of review will be subject to the same application and assessment process as reviews of funded scores. Any score or findings from this process may be used to inform a future CTC score.

44. For schools that have failed the manual review process in 2020, what will the process be for setting a DMI going forward?

Schools which have a 2018 or 2019 DMI score that failed the validation process will have a CTC based on DMI in 2022 and 2023, respectively (assuming further DMI scores pass the validation process). From 2022 onwards, non-government schools will have their CTC informed by DMI or, where the DMI cannot be used, a refined area-based score will be applied. The refined area-based score is based on family and household income information from the latest available Census of Population and Housing data combined with the latest available statement of addresses.

It is important to note that an approved authority may seek a review of its school's CTC score, regardless of the method used to calculate the score. That is, a request for review can also be submitted for a 2011 or 2016 SES-based CTC score or, from 2022, a refined area-based CTC score. All requests for a review will require the approved authority to submit a written application to the department that includes a detailed business case stating why the approved authority considers the CTC score does not reflect the school community's circumstances.

45. Schools with large numbers of boarding students are disadvantaged – why doesn't the review process account for this?

Boarding students are included in the Address Collection where their parents have a valid Australian residential address. Approved authorities requesting a review in respect of boarding students will need to have strong reasons and supporting evidence to demonstrate these students have been missed. In considering applications on this basis, the department will generally look at the quality gate assessment (linkage rate) and review the Address Collection.

46. Regional schools have diverse populations, why can't they appeal on this basis?

The ABS undertook a preliminary analysis of school income ranges using the 2019 Address Collection and found that no schools had a bi-modal distribution of income.

It found parental income ranges at most non-government schools exhibit a large degree of variation. The greatest variation was evidenced in inner-city schools.

Currently, there is no evidence of diverse incomes being an exceptional circumstance that should be addressed through the review process.

47. Why is there such a high evidence threshold for a review?

The DMI methodology uses the best data currently available.

Reviews are reserved for exceptional circumstances only and their basis must be clearly demonstrated through qualitative and quantitative evidence.

Any data informing a re-determined score must be of comparable quality to that used under the DMI methodology.

48. Why can't Approved Authorities include multiple schools in one application?

CTC scores are calculated under subsection 52(1) of the *Australian Education Act 2013* for individual schools. Review applications must demonstrate the exceptional circumstances that exist for an individual school community.

49. Previously, deemed scores were given in perpetuity – why will they only be deemed for three years now?

Scores will not be deemed in perpetuity because the DMI methodology should reflect actual changes in circumstances after three years through the rolling average.

Each deemed score will be reviewed annually to ensure it is still appropriate. It is anticipated that, in the majority of cases, the deemed score will be in place for three years. But there may be occasional exceptions where the delegate might consider it appropriate to adjust the score (higher or lower) based on new information.

Student Residential Address and Other Information Collection

50. The timing of the annual Address Collection at the beginning of the year is difficult to manage for some schools. Can the department change the Address Collection to the middle of the year?

Unfortunately, the department is unable to move the collection to April or May. This is because of the time required for the ABS to undertake data linkage and create DMI scores and for the department to validate scores. This work is all undertaken in the middle of the year to enable the department to provide CTC scores to approved authorities before the start of the school year to provide certainty for planning and budgeting.

COVID-19

51. Since DMI calculated for 2021 will not contain 2019-20 data, how will the effects of COVID on actual CTC be assessed?

The impact of COVID-19 will be within the 2019-20 MADIP data which will be used to inform the 2023, 2024 and 2025 CTC score. While there is some lag, the DMI is timelier and more accurate than the previous SES methodology and changes in circumstances will flow through to funding.

The Government acknowledges the COVID-19 outbreak has had a significant impact on schools and school communities, and that its effects will continue for some time. Schools experiencing immediate financial hardship are able to access whole of government initiatives, subject to meeting eligibility requirements. The department has prepared a factsheet containing information on support available to non-government schools. This can be accessed at www.dese.gov.au/covid-19.

52. How long will the impact of the anticipated drop in income for the 2020-21 financial year impact the DMI score?

The DMI methodology uses the most recent complete taxation data available. For taxation data, there is an 18-month lag. The impact of the 2020-21 financial year on the DMI score will be seen in the 2023 DMI score. To reduce volatility, a CTC score based on DMI methodology uses the rolling average of three years of DMI scores. As such, the 2023 DMI score will inform the average DMI score (i.e. the CTC score) for 2024, 2025 and 2026.

53. Given the current economic environment and the impact of COVID-19, has any consideration been given to delaying full implementation of DMI?

The department has been working closely with the non-government sector to monitor and understand the impact of COVID-19 on schools and school communities. There has been no decision to delay the full implementation of the DMI. The transition arrangements such as ‘best of’ and the Choice and Affordability Fund will continue to be available for schools.

54. Based on information provided at the previous webinar, there is an expectation that changes in economic conditions will apply equally across the model. Thus, if the majority of Australians are poorer, there will be minimal changes to the DMI even though many parents have less income. Is this still your expectation?

Yes, the DMI score is a relative measure – the median incomes of each school’s community are standardised and ranked to determine a school’s DMI score. In cases where every school’s median income decreases by the same rate, the DMI score for each school will remain the same as the relative ranking of income has not changed.

55. What is the government doing to support schools impact by COVID-19?

To help support students, families, and school communities impacted by COVID-19 the Australian Government is providing:

- \$38.2 million support an additional 76,000 disadvantaged young Australians to complete Year 12 and move into work, training or further study through the [Smith Family’s Learning for Life](#) program.
- \$25.0 million to respond to education priorities arising from the COVID-19 pandemic.
- \$5.8 million for a pilot program in 10 remote schools to expand their Direct Instruction literacy model to include numeracy and science.

- \$39.8 million to expand and extend the Clontarf Foundation's Academy program for 12,500 Indigenous boys and young men until December 2023. This expansion will include an additional 2,000 places by December 2022 and will support the establishment of new Academies in a number of schools across Australia.
- \$27.3 million to improve STEM skills in early learners and school students through STEM programs, including the Australian Academy of Science's [STEM programs](#), and the Smith Family's Let's Count program, CSIRO's STEM Professionals in Schools and Froebel Australia's Little Scientists.
- \$6.0 million to fund programs that improve [social cohesion](#), including for the Anti-Defamation Commission to create a Holocaust education platform to improve education about the Holocaust, and the Islamic Museum of Australia for online education programs to enhance cross-cultural understanding.

Further questions

Further information on the direct measure of income methodology, the formal review process and the data validation and quality assurance process are available on the department's website at www.education.gov.au/quality-schools-fact-sheets.

If you have further questions, please email the CTC inbox at SchoolsCapacitytoContribute@dese.gov.au.