



Direct Income Measure of Capacity to Contribute Technical Working Group

The Department of Education and Training 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 Working Group will provide advice on refinements 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 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 1 – 20 November 2018 | Communiqué

The Direct Measure of Capacity to Contribute Technical Working Group held its first meeting in Canberra.

Terms of Reference and Forward Work Plan

The agenda focused on the forward work plan and technical issues to be investigated. The Working Group agreed to the Forward Work Plan, which set out the following topics for consideration:

- Data validation
- Student Residential Address and Other Information Collection
- Measurement of income
- Volatility of changes
- Data linkages
- Treatment of missing personal income tax data
- Privacy protections
- Appeals and qualitative indicators

Multi-Agency Data Integration Project

The Working Group was provided with an overview of the Multi-Agency Data Integration Project (MADIP), its functionality and how it will be used in developing the direct income measure of capacity to contribute.

MADIP is a partnership among Australian Government agencies to combine information on health care, education, government payments, personal income tax and the Census to create a comprehensive picture of Australia over time. MADIP is a core component of the Government's Data Integration Partnership for Australia (DIPA), with six Commonwealth agencies working together on the project (Australian Bureau of Statistics, Australian Taxation Office, Department of Education and Training, Department of Health, Department of Human Services and Department of Social Services).

Student Residential Address and Other Information Collection

The Working Group was provided with an overview of the 2018 Student Residential Address and Other Information Collection (the Collection) and considered timing and minor refinements for future collections.

The Collection is in response to the National School Resourcing Board's finding that collecting names and addresses of parents and/or guardians of students at non-government schools would improve the data linkage rate between students' family households and personal income tax records (*Finding 11*). The Australian Education Regulation 2013 provides the legislative authority for the Department to undertake the Collection. It is anticipated that the Collection will occur on an annual basis to support the Board's recommendation of using a rolling average of data.

Data Validation Project

The Working Group discussed the scope of the data validation project to be undertaken by the Department. Any refinements to the capacity to contribute methodology will be considered on the basis of the merits of refinement and data quality. It is intended that an appeals process will be developed as part of the validation project, to improve the robustness of the direct measure. Technical experts may also be engaged to provide advice on specific issues.

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.