Equity loading for socio-economic background
Local Schools, Local Decisions – Information sheet 6

The Resource Allocation Model (RAM) loading for socio-economic background will deliver a fairer and more transparent distribution of resources to support identified additional learning needs for students from low socio-economic backgrounds. The rate of funding per student will be determined based on a combination of individual student and school need using the Family Occupation and Education Index (FOEI).

What is the loading for socio-economic background?
The new RAM uses the concept of ‘base’ plus ‘loadings’ advocated by the Gonski review into school funding.
The equity loading for socio-economic background provides funding to support the identified additional learning needs for students from low socio-economic backgrounds. For the first time we are recognising the needs of students in every NSW public school.

How is the loading for socio-economic background calculated?
The loading is calculated using information on parental level of school education, highest non-school qualification and occupation category drawn from data collected on enrolment forms and recorded in the Enrolment Registration Number (ERN) system. Data is extracted from ERN in early Term 2 each year. This information is used to calculate the level of need (FOEI score) for each school.

This methodology was developed following research undertaken by the Department that identified parental education attainment as a strong predictor of student and school performance. If parental occupation is added to this, the predictive power is further enhanced.

Why is this approach the best measure of socio-economic need?
The FOEI provides the best socio-economic index to fit the new school resourcing model and the demographics of NSW public schools.
It is better than other measures because the FOEI:
■ is available for all schools
■ is based on all students enrolled at each school
■ uses direct student background data plus an established process to deal with missing data
■ is updated each year to reflect changes in the school population
■ is specific to NSW public schools.

How is the loading allocated to schools?
The loading is allocated to schools on the basis of greatest need. The loading funds all students in quarter 1 and quarter 2 on the FOEI in every NSW public school. A school’s relative need is determined by the FOEI. A school with a high FOEI score is a school with a higher level of need.

Research shows that a student who is in quarter 1 has the higher level of additional learning need. Therefore, the loading is allocated to schools so that students in quarter 1 will receive double the per student funding rate of a student in quarter 2.

What does this mean for schools in 2014?
This loading will fund more than 390,000 students (the number of students in the lowest two socio-economic quarters of the FOEI) across all NSW public schools – compared to over 120,000 students in around 580 schools who are now supported.

For further FOEI information
Statistics Unit, Centre for Education Statistics and Evaluation
www.cese.nsw.gov.au