

CULTURE AND RECREATION — ASSESSMENT RESULTS

- 1 This working paper describes the expenses assessment for Culture and Recreation and provides information on its impact on GST revenue distribution for the 2008 Update. The development of the assessment method is discussed in Volume 6 of the 2004 Review Working Papers.

DESCRIPTION OF THE CATEGORY

- 2 The category comprised expenses on administration, support, provision and operation of cultural and recreational services. More specifically, the category included expenses on:
- direct provision of, and subsidies to, libraries open to the public;
 - art galleries;
 - museums;
 - facilities and services for the creative and performing arts such as theatres, concerts, stage productions and orchestras;
 - other cultural facilities and services such as exhibition halls and monuments;
 - other recreational facilities and services such as football and cricket grounds; and
 - national, regional or local representation in sporting events, and for equipment, coaching, training and other items needed for teams or players.
- 3 No specific purpose payments are associated with the Culture and Recreation category.
- 4 Table 1 shows the average expenses and user charges for the last six financial years. In 2006-07, average expenses of \$117.72 per capita represented 1.83 per cent of total average expenses. In 2006-07, user charges accounted for 18.94 per cent of category average expenses.

Table 1 Culture and Recreation, average expenses and user charges, 2001-02 to 2006-07

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Average expenses (\$pc)	99.02	98.42	101.76	101.82	109.40	117.72
% of total State average expenses	1.92	1.84	1.87	1.79	1.83	1.83
Average user charges (\$pc)	16.23	16.71	17.64	17.61	21.12	22.30
% of category average expenses	16.39	16.98	17.33	17.29	19.30	18.94

DEVELOPMENTS SINCE THE 2007 UPDATE

5 There were no new developments in the assessment since the last update.

ASSESSMENT METHOD

Description of the assessment

6 The Culture and Recreation assessment for the 2008 Update was undertaken using four components: fixed costs, services, national capital and isolation.

7 The 2008 Update expenses assessment method is the same as the 2007 Update.

- the expenses for fixed costs and isolation were assessed using general methods; and
- the expenses related to services were assessed using economic environment (assessed by judgment) and general methods for dispersion, input costs and cross-border factors;

8 The expenses related to national capital were based on an assessment of \$4.9 million updated for CPI movements. The assessment recognised the additional costs incurred by the ACT in managing and maintaining above-average urban open space and land classified as Designated Land Areas under the National Capital Plan.

Assessment Structure

9 Table 2 summarises the assessment structure for the 2008 Update.

Table 2 Culture and Recreation, assessment structure for the 2008 Update, 2006-07

Component	Component		Basis of calculation
	weight	Factors	
	%		
Fixed costs	3.71	Administrative scale Input costs	General method. General method, with weights of 80% for wages, 2% for accommodation and 0.5% for electricity.
Services	95.72	Economic environment Cross-border Dispersion Input costs	Assessed by judgement. Assessed for New South Wales and the ACT by general method. General method. General method, with weights of 70% for wages, 2% for accommodation and 0.5% for electricity.
National capital	0.22	National capital	Based on an assessed allowance of \$4.870 million per annum, adjusted by CPI.
Isolation	0.34	Isolation	General method.

Calculating the category factor

10 Table 3 summarises the components, component weights and factors assessed for this category for the last year of the 2008 Update. It shows the calculation of the category factor for 2006-07.

Table 3 Culture and recreation, derivation of category factor, 2008 Update, 2006-07

Factors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Fixed costs (component weight = 3.71 %)								
Administrative scale	0.38031	0.50456	0.63046	1.25230	1.65373	5.30328	7.74403	12.25245
Input costs	1.02528	0.99212	0.98387	0.99199	0.97579	0.95664	1.01939	1.01769
Component factor	0.38993	0.50059	0.62029	1.24227	1.61369	5.07334	7.89420	12.46916
A Wgtd comp factor	0.01454	0.01867	0.02313	0.04633	0.06018	0.18920	0.29440	0.46501
Services (component weight = 95.72 %)								
Economic environment	0.9918	0.99181	0.99181	1.02157	1.02157	1.05132	1.05132	1.05132
Cross border	0.9956	1.00000	1.00000	1.00000	1.00000	1.00000	1.08905	1.00000
Dispersion	0.99961	0.99702	1.00321	1.00189	0.99822	0.99874	0.99167	1.03326
Input costs	1.02223	0.99260	0.98661	0.99340	0.97798	0.96077	1.01693	1.01515
Component factor	1.00903	0.98152	0.98171	1.01676	0.99724	1.00875	1.15479	1.10220
B Wgtd comp factor	0.96589	0.93956	0.93974	0.97329	0.95461	0.96562	1.10542	1.05508
National capital (component weight = 0.22 %)								
National capital	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	61.95227	0.00000
Component factor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	61.95227	0.00000
C Wgtd comp factor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.13680	0.00000
Isolation (component weight = 0.34 %)								
Isolation	0.04081	0.06917	0.11309	1.80761	1.09363	2.75060	1.22840	58.74083
Component factor	0.04081	0.06917	0.11309	1.80761	1.09363	2.75060	1.22840	58.74083
D Wgtd comp factor	0.00014	0.00024	0.00039	0.00623	0.00377	0.00949	0.00424	0.20257
Category factor	0.98057	0.95847	0.96326	1.02585	1.01856	1.16431	1.54086	1.72266

Note: For each component, the component factor is calculated using the formula in the following paragraph. The weighted component factor is the component factor multiplied by the component weight. This is then population weighted to ensure that the sum of assessed expenses equals average expenses.

Note: Category factor is the sum of the weighted component factors. It equals A + B + C + D.

11 The category factor was calculated as follows:

$$\begin{aligned}
 \text{Category factor} &= \text{fixed costs} + \text{services} + \text{national capital} + \text{isolation} \\
 \text{Fixed costs} &= 0.0371 * [\text{administrative scale} * \text{fixed costs input costs}] \\
 \text{Services} &= 0.9572 * [\text{economic environment} * \text{cross-border} * (\text{input costs} + \\
 &\quad \text{dispersion} - 1)] \\
 \text{National capital} &= 0.0022 * [\text{national capital}] \\
 \text{Isolation} &= 0.0034 * [\text{isolation}]
 \end{aligned}$$

12 In each case, the contribution to the category factor was calculated as the component weight (the percentages in the table) multiplied by the component factor (the bracketed terms in the

formulas). Each component’s contribution to the category factor was scaled to ensure the sum of assessed expenses equalled average expenses.

RESULTS FOR 2006-07

13 Table 4 shows, the actual, average and assessed expenses per capita and the assessed cost of providing services ratios for 2006-07. The assessed cost of providing services ratios are equivalent to the category factor shown in Table 3.

Table 4 Culture and Recreation, assessment results, 2006-07

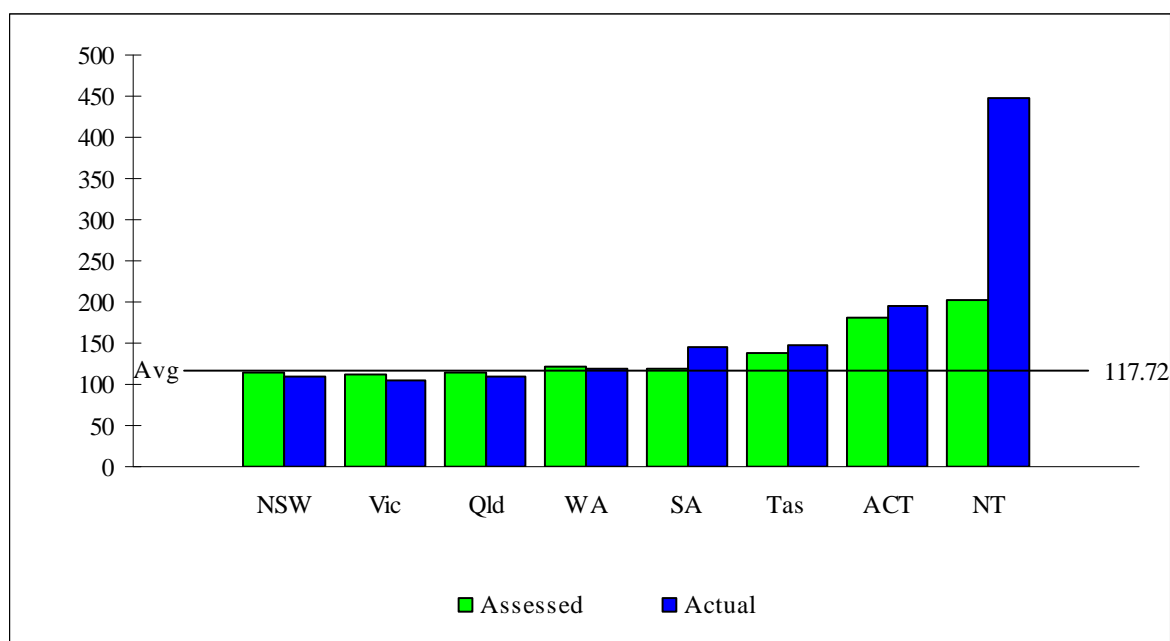
	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Avg
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Actual expenses	109.99	104.85	108.67	118.83	145.23	148.28	195.34	447.25	117.72
Assessed expenses	115.43	112.83	113.40	120.76	119.91	137.06	181.39	202.79	117.72
	%	%	%	%	%	%	%	%	%
Assessed cost of providing services ratio (a)	98.06	95.85	96.33	102.58	101.86	116.43	154.09	172.27	100.00

(a) The assessed cost of providing services ratio is the ratio of assessed to average expenses per capita.

14 Table 10 at the end of this working paper shows the actual, average and assessed expenses for each State for all years of the 2008 Update.

15 Figure 1 illustrates the actual, average and assessed expenses per capita for Culture and Recreation for 2006-07.

Figure 1 Culture and Recreation, expenses per capita — assessed, actual and average, 2006-07



CONTRIBUTION TO GST REVENUE DISTRIBUTION

16 Table 5 shows the category's contribution to the distribution of GST revenue and health care grants (hereafter GST revenue) for the 2008 Update. It also shows the contribution of each factor and component.

Table 5 Culture and Recreation, contribution of assessment to GST revenue distribution, 2008 Update

Factor	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total redist'd
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Fixed costs									
Administrative scale	-20.5	-12.3	-7.1	2.7	4.8	10.0	10.8	11.6	39.9
Input costs	1.0	-0.1	-0.5	-0.2	-0.2	-0.1	0.0	0.0	1.1
Component factor	-20.0	-12.3	-7.4	2.5	4.5	9.5	11.1	12.0	39.7
Services									
Economic environment	-6.5	-4.9	-4.0	5.3	3.9	2.9	2.0	1.3	15.4
Cross-border	-3.5	0.0	0.0	0.0	0.0	0.0	3.5	0.0	3.5
Dispersion	-0.3	-1.8	1.6	0.5	-0.3	-0.1	-0.3	0.8	2.9
Input costs	21.7	-2.2	-11.3	-3.3	-4.1	-2.1	0.8	0.5	23.0
Component factor	11.2	-8.9	-13.6	2.4	-0.6	0.7	6.1	2.7	23.1
National capital									
National capital	-2.0	-1.5	-1.2	-0.6	-0.5	-0.1	6.0	-0.1	6.0
Component factor	-2.0	-1.5	-1.2	-0.6	-0.5	-0.1	6.0	-0.1	6.0
Isolation									
Isolation	-3.0	-2.2	-1.7	0.8	0.1	0.4	0.0	5.6	6.9
Component factor	-3.0	-2.2	-1.7	0.8	0.1	0.4	0.0	5.6	6.9
Redistribution from EPC resulting from the 2008 Update assessment									
	-13.8	-24.9	-23.9	5.1	3.5	10.4	23.3	20.2	62.5

Note: The redistribution due to the component factors includes the effect of interactions between factors. Therefore the component factor figure may not equal the sum of its factors' redistribution.

Differences from an equal per capita assessment

17 The table indicates that the disabilities which had the biggest impact on the assessment were:

- administrative scale — which recognised the unavoidable costs each State incurred to have the minimum policy and administrative infrastructure necessary to provide the service;
- input costs — which recognised the interstate differences in the cost of inputs used to provide services (labour, office accommodation and electricity); and

- economic environment — which recognised interstate differences in the breadth and depth of corporate support for the arts and the extent to which State government support is required;
- 18 The category factors reflected the following on a State by State basis.
- *New South Wales* — the negative GST revenue redistribution for New South Wales was primarily due its economies of scale, higher corporate support for the arts and the provision of services to its residents by the ACT. This negative effect was partially offset by disabilities stemming from its higher labour costs.
 - *Victoria* — Victoria’s negative GST revenue redistribution was primarily due its economies of scale and higher corporate support for the arts.
 - *Queensland* — Queensland had a negative GST revenue redistribution. Its below average labour costs, economies of scale and higher corporate support for the arts contributed to this outcome.
 - *Western Australia* — the positive GST revenue redistribution for Western Australia was due to lower corporate support for the arts and diseconomies of scale. These distribution-positive influences were partially offset by below average labour costs.
 - *South Australia* — South Australia’s positive GST revenue redistribution was due to diseconomies of scale and lower corporate support for the arts, but these positive influences were partially offset by below average labour costs.
 - *Tasmania* — the positive GST revenue redistribution for Tasmania was due to its diseconomies of scale and lower corporate support for the arts. These positive influences were partially offset by below average labour costs.
 - *ACT* — the ACT had the highest positive GST revenue redistribution. This was due to its diseconomies of scale, the provision of services to residents from New South Wales and the additional costs incurred because of its role as the national capital.
 - *Northern Territory* — the positive GST revenue redistribution for the Northern Territory was mainly due to its diseconomies of scale and high costs due to isolation.

CHANGES SINCE THE 2007 UPDATE

Major changes in this update

Main reason for change

- 19 This category saw little change from the 2007 Update (\$3.4 million). The category also reduced in importance, because its expenses grew at a slower rate than the GST pool.

Explanation of large State specific changes

- 20 All States received distributions which were of similar magnitude to the 2007 Update. The largest change was for Queensland, whose distribution was \$2.5 million more than in 2007 (-\$23.9 million in 2008 compared with -\$26.4 million in the 2007 Update).

Effect of assessment on the distribution of GST revenue

- 21 Table 6 shows the distribution of GST revenue resulting from the assessments in the 2007 Update and the 2008 Update. It also shows the sources of the changes.
- 22 Changes in the distribution of GST revenue between the 2007 Update and the 2008 Update were brought about because the Commission:
- used revised financial data in the average expenses and other revised data in factor calculations for the years 2001-02 to 2005-06; and
 - replaced 2001-02 average expenses and factors with those of 2006-07 to move forward the five-year period on which GST revenue distribution was based. Moving the five-year period forward in this way ensures the assessments reflect recent trends in State priorities on the services provided and recent trends in State demographic, and economic circumstances on the relative costs of those services.

Table 6 Culture and recreation, effect of assessment on GST revenue distribution, 2007 Update to 2008 Update

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total redist'd
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Redistribution from EPC resulting from the 2007 Update assessment (a)	-12.9	-25.1	-26.4	4.8	3.3	10.8	24.3	21.3	64.5
Effect of revising category averages and factors for 2001-02 to 2005-06									
Category average	-0.1	-0.2	-0.2	0.0	0.0	0.1	0.2	0.2	0.4
Category factors	0.3	0.1	0.2	0.0	0.0	-0.1	-0.2	-0.3	0.6
Interactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.3	0.0	0.0	0.1	0.0	0.0	-0.1	-0.2	0.3
Effect of replacing 2001-02 category averages and factors with those for 2006-07									
Category average	0.3	0.7	0.7	-0.1	-0.1	-0.3	-0.6	-0.6	1.7
Category factors	-1.6	-0.4	2.1	0.5	0.3	-0.2	-0.3	-0.4	2.9
Interactions	0.2	0.1	-0.2	-0.1	0.0	0.0	0.0	0.0	0.3
Total	-1.1	0.3	2.6	0.3	0.2	-0.4	-0.9	-0.9	3.4
Redistribution from EPC resulting from the 2008 Update assessment (a)	-13.8	-24.9	-23.9	5.1	3.5	10.4	23.3	20.2	62.5
Total effect of revisions and updating (b)	-0.9	0.3	2.5	0.3	0.3	-0.4	-1.0	-1.1	3.4

(a) Using the same pool and populations that were used to calculate the 2007 Update redistribution.

(b) This figure shows the change in the amount redistributed among the States between the 2007 Update and the 2008 Update. It does not necessarily equal the difference in the total redistribution from EPC between the two inquiries.

23 Compared with an equal per capita (EPC) assessment, the 2008 Update redistributed \$62.5 million away from New South Wales, Victoria and Queensland to the other States. The biggest redistributions were for Victoria, Queensland, the Australian Capital Territory and the Northern Territory. Compared with the 2007 Update, the biggest change was to Queensland, whose distribution was \$2.5 million more than in 2007.

24 Table 7 shows the changes in GST revenue attributable to changes in each factor arising from both revisions over the period 2001-02 to 2005-06 and replacing 2001-02 data with 2006-07 data.

Table 7 Culture and Recreation, effect of assessment on GST revenue distribution by factor, 2007 Update to 2008 Update

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total redist'd
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Fixed costs									
Administrative scale	1.3	0.4	0.0	-0.2	-0.2	-0.5	-0.4	-0.5	1.7
Input costs	-0.1	0.0	0.1	0.0	0.0	0.0	0.0	-0.1	0.2
Services									
Economic environment	0.2	0.1	0.0	-0.1	-0.1	-0.1	0.0	0.0	0.3
Cross-border	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dispersion	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Input costs	-2.5	-0.5	2.0	0.6	0.5	0.0	0.0	-0.1	3.1
National capital									
National capital	0.1	0.1	0.0	0.0	0.0	0.0	-0.3	0.0	0.3
Isolation									
Isolation	0.2	0.1	0.1	-0.1	0.0	-0.1	0.0	-0.2	0.4

25 The main reasons for the changes in GST revenue distribution between the two updates are explained in more detail in the following sections.

Changes due to revising average expenses and factors for years 2001-02 to 2005-06

Revising average expenses

26 Table 8 shows the average expenses and user charges for the six financial years of this update and those of the previous update. Table 9 shows the cost of service provision ratios for 2001-02. A State with a ratio above one has an above average assessed cost of providing services.

27 As Table 8 shows, upward revisions were made to average expenses in 2001-02, although downward revisions were made in the other years — overall there was a small net upward revision. This marginally increased the amount of GST revenue redistributed for that period (\$0.4 million) and led to a minor increase in the GST revenue shares of the States assessed to have above average costs of providing services – Tasmania, the Australian Capital Territory and the Northern Territory (see Table 9). Western Australia and South Australia’s distributions arising from revising expenses were zero, because their cost of service provision was close to average in the years 2001-02 to 2005-06.

Table 8 Culture and Recreation, Average expenses used in the 2007 and 2008 Updates

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
2008 Update		99.02	98.42	101.76	101.82	109.40	117.72
2007 Update	105.79	93.08	98.97	102.30	102.42	112.71	
Difference	-	5.94	-0.55	-0.54	-0.61	-3.31	-

Revising category factors

28 Revisions to category factors led to a small redistribution of \$0.6 million to New South Wales, Victoria and Queensland from the other States. This redistribution was largely due to the reduced influence of common factors (administrative scale, cross border and isolation). The category expenses were revised upwards and the common factors represented less of the expenses as a result. Those States that had larger assessed cost for these factors (the less populous States) received a smaller GST share in the 2008 Update compared with 2007 because of the reduced influence of these factors.

Changes in State circumstances — replacing 2001-02 with 2006-07 data

29 Table 9 shows the actual expenses and implied costs of service provision for 2001-02, the year that drops out of the assessment period, and 2006-07, the year that comes in, for the 2008 Update assessment.

Replacing average expenses

30 Since 2001-02, State spending on this function has increased (26.9 per cent), but it has not kept pace with the growth in the GST pool (43.9 per cent). So, replacing the 2001-02 average expenses with 2006-07 average expenses has led to a small reduction in the size of the category's GST redistribution (\$1.7 million). It has reduced the GST distribution to States assessed to have an above average cost of providing services (Western Australia, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory). It has increased the GST distribution to the other States.

Table 9 Culture and Recreation, actual expenses and assessed cost of providing services, 2001-02 and 2006-07

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Avg
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Actual expenses									
2001-02	83.79	99.65	85.21	90.27	156.48	114.63	152.43	367.50	99.02
2006-07	109.99	104.85	108.67	118.83	145.23	148.28	195.34	447.25	117.72
	%	%	%	%	%	%	%	%	%
Change between 2001-02 and 2006-07	31.26	5.21	27.53	31.64	-7.20	29.36	28.15	21.70	18.89
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Assessed expenses									
2001-02	97.82	95.13	93.57	100.73	100.02	116.30	155.99	176.81	99.02
2006-07	115.43	112.83	113.40	120.76	119.91	137.06	181.39	202.79	117.72
	%	%	%	%	%	%	%	%	%
Assessed cost of providing services ratio									
2001-02	98.79	96.08	94.50	101.72	101.01	117.46	157.54	178.56	100.00
2006-07	98.06	95.85	96.33	102.58	101.86	116.43	154.09	172.27	100.00

Replacing category factors

31 The assessed cost of providing services increased in Queensland, Western Australia and South Australia (Table 9), resulting in an increase in distribution to these States. This was primarily caused by their above average growth in the cost of inputs used to provide services (labour, office accommodation and electricity). Also, the reduced share for other States was partly due to input cost changes as well as the declining influence of administrative scale (in some cases partly offsetting the redistribution effect from input cost movements, primarily for the less populous States). Replacing the 2001-02 factors with 2006-07 factors affected GST distribution by \$2.9 million.

This working paper was prepared by the Transport and Other Services section of the Commonwealth Grants Commission. If you have any questions about its content please contact Glenn Pure on (02) 6229 8816 or glenn.pure@cgc.gov.au



Date: 29 February 2008

Table 10 Assessment of expenses, Culture and Recreation

	2002-03		2003-04		2004-05		2005-06		2006-07	
	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
	\$m	\$	\$m	\$	\$m	\$	\$m	\$	\$m	\$
Average Expenses		98.42		101.76		101.82		109.40		117.72
New South Wales										
Assessed difference	- 9.001	- 1.35	- 10.289	- 1.54	- 12.215	- 1.81	- 13.049	- 1.92	- 15.681	- 2.29
Expenses - Assessed	645.774	97.07	670.719	100.22	673.286	100.00	729.674	107.48	791.388	115.43
Actual	534.157	80.29	540.729	80.80	512.428	76.11	592.079	87.21	754.058	109.99
Victoria										
Assessed difference	- 18.742	- 3.83	- 19.315	- 3.90	- 20.170	- 4.02	- 22.215	- 4.36	- 25.266	- 4.89
Expenses - Assessed	463.056	94.59	484.998	97.86	490.890	97.80	534.746	105.04	583.056	112.83
Actual	522.920	106.82	523.911	105.71	544.737	108.53	627.881	123.33	541.802	104.85
Queensland										
Assessed difference	- 19.818	- 5.26	- 20.260	- 5.24	- 19.516	- 4.93	- 20.270	- 5.01	- 17.885	- 4.32
Expenses - Assessed	350.970	93.16	372.794	96.51	383.312	96.88	422.680	104.39	468.962	113.40
Actual	315.912	83.85	338.910	87.74	300.825	76.04	369.515	91.26	449.428	108.67
Western Australia										
Assessed difference	3.408	1.76	3.522	1.79	3.538	1.77	4.458	2.19	6.336	3.04
Expenses - Assessed	194.194	100.18	203.801	103.55	207.171	103.59	227.484	111.59	251.435	120.76
Actual	177.006	91.31	189.205	96.13	229.330	114.67	214.253	105.10	247.402	118.83
South Australia										
Assessed difference	2.073	1.36	2.668	1.74	3.205	2.07	3.734	2.39	3.445	2.19
Expenses - Assessed	152.294	99.78	158.994	103.49	160.679	103.89	174.452	111.79	189.048	119.91
Actual	201.019	131.70	229.255	149.23	239.594	154.91	247.696	158.73	228.968	145.23
Tasmania										
Assessed difference	8.199	17.26	8.558	17.80	8.878	18.31	9.331	19.10	9.510	19.34
Expenses - Assessed	54.953	115.68	57.471	119.56	58.240	120.13	62.770	128.50	67.387	137.06
Actual	55.872	117.61	53.810	111.94	70.246	144.89	59.002	120.79	72.900	148.28
Australian Capital Territory										
Assessed difference	18.316	56.51	18.989	58.21	19.469	59.26	20.484	61.66	21.437	63.67
Expenses - Assessed	50.219	154.92	52.183	159.97	52.919	161.08	56.832	171.06	61.072	181.39
Actual	60.921	187.94	66.911	205.12	67.845	206.51	27.840	83.79	65.768	195.34
Northern Territory										
Assessed difference	15.565	78.04	16.126	80.27	16.810	82.29	17.526	83.97	18.104	85.07
Expenses - Assessed	35.193	176.46	36.570	182.02	37.609	184.11	40.361	193.37	43.155	202.79
Actual	78.847	395.34	94.799	471.86	99.101	485.14	110.732	530.53	95.177	447.25

Note: Note: ACT expenses may include municipal expenses. Attachment A, 2008 Update, *RFCS* for how State actual figures are compiled.