

**GOVERNMENT PRIMARY EDUCATION**

**BACKGROUND**

***Category definition***

1. In the 1999 Review, the government primary education category comprised expenses on administration, inspection, support and operation of educational programs at government institutions that provide a knowledge of reading, writing and mathematics and other subjects for children from age 5 until ages 10 to 12. It also included expenditures on:

- (i) education programs for children with special needs enrolled in primary grades, including children with disabilities; and
- (ii) central administration and other costs that cannot be directly assigned to specific education categories.

***Specific purpose payments***

2. *Draft Assessment Paper CGC 2003/78 Specific Purpose Payments*, sets out the SPPs which were associated with the Government Primary Education category and which were treated by inclusion for the 2003 Update. These SPPs were:

- (i) Government Schools;
- (ii) Targeted Programs – Government Schools and Joint Initiatives; and
- (iii) Indigenous Education Strategic Initiatives Program – Government.

***Importance of the category***

3. Table 1-1 shows the gross expenses standard for this category in the 2003 Update. In 2001-02, the category standard was \$398.64 per capita; this represented 7.96 per cent of total gross standard expenses.

**Table 1-1** GOVERNMENT PRIMARY EDUCATION — GROSS STANDARD EXPENSES AND USER CHARGES, 1996-97 TO 2001-02

	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02
Gross standard expenses (\$pc)	302.40	316.66	345.65	361.65	380.05	398.64
% of total gross standard expenses	8.22	8.20	7.59	7.80	7.83	7.96
Gross standard user charges (\$pc)	3.87	5.01	6.62	7.02	7.55	8.08
% of category gross standard expenses	1.28	1.58	1.92	1.94	1.99	2.03

4. In the 2003 Update, compared with an equal per capita assessment, this category redistributed \$212.4 million. The redistribution reduced the grants of New South Wales, Victoria, South Australia and the ACT. The factor which had the largest impact on grant shares was the socio-demographic composition factor. Compared with an equal per capita assessment, it redistributed \$123.8 million in the 2003 Update assessment. The redistribution reduced the grants of Victoria, South Australia and the ACT.

***Structure of the assessment***

5. Table 1-2 shows the expenses assessment structure that was used in the 1999 Review.

**Table 1-2 ASSESSMENT STRUCTURE FOR GOVERNMENT PRIMARY EDUCATION, 1999 REVIEW**

Expenditure component	Component weight	Factors	Basis of calculation
Scale-affected expenditure	0.78	Administrative scale	General method.
		Input costs	General method with weights of 80% for wages, 2% for accommodation and 1% for electricity.
Schools	97.94	Dispersion	General method.
		Input costs	General method with weights of 70% for wages, 2% for accommodation and 1% for electricity.
		Service delivery scale	Based on estimated additional notional staffing required for schools in urban centres judged to have less than 350 students attending government primary schools and schools in the rural balance.
		Socio-demographic composition	Based on notional enrolments with additional weights given to students from disadvantaged backgrounds. The additional weights ranged from 0.10 to 0.45.
Isolation	0.25	Isolation	General method.
Vandalism	1.00	Vandalism and security	Populations in larger urban centres were given additional cost weights. The additional weights ranged from 1 to 5.
National Capital	0.03	National capital	A national capital allowance of \$2,000,000 a year has been assessed

### *User Charges*

6. User charges for this category were assessed by the equal per capita method.

### **PROPOSED CATEGORY DEFINITION AND STRUCTURE**

7. No issues have been raised concerning the definition of this category or the assessment structure.

### *Specific purpose payments*

8. The specific purpose payments for this category treated by inclusion will be the same as for the 2003 Update (see paragraph 2) except that payments for capital purposes will now also be included. In the 2003 Update these payments were out of scope.

### *Commission's decisions.*

9. The Commission's decisions are summarised in Table 1-3.

**Table 1-3** COMMISSION DECISIONS — CATEGORY DEFINITION, ASSESSMENT STRUCTURE AND COMPONENT WEIGHTS

Decision	Reason
Retain the current category definition.	Maintaining a distinction between primary and secondary education levels, and between government and non-government sectors, leads to a more transparent assessment given the marked differences in unit costs.
To vary the 1999 Review component structure by deleting the vandalism and security, and the national capital components.	The vandalism and security to be included in the schools component as part of the socio-demographic composition factor. The estimated additional cost associated with national capital influences is not considered material.
Treatment of SPPs	No changes from the 2003 Update.

## **FIXED COSTS COMPONENT**

10. This component consists of expenses on core head office functions relating to the administration, planning, regulation and subsidisation of the electricity and gas industry. The costs of these activities are inevitably greater in per capita terms in less populous States. Administrative scale and input costs factors have been assessed for the fixed cost component of this category.

### *Administrative scale — fixed costs component*

11. **1999 Review.** The administrative scale factor was assessed to account for differences in per capita costs of providing central office functions and whole of State services. Scale-affected expenses for this category were assessed as \$13 million, of which \$8 million was considered as fixed cost and \$5 million as variable cost. The scale-affected expenses component represented 0.78 per cent of expenses in this category.

12. **2004 Review.** *Draft Assessment Paper 2003/60 Administrative Scale* discusses the issues raised by the States regarding the assessment of this factor. The paper

sets out the Commission’s decisions on the general method of assessment adopted for the 2004 Review and on the size of the fixed cost component in each category. The States did not raise issues specific to this category.

13. The Commission has decided that an administrative scale factor will be assessed for this category to recognise the unavoidable costs each State would incur to have the policy and administrative infrastructure necessary to provide the service regardless of the size of the task.

14. The administrative scale factors for this category, shown in Table 1-4, have been calculated using the 2004 Review general method. Fixed costs for this category have been estimated to be \$0.54 million per State. The Commission also assessed extra fixed costs of \$0.3 million for the Northern Territory to recognise the extra costs it incurs through the dual policy development tasks it must perform because of the high proportion of Indigenous people in its population. Total fixed costs for this category have been estimated to be \$4.36 million, which represents 0.45 per cent of the category standard.

**Table 1-4** ADMINISTRATIVE SCALE FACTORS — FIXED COSTS COMPONENT

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
1997-98	0.34487	0.47141	0.63651	1.20391	1.46724	4.60875	7.03915	17.87223
1998-1999	0.34482	0.47200	0.63408	1.19857	1.47645	4.67348	7.07127	17.77111
1999-2000	0.34484	0.47231	0.63138	1.19613	1.48613	4.73247	7.08520	17.69123
2000-01	0.34476	0.47241	0.62841	1.19549	1.49842	4.79253	7.08979	17.66644
2001-02	0.34518	0.47215	0.62452	1.19502	1.50943	4.84445	7.10408	17.77059

15. The factor based on estimated resident populations and the component weight will be updated annually.

#### ***Input costs — fixed cost component***

16. **1999 Review.** The input costs factor was assessed to recognise differences between States in per capita costs of labour, office accommodation and electricity. A separate factor was calculated for each of these inputs. For the scale affected costs component, these factors were applied to the following proportions of standard expenses:

- wages and salaries                      80 per cent;
- accommodation                            2 per cent; and
- electricity                                    1 per cent.

17. **2004 Review.** *Discussion Paper CGC 2003/04 Input Costs* discusses the issues raised by the States regarding the assessment of wages and salaries costs. The paper sets out the Commission’s proposals for the general method of assessment to be adopted for the 2004 Review and on the size of the standard expense proportions in each category for

wages and salaries. *Draft Assessment Paper CGC 2003/79 Input Costs - Electricity and Accommodation* discusses the issues raised by the States regarding the assessment of input costs relating to accommodation and electricity. The paper sets out the Commission's decisions on the general method of assessment to be adopted for the 2004 Review and on the size of the standard expense proportions in each category for accommodation costs and electricity costs. The States did not raise issues specific to this category.

18. The Commission considered that the prices of labour, accommodation and electricity used in providing fixed cost services differ across States for reasons beyond the control of individual States. It has therefore decided that input costs will be assessed for this component.

19. The input costs factors for the fixed cost component of this category, shown in Table 1-5, have been calculated according to the 2004 Review general methods. The standard expense proportions applied were 80 per cent for wages and salaries, 2 per cent for accommodation and 0.5 per cent for electricity.

**Table 1-5** INPUT COSTS FACTORS — FIXED COST EXPENSES COMPONENT

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
1997-98	1.03086	0.98776	0.98243	0.98229	0.97405	0.93225	1.00817	1.11439
1998-99	1.03267	0.98876	0.98050	0.97883	0.97213	0.92981	1.01243	1.10979
1999-2000	1.03546	0.98791	0.97763	0.98082	0.96857	0.92317	1.01680	1.10513
2000-01	1.03603	0.98930	0.97573	0.98076	0.96738	0.92031	1.01603	1.10244
2001-02	1.03498	0.99044	0.97446	0.98186	0.97135	0.92001	1.01306	1.09897

20. The factors will be updated annually. The proportions represented by wages and salaries, accommodation and electricity will not be re-examined until the next review.

## SCHOOLS COMPONENT

21. This component is the largest in this category. It covers the school-based expenses associated with providing services in government primary schools. Service delivery scale, socio-demographic composition, input costs and dispersion factors are assessed for this component.

### *Service delivery scale – schools component*

22. The general discussion of this factor is in the main paper.

23. Table 1-6 shows the service delivery scale factors assessed for this component for the 2004 Review. This factor is used for all years.

**Table 1-6** SERVICE DELIVERY SCALE FACTOR FOR GOVERNMENT PRIMARY SCHOOLS, 2004 REVIEW

State	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
1999 Review	0.99271	0.98495	1.00570	1.01223	1.01311	1.03777	0.96522	1.13680
2004 Review	0.99877	0.99886	1.00006	1.00005	1.00262	1.00521	0.98805	1.03182

***Socio-demographic composition – schools component***

24. The general discussion on this factor is in the main paper.

25. Table 1-7 shows the socio-demographic composition factors assessed for this component for the 2004 Review. Table 1-8 compares the 2003 Update and the 2004 Review factors for 2001-02.

**Table 1-7** SOCIO-DEMOGRAPHIC COMPOSITION FACTORS — SCHOOLS COMPONENT, 2004 REVIEW

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
1997-98	1.00080	0.94191	1.03006	1.03335	0.95888	1.10432	0.98051	1.62404
1998-99	0.99857	0.94708	1.03319	1.02370	0.95286	1.11696	0.96992	1.63415
1999-2000	0.99504	0.95275	1.03673	1.01604	0.94547	1.14090	0.95748	1.63665
2000-01	0.99067	0.95792	1.04163	1.00585	0.94148	1.15836	0.95464	1.65448
2001-02	0.98836	0.96324	1.04780	0.99465	0.93550	1.16493	0.94324	1.64403

**Table 1-8** COMPARISON OF SOCIO-DEMOGRAPHIC COMPOSITION FACTORS, 2001-02

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2003 Update	0.99035	0.96394	1.04808	0.98933	0.93710	1.16811	0.95638	1.56618
2004 Review	0.98836	0.96324	1.04780	0.99465	0.93550	1.16493	0.94324	1.64403

***Input costs — schools component***

26. **1999 Review.** The following standard expense proportions were applied to each of the factors assessed for this component:

- wages and salaries 70 per cent;

- accommodation 2 per cent; and
- electricity 1 per cent.

27. **2004 Review.** The input costs factors for the schools component of this category, shown in Table 1-9, have been calculated according to the general method outlined in *Discussion Paper CGC 2003/04 Input Costs* and in *Draft Assessment Paper CGC 2003/79 Input Costs — Electricity and Accommodation*. The standard expense proportions applied were 70 per cent for wages and salaries, 2 per cent for accommodation and 0.5 per cent for electricity.

**Table 1-9** INPUT COSTS FACTORS — SCHOOLS COMPONENT

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
1997-98	1.02920	0.98887	0.98342	0.98355	0.97452	0.94171	1.00676	1.08785
1998-99	1.03078	0.98975	0.98174	0.98052	0.97283	0.93958	1.01048	1.08383
1999-2000	1.03323	0.98901	0.97923	0.98226	0.96972	0.93376	1.01431	1.07974
2000-01	1.03372	0.99022	0.97757	0.98221	0.96868	0.93127	1.01363	1.07739
2001-02	1.03281	0.99122	0.97645	0.98317	0.97215	0.93100	1.01104	1.07436

### ***Dispersion – schools component***

28. **1999 Review.** The dispersion factor was assessed to account for differences in per capita costs of providing services arising from differences between States in the spread of their population. The factor reflects the effects of population dispersion on State expenses associated with telecommunication, freight, travel and staffing on-costs.

29. There were seven indexes within the dispersion factor, each reflecting the effect of interstate differences in population dispersion on a separate type of dispersion-affected cost. The indexes were weighted by the proportions of standard expenses affected by each type of dispersion-affected cost and combined to form the overall dispersion factor. The proportions of standard expenses estimated for this component are shown in Table 1-10.

**Table 1-10** DISPERSION COST WEIGHTS FOR GOVERNMENT PRIMARY SCHOOLS, 1999 REVIEW

Telephone	Freight	Air Travel	Road Travel		Remote Removals	Locality Allowances
			Inter Regional	Local		
0.00288	0.0032	0.00066	0.00519	0.00231	0.00169	0.00635

Source: 2003 Update Working Papers Volume 4, p43.

30. **2004 Review.** *Draft Assessment Paper CGC 2003/63 Dispersion* discusses the issues raised by the States regarding the assessment of the dispersion factor. The paper sets out the Commission's decisions on the general method of assessment adopted for the 2004 Review and on the size of the standard expense proportions estimated for each of the nine elements of dispersion-affected expenses. The States did not raise issues specific to this category

31. The Commission noted that the expenses incurred in providing Schools component include costs that are affected by population dispersal. It has therefore decided that a dispersion disability will be assessed.

32. The dispersion factors for the Schools component have been calculated according to the 2004 Review general method. There were nine indexes within the dispersion factor for the 2004 Review. Table 1-11 shows the proportions of standard expenses estimated for each of the nine elements of dispersion affected expenses for this component.

**Table 1-11** 2004 REVIEW DISPERSION COST WEIGHTS, SCHOOLS COMPONENT

Telecommunication		Freight, General	Air Travel	Road Travel		Repairs and Maintenance	Remote Staff Turnover	Locality Allowances
Voice	Non-voice			Inter Regional	Local			
0.0068	0.0008	0.0019	0.0010	0.0051	0.0023	0.0021	0.0023	0.0115

33. Table 1-12 shows the dispersion factors assessed for the Schools component for the 2004 Review.

**Table 1-12** 2004 REVIEW DISPERSION FACTORS, SCHOOLS COMPONENT

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Dispersion factors	0.98797	0.98322	1.01380	1.04254	0.99537	0.99187	0.97205	1.24507

34. Neither the factor nor the dispersion costs weights will be updated before the next review.

## ISOLATION COMPONENT

### *Isolation – isolation component*

35. **1999 Review.** The isolation factor was assessed to account for differences in per capita costs of service provision for some States because of their economic and geographical isolation from the main interstate sources of supply in South Eastern Australia. It reflected the combined effect of isolation on labour-related costs, interstate freight costs, professional infrastructure costs, commercial goods costs, airfares, travel allowances and other travel-related subsidies. The isolation-affected expenses component represented 0.25 per cent of expenses in this category.

36. **2004 Review.** *Draft Assessment Paper CGC 2003/65 Isolation* discusses the issues raised by the States regarding the assessment of isolation. The paper sets out the Commission's decisions on the general method of assessment adopted for the 2004 Review and on the size of the isolation-affected expenses component for relevant categories. The States did not raise issues specific to this category.

37. The isolation factors for the isolation component, shown in Table 1-13, have been calculated according to the 2004 Review general method. Isolation-affected expenses for this category have been estimated to be 0.11 per cent of the category standard.

**Table 1-13** ISOLATION FACTORS — ISOLATION COMPONENT

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
All years	0.05107	0.10737	0.17783	0.74776	0.56469	3.49490	1.51842	68.27218

38. The factor and component weight will not be updated until the next review. This means that isolation-affected expenses will grow at the same rate as category expenses.

## NATIONAL CAPITAL COMPONENT

39. No allowance has been assessed. See main paper for a discussion of this issue.

## PROPOSED METHOD OF ASSESSMENT

40. Table 1-14 shows the proposed assessment structure for Government Primary Education category. The changes from the structure adopted for the 1999 Review are that the separate Vandalism and National Capital components have been removed.

**Table 1-14** PROPOSED ASSESSMENT STRUCTURE, GOVERNMENT PRIMARY EDUCATION, 2004 REVIEW

Component	Component weight	Factors	Basis of calculation
	%		
<b>Expenses</b>			
Fixed Costs	0.45	Administrative scale	General method.
		Input costs	General method with weights of 80% for wages, 2% for accommodation and 0.5% for electricity.
Schools	99.44	Dispersion	Assessed by the general method.
		Input costs	Assessed by the general method with a weighting of 70% for wages, 2% for accommodation and 0.5% for electricity.
		Service delivery scale	Based on estimated additional notional staffing required for schools in urban centres judged to have less than 120 students attending government primary schools and schools in the rural balance.
		Socio-demographic composition	A joint factor assessing relevant population and socio-economic composition disabilities. This factor uses a mixture of actual and notional enrolments (for students of non-compulsory school age). Students from disadvantaged backgrounds are cost weighted. The additional weights ranged from 1.1 to 1.7. Additional weights are also applied for urban influences. The factor also includes a small element to cover higher costs associated with humanitarian refugees.
Isolation	0.11	Isolation	General method.

### *Derivation of the category factor*

41. Table 1-15 summarises the components, component weights and disability factors assessed for this category for 2001-02. It shows how the category factor is derived.

**Table 1-15** GOVERNMENT PRIMARY EDUCATION — DERIVATION OF THE CATEGORY FACTOR FOR, 2004 REVIEW

Factors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
<b>FIXED COSTS (FC) (component weight = 0.45%)</b>								
Administrative scale (s)	0.34518	0.47215	0.62452	1.19502	1.50943	4.84445	7.10408	17.77059
Input costs (ic_fc)	1.03498	0.99044	0.97446	0.98186	0.97135	0.92001	1.01306	1.09897
Component factor	0.35561	0.46548	0.60577	1.16793	1.45943	4.43640	7.16370	19.43939
Cont. to category factor	0.00160	0.00209	0.00273	0.00526	0.00657	0.01996	0.03224	0.08748
<b>SCHOOLS (SCH) (component weight = 99.44%)</b>								
Dispersion (d)	0.98797	0.98322	1.01380	1.04254	0.99537	0.99187	0.97205	1.24507
Input Costs (ic_sch)	1.03281	0.99122	0.97645	0.98317	0.97215	0.93100	1.01104	1.07436
Socio-demographic Composition (sdc)	0.98836	0.96324	1.04780	0.99465	0.93550	1.16493	0.94324	1.64403
Service Delivery Scale (sds)	0.99877	0.99886	1.00006	1.00005	1.00262	1.00521	0.98805	1.03182
Component factor	1.00546	0.93550	1.03538	1.01804	0.90549	1.07833	0.91420	2.23332
Cont. to category factor	0.99983	0.93026	1.02958	1.01234	0.90042	1.07229	0.90908	2.22082
<b>ISOLATION (ISO) (component weight = 0.11%)</b>								
Isolation (iso)	0.05107	0.10737	0.17783	0.74776	0.56469	3.49490	1.51842	68.27218
Component factor	0.05107	0.10737	0.17783	0.74776	0.56469	3.49490	1.51842	68.27218
Cont. to category factor	0.00006	0.00012	0.00020	0.00082	0.00062	0.00384	0.00167	0.07510
<b>Category Factor</b>	<b>1.00148</b>	<b>0.93248</b>	<b>1.03250</b>	<b>1.01842</b>	<b>0.90761</b>	<b>1.09610</b>	<b>0.94299</b>	<b>2.38339</b>

### *Calculation formula*

42. The following formulas were used to calculate the contribution of each expenses component to the overall category factor. In each case, the contributions are calculated as the expenses component weight multiplied by the component factor (the bracketed terms in the formulas). Each contribution to category factor was rescaled to ensure that the sum of standardised equals the sum of actual expenses.

$$\begin{aligned}
 \text{FC} &= 0.0045 * (s*ic\_fc) \\
 \text{SCH} &= 0.9944 * ([d+ic\_sch]*sds*sdc) \\
 \text{ISO} &= 0.0011 * (iso) \\
 \text{Category Factor} &= \text{FC} + \text{SCH} + \text{ISO}
 \end{aligned}$$

***Category factors and standardised expenses***

43. Table 1-16 compares the category factors derived for the 2004 Review draft assessment within the 2003 Update.

**Table 1-16** COMPARISON OF CATEGORY FACTORS, 2003 UPDATE AND DRAFT ASSESSMENT, 2004 REVIEW

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2003 Update	0.98981	0.93892	1.03068	1.03047	0.92089	1.19563	0.97385	2.14614
<b>2004 Review draft assessment -</b>	<b>1.00148</b>	<b>0.93248</b>	<b>1.03250</b>	<b>1.01842</b>	<b>0.90761</b>	<b>1.09610</b>	<b>0.94299</b>	<b>2.38339</b>

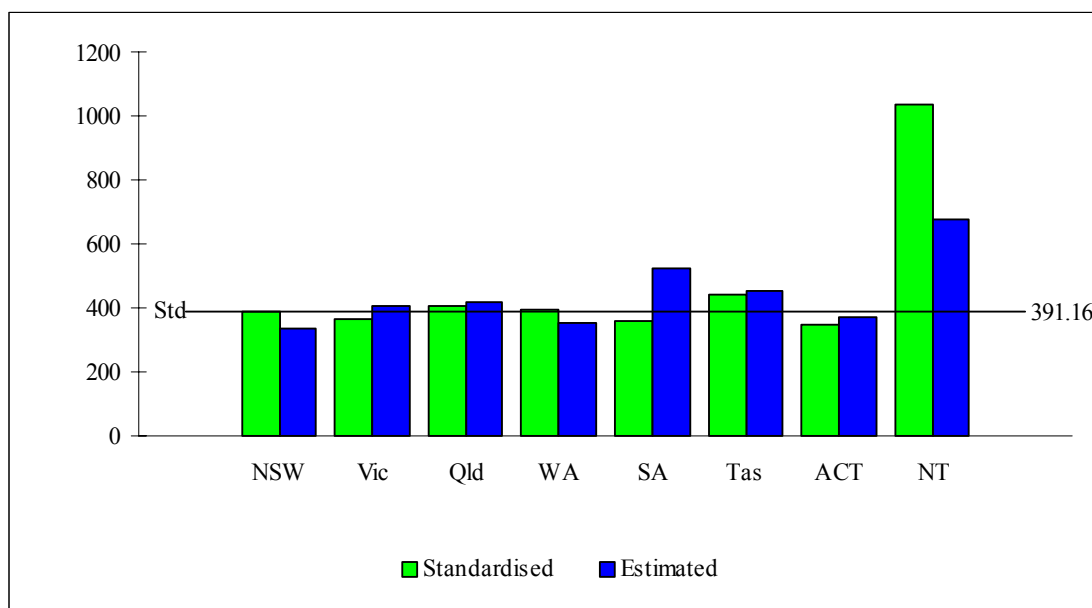
44. Table 1-17 presents, for 2001-02, the draft assessment standardised expenses and compares them with the 2003 Update results.

**Table 1-17 ESTIMATED, STANDARD AND STANDARDISED EXPENSES, 2001-02**

	Standard	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
<b>2003 Update</b>									
Estimated expenses									
\$m		2315.694	1810.641	1538.835	785.325	867.744	230.229	119.368	145.181
\$ per capita		348.70	372.94	419.25	409.41	571.39	486.56	369.94	726.12
Standardised expenses									
\$m		2620.378	1817.197	1508.108	787.977	557.502	225.530	125.267	171.057
\$ per capita	398.64	394.58	374.29	410.88	410.79	367.11	476.63	388.22	855.55
<b>2004 Review</b>									
Estimated expenses									
\$m		2239.773	1963.072	1529.333	675.222	793.891	213.383	119.368	135.357
\$ per capita		337.27	404.34	416.66	352.01	522.76	450.96	369.94	676.99
Standardised expenses									
\$m		2582.643	1764.709	1486.659	757.206	545.912	209.628	112.647	206.927
\$ per capita	391.16	388.90	363.48	405.03	394.75	359.47	443.02	349.11	1034.95

45. Figure 1-1 shows the gross expenses per capita for 2001-02 in terms of standardised, estimated and gross standard expenses.

**Figure 1-1 GOVERNMENT PRIMARY EDUCATION — GROSS EXPENSES PER CAPITA — STANDARDISED, ESTIMATED AND STANDARD, 2001-02**



### *Effect of assessment on grants*

46. Table 1-18 shows the redistribution of grants resulting from the assessment in the 2003 Update and in the Draft Assessment for the 2004 Review.

47. Compared to an equal per capita assessment, the draft assessment redistributed \$218.9 million away from Victoria, South Australia, and the Australian Capital Territory to the other States, \$63.7 million more than in the 2003 Update.

48. Compared with the 2003 Update, the grant shares of New South Wales and the Northern Territory have increased and those of the other States have fallen. The main reasons for the change in grants were:

- (i) the changes in the input costs factors had substantial effects and led to increases in the redistribution towards New South Wales, the ACT and the Northern Territory;
- (ii) the increased socio-demographic composition cost weights for Indigenous students in remote areas led to an increase in grant shares for the Northern Territory;
- (iii) the changes to the service delivery scale factor redistributed grants to New South Wales and the ACT from the other States — particularly Tasmania and the Northern Territory;
- (iv) discontinuing the national capital factor reduced grants to the ACT; and
- (v) reducing the impact of the administrative scale assessment (by reducing the size of the component to which it applies) also had some impact on the assessment.

**Table 1-18** EFFECT OF ASSESSMENT ON GRANT DISTRIBUTION — GOVERNMENT PRIMARY EDUCATION

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Contribution to 2003 Update relativities <sup>(b)</sup>	-19.2	-150.6	38.1	43.5	-41.3	34.2	-1.2	96.6	212.4
Contribution to 2004 Review draft assessment relativities <sup>(b)</sup>	22.1	-162.6	36.5	28.6	-51.7	12.7	-4.5	118.9	218.9
Total change	41.4	-12.0	-1.5	-14.9	-10.4	-21.6	-3.3	22.3	63.7 <sup>(c)</sup>

(a) Total redistribution.

(b) Assuming same pool and a constant population.

(c) This figure shows the change in the amount redistributed among the States between the 2003 Update and the 2004 Review Draft Assessment. It does not necessarily equal the difference in the total contributions to the relativities between the two inquiries.

## **USER CHARGES**

49. The quantum of user charges for this category is small and remains policy influenced. No States commented on the user charges assessment for this category.

50. The Commission has decided that user charges for this category should continue to be assessed by the equal per capita method.