

# Victorian response to CGC Staff Research Paper on Administrative Scale

August 2017

Victoria considers it a priority that the administrative scale assessment is updated for the 2020 Review. Victoria is concerned that administrative scale is becoming an assessment that has a conceptual case but no supporting data.

The calculation of the average machinery of government for the education and health functions seem broadly sensible.

- Victoria could identify staff located at Head Office and provide their classification. For education, we define a work-function for each employee at June each year which has five groupings (Operational Service Delivery, Service Delivery Management, Public Administration, Public Accountability and Corporate Support Services). It would be challenging to provide functions at a more granular level.
- Victoria could estimate the head office expenses split between salary and non-salary costs. As we do not distinguish between head office and other expenses from a budget (or actuals) perspective, this would be dependent on some degree of allocation methodology.

Victoria also considers that a separate assessment should be made of each primary department's administrative scale, rather than using Education and Health to approximate other functions of government. It is not obvious that the minimum functions required in Education and Health are appropriate approximations of other departments.

Additionally, the assessment methodology currently applies the interstate wage cost factor to 80% of administrative scale cost (the proportion assumed to be wages). The need for this adjustment could be examined, especially if it is proposed to base wages on Commonwealth public sector wages.