



# State Services Authority

Department of Treasury and Finance

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Dean Yates  
Deputy Secretary Financial Reform  
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Dear Dean

## DISCUSSION PAPER: PUBLIC FINANCE IN VICTORIA – SECTION 3.2.1 ENTITIES

The *Public Administration Act 2004* provides that one of the State Services Authority's six roles is to "promote high standards of governance, accountability and performance for public entities".

The State Services Authority shares the view expressed in the discussion paper (Page 19) that 'the definition of public entities for the purpose of public financial management should be clear and where appropriate, consistent with definitions used for other government purposes'. The definition of public entity in the *Public Administration Act 2004* provides a contemporary model which could be readily applied.

The discussion paper raises the question of varying expectations according to the size, risk and/or importance of the entity, which we support. The *Public Administration Act 2004* already makes a distinction between 'small' and 'standard' entities, and both are defined in section 4. The small entity definition envisages the development of criteria relating to assets, income and turnover. Such criteria are clearly relevant to financial reporting, and could be set and adjusted over time as needed to provide the basis for differential reporting obligations. This could include consolidated small entity reporting as is currently done for school council reporting.

The State Services Authority would be happy to assist in further work on this issue.

Yours sincerely

**KAREN CLEAVE**  
Chief Executive Officer

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Cc Kate Hastings, Acting Director, Governance Branch, Department of Premier & Cabinet

