



Western Australia

Financial Management Act 2006

## **Financial Management Regulations 2024**



# Financial Management Regulations 2024

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# Financial Management Regulations 2024

## Part 1 — Preliminary

### 1. Citation

These regulations are the *Financial Management Regulations 2024*.

### 2. Commencement

These regulations come into operation as follows —

- (a) regulations 1 and 2 — on the day on which these regulations are published on the WA legislation website;
- (b) regulations 6(2), 10(2) and 11(3) — on 1 July 2025;
- (c) the rest of the regulations — on 1 January 2025.

### 3. Terms used

In these regulations —

***approved investment and credit policy*** means an investment and credit policy approved under regulation 10(1) or 11(1) or (2);

***debt security*** has the meaning given in regulation 8;

***Fitch Ratings*** means the organisation that carries on the business of assigning credit ratings under that name or another name adopted by the organisation;

***investment and credit policy***, in relation to an investment, has the meaning given in regulation 9;

***Moody's Ratings*** means the organisation that carries on the business of assigning credit ratings under that name or another name adopted by the organisation;

***short-term ADI investment*** has the meaning given in regulation 7(2);

***S&P Global Ratings*** means the organisation that carries on the business of assigning credit ratings under that name or another name adopted by the organisation;

***Western Australian Treasury Corporation*** means the body corporate with that name established under the *Western Australian Treasury Corporation Act 1986* section 5(1).

## Part 2 — General provisions

### 4. Administration of certain offices taken to constitute department (Act s. 5(1))

The administration of each of the following is taken to constitute a department for the purposes of the Act —

- (a) the office of the Governor, referred to as the Governor's Establishment in the *Governor's Establishment Act 1992*;
- (b) the office of the Commissioner for Children and Young People established under the *Commissioner for Children and Young People Act 2006* section 6(1).

### 5. Monetary limits for write-offs (Act s. 48)

- (1) For the purposes of section 48(2) of the Act, the monetary limit is \$200 000.
- (2) For the purposes of section 48(3) of the Act, the monetary limit is \$500 000.
- (3) However, if a relevant amount to be written off under section 48 of the Act is a debt due to the Insurance Commission of Western Australia under the *Motor Vehicle (Third Party Insurance) Act 1943* —
  - (a) the monetary limit for the purposes of section 48(2) of the Act is \$1.5 million; and
  - (b) the monetary limit for the purposes of section 48(3) of the Act is \$3 million.

## **Part 3 — Investment of money held in Public Bank Account**

### **Division 1 — Prescribed manner for investment**

#### **6. Prescribed manner for investment of money held in Public Bank Account (Act s. 37(1))**

- (1) For the purposes of section 37(1) of the Act, the manner for investing money standing to the credit of the Public Bank Account is in Australian dollars in any or all of the following investments —
- (a) on deposit with the Western Australian Treasury Corporation;
  - (b) a short-term ADI investment;
  - (c) a debt security.

[(2) *Has not come into operation*]

#### **7. Meaning of short-term ADI investment**

- (1) In this regulation —  
*ADI* means an authorised deposit-taking institution as defined in the *Banking Act 1959* (Commonwealth) section 5(1).
- (2) A *short-term ADI investment* is an investment —
- (a) of any of the following types —
    - (i) an investment on deposit with an ADI, including, for example, a term deposit;
    - (ii) an investment in negotiable or transferable certificates of deposit issued by an ADI;
    - (iii) an investment in bills of exchange that are drawn, accepted or endorsed by an ADI;
- and



- (b) made with an ADI with a long-term unsecured debt credit rating, at the time an investment is made, that is not lower than —
  - (i) a “BBB-” rating by S&P Global Ratings or Fitch Ratings; or
  - (ii) a “Baa3” rating by Moody’s Ratings;and
- (c) that has a term of 12 months or less.

**8. Meaning of debt security**

- (1) A **debt security** is a financial instrument —
  - (a) that requires the issuer of the instrument to repay an amount, and to pay interest on the amount, to the holder of the instrument over the term of the instrument; and
  - (b) that is senior debt or unsubordinated debt meaning that, in the event the issuer becomes insolvent, the payment of amounts owing to the holder under the instrument are given priority over the payment of other categories of debt; and
  - (c) issued in Australia and traded on an open financial market; and
  - (d) issued by an issuer that, when the investment is made, has a long-term unsecured debt credit rating that is not lower than —
    - (i) a “BBB” rating by S&P Global Ratings or Fitch Ratings; or
    - (ii) a “Baa2” rating by Moody’s Ratings;and
  - (e) that may, under a requirement of a law of any jurisdiction (including a jurisdiction outside Australia), provide for a regulator or other entity to exercise powers (known as “bail-in powers”) to cancel, write down or

convert to shares the amount owing to the holder of the instrument if the issuer is in financial difficulty.

Examples for this subregulation:

Inscribed stock, bonds, floating rate notes, promissory notes and commercial paper are examples of a debt security.

- (2) Neither of the following is a *debt security* —
- (a) a derivative-based financial instrument;
  - (b) a financial instrument, other than a financial instrument referred to in subregulation (1)(e), that provides for the amount owing to the holder of the instrument, or part of the amount owing, to be converted to shares at the issuer's option.

Example for this subregulation:

For the purposes of paragraph (a), option contracts, futures contracts and collateralised debt obligations are examples of derivative-based financial instruments.

## **Division 2 — Investment and credit policies**

### **9. Meaning of investment and credit policy**

- (1) An *investment and credit policy* that applies to an investment is a policy that provides for the following matters —
- (a) the objectives to be achieved from the portfolio of investments that includes the investment;
  - (b) the investment strategy to be used to achieve the objectives;
  - (c) the types of investment that are permitted;
  - (d) measures for managing the credit risk and other risks associated with the investment;
  - (e) measures —
    - (i) for monitoring and managing the investment's compliance with the policy and these regulations;and

- (ii) in the event the investment stops complying with the policy or these regulations, for addressing the noncompliance;
  - (f) the roles and responsibilities of individuals involved in the investment process;
  - (g) how the performance of the portfolio of investments will be measured and monitored;
  - (h) a requirement for the policy to be reviewed regularly at specified periods.
- (2) Subregulation (1) does not limit the matters that may be provided for in an investment and credit policy.

**10. Investment and credit policy for investment of money held in Public Bank Account**

- (1) The Treasurer may approve an investment and credit policy that applies to an investment of money standing to the credit of the Public Bank Account under section 37(1) of the Act.

*[(2) Has not come into operation]*

**11. Investment and credit policy for investment of money by agency**

- (1) The Treasurer may approve an investment and credit policy that applies to an investment made by an agency under the authority of —
  - (a) the Treasurer given under section 39(2) of the Act; or
  - (b) a written law that authorises the agency to invest specified money in the same manner as money standing to the credit of the Public Bank Account may be invested under section 37(1) of the Act.
- (2) The accountable authority of an agency may approve an investment and credit policy that applies to an investment

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**Part 3** Investment of money held in Public Bank Account

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**r. 11**

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referred to in subregulation (1) that the agency is authorised to make, other than an investment in a debt security.

*[(3) Has not come into operation]*

## **Part 4 — Repeal**

**12.     *Financial Management Regulations 2007* repealed**

The *Financial Management Regulations 2007* are repealed.

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## Notes

This is a compilation of the *Financial Management Regulations 2024*. For provisions that have come into operation see the compilation table. For provisions that have not yet come into operation see the uncommenced provisions table.

### Compilation table

Citation	Published	Commencement
<i>Financial Management Regulations 2024</i> (other than r. 6(2), 10(2) and 11(3))	SL 2024/283 18 Dec 2024	r. 1 and 2: 18 Dec 2024 (see r. 2(a)); Regulations other than r. 1, 2, 6(2), 10(2) and 11(3): 1 Jan 2025 (see r. 2(c))

### Uncommenced provisions table

To view the text of the uncommenced provisions see *Subsidiary legislation as made on the WA Legislation website*.

Citation	Published	Commencement
<i>Financial Management Regulations 2024</i> r. 6(2), 10(2) and 11(3)	SL 2024/283 18 Dec 2024	1 Jul 2025 (see r. 2(b))

Defined terms

[This is a list of terms defined and the provisions where they are defined.  
The list is not part of the law.]

Defined term	Provision(s)
ADI .....	7(1)
approved investment and credit policy .....	3
debt security .....	3, 8(1) and (2)
Fitch Ratings .....	3
investment and credit policy .....	3, 9(1)
Moody’s Ratings.....	3
short-term ADI investment .....	3, 7(2)
S&P Global Ratings.....	3
Western Australian Treasury Corporation .....	3

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