

# Working Capital Facility

The Working Capital Facility (WCF) assists clients to manage their short-term cash requirements by combining a low cost overdraft facility with an interest earning cash management facility within the same account.

## Overview

This product is designed to help clients manage the timing and uncertainty of their receipts and payments, while assuring that any cash surpluses accrue earnings. The WCF is issued through a Letter of Offer, which stipulates the deficit balance (borrowing) limits to apply and binds the product's usage to the terms and conditions contained in the WCF Product Disclosure Statement (PDS).

## Key Features

- **Low Cost of Debt** - The interest rate on deficit balances (borrowings) is the RBA's Target Cash Rate plus a margin of 0.16%. Deficit balances are subject to the applicable State Guarantee Fee.
- **Attractive Investment Return** - The interest rate on credit balances is the RBA's Target Cash Rate minus a margin of 0.05%.
- **No Separate Administration Fees** - WATC's administration costs are accounted for in the margin to the RBA Target Cash Rate applied separately to deficit and credit balances. These margins are subject to change at WATC's discretion.
- **Flexibility** - Deficit or credit balances are managed through a single account as a combined overdraft and cash management facility. A Client may maintain multiple WCF accounts.
- **Timeliness** - Same day access to funds (subject to limits).

## Parameters

- **Interest** - Interest is calculated daily and settled monthly through direct debit authority.
- **Term** - Deficit and / or credit balances should be managed around a term of 30 days or such other relevant period in accordance with the cyclical nature of the client's business cash flow. A WCF account cannot permanently maintain a deficit balance as it is not a core debt facility.
- **Reporting** - WATC provides statements for daily account activity and a monthly statement of balance changes including the monthly invoice / (notification) of interest payable / (receivable).
- **Guarantee** - All credit balances of WCF accounts are guaranteed by the State of Western Australia.
- **Governance** - Deficit balances contribute to total client borrowings that are required to be maintained within Department of Treasury budgetary limits. An aggregate WCF deficit balance limit will also apply. All transaction requests must be signed by an authorised signatory.

## Transition Notification

The following outlines the notice required for WCF transactions and the associated transaction limits.

| Transaction | Previous Day Notification  | Same Day Notification   |
|-------------|--|---|
| Drawdown    | Transaction documentation must be received by 3pm*, for an amount up to the remaining drawing capacity within the WCF Account Deficit Balance Facility Limit.                              | Transaction documentation must be received by 11am*, for an amount up to the WCF Account Same Day Drawing Limit, subject to the WCF Account Deficit Balance Facility Limit. |
| Payment     | Transaction documentation must be received by 3pm* for payments to be made to a WCF account, and cleared funds must be received by WATC no later than 12pm* on the following business day. | Transaction documentation must be received by 11am* and cleared funds must be received by WATC no later than 12pm* on the same day.   |

\*All times are Australian Western Standard Time (AWST).

This information is descriptive and general in nature and does not take into account your organisation's specific financial objectives, situation and needs. Please contact your Client Relationship Manager before making any decisions in relation to WATC's products and services, so they can provide information and advice on which options are suited to your organisation's requirements.

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### Accessing WATC Services

Our services are available to all Western Australian State government entities, local governments and public universities. Contact us to discuss your specific business requirements.

### Corporate Treasury Services

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