

Dividend Payment Form

Form for Local Water Utilities for Dividend Payment from Surplus

Water supply – Dividend Payment Form

Name of Council:

Dividend Year: Dividend payment for the financial year ending 30 June

1. Required Outcomes achieved for 6 BPM Criteria¹

Yes No

- (1) Strategic Business Plan & Financial Plan in place²
- (2) Pricing with full cost-recovery, without significant cross subsidies
(Item 2(a) in Table 1 in BPM Guidelines) in place
Complying charges:
 - (a) Residential (Item 2(b) in Table1 in BPM Guidelines)
 - (b) Residential Revenue from Usage Charges at least
60% (LWUs with under 4,000 connected properties)
75% (LWUs with and over 4000 connected properties)
 - (c) Non-residential (Item 2(b) in Table1 in BPM Guidelines)
DSP with Commercial Developer Charges (Item 2(e) in Table1
in BPM Guidelines)
- (3) Performance Reporting to the department each year by the due date
- (4) Sound Water Conservation measures implemented
- (5) Sound Drought and Emergency Response plan in place
- (6) Integrated Water Cycle Management (IWCM) Strategy in place³

¹ For a Local Water Utility (LWU) to be eligible for payment of a dividend from the surplus of its water supply business, it must be able to answer "yes" for each of BPM criteria, items (1) to (6). LWUs should also address the considerations in section 3.2 of the Guidelines.

² A LWU that has a sound Total Asset Management Plan and a Financial Plan in place as per the [NSW Water and Sewerage Strategic Business Planning Guidelines](#), should tick 'yes'

³ A LWU that has a current full IWCM Strategy in place in accordance with [2019 IWCM Checklist](#), should have also in place/implemented items 1(1), 1(4) & 1(5). If so, it should tick yes on these items.

2. Dividend for Tax-Equivalents⁴

Table 1. Calculation for dividend for Tax-Equivalents

No.	Item	Amount (\$)
(1)	Calculated Tax-Equivalents (TE)	
(2)	No. of assessments connected to water supply multiplied by \$3/assessment	
(3)	Dividend for TE (lesser of (1) and (2))	

3. Dividend from Surplus

Table 2. Calculation for dividend from Surplus

No.	Item	Amount (\$)
(1)	50% of 'Surplus before Dividends' (from audited Special Purpose Financial Report – Income Statement of Water Supply Business Activity)	
(2)	No. of assessments connected to water supply multiplied by \$30/assessment, less Dividend for TE	
(3)	(a) Cumulative 'Surplus for dividend calculation purposes' for the 3 years to 30 June of the dividend year ⁵	Cumulative 'Surplus for dividend calculation purposes' for the 3 years to the dividend year less cumulative dividends paid for preceding 2 years prior to the dividend year [(a)-(b)]
	(b) Cumulative dividends paid for preceding 2 years prior to the dividend year	
(4)	Maximum Dividend from Surplus (least of (1) (2) and (3))	

⁴ All LWUs must pay this dividend for tax-equivalents.

⁵ Use the amount 'Surplus for dividend calculation purposes' from the Income Statement of Water Supply Business Activity

Sewerage – Dividend Payment Form

Name of Council:

Dividend Year: Dividend payment for the financial year ending 30 June

1. Required Outcomes achieved for 6 BPM Criteria⁶

Yes No

- (1) Strategic Business Plan & Financial Plan in place⁷
- (2) Pricing with full cost-recovery, without significant cross subsidies
(Item 2(a) in Table1 in BPM Guidelines) in place
Complying charges:
 - (a) Residential (Item 2(c) in Table1 in BPM Guidelines)
 - (b) Non-residential (Item 2(c) in Table1 in BPM Guidelines)
 - (c) Trade Waste (Item 2(d) in Table1 in BPM Guidelines)
 DSP with Commercial Developer Charges (Item 2(e) in Table1
in BPM Guidelines)
Liquid Trade Waste Approvals and Policy (Item 2(f) in Table1 in
BPM Guidelines)
- (3) Performance Reporting to the Department each year by the due date
- (4) Integrated Water Cycle Management (IWCM) Strategy in place⁸

⁶ For a Local Water Utility (LWU) to be eligible for payment of a dividend from the surplus of its sewerage business, it must be able to answer "yes" for each of items (1) to (3) above. Achievement of (4) is required by 30 June 2023

⁷ A LWU that has a sound Total Asset Management Plan and a Financial Plan in place as per the [NSW Water and Sewerage Strategic Business Planning Guidelines](#), should tick 'yes'

⁸ A LWU that has a current full IWCM Plan in place in accordance with [2019 IWCM Checklist](#), should have also completed item 1(1). If so, it should tick yes on this item.

2. Dividend for Tax-Equivalents⁹

Table 1. Calculation for dividend for Tax-Equivalents

No.	Item	Amount (\$)
(1)	Calculated Tax-Equivalents (TE)	
(2)	No. of assessments connected to sewerage multiplied by \$3/assessment	
(3)	Dividend for TE (lesser of (1) and (2))	

3. Dividend from Surplus

Table 2. Calculation for dividend from Surplus

No.	Item	Amount (\$)
(1)	50% of 'Surplus before Dividends' (from audited Special Purpose Financial Report – Income Statement of Sewerage Business Activity)	
(2)	No. of assessments connected to sewerage multiplied by \$30/assessment, less Dividend for TE	
(3)	(a) Cumulative 'Surplus for dividend calculation purposes' for the 3 years to 30 June of the dividend year ¹⁰ .	Cumulative 'Surplus for dividend calculation purposes' for the 3 years to the dividend year less cumulative dividends paid for preceding 2 years prior to the dividend year [(a)-(b)]
	(b) Cumulative dividends paid for the preceding 2 years prior to the dividend year.	
(4)	Maximum Dividend from Surplus (least of (1) (2) and (3))	

⁹ All LWUs must pay this dividend for tax-equivalents.

¹⁰ Use the amount 'Surplus for dividend calculation purposes' from the Income Statement of Sewerage Business Activity