

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

Eligibility criteria

Before taking a dividend payment from a surplus of the council’s water supply business a council must:

Yes No

- (1) Calculate dividend payment in accordance with the Guidelines for council dividend payments for water supply or sewerage services¹
- (2) Be able to demonstrate there is a surplus
- (3) Demonstrate full cost-recovery pricing and developer charges
- (4) Have in place effective, evidence-based strategic planning in accordance with section 3 of the Regulatory and assurance framework for local water utilities
- (5) Demonstrate financial reports are a true and accurate reflection of the business
- (6) Demonstrate that the overhead reallocation charge is a fair and reasonable cost

Dividend for tax-equivalents²

Table 1. Calculation for dividend for Tax-Equivalents

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

¹ Section 4 in the Regulatory and assurance framework for local water utilities.

² All local water utilities must pay this dividend for tax-equivalents.

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)	Number 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 ³	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))	

³ 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

Eligibility criteria

Before taking a dividend payment from a surplus of the council’s sewerage business a council must:

Yes No

- (1) Calculate dividend payment in accordance with the Guidelines for council dividend payments for water supply or sewerage services⁴
- (2) Be able to demonstrate there is a surplus
- (3) Demonstrate full cost-recovery pricing and developer charges
- (4) Have in place effective, evidence-based strategic planning in accordance with section 3 of the Regulatory and assurance framework for local water utilities
- (5) Demonstrate financial reports are a true and accurate reflection of the business
- (6) Demonstrate that the overhead reallocation charge is a fair and reasonable cost

Dividend for tax-equivalents⁵

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))	

⁴ Section 4 in the Regulatory and assurance framework for local water utilities.

⁵ All local water utilities must pay this dividend for tax-equivalents.

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 ⁶ .	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))	

⁶ Use the amount 'Surplus for dividend calculation purposes' from the Income Statement of Sewerage Business Activity