

RETURN TO OWNERS POLICY

OBJECTIVE

This policy outlines the framework for Dulverton Waste Management (DWM) to provide appropriate and sustainable returns to Owners with applicable laws and rules whilst taking into consideration DWM's strategic development, business performance and prudent management of the business risks.

LEGISLATION

Federal income tax laws as outlined in the Manual for the National Tax Equivalent Regime January 2022 (Version 12).

OTHER RELEVANT POLICIES

- Financial Report and Accounting Policy (MFID 30534)

DEFINITIONS

Authority

Refers to Dulverton Regional Waste Management Authority

Board

Refers to the Authority's Board of Directors

Owners

Refers to Central Coast Council, Devonport City Council, Kentish Council and Latrobe Council

NTER

Payments made to the Owners, under the National Taxation Equivalent Regime

Dividend

A portion of the Authority's distributable profits or reserves paid to the Owners

RESPONSIBILITIES

Board

- To support NTER payments made to the Owners; and
- To responsibly and sustainably provide dividend payments to Owners.

Chief Executive Officer

- Prepare 5-year forecasts for adoption with each Annual Plan and Budget; and
- Ensure payments are made in accordance with applicable laws and DRWMA Rules.

POLICY STATEMENT

The annual return to the Owners is comprised of two parts:

- NTER payments; and
- Dividend payment.

DWM is committed to:

- Returning to Owners, 100% of NTER payments;
- Making payment of dividends in accordance with applicable laws and the Authority's Rules;
- Including NTER payments and dividend forecasts within the Authority's 5 year forward budget;
- Advising Owners as soon as practical if a dividend is likely to alter from forecast; and
- Maintaining robust frameworks and plans to provide a high degree of confidence in dividend forecasts.

Timing of Payments:

- NTER payments are to be paid on a quarterly basis; and
- Dividends will be declared annually from distributable profits and/or reserves and paid in the following financial year.

Declaration of Dividends

The Board will determine an appropriate Dividend amount annually. In determining Dividends, the Board will consider:

- Business health and risks;
- Aftercare and Rehabilitation provisions are fully funded, or that a responsible plan to fund them is in place;
- Operating cash flows and investments needs;
- Future business growth;
- Long term prospects and forecasts;
- Any funding requirements by which the Authority is bound from time to time;
- Future capital expenditure requirements;
- Maintaining a stable dividend payment to Owners over the longer term; and
- Any applicable laws and DRWMA Rules.

The above policy does not represent a commitment of the future dividends of the Authority but represents a general guidance on dividend policy.

REVIEW

This policy will be reviewed every four years, or as required by the Board to consider its relevance in terms of Owners' expectations and DWM's goals, targets and statutory requirements.

REFERENCE			
APPROVED BY:	DWM Board of Directors	MINUTE NO.:	MFID 1592292
APPROVAL DATE:	23 August 2023	REVIEW DATE:	August 2027