

SPECIAL BUDGET MEETING

25 JUNE 2018

9**DIVIDEND POLICY**

S Owens | 17/25/2-13 | #5761292

RECOMMENDATION:**That Council adopts the Dividend Policy.****EXECUTIVE SUMMARY:**

The Dividend Policy provides guidelines for the calculation and payment of dividends to Council from its commercialised business units.

This report provides an update of the Dividend policy for adoption. There have been no changes made to the policy as adopted in June 2017.

COMMENT:

The Dividend Policy provides that dividends will be calculated on the actual performance of the commercialised business units. This allows Council to utilise the operating surplus generated by commercialised business units to provide enhanced services and infrastructure to the people of Cairns.

There have been no changes made to the policy as adopted in June 2017.

OPTIONS:Option 1: (Recommended)

That Council adopts the Dividend Policy.

Option 2:

That Council does not endorse the Dividend Policy and puts forward proposed amendments to the policy.

ATTACHMENTS:

- Dividend Policy



Jason Ritchie
Manager Finance



Lisa Whitton
Chief Financial Officer

General Policy

DIVIDEND POLICY

Intent To provide guidelines on the return of dividends to Council from commercialised business units.

Scope This policy applies to all commercialised business units of Council.

PHILOSOPHY

Business units of Council return a dividend to Council in recognition that these business units have been established to further the good governance of the region.

Funds earned by the general fund through dividends can be utilised to provide enhanced services and infrastructure to the people of Cairns.

PROCEDURE

Dividend will be calculated on actual performance.

Calculations for dividend payable to Council will be performed as part of the end of month process.

Where the dividend payable to Council results in a deficit after income tax, the amount of the dividend payable to Council will be reduced by the amount of the deficit.

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This policy is to remain in force until otherwise determined by Council.

General Manager Responsible for Review:

Chief Financial Officer

ORIGINALLY ADOPTED: 19/06/2003

CURRENT ADOPTION: 25/06/2018

DUE FOR REVISION: 25/06/2022

REVOKED/SUPERSEDED:

John Andrejic
Chief Executive Officer