

Comment by the Western Australian Water Corporation on the NECG paper “Dividend policy issues for Government Business Enterprises engaged in providing water services”

The Water Corporation has advised that the dividend payout ratio for 2001 of 107 per cent reported for the Water Corporation in the NECG paper is incorrect. The Water Corporation stated that it pays its dividend to shareholders in two tranches that straddle the financial year-end – an interim dividend in June and a final dividend in October. The Water Corporation paid a small interim dividend in 1999-00, making the final dividend paid for that financial year (2000-01) abnormally large. The Water Corporation advised that the actual accrual payout ratio in 2000-01 was 85 per cent, in line with the policy of the corporation’s Board of Directors.