

# PERFORMANCE OVERVIEW 2008–09

Every year we document the nature and scope of our strategies, objectives and actions in our Statement of Corporate Intent (SCI).

As a Queensland Government Owned Corporation, this document is part of our performance agreement with our Shareholding Ministers. The SCI is consistent with and complements our five-year Corporate Plan.

Our performance against our 2008–09 SCI is summarised below. A copy of the SCI will be tabled in the Legislative Assembly in accordance with Section 121 of the *Government Owned Corporations Act 1993*.

All business development projects are subject to investment approvals.

Circulating water pipes at Stanwell Power Station.

Strategic objectives	Initiative	Outcome	Results
Right fuels	Monetise Stanwell's existing mining development leases and finalise new coal sharing arrangements with Wesfarmers Resources.	Agreement with Wesfarmers Resources, which provides additional profits from export coal sales.	» <b>On track</b> Finalising negotiations with Wesfarmers Resources to facilitate an expansion of exports from Curragh North mine (Project development page 40).
Right location Right plant Right fuels Right organisation	Undertake the feasibility study with joint venture partners examining the construction of a cleaner coal-fired power station in the Surat Morton Basin.	A new baseload power plant that provides the Stanwell portfolio with scale and renewal benefits.	✓ <b>Achieved</b> Completed prefeasibility study into a low emission coal-fired power station and submitted a formal proposal to state and federal governments for funding consideration (Project development page 40).
Right plant Right fuels Right organisation	Identify upstream gas and gas generation opportunities in Queensland for new intermediate and/or peaking plant.	Development of one of the highest ranked gas opportunities, including a peaking plant in South East Queensland or intermediate plant in North Queensland.	» <b>On track</b> Secured a gas development and alliance agreement and equity share in Blue Energy Limited and finalised a farm-in agreement with Icon Energy Limited (Project development page 40).
Right plant	Finalise the new Gladstone Power Station Interconnection and Power Pooling Agreement (IPPA) arrangements with Rio Tinto.	The Gladstone Power Station IPPA and related agreements amended to reflect the Heads of Agreement.	» <b>On track</b> Revised agreements substantially completed by mid-2009. Implementation may be subject to completion of dispute settlement process and regulator review (Project development page 42).
Right people Right plant Right fuels	Provide services under the Project Development Agreement (PDA) for the completion of the ZeroGen feasibility study.	The ZeroGen feasibility study completed as agreed under the PDA.	✓ <b>Achieved</b> Master Services Agreement executed with ZeroGen.
Right plant	Undertake a planned outage and overhaul of Unit 2 at Stanwell Power Station in September 2008, including the commencement of a low pressure turbine and generator upgrade.	Outage completed within agreed time and budget constraints, with continued improvement in the areas of asset performance, availability and reliability.	✓ <b>Achieved</b> Completed major overhaul of Stanwell Power Station Unit 2, including low pressure turbine upgrade and generator rewind (Operations page 32 and 34).

Strategic objectives	Initiative	Outcome	Results
Right people	Enhance Stanwell's safety culture.	Zero incidents.	<p><b>+ Action required</b> Recorded 11 lost time injuries (Health and safety page 21).</p> <p>Fitness for Duty and Alcohol and Other Drugs programs rescheduled for implementation (Health and safety page 21 and 23).</p> <p><b>✓ Achieved</b> Conducted staff training in incident investigation and root cause analysis (Health and safety page 23).</p>
Right markets Right organisation	Improve Stanwell's spot and contract trading strategy, including the development of portfolio based risk metrics and benchmarking tools, to incorporate a trading portfolio. Preparation for the introduction of an emissions trading scheme.	<p>Co-optimised trading and hedge book.</p> <p>A range of different cost (carbon price) models to determine the likely impacts of any future emissions trading scheme on generators and consumers.</p>	<p><b>✓ Achieved</b> Implemented financial risk and valuation system (Market trading page 37).</p> <p><b>» On track</b> Continued work on implementing internal processes necessary to operate within an emissions trading scheme (Market trading page 37).</p>
Right locations	Develop and market the industrial precinct adjacent to Stanwell Power Station.	<p>Environmental background studies and infrastructure and customer demand studies.</p> <p>Business case for further industrial development.</p>	<b>» On track</b> Continued with investigations and studies into the development of the Stanwell Energy Park (Project development page 42).
Right people Right locations	Improve Stanwell's performance against stakeholder expectations.	Improve and maintain key stakeholder perceptions.	<p><b>✓ Achieved</b> Addressed recommendations from past stakeholder survey (Community relations page 30).</p> <p>Maintained and enhanced stakeholder relations through strategic sponsorships and development of the Sponsorships Regional Fund (Community relations page 28 and 29).</p> <p>Undertook a new stakeholder survey to benchmark changes in expectations and perceptions (Community relations page 29).</p>
Right people Right organisation	Implement the Stanwell Climate Change Strategy 2007–12.	<p>Stanwell positioned to adapt to climate change.</p> <p>Reporting of greenhouse gas emissions in 2008–09 under the new Commonwealth legislation.</p>	<b>» On track</b> Implemented new reporting structures for <i>National Greenhouse and Energy Reporting Act 2007</i> (Environmental performance page 44).
Right people	Implement employee retention and attraction initiatives.	Stanwell has access to key employee skills and resources.	<b>✓ Achieved</b> Continued with the Leadership Development Program, post graduate opportunities and career programs with universities (Employee relations page 24 and 25).
Right organisation	Identify opportunities for improvement of Stanwell's financial performance.	Costs optimised to generate better returns on Stanwell's assets.	<b>✓ Achieved</b> Increased return on total assets ratio by 93.3% from the previous year (Economic performance page 51).