



Amd Date 04/01/08

+ + Policy Statement

Stanwell Corporation Limited (Stanwell) has a commitment to ensure compliance with its legal and statutory obligations in relation to performance management and reporting processes. Importantly, performance management and reporting facilitates delivery of the Corporate Strategy as determined by the Board and Shareholders.

+ Scope

This policy applies to Stanwell's Board, Executive Management and all of Stanwell's Representatives.

The policy seeks to ensure consistency in Stanwell's approach to performance management and to ensure the integrity of Stanwell's reporting requirements.

The more detailed operational procedures supporting Stanwell's Performance Management Policy are detailed in the Performance Management Procedure and Division specific procedures and work instructions.

Objectives

Under the *Government Owned Corporations Act 1993 (Qld)*, Stanwell's Board has a responsibility to ensure that Stanwell operates in a commercial manner. The Act provides processes and mechanisms to enhance corporate governance and accountability and requires Stanwell to keep Shareholding Ministers fully informed and regularly consulted by Stanwell's Board.

This policy provides the overarching requirements for Stanwell's performance management, measurement and reporting.

The policy seeks to provide:

- A uniform approach to ensure compliance with the *Government Owned Corporations Act 1993 (Qld)* in relation to performance management and reporting;
- Promote an open and transparent performance management strategy and measurement process; and
- Uphold good corporate governance principles.

Policy Outline

This policy is designed to establish a robust performance framework and to document Stanwell's performance management structure that is consistent with the principles of corporatisation as outlined in the *Government Owned Corporations Act 1993 (Qld)*. It also aligns with the framework of the Queensland Government Priorities and Whole-of-Government Outcomes.

Stanwell has identified three key elements for effective performance management:

- Framework – roles and responsibilities, documented standards and communication;
- System – data quality assurance, approved costing methodologies, controls and processes for analysis; and
- Reporting – monitoring, review and reporting processes.



Amd Date 04/01/08

- + + To achieve the above requirements Stanwell:
 - + ■ Has established a Performance Management Procedure that details the obligations of Stanwell;
 - + ■ Has developed the Performance Management Glossary to ensure consistency and transparency of reporting;
 - + ■ Will provide education and training (where necessary) to relevant representatives, detailing individual responsibilities, reporting and communication methods;
 - + ■ Will review processes and procedures to integrate performance management requirements into the day to day operations of Stanwell;
 - Will ensure the effectiveness of the Performance Management System by conducting regular reviews;
 - Will introduce a process of continuous improvement in relation to reporting against Stanwell's corporate key performance indicators;
 - Will include performance management responsibilities in position descriptions and key performance indicators.

Policy Content

To improve Stanwell's strong corporate governance and due diligence environment, Stanwell is committed to continue to maintain and improve the existing Performance Management System. The Performance Management System is a management tool for identifying, monitoring and reporting on performance.

Framework

Stanwell's Performance Management Framework includes the following elements:

- Clearly defined roles, responsibilities and accountabilities for performance measurement and reporting;
- Well documented data quality standards and expectations for performance information set and clearly communicated across the organisation;
- Monitoring and quality assurance procedures for performance information in place to enable assessment of Stanwell's financial and non-financial performance; and
- Integrated internal management reporting processes and accountabilities with reporting of performance information to stakeholders.

Systems

Stanwell has in place effective supporting systems and processes which measure Stanwell's performance including:

- Data assurance arrangements for performance information including key performance measures defined, and adequate documentation and clear management trails of data sources, collection methods, methods of measurement and data quality risks;
- Approved costing methodologies, supported by appropriate assumptions and adequate documentation;
- Controls over data collection and processing to ensure the accuracy, completeness and reliability of performance information, including input, validation and monitoring controls; and
- Processes for ongoing analysis and evaluation of performance information and measures including variance analysis of results and progress to date against targets.

Performance Management Reporting

Stanwell also has in place appropriate performance measurement reporting processes including:

- An adequate management trail to support performance information in the Statement of Corporate Intent, Quarterly Reports to Shareholding Ministers and the Annual Report;
- Fair representation of performance information to stakeholders including accompanying notes explaining the context, variances and any limitations in the data reported; and



Amd Date 04/01/08

- + + ■ Adequate linkages and alignment of all performance information reported to stakeholders.

Definitions

+ Key definitions for the purposes of the Performance Management Policy are as follows:

+ **Compliance:** Ensuring that the requirements of laws, regulations, bylaws, Codes and organisational standards are met.

Executive Management Team: Chief Executive Officer and the General Managers.

Performance Management Glossary: A list of definitions and terms used by Stanwell for reporting, including (but not limited to) the Statement of Corporate Intent, Corporate Plan, Quarterly Report to Shareholding Ministers and Annual Report. The Performance Management Glossary is a separate document which is available via Hummingbird as a controlled document.

Managers: Managers, Team Leaders, Site Managers and Department Heads (excluding General Managers).

Representatives: Representatives include Board members, employees (full-time, part-time and casual), agents and contractors.

Performance Management System: The system which Stanwell has developed to manage and monitor the performance of Stanwell against the key performance indicators, as contained in the Statement of Corporate Intent and Corporate Plan.

Responsibilities

Stanwell's Board and Audit and Risk Management Committee ('The Board')

The Board retains the ultimate responsibility for ensuring that Stanwell has implemented, maintains and adheres to the Performance Management System and compliance with Stanwell's legal obligations as defined in the Government Owned Corporations Act 1993 (Qld).

The Board (with the assistance of the Executive Management) oversee the management and allocation of roles, responsibilities and accountabilities for performance measurement and reporting and approving costing methodologies and evaluation of performance information.

Executive Management

Executive Management are accountable for the identification, analysis, treatment and reporting of performance management issues. They are responsible for the ultimate sign-off of all information which is presented to the Board for approval. The Chief Executive Officer is responsible for approving amendments to this Policy.

Executive Management support the Board by managing and allocating roles, responsibilities and accountabilities for performance measurement and reporting and approving costing methodologies and evaluation of performance information.



Amd Date 04/01/08

+ + Managers

+ Managers assume responsibility for ensuring effective implementation and maintenance of this Policy and that all personnel adhere to the associated systems and guidelines. Managers are responsible for providing information to Executive Management and the Company Secretary in relation to performance.

+ Company Secretary

+ The Company Secretary (in conjunction with the Chief Financial Officer) is responsible for coordinating the preparation of the Statement of Corporate Intent and Corporate Plan.

The Company Secretary (with the assistance of Executive Management and Managers and Representatives) prepares the Quarterly Report to Shareholding Ministers.

The Company Secretary assists the Board and Executive Management to fulfil their roles and responsibilities as detailed above and maintains detailed records of information which is used to prepare the Statement of Corporate Intent, Corporate Plan and Quarterly Reports to Shareholding Ministers, as received from Representatives.

Representatives

All Representatives have a responsibility to cooperate with and assist Executive Management, Managers and the Company Secretary in relation to the management of Stanwell's performance. All representatives are required to:

- Comply with this policy and relevant legislation;
- Familiarise themselves with Stanwell's policies, procedures and work instructions concerning performance management (where these relate to their particular role); and
- Implement the practices learned in training provided by Stanwell in relation to performance management.

Communication Plan

This policy will be communicated to those responsible for the performance management, measurement and reporting processes by email and education and training (as necessary).

Review

The content of this policy is to be reviewed at least every 3 years. **Amendments to this policy are to be approved by the Chief Executive Officer.**

Links and References

Legislation

Government Owned Corporations Act 1993 (Qld)

<http://www.legislation.qld.gov.au/LEGISLTN/CURRENT/G/GoOwnCorpA93.pdf>

Stanwell's Policies and Procedures

[Performance Management Procedure – HB# 704429](#)

[Return To Top](#)