




SHAREHOLDING MINISTERS FOR
STANWELL CORPORATION LIMITED

Our Ref: QT00157-2024

Mr Paul Binsted
Chair
Stanwell Corporation Limited
GPO Box 800
BRISBANE QLD 4001

Queensland Legislative Assembly	
Number: <u>SB24T202</u>	
 28 NOV 2024	Tabled <input checked="" type="checkbox"/>
MP: <u>Ken Gowitski</u>	By Leave <input type="checkbox"/>
Clerk's Signature: <u>[Signature]</u>	

Dear Mr Binsted

Stanwell – Strategic performance expectations

The Queensland Government is committed to delivering affordable, reliable, and sustainable energy to Queenslanders. Our electricity generation government-owned corporations (GOCs) will play a significant role in achieving this outcome.

As shareholding ministers (SHMs), we confirm our expectations of Stanwell Corporation Limited (Stanwell) that business objectives, focus, and expenditure are efficiently aligned with the safe delivery of affordable, reliable, and sustainable energy to Queenslanders.

We reiterate the Stanwell Board is responsible and accountable for the financial and non-financial performance of the organisation, including compliance with all applicable legislative and regulatory obligations.

Shareholder expectations for Stanwell




- 1. Focus on financial and operational performance of existing generation assets.**
This includes the prioritisation of funding to ensure assets are maintained to operate reliably over time and deliver on the Electricity Maintenance Guarantee.
- 2. Maximise value from existing generation assets.** This includes ensuring Queenslanders benefit from assets operating to deliver affordable, reliable, and sustainable energy, and putting downward pressure on wholesale electricity prices.
- 3. Apply clear investment parameters to renewable energy and storage projects.**
This includes ensuring investments are economically viable and represent value for money.
- 4. Deliver renewable energy and storage projects on time and on budget.**
This includes ensuring timely advice on project cost and schedule status.

Please work closely with Queensland Treasury and ensure we are kept readily informed of key matters across Stanwell operations, investments, and financial and non-financial performance.

Electricity Maintenance Guarantee

Shareholder expectations reflect our intent for Stanwell to prioritise the financial and non-financial performance of its existing portfolio of generation assets to provide safe, secure, and reliable electricity supply.

As such, we advise implementation of the Electricity Maintenance Guarantee as a new investment, performance, and accountability framework for asset maintenance on existing publicly-owned power plants.

	Investment	Upfront investment approvals by SHMs of all 5-year maintenance investment requested by generator GOCs
	Performance	New assurance and reporting for generator GOCs on asset maintenance, with key performance indicators for maintenance investment, personal safety, process safety, and plant performance
	Accountability	Generator GOCs are fully accountable for asset maintenance investment and performance, with a 'no performance payments' policy for senior executives if KPIs are not achieved

As per the guarantee, we are pleased to provide upfront SHM approval of all investment required by Stanwell to implement its 5-year asset management plan, as amended from time to time, including all overhaul and sustaining capital expenditure to ensure safety, statutory compliance, asset integrity, and asset performance.

In providing this approval, we establish the following responsibilities:

- In Q1 2025, and annually thereafter, Stanwell is to notify its asset management plan to SHMs, including outcomes of an independent assurance process in respect of the plan. At a minimum, the plan is to:
 - identify the maintenance investment requirement in compliance with all statutory obligations and consistent with good industry practice
 - demonstrate the effectiveness of the plan to deliver safe and reliable asset performance
 - set out key performance indicators (KPIs) in respect of maintenance investment, personal safety, process safety, and plant performance.
- For each calendar quarter commencing Q1 2025, Stanwell is to report on KPIs for maintenance investment, personal safety, process safety, and plant performance in quarterly reporting to SHMs.
- The Stanwell Board is to implement a 'no performance payments' policy for chief and senior executives if these KPIs are not achieved.

We expect Stanwell to prioritise internal cash flows to meet maintenance expenditure requirements, and engage with Queensland Treasury on future funding capacity.

Next steps

Our expectations and the Electricity Maintenance Guarantee are to be addressed in a revised 2024–25 Statement of Corporate Intent (SCI) and 2024–25 to 2028–29 Corporate Plan, due 31 January 2025.

We emphasise the importance of these documents for transparency and accountability to government.



Yours sincerely

Handwritten signature of David Janetzki in blue ink.

HON. DAVID JANETZKI MP

Treasurer
Minister for Energy
Minister for Home Ownership
GPO Box 611, BRISBANE QLD 4001
Email: treasurer@ministerial.qld.gov.au

Handwritten signature of Ros Bates in blue ink.

HON. ROS BATES MP

Minister for Finance, Trade, Employment and Training
1 William Street, BRISBANE QLD 4000
Email: ftet@ministerial.qld.gov.au