WE PROVIDE THE SPARK
FOR A BRIGHT FUTURE

Annual Report
2023/24

stanwell

About this report

This report provides an overview of the major initiatives and achievements of Stanwell Corporation Limited (Stanwell), as well as the business's financial and non-financial performance for the year ended 30 June 2024.

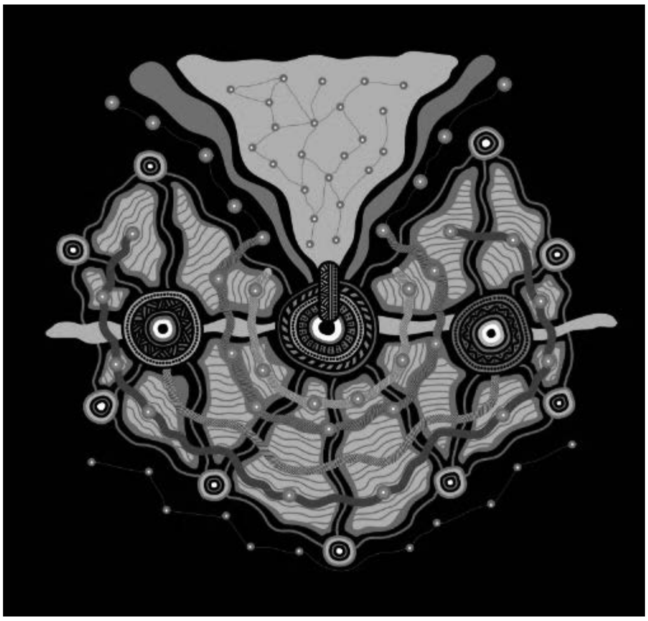
Each year, we document the nature and scope of our strategy, objectives and actions in our Statement of Corporate Intent, which represents our performance agreement with our shareholding Ministers. Our performance against our 2023/24 Statement of Corporate Intent is summarised on pages 21 to 32.

Electronic versions of this and previous years' annual reports are available online at www.stanwell.com. For hard copies of this year's annual report, please contact Stanwell.

Acknowledgements

Stanwell acknowledges the traditions and cultures of First Nations people, and recognises their continuing connection to land, water and community where we live and work. We respect and honour their Elders, past, present and emerging, and we commit to providing the spark for a bright future together.

We are grateful for the contributions of our people, host communities, customers, shareholders, unions, insurers and investors in engaging with us in relation to all of the activities outlined in this report.



Every connection we make delivers a brighter future

Artist: David Williams, Wakka Wakka man and Executive Director of Gilimbaa.

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About Stanwell

Our purpose

We are powering change across Queensland, by providing the spark for a bright future.

We are a major provider of electricity and energy solutions to Queensland, the National Electricity Market and large energy users throughout Australia, and as at 30 June 2024, we employ more than 850 direct employees across our sites.

Our thermal assets are two of the most reliable coal-fired power stations in Australia - the Stanwell Power Station west of Rockhampton, and the Tarong power stations near Kingaroy. We also own the Meandu Mine, adjacent to our Tarong power stations, to provide low-cost fuel for that station.

We have made significant progress in developing our new clean energy portfolio since the announcement of the *Queensland Energy and Jobs Plan* in September 2022. Our growing new portfolio will provide the foundation for Queensland's clean industry and technology future. It will also help create the thousands of new jobs that come with a decarbonised economy.

With more than 3 GW of renewable generation projects and firming capacity either in operations, under construction or financially committed, we have built an extensive clean energy pipeline throughout Queensland. This is just the start, and there is so much more to do.

We are well advanced in identifying the clean energy projects that we will need to add to our portfolio over the coming years. By 2035, it is our aim to have 9 to 10 GW of large-scale wind and solar capacity in place. This is in addition to the renewable energy required for our proposed Central Queensland Hydrogen (CQ-H_2) project. To ensure our customers and the market have access to reliable energy at all times of the day, we are aiming to complement the renewable energy we generate with 5 GW of firming capacity, including battery storage, and forms of medium duration dispatchable generation such as low to zero emissions gas peaking plants.

The strong network connections and infrastructure around our existing power stations provide an ideal foundation for the clean energy hubs of the future.

So, in keeping with the *Queensland Energy and Jobs Plan*, we are gradually repurposing our Tarong and Stanwell power stations. In the future, our people will use those sites as a base from which to maintain and operate the clean energy assets that will surround them. We are installing batteries at our power stations and investigating the development of alternate energy solutions in and around those sites. In the near term, our coal-fired power stations will continue to reliably generate electricity and provide critical system strength, inertia and firming.

We have important work to do in relation to the new technologies that will ensure clean energy is available when it is needed. We are using our Future Energy Innovation Training Hub (which we know as FEITH) to pilot a range of new energy technologies including flow batteries and electrolysers, as well as training our people in their use.

The work we are doing at FEITH is just one part of the next chapter for our workforce. As we lead the transformation of Queensland's energy sector and economy, we are also helping our people acquire new skills and capabilities to build their own bright futures.

Along with our international consortium of partners, we are driving the establishment of a renewable hydrogen industry in Central Queensland through our proposed CQ-H_2 project. Together, we are developing a hub where green ammonia and hydrogen will be produced and either sold domestically or exported. A renewable hydrogen industry will play a critical role in the State's future economy, creating even more jobs as industry co-locates around our project, and enabling Queensland to provide clean energy products to markets all around the world.

Our values

Stanwell's values – we care, we adapt and we deliver – are integral to our culture and influence how we engage with customers, suppliers, partners and our local communities as well as each other.

Together, they guide how we think, make decisions and act at Stanwell. They are the driving force behind everything we do.

Our values and behaviours are:

We **care** by

- focusing on our health, safety and wellbeing
- looking after each other, the environment and our communities
- being inclusive and communicating openly
- respecting and helping each other grow and succeed.

We **adapt** by

- embracing change and new ideas
- working together and sharing learnings
- encouraging questions and different perspectives.

We **deliver** by

- keeping our commitments and trusting each other
- making responsible commercial decisions
- owning our actions and outcomes.

Stanwell Power Station Project Officer, Ed.

Our performance highlights: SAFETY FOCUS

Leading indicators

Our continued focus on safety resulted in
all (nine out of nine) of our leading indicator targets
being achieved or exceeded.

Values interactions target -
exceeded by 17 per cent.

Critical control verification target[1] -
exceeded by 43 per cent.

Safe workplaces

Our people take a proactive approach to the management of safety across all of our sites. Our stringent focus on ensuring effective critical controls were in place for all activities meant there were
no actual serious injury or fatality events at our sites in 2023/24.

To ensure our safety vision and culture remains relevant and effective in protecting the health, safety and wellbeing of our people,
we rolled out a course equipping leaders with the essential health, safety and environment skills specific to Stanwell.

Continued to be a leader in industry best practice safety management,
including in the application of Workplace Health and Safety Queensland's *Managing the Risk of Psychosocial Hazards at Work: Code of Practice* (rolled out in April 2023).

Developed a psychosocial hazards and events reporting platform, 'Speak Up',
that also enables our people to provide whistleblower submissions, and report incidents of bullying and harassment in our business.

[1] A critical control is a highly relied upon control that is crucial to preventing the occurrence of an unwanted event or mitigating the consequences of the unwanted event if it did occur. The absence or failure of a critical control would significantly increase the risk of serious injury or fatality (SIF) despite the existence of the other controls. The critical control verification is a systematic and proactive approach to auditing and identifying critical controls that are potential precursors to SIF exposure.

Our performance highlights

Provided a secure supply of electricity for Queensland and our customers, with Stanwell's assets achieving a

reliability factor of 99 per cent

(99.4 per cent over the 2023/24 summer period).

We continued to build an extensive clean energy pipeline,

with more than 3 GW of renewable generation projects and firming capacity now either in operations, under construction or financially committed (1,609.4 MW secured in 2023/24).

Our Progressive

Rehabilitation and Closure Plan

was approved by the Department of Environment, Science and Innovation, providing an end of life plan for Meandu Mine.

Doubled our investment in the Wambo Wind Farm

securing a 50 per cent ownership of the second stage of the project in early-2024.

Invested $171.5 million

in sustaining capital to support the performance of our power stations, which in the near term, will continue to reliably generate electricity and provide critical system strength, inertia and firming.

Sent out 19,085 GWh

from our assets to the National Electricity Market (2022/23: 19,423 GWh).

Signed a memorandum of understanding with the Central Queensland University to collaborate and

accelerate the adoption of innovative technologies in the energy sector,

with a specific focus on hydrogen advancements and battery storage.

Progressed the front end engineering design (FEED) study for the proposed CQ-H_2 project to enable a final investment decision (FID) due in mid-2025. The FEED study

represents the largest investment in an Australian renewable hydrogen project of its kind to date,

with a commitment of $117 million from government and consortium partners.

Invested in the workforce of the future,

welcoming 23 new apprentices, trainees and graduates across our sites (2022/23: 17).

Officially launched Stanwell's Asset Maintenance Company (SAMCo),

equipping our people with skills for the future and creating career opportunities with renewable energy.

Broke ground at our Future Energy Innovation Training Hub and began the design of its training and interpretive centre, which is one of the ways we are **equipping our people with skills for the future.**

Provided funding to support the establishment of a Stanwell Professorial Chair of Hydrogen at the Central Queensland University as part of its Centre for Hydrogen and Renewable Energy, **supporting regional education and research capability in the field.**

Delivered strong returns for the people of Queensland, with an annual dividend of $594.4 million

returned to shareholders to help fund essentials services such as schools and hospitals.

Exceeded our 2023/24 target for leadership roles held by women.

At Stanwell 30.06 per cent of leadership roles are held by women (2023/24 target: 28.5 per cent), compared to 24.36 per cent in 2022/23.

Progressed the construction and installation of our **Stanwell and Tarong battery** energy storage systems (BESS) (100 per cent equity).

Provided $665,891 in social investment funding,

including significant support for 117 community organisations and groups in the South Burnett and Central Queensland (2022/23: $471,180).

Our portfolio

We are working hard to grow the size of our renewable energy and storage portfolio, to deliver for our people, customers, stakeholders and our communities.

At the same time, we will continue to reliably operate our current generation portfolio at our Stanwell and Tarong power stations.

As our transformation to renewable energy takes place, existing power stations have a vital role to play in reliably generating electricity, placing downward pressure on electricity prices and in providing critical system strength, inertia and firming.

Over the medium to longer term, a range of technologies, such as batteries and low to zero emissions gas peaking plant will provide the dispatchable capacity within our portfolio.

Over time, we will gradually repurpose our power stations into clean energy hubs in line with the Queensland Energy and Jobs Plan.

Training Coordinator, Essense.

Assets

1 Meandu Mine – Tarong power stations' coal supply

2 Coronado Curragh Coal Mine – Stanwell Power Station's coal supply

3 Brisbane office

Wholly owned assets

4 Stanwell Power Station (1,460 MW)

5 Stanwell BESS (300 MW / 1,200 MWh)

6 Tarong power stations (1,843 MW)

7 Tarong BESS (300 MW / 600 MWh)

8 Central Queensland Hydrogen Project (720 MW)

9 Tarong West Wind Farm (436.5 MW)

Power purchase agreements

10 Aldoga Solar Farm (388 MW)

11 Clarke Creek Wind Farm (346.5 MW)

12 Mount Hopeful Wind Farm (214.5 MW)

13 Blue Grass Solar Farm (49 MW)

14 MacIntyre Wind Farm (150 MW)

15 Kidston Wind Farm (129 MW)

16 Kidston Solar Project, Solar 150 (50 MW)*

17 Whitsunday Solar Farm, Solar 150 (58 MW)*

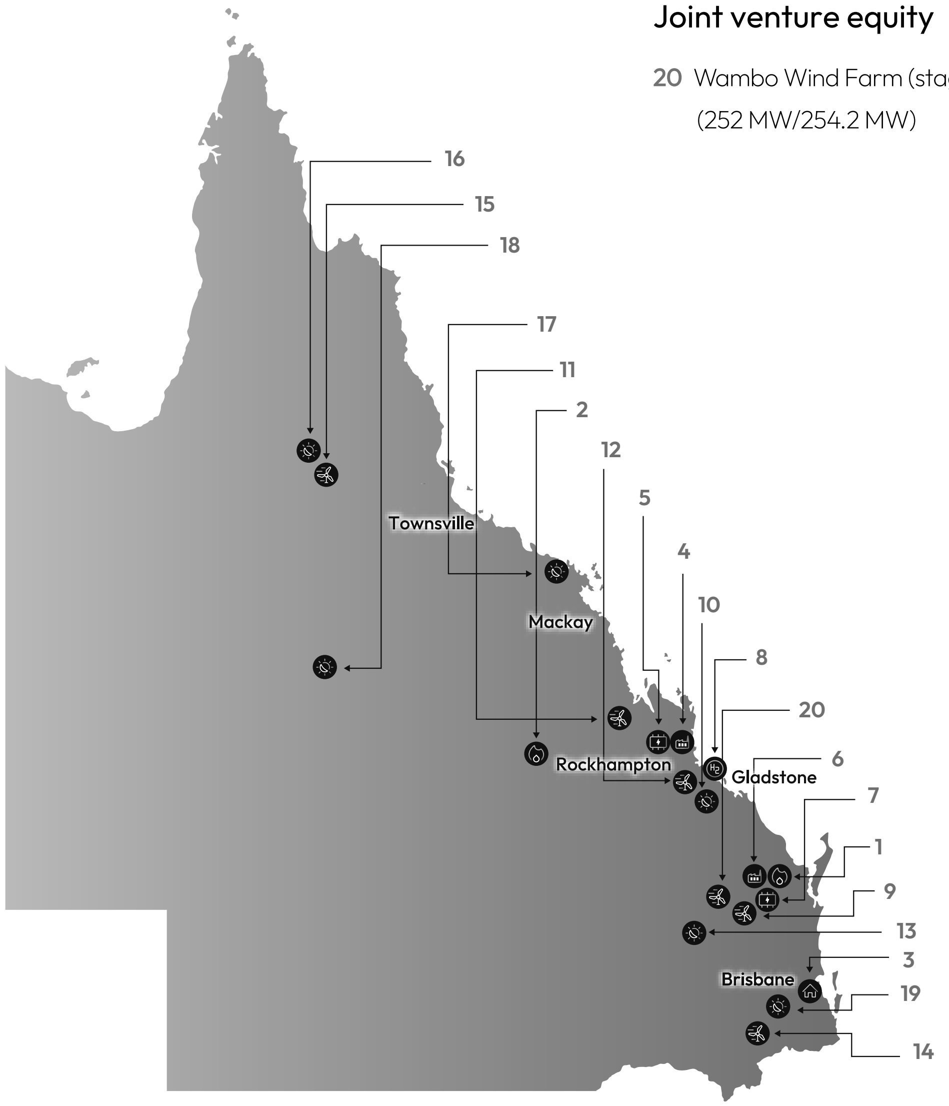
18 Longreach Solar Farm, Solar 150 (15 MW)*

19 Oakey Solar farm, Solar 150 (25 MW)*

20 Wambo Wind Farm (stage 1/2) (252 MW/254.2 MW)

Joint venture equity

20 Wambo Wind Farm (stage 1 and 2) (252 MW/254.2 MW)



Legend

Office

Solar

Wind

Coal

Hydrogen

Battery

Power station

Footnotes

* Solar 150 projects – In 2022/23 Stanwell was successful in transferring the Solar 150 projects (and the marketing rights to those projects) to Stanwell's portfolio for eight years.

Chair's statement

"I am immensely proud of what has been achieved in a shifting energy landscape, with the strength of our business, the quality of our people and the strength of our assets shining through."

Stanwell is at the forefront of Queensland's efforts to decarbonise energy generation.

The business has successfully navigated the challenges that come with turbulent markets, and engaged constructively with key stakeholders and partners to ensure that we continue to fulfil our purpose and generate value for all Queenslanders.

We have progressed major strategic initiatives during FY2024, which are underpinning the transformation, diversification and growth of our business. As detailed throughout this report, we are investing in a range of renewable energy technologies, including wind, solar, batteries and hydrogen.

As international and Australian economies transition to a low carbon future, several factors have created challenging market conditions. The uncertainty and volatility resulting from geopolitical circumstances and supply chain disruptions is expected to see pressures continue across the energy industry in the short to medium term.

While significant challenges remain, the energy transformation presents many opportunities for Stanwell, and we are well placed to compete and grow in this environment.

Positioning our business for the future

As Queensland moves towards an 80 per cent renewable energy target by 2035, Stanwell's new renewable energy and firming projects are providing the foundation for the State's clean industry and technology future.

Throughout FY2024, we have worked hard on the build-out of our renewable portfolio, including both power purchase agreements and projects in which we have equity.

By 2035, in keeping with the *Queensland Energy and Jobs Plan*, it is our aim to have a portfolio of 9 to 10 GW of renewable energy and 5 GW of firming capacity.

We are making significant progress on this, with **more than 3 GW of renewable generation** and firming capacity either in operations, under construction or financially committed.

Through the skill and dedication of our people, Stanwell is continuing to accelerate the development of our renewable energy and firming pipeline, as well as delivering secure and reliable generation to the market, and progressing our proposed Central Queensland Hydrogen (CQ-H_2) project.

While there are many highlights from FY2024, I am particularly proud of the momentum we are building to create future pathways for Queensland's energy workers.

We are working alongside our people to ensure that they realise opportunities from the transformation of Queensland's energy system, particularly through our Future Energy Innovation Training Hub (FEITH) precinct, as well as our services and maintenance company, SAMCo (a company Stanwell has incorporated to provide service and maintenance support to renewable projects).

Located adjacent to Stanwell Power Station, the FEITH precinct will be a catalyst for the development of our clean energy hubs, and it will provide facilities to test and develop new technologies that may then be scaled and commercialised. Importantly, FEITH will also provide a hands-on environment for our people to gain the skills they will need to work in the clean energy industry of the future.

Right strategy at the right time

In early 2024, we refreshed Stanwell's corporate strategy to ensure that we are well positioned to respond to changes that have occurred in our external environment.

While the goals contained in our 2024 strategy remain the same, we refreshed our strategic priorities to ensure we can successfully deliver our Queensland Energy and Jobs Plan commitments, as well as respond to the risks and opportunities presented by the transformation of the energy system.

Our strategy is our roadmap for the future, outlining Stanwell's purpose, the goals we are focused on achieving by 2035 and our priorities for the next five years.

Our strategic goals are:

- Build a firmed renewable portfolio;
- Operate our current portfolio reliably and repurpose it for the future;
- Drive the development of Queensland's hydrogen industry and other new technologies; and
- Create future pathways for our people.

I firmly believe we have the right strategy in place to deliver on our purpose and provide long-term solutions to the challenges of energy security, affordability and climate change.

Our key strategic achievements are detailed throughout this report on pages 21 to 32.

Reliability and security of energy supply

With renewable energy accounting for an ever-increasing share of the Queensland energy portfolio, there is a requirement for storage and dispatchable generation that will ensure clean energy is available when it is needed, not just when the wind is blowing or the sun shining.

In the short term, coal-fired generation will continue to fill that role; both firming the grid and ensuring security of supply. Over the medium to longer term, a range of technologies, such as batteries and low to zero emissions gas peaking plant will provide the dispatchable capacity within our portfolio.

Through the high plant reliability (99 per cent) and availability (93 per cent) of our Stanwell and Tarong power stations, we are able to fill generation gaps in the National Electricity Market (NEM).

We continue to undertake regular maintenance and major overhauls at our generating units to ensure we can maintain the required level of reliability to support Queensland's energy requirements.

In 2023/24 Stanwell sent out 19,085 GWh of energy (2022/23: 19,423 GWh).

Our financial results

Stanwell ended the financial year with a Net Profit After Tax of $594.4 million (2022/23: $175.2 million), and an Operating Profit of $290.8 million compared to $213.2 million in the prior year.

Stanwell remains financially strong, and our financial results in 2023/24 demonstrate that the fundamentals of our business are robust and will support our investment in our new energy portfolio.

Collaboration is key to our success

Businesses like Stanwell do not operate in isolation, and our progress does not happen without bright minds, partnerships, collaborations and most importantly, it does not happen without the support of our communities.

As things change, Stanwell will create new employment and economic opportunities for our people, communities and First Nations people. Across our business we will continue to ensure regional voices and choices help guide our decisions during the transformation of Queensland's energy system.

Chair’s statement (CONTINUED)

Acknowledgements

The milestones outlined in this report would not have been made possible without the hard work and dedication of our people.

Stanwell’s Executive Leadership team and our highly capable employees have delivered a strong operational and financial performance, and on behalf of the Board I sincerely thank them for their efforts.

During the year we were fortunate to welcome Kara Cook, Howard Morrison, Jane Schmitt, Laurie Lefcourt and John Thompson as independent non-executive directors. Their combined knowledge and expertise ensures that the Board collectively has the right mix of skills to drive Stanwell’s strategic direction and address emerging issues or risks.

On behalf of the Board, I also express my gratitude to Jacqueline King, Karen Smith-Pomeroy, Wayne Swan and Adrian Noon for their dedication, support and professionalism during their tenure on the Stanwell Board.

Finally, thank you to our shareholding Ministers, the Honourable Cameron Dick MP, Deputy Premier, Treasurer and Minister for Trade and Investment, and the Honourable Mick de Brenni MP, Minister for Energy and Clean Economy Jobs, for your continued support through a significant period of transformation for Stanwell.

The Board is excited with the changes happening in the business and the growth we have in front of us. Stanwell will continue to build on its core strengths to deliver reliable and secure energy, while playing a key role in Queensland’s transformation to a renewable energy future.

Paul Binsted
Independent Non-executive Chair and Director

Chief Executive Officer's review

"I am confident that the changes, challenges and opportunities that come with this once in a century transformation will continue to be met with the innovation and action necessary to ensure the long term success of our business."

I am incredibly proud of our people who have met challenges and opportunities with the optimism, expertise, and dedication necessary to transform our business throughout the past 12 months.

Together, we have accelerated our work to build a firmed renewable energy portfolio, help achieve Queensland's renewable energy targets, and create future opportunities for our people and communities.

A bright future

The build out and delivery of large-scale renewable energy generation and storage is fundamental to the transformation of Queensland's energy system, and we pushed hard on this front in 2023/24.

We have more than 3 GW of renewable generation projects and firming capacity either in operations, under construction or financially committed. This is in addition to the extensive clean energy pipeline we have built throughout Queensland. This is just the start, and there is much more to do.

We are focusing on building equity in our asset portfolio, furthering Queensland's ownership of renewable energy projects and delivering on our requirements under the Queensland Energy and Jobs Plan.

This includes the construction of the second largest wind farm in Queensland, the Wambo Wind Farm (a joint venture partnership between Stanwell and Cubico Sustainable Investments), and the building of two of Queensland's largest batteries, under construction today.

We are also developing one of the largest hydrogen projects in Australia - the proposed Central Queensland Hydrogen project (CQ-H_2 project) – alongside a consortium of partners, which when up and running will produce 200 tonnes of hydrogen per day in stage one, from 720 MW of electrolyser backed by over 2,000 MW of renewable energy supplying the facility.

Financially committed	Construction	Operational
	Wind Farms (total 1,782.7 MW)	
Tarong West (100% equity) Mount Hopeful (PPA) Kidston (PPA)	Clarke Creek (PPA) Wambo stage 1 (50% PPA, 50% equity) Wambo stage 2 (50% PPA, 50% equity) MacIntyre (PPA)	
	Solar Farms (total 585.0 MW)	
	Aldoga (PPA)	Bluegrass (PPA) Solar 150 (LGCs)*
	Batteries (total 600.0 MW)	
	Tarong BESS (100% equity) Stanwell BESS (100% equity)	

* LGCs only, Stanwell acts as intermediary to settle these contracts.

In addition to our equity investments, we are executing a number of offtake agreements, which we will use to support our commercial and industrial customers in achieving their decarbonisation ambitions.

We have now secured output from the three largest wind farms under construction in Queensland, the Macintyre, Wambo and Clarke Creek wind farms, and output from the largest solar farm under construction in Queensland, the Aldoga Solar Farm.

Building a firmed renewable energy portfolio

To guarantee we can supply our customers and the market with sufficient power when variable renewable energy is not available, we need storage assets to support our expanding pipeline of projects.

In 2023/24, we progressed the construction and installation of our Stanwell and Tarong battery energy storage systems (BESS). We also welcomed Queensland Premier, Steven Miles' announcement in May 2024, that $448.2 million from the Queensland Renewable Energy and Hydrogen Jobs Fund would be invested towards expanding the Stanwell BESS.

This investment will contribute to doubling the size of the Stanwell BESS to a 300 MW / 1,200 MWh capacity, making it Queensland's largest committed battery project and a cornerstone of the Stanwell Clean Energy Hub.

Our approach to sustainability

Whilst we have achieved much this year, we know that to be a successful business, we must continue to listen to and learn from our stakeholders and adapt to meet their expectations. In the past financial year, we continued to challenge and adapt our approach to the way we do business to achieve better outcomes.

More information on how we are delivering on our sustainability commitments and contributing to the Queensland Government's emissions reduction targets, is available in our 2023/24 Sustainability Report.

The role our power stations continue to play

The availability and reliability of Queensland's dispatchable generators is the key to a smooth transition to renewables. In 2023/24, Stanwell's generation portfolio achieved an average availability of 93 per cent, and a reliability factor of 99 per cent.

Our reliability levels are one of the best in the National Electricity Market and are a result of our asset management systems and the expertise and care of our teams who control and maintain our power stations each and every day.

In May 2024, we marked 40 years of operations at the Tarong power stations, following the opening of the Meandu Mine in 1983. That is 40 years of delivering reliable electricity to Queensland and our customers, and 40 years of being part of, and supporting the South Burnett community.

This milestone is a testament to our people in the South Burnett, many of whom are second-generation employees, continuing the legacy of excellence for which Stanwell is known. Others have transitioned through multiple roles, bringing their experience and expertise to every task, and some are just starting their careers with Stanwell, eager to contribute to our future.

I look forward to seeing our people continue this legacy, as we draw on their capabilities, and the strong network connections and infrastructure around our sites to gradually repurpose our Stanwell and Tarong power stations into clean energy hubs.

An inclusive energy transformation

We are providing secure jobs and new opportunities for our people during the energy transformation, and the passing of the *Clean Economy Jobs Act 2024* and the Queensland Government's Job Security Guarantee in *the Energy (Renewable Transformation and Jobs) Act 2024* in April 2024, underscores this.

When we refreshed Stanwell's Corporate Strategy in early 2024 we defined the role our Stanwell Asset Maintenance Company, SAMCo, and our Future Energy Innovation Hub (FEITH) will play in creating future pathways for our people.

In August 2023, our FEITH program was publicly announced. Then, in December 2023, the Queensland Government announced $44.7 million of funding from the Queensland Renewable Energy and Hydrogen Jobs Fund, as part of the $111.5 million in funding already approved for the project, to ensure that our people and regions are not only supported but can actively participate in and benefit from the transformation of Queensland's energy system.

In November 2023, we also officially launched SAMCo, a major milestone in our transformation and the work we are doing to facilitate future opportunities for our people. During 2023/24, we won several contracts to provide service and maintenance to renewable energy projects, fast tracking the company's success.

Ensuring the safety of our people

In 2023/24 we continued to strive to be a leader in best practice safety management, driving proactive safety initiatives and advancing a strong safety culture across our business.

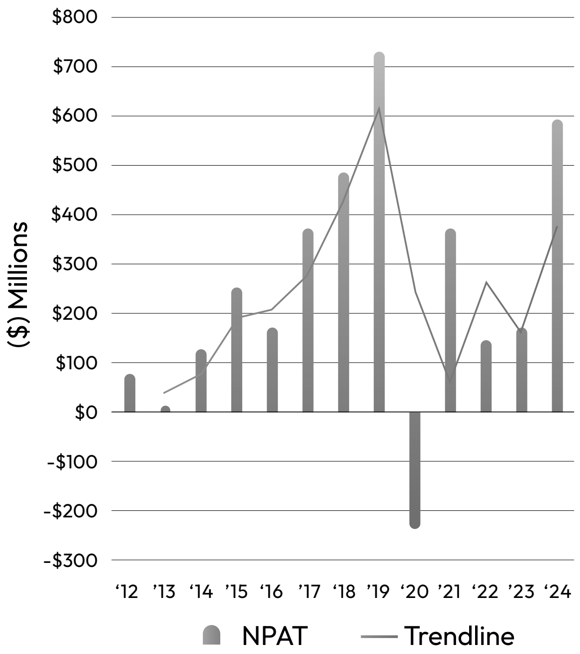
During 2023/24, we had no serious injury or fatality events, indicating that our critical controls were effective. This result is underpinned by the ongoing visible leadership in our workplace, supported by values interactions and critical control verification processes.

During the past year, we also launched our refreshed code of conduct – the Way We Work at Stanwell. The refreshed code of conduct was an action from our Respect Review completed in 2023. It emphasises the expectation that all our people maintain fair, respectful and ethical standards in relation to all aspects of their work at Stanwell.

Delivering results for Queensland

I am pleased to report another successful year for Stanwell in 2023/24, with the business achieving a strong financial result, returning a Net Profit After Tax of $594.4 million (2022/23: $175.2 million), and an Operating Profit of $290.8 million (2022/23: 213.2 million).

Stanwell Net Profit After Tax



These results have enabled us to deliver strong returns to the people of Queensland, with an annual dividend of $594.4 million returned to shareholders to help fund essential services such as schools and hospitals.

Our improved 2023/24 financial results demonstrate that the fundamentals of our business are strong and continue to support our investment in the decarbonisation of our portfolio.

Acknowledgements

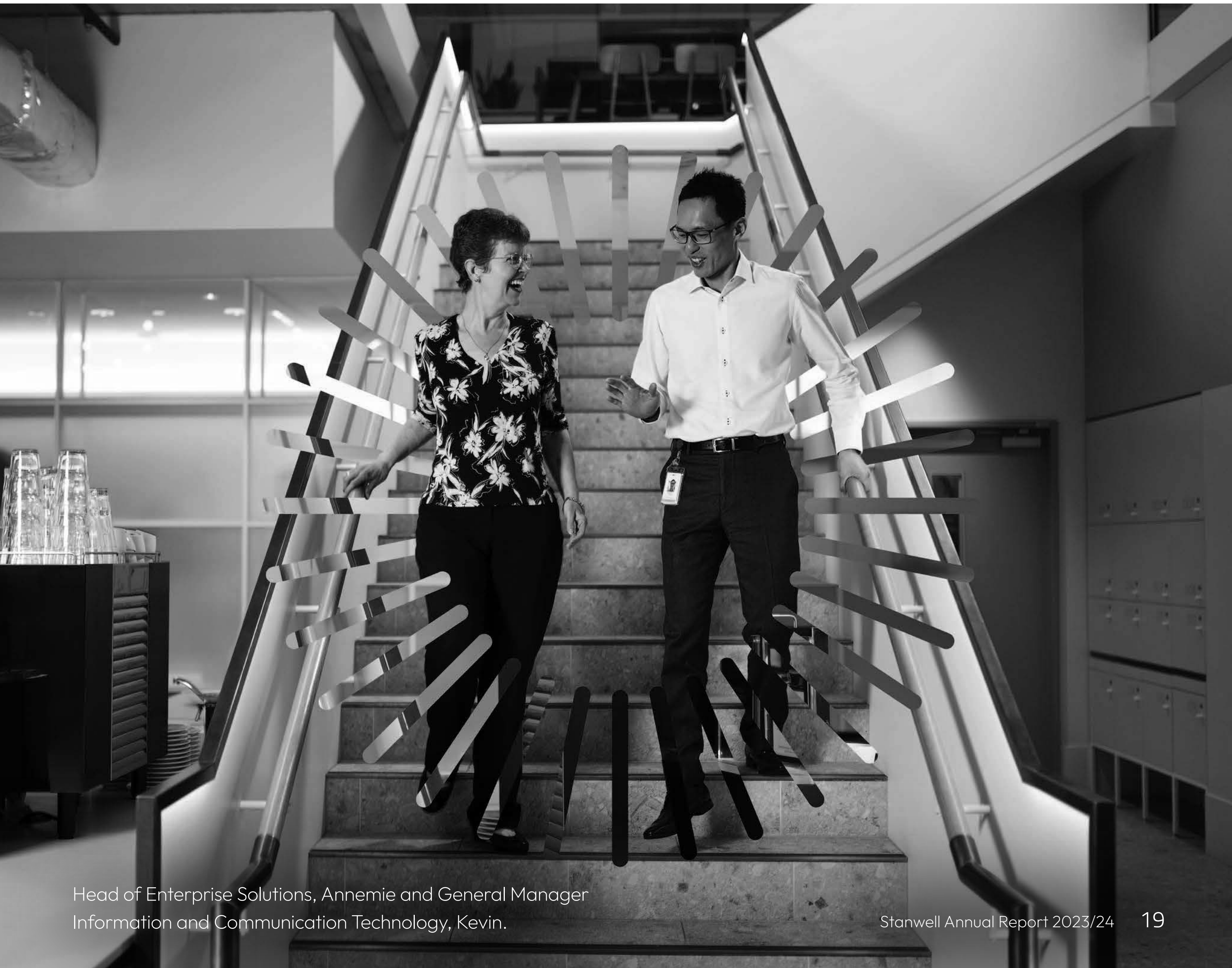
I would like to thank our Chair, Paul Binsted, and our directors for their leadership and counsel throughout the year.

I would also like to thank our shareholding Ministers, the Honourable Cameron Dick MP, Deputy Premier, Treasurer and Minister for Trade and Investment, and the Honourable Mick de Brenni MP, Minister for Energy and Clean Economy Jobs, for their continued support.

Finally, my thanks go to our people. The achievements in our 2023/24 Annual Report are in no small part due to their energy, dedication and expertise.

Throughout 2023/24, we made significant progress in implementing our strategy and delivering for Queensland. As we look forward to the year ahead, I am confident that the changes, challenges and opportunities that come with this once in a century transformation will continue to be met with the innovation and action necessary to ensure the long term success of our business.

Michael O'Rourke
Chief Executive Officer `



Head of Enterprise Solutions, Annemie and General Manager Information and Communication Technology, Kevin.

Our 2023/24 Performance

Performance indicators

In 2023/24, Stanwell committed to achieving the following financial and non-financial targets.

Measure	2023/2024 actual	2023/2024 target	2022/2023 actual
Earnings before interest and tax (EBIT) ($M)	874.4	1,005.8	292.4
Earnings before interest, tax, depreciation, amortisation, impairment and fair value movements (EBITDAIF) ($M)	688.7	523.6	438.5
Net profit after tax ($M)	594.4	686.4	175.2
Operating cash flow ($M)	1,409.2	1,384.7	284.5
Capital expenditure ($M)	763.6	855.5	324.7
Return on equity (%)	34.5	33.9	16.5
Total recordable injury frequency rate*	6.04	<3.49	5.28
Environmental enforcement actions	0	0	0
Carbon emissions[1] (kt CO_2-e)	17,708	18,300 **	18,172
Energy sent out (GWh)	19,085	19,324	19,423

Note: These financial targets are non-IFRS measures used by management to assess Stanwell's financial performance. These amounts are not subject to audit or review.

*During 2023/24, there were 14 medical treatment injuries (MTIs) and seven lost time injuries (LTIs) (2022/23: 11 MTIs and six LTIs). During 2023/24, Stanwell implemented a number of continuous improvements and initiatives across our sites relating to either eliminating or reducing exposure to hazardous manual tasks and associated risk factors. Initiatives included modification of plant to reduce weight, implementation of a mechanical lift aid to assist with single person lifts and manual handling, and engagement of an ergonomics and injury prevention specialist to review hazardous manual tasks for high-risk work activities.

[1]Includes carbon emissions from Stanwell, Tarong and Tarong North power stations.

** Carbon emissions budget based on generation forecast.

Asset performance

Year	Energy sent out (GWh)*	Capacity factor (%)	Targeted availability (%)	Actual availability (%)	Planned[1] outage factor (%)	Forced outage factor (%)
Tarong power stations – coal –1,843 MW						
2023/24	11,664	77.6	90.9	91.3	7.2	1.5
2022/23	10,751	71.9	89.2	87.1	10.1	2.8
Stanwell Power Station – coal –1,460 MW						
2023/24	7,420	62.9	94.0	95.3	4.5	0.2
2022/23	8,672	73.3	91.6	94.1	5.0	0.9
Total						
2023/24	19,085	71.1	92.3	93.0	6.0	1.0
2022/23	19,423	72.5	90.2	90.1	7.9	2.0

[1]Includes planned and maintenance outage factors.

*Energy sent out is the amount of energy supplied to the transmission network.

Build a firmed renewable portfolio

Delivering our renewable generation projects and building a long-term pipeline

As Queensland moves toward 80 per cent renewable energy by 2035, Stanwell's new renewable energy and firming projects are providing the foundation for the State's clean industry and technology future. As a business, we have worked hard throughout 2023/24 to build-out our renewable portfolio, including both power purchase agreements and projects in which we have equity.

We have made significant progress towards our target of 9 to 10 GW of renewable generation and 5 GW of firming in our portfolio.

In December 2023, Stanwell locked in a 15 year power purchase agreement (PPA) with Genex Power, securing 50 per cent of the 258 MW Kidston Wind Farm located in North Queensland.

We also doubled our investment in the Wambo Wind Farm securing a 50 per cent ownership of the second stage of the project in early-2024. Stanwell will own 50 per cent of both stage one and two and will purchase and dispatch the electricity generated by Cubico Sustainable Investment's share, enabling us to supply more than 500 MW to the National Energy Market and our commercial and industrial customers by 2026.

In April 2024, we celebrated a significant milestone with the official groundbreaking ceremony for ACCIONA Energía's Aldoga Solar Farm, 20 kilometres north-west of Gladstone. Stanwell has entered into a 388 MW PPA for the project, with 100 per cent of output from the solar farm set to supply the proposed CQ-H_2 project.

Stanwell is developing a high-quality, cost-effective pipeline of renewable energy and storage projects to support our long-term strategy of providing renewable energy solutions to our commercial and industrial retail customers, and to supply the proposed CQ-H_2 project.

In 2023/24, we conducted a significant round of market engagement to find prospective projects and project partners to help us build a strong development pipeline. In the past financial year, we progressed a number of these projects and will continue this program of work through 2024/25 and beyond.

Balancing supply and demand as the energy grid changes

As Queensland moves towards its renewable energy target, firming the grid – balancing supply and demand against the intermittent nature of renewable resources – is becoming critical.

We are progressing the development of large-scale batteries that can be charged by wind and solar during periods of peak renewable energy generation and discharged back into the grid during periods of high demand or to maintain grid stability.

In April 2024, the final 38-tonne megapack for our Tarong battery energy storage system (BESS) was hoisted into place, marking a major milestone for the project, and in the site's transformation to a clean energy hub. The megapacks are being installed by Yurika – a Queensland government-owned company which is being supported by a number of local contractors, and up to 80 employees will be on-site during construction period.

The Tarong BESS, built adjacent to our Tarong power stations, has the capacity to discharge 300 MW / 600 MWh (two-hour duration) of energy into the National Electricity Market.

During 2023/24, we received a boost to our Stanwell BESS project at our Stanwell Power Station with the announcement that the Queensland Government is committing $448.2 million from the Queensland Renewable Energy and Hydrogen Jobs Fund towards doubling the size of the project to 300 MW / 1,200 MWh (four-hour duration). With this funding, the Stanwell BESS is the State's largest megawatt-hour battery project announced to date.

Build a firmed renewable portfolio (CONTINUED)

Engaging with renewable generation host communities

Doing business in a way which meets the expectations of our communities is important not just for what we do today, but so we can continue to succeed as we transform our business.

Delivering an equitable and inclusive energy transformation for stakeholders including our host communities, neighbours, landholders, and First Nations people, means ensuring shared value outcomes are realised. We recognise that true value for these groups can only be realised through incorporating local knowledge and cultural consciousness into our decision-making processes and by providing opportunities for their voices to be heard.

With the sheer breadth of change that comes with the Queensland's energy transformation, meeting the needs and expectations of the communities we work in is more important than ever. We are working alongside our communities to alleviate their concerns by validating impacts and identifying opportunities to improve outcomes.

We are also working alongside developers of renewable energy projects in which we have an equity interest, supporting them in their engagement with host communities.

During 2023/24, we continued to work with host communities, in the Western Downs for the Wambo Wind Farm to understand any community concerns and identify opportunities to improve, feeding these back to project developers.

During 2023/24, we continued to leverage our influence and industry networks, working with project partners, interest groups and government representatives to ensure these opportunities are embedded in the early planning, delivery and future operations of projects.

In March 2024, Stanwell became a member of the Queensland Renewable Energy Council (QREC). QREC's focus on co-existence and addressing social licence challenges for renewables specifically in Queensland is closely aligned with our strategic priorities and sustainability commitments.

Through our involvement in QREC, during 2023/24 we contributed to the development of several policy initiatives that seek to improve the rollout of renewables project in Queensland. This included the design and delivery principles for Renewable Energy Zones, improvements to planning and environmental assessment and approvals processes, and the creation of a mandatory developer code to establish standards for community engagement and benefit sharing in communities that host renewable energy infrastructure.

During the past financial year, under the International Association for Public Participation (IAP2) Australasia banner, we brought together engagement professionals from across Central Queensland to share relevant stakeholder insights and provide an opportunity for grassroots collaboration. Participation in the events continues to grow and a sub-group of engagement professionals working across the energy industry has been established.

We also conducted a review in 2023/24 to ensure that as a part of our market engagement process, baselines around key sustainability issues including community engagement, responsible procurement and approach to equity, diversity and inclusion were acknowledged by potential project partners.

Our ability to deliver shared value for our communities, neighbours, landholders and First Nations people is in large part, dependant on the level of trust we hold with these stakeholder groups. During 2023/24, we worked with the University of Queensland to carry out stakeholder research to understand this current level of trust, and to compare their expectations of Stanwell against their perceptions of the business's performance.

Creating transformative economic and social opportunity for our host communities and First Nations people is one of our five key commitments in our Sustainability Strategy. More information on the work we delivered in 2023/24 to drive these outcomes can be found in our 2023/24 Sustainability Report.

Working with customers to deliver their decarbonisation goals

Our customers are seeking renewable energy to power their business and meet their decarbonisation ambitions. As detailed above, in the past year we secured a number of renewable energy power purchase agreements that will be used to help get them there.

We also implemented and undertook various initiatives during the past financial year to ensure we continue to deliver for our customers.

This included:

- working with customers to incorporate their own renewable energy into their retail agreements, such as solar farms on their land or separately negotiated power purchase agreements; and
- developing flexible offerings which assist customers to install behind the meter devices at their sites.

Operate our current portfolio reliably and repurpose it for the future

Transforming our sites to Clean Energy Hubs

In keeping with the *Queensland Energy and Jobs Plan* (QEJP) and the *SuperGrid Blueprint*, we are well-progressed in the work that is required to gradually transform our coal-fired power stations to clean energy hubs.

In February 2024, Stanwell's Board approved the vision and concept for the Stanwell and Tarong clean energy hubs. This concept provides an overview of the scope of likely services and technologies that will be used to transform our coal-fired power stations, in line with the QEJP.

Key parts of our clean energy hub concept are our battery energy storage system (BESS) projects, as detailed on page 23. Our Tarong BESS project 300 MW / 600 MWh (two-hour duration) is progressing on time, with a commercial operation date targeted for June 2025.

Similarly, our Stanwell BESS project 300 MW / 1,200 MWh (four-hour duration) is also tracking well, with commercial operations expected in May 2027.

Our coal-fired power stations will be gradually converted to clean energy hubs by 2035, when there is sufficient energy storage and network infrastructure in place across the Queensland Government's energy portfolio. The final decision as to when our coal-fired power stations will be repurposed will rest with our shareholding Ministers.

Work is underway on the development of our pipeline of firming projects (including batteries and gas) to support the transformation of our sites to clean energy hubs.

Investing in our assets to maintain high levels of performance

We continued to operate our Stanwell and Tarong power stations at high levels of capacity, ensuring we were generating when the market needed us. In 2023/24, Stanwell sent out 19,085 GWh of energy (2022/23: 19,423 GWh).

Stanwell's assets also achieved market leading reliability of 99 per cent (2022/23: 98 per cent) and availability of 93 per cent (2022/23: 90 per cent).

Stanwell and Tarong power stations play a critical role, providing the NEM with firming capacity and system services. This essential role is set to continue in the short to medium term, as Stanwell's power stations will need to continue to ensure a reliable supply of energy while Queensland moves towards lower carbon generation.

In 2023/24, we invested more than $171.5 million in capital projects at our Tarong power stations, Stanwell Power Station and Meandu Mine. The major overhauls delivered at Stanwell Power Station Unit 1 and Tarong Power Station Unit 4 were important in ensuring our power stations could run safely, efficiently, and at a high capacity.

Highlight

40 years of operations at Meandu Mine and Tarong power stations

In May 2024, we recognised 40 years of operations at the Tarong power stations and Meandu Mine.

Many former and current employees and their families came together to celebrate the significant milestone of generating reliably for four decades, as well as being a part of the South Burnett community.

General Manager Southern Generation, Michael Joy, Chief Executive Officer, Michael O'Rourke, and General Manager Mining, Andrew Toms at the 40 years of operations celebrations.

Process safety

Promoting and sustaining strong process safety practices is key to our safety vision and culture across our business.

We are committed to undertaking our business in a manner that prevents the occurrence of events that may cause serious harm or fatality at our sites. We ensure this by having well-defined and robust processes to manage enterprise and critical asset risks.

Our proactive process safety culture and our commitment to continuous improvement is ensured through the implementation of our Process Safety Framework, as part of our mature asset management processes and strong governance practices.

To reduce process safety risks, we continue with our planned asset investment activities to secure the integrity and safety of our plant, in line with our Asset Management Framework and Asset Life Plan. We also undertake regular planned maintenance outages to meet our statutory obligations and to ensure the condition and performance of our plant is maintained.

In 2023/24, this included the major overhauls delivered at Stanwell Power Station Unit 1 and Tarong Power Station Unit 4.

Drive the development of Queensland's hydrogen industry and other new technologies

Driving Queensland's hydrogen industry

It has been an important year for the Central Queensland Hydrogen project (CQ-H_2). The creation of a renewable hydrogen industry in Central Queensland will bolster the State's transformation to a clean energy economy as well as creating thousands of new jobs.

Together with our international consortium partners (Iwatani Corporation, Marubeni and Keppel Infrastructure), we are developing a hub where green ammonia and hydrogen will be produced and sold domestically as well as being exported.

The CQ-H_2 project includes the development of a large-scale renewable hydrogen production facility at Aldoga, as well as a hydrogen transport facility (pipeline), and a liquefaction and shipping facility at the Port of Gladstone. The project will also supply renewable hydrogen to an ammonia production facility.

Commercial operations are planned to commence from 2029. Once operational, the project aims to deliver renewable hydrogen to Japan and Singapore, as well as supplying industrial customers in Central Queensland.

Over its 30-year life, the project is expected to deliver $14.5 billion in hydrogen exports, add $8.9 billion to Central Queensland's gross regional product, and support more than 3,100 new jobs.

Key milestones and activities completed in 2023/24 included:

- Undertaking a front end engineering design (FEED) study to enable a final investment decision (FID) due in mid-2025. The FEED study represents the largest investment in an Australian renewable hydrogen project of its kind to date, with a commitment of $117.0 million from government and consortium partners. This includes $20.0 million from the Australian Renewable Energy Agency (ARENA) and $15.0 million from the Queensland Renewable Energy and Hydrogen Jobs Fund.
- Engaging with ARENA as we worked through the full application process for the $2.0 billion Hydrogen Headstart program. Stanwell submitted its application for this funding in June 2024.
- In October 2023, Stanwell signed a power purchase agreement with ACCIONA Energía to purchase 100 per cent of the output from its Aldoga Solar Farm. Stanwell plans to supply output from the Aldoga Solar Farm PPA to the CQ-H_2 project, which is located adjacent to the project. The Aldoga Solar Farm is strategically situated within the Gladstone State Development Area, which was established by the Coordinator General, on land developed by the Queensland Government's Economic Development Queensland.
- Stanwell, and the First Nations Bailai, Gurang, Gooreng Gooreng, Taribelang Bunda Peoples Aboriginal Corporation (Registered Native Title Body Corporate), signed a memorandum of understanding (MOU) that establishes a framework for our ongoing engagement. The framework includes the formalising of arrangements for shared benefits with Traditional Owners from the construction and operation of the CQ-H_2 project, and the protection of cultural heritage. The MOU sets out the key principles by which all parties will engage during the development and operation of the project, ensuring a strong relationship built on trust, transparency and a common vision from the start.
- Completing the development of several key environmental and regulatory approvals for submission. The approval submissions have commenced with the first two (out of four in total) *Environment Protection and Biodiversity Conservation Act 1999* (EPBC) submissions submitted in June 2024 (for the hydrogen production facility and pipeline).

2024 Horizon Educational Hydrogen Grand Prix in Gladstone.

Highlight

Ready, set... hydrogen!

Stanwell is supporting the development of Queensland's next generation of renewable energy leaders through initiatives like the Horizon Hydrogen Grand Prix (H_2GP).

This global program has soared in popularity across Australia, expanding from its 2023 Central Queensland pilot race – sponsored by Stanwell – to encompass five states and 450 students. Stanwell is proud to remain the naming rights sponsor for the Central Queensland H_2GP.

The H_2GP initiative is a science and engineering program offered by Horizon Educational on a global level. It involves designing, engineering, and racing 1:10-scale fuel cell electric vehicles powered by hydrogen, providing students with hands-on experience. Through participation, students acquire valuable skills in science and technology, as well as enhance their abilities in critical thinking, creativity, and teamwork.

In 2024, our people mentored H_2GP teams from Kingaroy, Rockhampton, and Gladstone. We were pleased to participate inthe H_2GP and support the development of future leaders in the hydrogen industry.

Investigating and piloting new technologies

To help ensure the reliability and stability of Queensland's future new energy portfolio, Stanwell will investigate, pilot, and potentially commercialise and use new technologies. We are using our Future Energy Innovation Training Hub (which we know as FEITH) to test and trial these technologies at a commercial scale, including flow batteries and hydrogen electrolysers.

FEITH will be located within the footprint of Stanwell Power Station's current buffer zone and will be a catalyst for driving new technologies for our clean energy hubs. It will provide facilities to test and develop new technologies that may then be scaled and commercialised.

In August 2023, our FEITH project was publicly announced. Then, in December 2023, the Queensland Government announced $44.7 million of funding from the Queensland Renewable Energy and Hydrogen Jobs Fund, as part of the $111.5 million in funding already approved for the project, to ensure that our people and regions are not only supported but can actively participate in and benefit from Queensland's energy transformation.

We are progressing a pipeline of opportunities for inclusion in FEITH, including the installation of next generation hydrogen electrolysers and flow batteries, and energy skills training in collaboration with registered training providers.

Drive the development of Queensland's hydrogen industry and other new technologies (CONTINUED)

Key activities and milestones in 2023/24 include:

- signing a memorandum of understanding (MOU) with Central Queensland University to collaborate and accelerate the adoption of innovative technologies in the energy sector, with a specific focus on hydrogen advancements and battery storage;
- signing an MOU with Australian electrolyser manufacturer Hysata to commercialise and technically validate its electrolyser technology by deploying a 4.4 MW pilot at FEITH in 2026;
- announcing a binding agreement with Queensland-based Energy Storage Industries to deliver a 1 MW / 10 MWh iron flow battery pilot;
- progressing an MOU with Redflow to collaborate on the development and deployment of its new X10 battery solution for use in a large-scale project of up to 400 MWh. Stanwell and Redflow will undertake a preliminary due diligence pre-feasibility study for an initial 5 MWh project using Redflow's new X10 zinc-bromine battery pilot at the FEITH; and
- establishing a sustainability framework for the project to ensure that we deliver on our sustainability commitments throughout the development of the project.

Importantly FEITH will also provide a hands-on environment for our people to gain the skills they will need to work in the clean energy industry of the future. Information on the key role FEITH will play in the delivery of our Future Pathways Framework is available on page 31.

Artist impression of the Future Energy Innovation Training Hub.

Create future pathways for our people

Throughout 2023/24 we continued to advance our future pathways vision, finalising our Future Pathways Framework, launching our renewable energy services and maintenance business, SAMCo, and progressing the development of our FEITH project.

Creating future pathways for our people

In 2023/24 we finalised the development of our Future Pathways Framework – our long-term vision for how we will ensure our people realise opportunities from the transformation of Queensland's energy system.

Our Future Pathways Framework is defined by four focus areas with supporting action plans:

- **Collaborate:** Work with key industry stakeholders to articulate what the future looks like and create opportunities for the clean energy sector;
- **Communicate:** Foster certainty, transparency and informed decision making through open communication with our people and key stakeholders;
- **Educate:** Support skills development, training programs and future job pathways, so our people are equipped with the skills they need and are empowered to make informed choices about their careers; and
- **Facilitate:** Facilitate the development of processes, systems and technologies that enable the skills and capability uplift required to support a successful energy system transformation.

Between now and 2035, we will work alongside our people and key stakeholders to implement the actions in our Future Pathways Framework and look forward to reporting on our progress in future Annual Reports.

During Queensland's energy transformation we must give our people options, choice and clarity about their future, and the passing of the *Clean Economy Jobs Act 2024* and the Queensland Government's Job Security Guarantee in the *Energy (Renewable Transformation and Jobs) Act 2024*, helps to provide our people with that clarity.

Throughout 2023/24, we continued to support the priorities of Queensland's Energy Industry Council (EIC). In line with the directions of the EIC, we are working to put in place processes to develop individual transition plans triggered by proposed operational changes to our existing assets.

We will ensure that there are future opportunities for both our workforce and communities as our business transforms, in line with the *Queensland Energy and Jobs Plan*.

FEITH will play a key role in the delivery of our Future Pathways Framework by providing a hands-on environment for our people to gain the skills they will need to work in the clean energy industry of the future.

In the past financial year, we commenced the phase one design of the FEITH training and interpretive centre for the site, working alongside local architects and Traditional Owners to design the precinct.

Stanwell Asset Maintenance Company

'SAMCo beginnings' created by Kirralee Costelloe, Mandanjji and Noonuccal Woman. This artwork was commissioned for SAMCo's launch in November 2023.

We officially launched our renewable energy operations and maintenance subsidiary, Stanwell Asset Maintenance Company (SAMCo), in November 2023, marking a major milestone for our business.

Through SAMCo, Stanwell will provide asset maintenance services to renewable energy projects in Queensland. SAMCo will maintain Stanwell's own renewable energy projects, as well as projects owned by other proponents throughout the State – generating significant career transition opportunities for our people.

SAMCo is leveraging Stanwell's highly skilled workforce and Stanwell's experience as the most reliable and one of the safest operators in the National Electricity Market to optimise the performance of renewable energy assets throughout the state.

The company has achieved a lot since its establishment in late-2023, including winning several competitive wind and solar operations and maintenance contracts. As a result, the SAMCo team has grown from three full-time equivalent (FTEs) positions in January 2023, to twenty-two FTEs as of 30 June 2024 to service the increasing size of the business.

Through SAMCo's development pathways program, we are providing existing asset workers with the skills they need to transition into renewable energy asset maintenance and operation roles.

During 2023/24, eight of our people undertook renewable technical skills training through the program, gaining experience working on several wind and solar farm projects nationwide, with our partners GTT and Goldwind.

Highlight

Ivor's ascent into renewable energy

Ivor is one of the Queensland energy workers charting a course to a clean energy career with SAMCo. A mechanical fitter and machinist, Ivor started his mechanical apprenticeship with Stanwell in 2019. With most of his work centering around general maintenance of pumps, conveyers and mills on Stanwell's thermal power stations.

Ivor has been deployed on several wind projects nationwide, alongside other mechanics and electricians, to gain valuable experience with renewables. Their roles have encompassed a variety of tasks, from inspecting and troubleshooting to repairing wind turbines.

Ivor says the best part about taking part in the development pathways program has been the opportunity to get hands-on with renewable projects around Australia.

After 18 months in SAMCo's Development Pathways Program, Ivor transitioned to a permanent role as a Travelling Service Technician for SAMCo.

To learn more about Ivor's story and careers at SAMCo or Stanwell's development pathways program, visit **www.stanwell.com/asset-maintenance**

Development Pathways participant, Ivor.

Electrical Instrumentation Apprentices, Brendon and Olivia.

Corporate Governance

Corporate governance

Key areas of governance focus and achievement in 2023/24

The Board, with assistance from its committees, engaged in key strategic governance and oversight activities in 2023/2024, including:

- conducting a Board strategy workshop focused on the long-term success of the company;
- regularly discussing the risks and opportunities arising from the significant structural change occurring within the National Electricity Market and the business impact on, and involvement of, Stanwell;
- discussing emerging technologies and how Stanwell could respond to threats and capitalise on opportunities;
- regularly discussing Stanwell's strategic goals, including the refinement and implementation of each priority with the Chief Executive Officer (CEO);
- reviewing and approving Stanwell's financial and strategic plans;
- establishing the Aboriginal and Torres Strait Islander Employment, Engagement and Collaboration Strategy as part of Stanwell's Reconciliation Action Plan (RAP);
- embedding Stanwell's Sustainability Strategy comprising of five commitments that reflect the material environmental, social and governance issues affecting our business and stakeholders, as well as preparing for the implementation of the mandatory Australian climate disclosures and reporting in future years;
- setting the tone from the top and influencing Stanwell's culture, values and ethical standards. This includes the Board satisfying itself that the desired culture is being lived in practice and is reflective of the behaviours associated with Stanwell's values, having oversight of Stanwell's employee engagement, and equity, diversity and inclusion strategies and plans;
- regularly discussing and having oversight of Stanwell's response to regulatory changes;
- monitoring Stanwell's compliance with its *Security of Critical Infrastructure Act 2018* obligations and the adequacy and effectiveness of its Critical Infrastructure Risk Management Program;
- reviewing Stanwell's governance processes for the preparation of the financial statements; and
- participating in the detailed examinations of Stanwell's key strategic risks.

Approach to corporate governance

Stanwell defines governance as 'the system by which the Corporation is directed, managed and held to account'. It incorporates culture, structure and processes for decision-making, accountability, control and behaviour. It provides the framework within which the Board is accountable to shareholding Ministers for:

- the successful operation of Stanwell;
- the establishment and agreement of Stanwell's strategies and goals;
- the identification and management of key risks; and
- the promotion, through a fair and just culture, of ethical values and behaviours and responsible decision-making.

Stanwell's Board, with the support of the Board committees, is responsible for the oversight of Stanwell's Governance framework. The framework seeks to provide effective and responsible decision making to assist with the delivery of Stanwell's strategic goals.

This statement outlines the key areas of the framework which includes:

- an experienced and independent Board, supported by a Board Committee structure which is regularly reviewed to ensure it continues to operate effectively and add value;
- clear delineation of the respective roles of the Board and senior management; and
- a risk management framework which is regularly reviewed.

The diagram opposite shows Stanwell's current governance framework, including the committees of the Board.

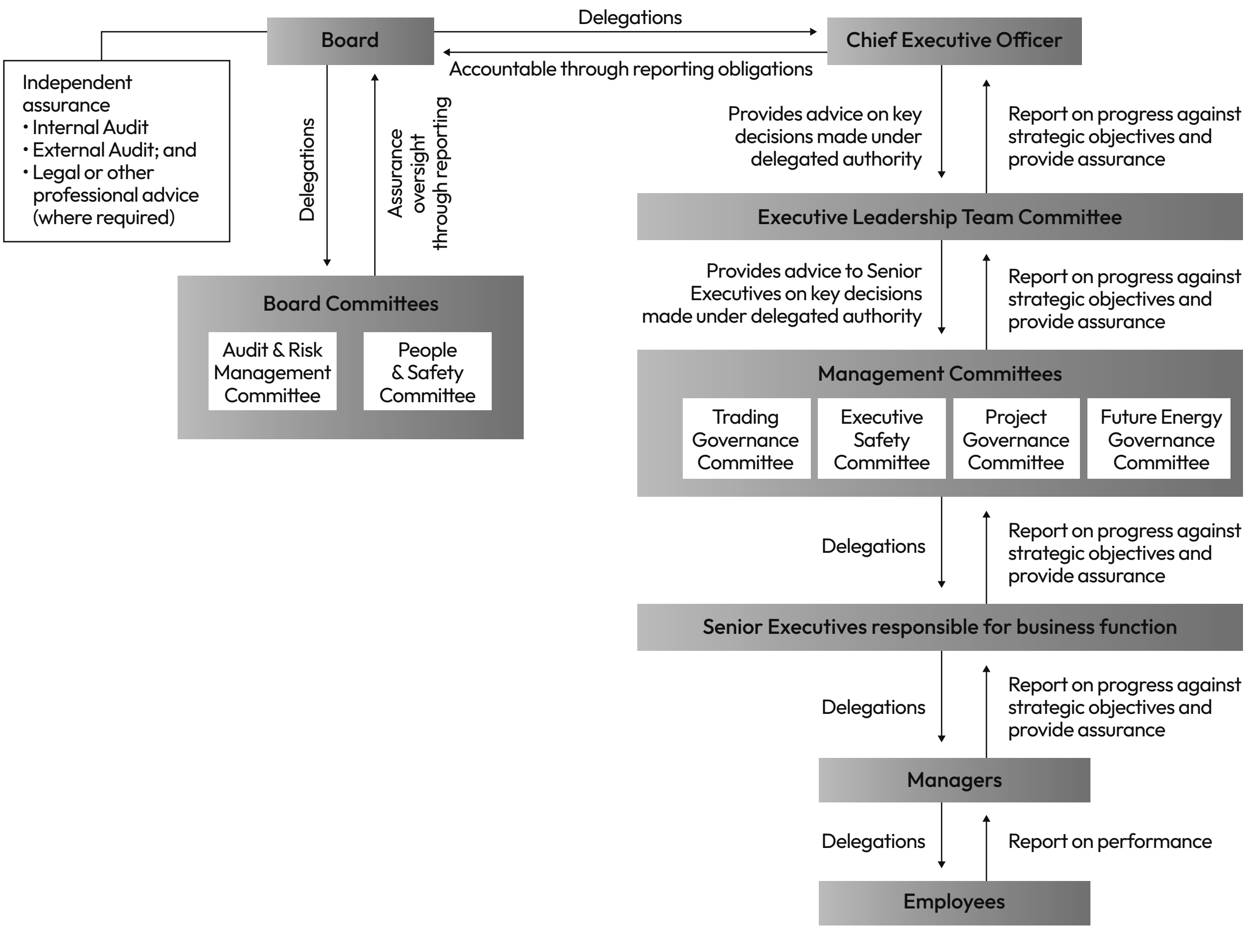
From time to time, the Board may participate (either directly or through representatives) in due diligence type working groups in relation to strategic decisions or funding activities.

Stanwell also has several formally established management committees, each of which assists the CEO to implement Board-approved strategies, policies and manage risks across the organisation within defined decision-making authority.

Further information on Stanwell's corporate governance practices, including key policies and copies of the Board and Board Committee Charters, are available on the Stanwell website (www.stanwell.com).

This Corporate Governance Statement sets out how Stanwell adopts each of the principles outlined in the Corporate Governance Guidelines for Government Owned Corporations.

Stanwell's Governance Framework



Corporate governance

Principle one - Foundations of management and oversight

Role and function of the Board

The Board's primary function is to ensure that Stanwell and its controlled entities have an appropriate corporate governance structure which creates and protects shareholder value. The Board derives its authority to act from Stanwell's Constitution.

The Board's responsibilities are set out in a formal charter which the Board reviews annually.

These responsibilities include but are not limited to:

- monitor the progress of Stanwell's commitment to the elimination of work-related injuries and occupational illnesses;
- review and approve the corporate strategy and financial plans;
- oversee and monitor organisational performance and the achievement of Stanwell's strategic goals and objectives;
- ensure the adequacy and effectiveness of key aspects of Stanwell's financial management, reporting and accounting practices;
- oversee the review and update of corporate governance arrangements and processes as necessary to support Stanwell's commitment to best practice corporate governance;
- monitor and influence Stanwell's culture, values, reputation and ethical standards;
- appoint and assess the performance of the CEO and senior executives;
- approve, review and oversee systems of risk management, internal control and regulatory compliance; and
- report to and communicate with Stanwell's shareholding Ministers and other stakeholders.

Delegation of authority

Stanwell's Constitution allows the Board to delegate any of their powers as Directors (as permitted by the Corporations Act 2001 (Cth) and the Government Owned Corporations Act 1993 (Qld)), including delegation to a committee of Directors or any other person on the terms and subject to any restrictions that the Board may decide.

The delegation of the Board's specific standing powers and limits of authority are documented in the Board Delegations of Authority Policy, the Audit and Risk Management Committee Charter and the People and Safety Committee Charter.

The general approach adopted by the Board to the delegation of its powers and authorities is that:

- decisions related to specific matters are reserved for the Board;
- certain powers and limits of authority are delegated to specific persons; and
- subject to the above, the Board delegates its power and authority to manage and supervise the management of the day-to-day operations of Stanwell to the CEO and, through the CEO, to other senior executives and employees.

The principles by which the CEO sub-delegates the power and authority vested by the Board are documented in the Stanwell CEO Manual of Authorities.

These principles govern decision-making and ensure that the financial transactions of Stanwell are executed within the scope of delegated authorities and balance effective oversight by the Board with appropriate empowerment and accountability of Stanwell's senior executives and employees.

Committees of the Board

The Board has established two committees: the People and Safety Committee and the Audit and Risk Management Committee. These committees assist in the execution of the Board's role and allow detailed consideration of complex issues. Committee members are chosen for their skills and experience.

The roles, responsibilities and delegated authorities of each committee are set out in their respective committee charters. Each year, the charters are reviewed and, where necessary, updated to take account of changes and other developments in the committees' areas of responsibility.

Each committee meets several times a year, depending on committee workload requirements. The role and membership of each committee are described in more detail below.

People and Safety Committee

As at 30 June 2024, the People and Safety Committee comprised the following directors:

- Marianna O'Gorman (Chair);
- Howard Morrison;
- Jane Schmitt; and
- John Thompson.

Other directors who are not members of the committee and senior executives attend meetings by invitation.

The committee's primary function is to assist the Board to oversee the development and monitoring of policies and practices which relate to:

- health, wellbeing and safety of Stanwell's employees, contractors and visitors;
- the Board's performance of its governance of Stanwell;
- the work environment, employee relations and cultural strategies; and
- relationships with external stakeholders.

Audit and Risk Management Committee

As at 30 June 2024, the Audit and Risk Management Committee comprised the following directors:

- Laurie Lefcourt (Chair);
- Paul Binsted;
- Kara Cook; and
- Marianna O'Gorman.

The committee's primary function is to assist the Board to:

- review and monitor Stanwell's financial management and reporting processes;
- review and oversee systems for risk management, internal control and legal compliance;
- oversee the process for:
  - identifying and managing material business risks;
  - implementing appropriate and adequate control, monitoring and reporting mechanisms; and
  - reviewing the performance of the internal and external audit functions (to the extent relevant); and
- monitor and assess new technologies, and systems of cyber security, data governance and model integrity.

Executive remuneration and performance review

Each year, the Board, with the assistance of the People and Safety Committee, undertakes a formal process of reviewing the performance of the CEO and senior executives.

The rate of remuneration increases for the CEO and senior executives is determined with regard to market salary movements and individual performance.

At-risk performance incentive payments for the CEO and senior executives are capped at 15 per cent of total fixed remuneration, with the amount payable tied to the achievement of pre-determined

Board-approved organisation wide, business division and individual performance targets. The CEO is not present at the Board meeting or People and Safety Committee meeting when the CEO's own remuneration and performance are being considered.

Further details about the CEO and senior executive remuneration are disclosed in the key management personnel note on page 124.

Principle two - Structure the board to add value

At the date of this report, the Board consisted of six independent, non-executive directors and an independent non-executive Chair.

The names, qualifications and relevant skills, experience and expertise of the directors who held office during the financial year and up to the date of this report, along with their terms of appointment, are set out on page 56 to 59.

The Board considers that, individually and collectively, the directors bring a level of skill, knowledge and experience that enables the Board to discharge its role and responsibilities effectively.

Directors are appointed by the Governor-in-Council. Appointments are for a specific period. The Board held eight meetings between 1 July 2023 and 30 June 2024.

The table on page 62 of this report details the number of Board and Board committee meetings held during the year that each director was eligible to attend, and the number of meetings attended by each director.

Director induction and continuing education

Stanwell has a comprehensive director induction program in place, which includes the provision of key corporate documents, facilitation of site visits and meetings with senior executives.

The induction program is modified as required to ensure that it is appropriate for the new director's qualifications and experience. Stanwell provides continuing education to the Board through a combination of internal and external briefings, workshops with management and site visits.

These educational activities assist directors to gain a broader understanding of Stanwell's business. Directors are also encouraged to keep up to date on topical issues and to participate in professional and self-development activities. Activities undertaken by directors that assist their responsibilities to Stanwell are paid for by Stanwell.

Director independence

The Board has considered the associations of each of the directors and is of the view that all directors are independent. The basis for this decision is that all directors are independent of management or any material business or other interest that could interfere with:

- the exercise of objective, unfettered or independent judgement; and
- the director acting in the best interests of Stanwell.

The materiality of any relationship between a director and Stanwell or any other interest which may impact a director's independence will be judged according to the significance of the relationship to the director in the context of their activities as a whole. The Board applies a conservative assessment of the significance of any relationship when determining materiality.

Access to independent professional advice

Directors are entitled to seek independent professional advice at Stanwell's expense. The process for obtaining such advice requires the relevant director to consult with the Chair, or the Company Secretary where the Chair is convicted, to facilitate the advice.

The Board can conduct or direct any investigation to fulfill its responsibilities and can retain, at the Corporation's expense, any legal, accounting, or other services it considers necessary to perform its duties.

Access to management

Each director has access to the CEO if they require additional information. Each director is encouraged to contact the Chair, CEO or Company Secretary prior to a Board meeting to discuss any matters that require clarification.

Board evaluation, director succession planning and professional development

The Board evaluates its performance, the performance of individual directors, the Chair and the Board committees at regular periods. The People and Safety Committee is responsible for assessing the framework and the processes used for conducting the performance evaluations.

As part of the Board's commitment to continuously improving its governance practices, the last agenda item of every Board meeting is a critique of the Board's performance.

On an annual basis the Chair meets with each director to discuss:

- their individual performance and views on the operation of the Board;
- professional development needs; and
- the identification of potential Stanwell director candidates with the skills and experience to fill current and future vacancies on the Stanwell Board.

Board composition is a broad term that encompasses issues such as who is on the Board and the skills mix of the Board. It involves both structural (professional and industry expertise) and cultural attributes (diversity and personal behaviour) and ultimately a Board's effectiveness depends on obtaining the right mix of these skills.

The Board has established a composition matrix which outlines the range of knowledge, skills and cultural attributes which have been assessed as ideal for the Stanwell Board to hold to drive Stanwell's strategic direction as well as to effectively govern the organisation.

The Board reviews the Composition Matrix annually with the outcomes used to guide professional development needs and longer-term director succession planning.

Principle three – Promote ethical and responsible decision-making

Stanwell's core values of We care; We adapt; and We deliver are integral to Stanwell's culture and influence the way we engage with our customers, suppliers, partners, and our local communities as well as each other.

Our Values provide the foundation to the Way We Work at Stanwell – Code of Conduct.

The Code of Conduct applies to our directors, employees and contractors (our people) and promotes ethical and responsible decision making and high standards or integrity, fairness and equity is all aspects of employment with Stanwell.

In applying the Code of Conduct, our people are expected to:

- demonstrate our values of We care, We adapt and We deliver through their behaviours;
- set an example for and recognise others who also demonstrate these behaviours;
- act in accordance with our guiding principles; and
- speak-up when they believe the Way we Work at Stanwell is being compromised.

The guiding principles underlying the Code of Conduct are:

- we contribute to a safe and healthy work environment, which safeguards our environmental and social right to operate;
- we act ethically at all times;
- we treat others with fairness and respect and value equity, diversity and inclusion;
- we identify conflicts of interest and manage them responsibly;
- we respect and maintain privacy and confidentiality; and
- we comply with this code, the law, Stanwell's contractual commitments and Stanwell's policies and procedures.

The Code of Conduct is supported by the following detailed policies that together form the Stanwell Code of Conduct Policy Framework:

- Board Delegations of Authority Policy;
- CEO Manual of Authorities;
- Confidential Information Policy;
- Conflicts of Interest Policy;
- Respectful Workplace Policy;
- Equity, Diversity and Inclusion Policy;
- Fraud and Corruption Prevention Policy;
- Gifts and Benefits Policy;
- Health, Safety and Environment Policy;
- Information Systems Usage Policy;
- Compliance and Regulatory Management Policy;
- Privacy Policy;
- Trading in Securities Policy; and
- Whistleblower Protection Policy.

When commencing work with Stanwell and thereafter on a biennial basis, our people are required to complete a training course that takes them through the six guiding principles of the Code of Conduct and a summary of their obligations under each of the policies in the Code of Conduct Policy Framework.

Whistleblower Protection Policy

Stanwell's Whistleblower Protection Policy is designed to encourage employees, contractors, service providers (such as consultants) and suppliers to raise concerns about activities or behaviour that may be unlawful or unethical. The policy formalises Stanwell's commitment to protecting the confidentiality, dignity and career of anyone who raises serious concerns that affect the integrity of Stanwell.

Stanwell investigates reported concerns in a manner that is confidential, fair and objective. If the investigation shows that wrongdoing has occurred, Stanwell is committed to taking action against those parties who have not met its standards of behaviour.

The Board through the Audit and Risk Management Committee monitors the progress of all investigations into concerns raised by whistleblowers.

Avoidance of conflicts of interest

The Board is conscious of its obligation to ensure that directors avoid conflicts of interest (that is, actual, potential or perceived conflicts of interest) between their duties as directors of Stanwell and their other interests and duties.

All directors are required to provide written disclosure on appointment of any business or other relationship that he or she has directly, or as a partner, shareholder or officer of a company or other entity that has an interest in Stanwell or another related entity. At least annually, or when relevant changes occur, directors are required to update these disclosures. The Company Secretary ensures that copies of all disclosures, including updated disclosures, are provided to each director.

Any director with a conflict of interest in a matter being considered by the Board must declare their interest and, unless the Board resolves otherwise, they may not participate in boardroom discussions or vote on matters in respect of which they have a conflict.

Equity, Diversity and Inclusion

Stanwell believes in the inherent strength of a vibrant, diverse and inclusive workforce in which the backgrounds, perspectives and life experiences of its people help Stanwell to forge stronger connections with its stakeholders and make better decisions for its business.

For Stanwell, equity, diversity and inclusion covers both the visible and invisible differences that make its employees unique, whether that be gender, gender identity, age, ethnicity, accessibility requirements, cultural background, sexual orientation or religious beliefs and the differences they have based on their experiences, insights, and perspectives.

Stanwell has established a comprehensive and integrated equity, diversity and inclusion strategy that articulates its objectives and demonstrates its care, commitment and imperative to valuing, and achieving value from, a more diverse workforce.

Monitoring of the performance of the strategy occurs through measurement and reporting on specific metrics and is overseen by the Board's People and Safety Committee.

Trading in securities

The Trading in Securities Policy deals with the manner in which Stanwell's directors and employees can trade in securities. This policy is specifically designed to raise awareness of the prohibitions on insider trading contained within the *Corporations Act 2001 (Cth)*, to ensure Stanwell personnel understand these requirements and the restrictions on trading while in possession of price-sensitive information.

Principle four - Safeguard integrity in financial reporting

The Audit and Risk Management Committee assists the Board in overseeing the reliability and integrity of financial reporting practices, accounting policies, auditing and external reporting.

The Committee provides advice to the Board on Stanwell's financial statements, financial systems integrity and material risks. It also oversees compliance with applicable laws, regulations and corporate policies.

The internal audit function is established by the Stanwell Board and its responsibilities are defined by the Audit and Risk Management Committee. The Audit and Risk Management Committee is responsible for assessing whether the internal audit function is independent of management and is adequately resourced and funded.

The overall objective of Stanwell's internal audit function is to assist the Stanwell Board and all levels of management to discharge their responsibilities in maintaining Stanwell as a well-controlled, economic, efficient and effective organisation that complies with its statutory obligations.

The internal audit function operates under the terms of the Internal Audit Charter. The charter is reviewed annually by the Audit and Risk Management Committee and formalises and communicates the purpose, role, authority, responsibilities, scope and operational framework of the internal audit function.

Authority has been granted to the internal audit function for full, free and unrestricted access to any and all of Stanwell's records, physical properties and personnel relevant to any function under review.

To provide for the independence of the internal audit function, its personnel report to the Group Manager Internal Audit, who reports functionally to the Audit and Risk Management Committee and administratively to the Company Secretary.

Following the conclusion of audits, the Group Manager Internal Audit prepares and issues to management a formal Internal Audit Report of findings and recommendations.

A summary of the final report, together with management's agreed actions and implementation dates, is presented to the Audit and Risk Management Committee for consideration. The Group Manager

Internal Audit monitors the implementation of audit recommendations and maintains the Audit Issues Register, which is presented to the Audit and Risk Management Committee for approval.

As a Government Owned Corporation, Stanwell's external audit is performed by or on behalf of, the Queensland Auditor-General. The external auditor's role is to provide an independent opinion that Stanwell's financial reports are true and fair and comply with applicable regulations. The Auditor General has unfettered access and can examine and report to Parliament on the efficiency and effectiveness of any aspect of public sector finance and administration.

Internal audit and external audit operate, perform and report as separate, independent functions. The Group Manager Internal Audit and representatives of the Queensland Auditor-General meet periodically with the Audit and Risk Management Committee without management present.

In accordance with the *Corporations Act 2001 (Cth)*, when presenting financial statements for approval, the CEO and the Chief Financial Officer (CFO) provide a written statement to the Board to the effect that:

- the financial records of Stanwell for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001 (Cth)*; and
- Stanwell's financial statements and notes to the financial statements comply in all material respects with the Australian Accounting Standards, the *Corporations Act 2001*, and other prescribed requirements, and present a true and fair view of the company's financial position and performance.

In addition, the CEO and CFO state to the Board in writing that:

- the assurances given above, and the integrity of Stanwell's financial statements, are founded on a sound system of risk management, compliance and internal control which implements, in all material respects, the policies and processes adopted by the Board; and
- to the extent that they relate to financial reporting, the risk management, compliance and internal control systems are operating effectively in all material respects and that nothing has occurred since 1 July 2024 that would materially change the above statements.

Principle five - Make timely and balanced disclosures

In line with the requirements of the *Government Owned Corporations Act 1993 (Qld)*, shareholding Ministers are advised in a timely manner of all issues likely to have a significant financial, operational, employee, community or environmental impact.

Stanwell also regularly assesses the key information requirements of its stakeholders.

Release of Information Publication Scheme

Stanwell is committed to providing the public with information about Stanwell in a timely and open manner.

As a Queensland Government Owned Corporation, Stanwell has adopted the Queensland Government's 'push' model for the routine and proactive release of information into the public domain via Stanwell's Release of Information Publication Scheme, which can be viewed at www.stanwell.com.

Principle six - Respect the rights of shareholders

Stanwell is committed to ensuring that its shareholding Ministers are continually and appropriately informed of its performance and activities.

Communication is undertaken through a number of forums.

These include:

- Statement of Corporate Intent, Corporate Plan and Quarterly Reports. The Statement of Corporate Intent and Corporate Plan provide a transparent set of agreed performance criteria and strategic objectives on which to report to shareholding Ministers and their representatives via the Quarterly Report. The Statement of Corporate Intent (with commercially sensitive information deleted) is tabled in Parliament and published on Stanwell's website;
- an Annual Report (containing those matters outlined in section 120 of the Government Owned *Corporations Act 1993 (Qld)* is prepared and issued to shareholders and interested stakeholders and is published on Stanwell's website; and
- briefings to shareholding Ministers and their representatives are conducted on a regular basis for the purpose of disclosing business activities and performance against agreed targets.

Principle seven - Recognise and manage risk

Risk management originates at the Board level and cascades throughout Stanwell via policies, delegated authorities and committee structures.

The Board establishes the foundation for risk management through its Risk Appetite Statement. It is also responsible for overseeing the establishment of systems for risk management including the key frameworks and policy components.

The Board has adopted the Enterprise Risk and Business Resilience Policy, Enterprise Risk Management Framework, Risk Appetite Statement and Risk Evaluation Matrix which are consistent with ISO 31000:2018 Risk Management Principles and Guidelines and COSO: Enterprise Risk Management Integrating with Strategy and Performance (2017).

Stanwell recognises that managing risk is fundamentally about creating and protecting value.

Stanwell's risk management approach is characterised by the following principles:

- the objective of Stanwell's risk management practices is not necessarily to eliminate risk but to understand and to take a measured level of risk commensurate to the value that is being protected or created;
- Stanwell applies a structured and comprehensive approach to risk management to ensure that it achieves consistent and measurable results;
- the risk environment is not static; therefore, our people should be aware of and respond to internal or external changes and events in an appropriate and timely manner;
- risk management should be integrated into day-to-day decision-making and leverage existing frameworks and processes wherever possible;

- the quality of Stanwell's decision-making will be further enhanced by ensuring that the appropriate stakeholders are involved to leverage their knowledge, views and perceptions;
- decisions should be made using the best available information that considers both internal and external factors; and
- appropriate behaviour and culture are fundamental to the effectiveness of Stanwell's risk management practices and decision-making and our key decision makers are expected to familiarise themselves with Stanwell's Enterprise Risk Management Framework and always apply its principles.

Stanwell's enterprise risk management model is based on the 'three lines of defence' and is illustrated in the diagram below:

Board

Audit and Risk Management Committee

People and Safety Committee

Executive Leadership Team

- Set risk appetite.
- Ensure risk taking is aligned with the strategic plan and direction.
- Ensure a strong oversight and control structure are in place.
- Ensure clear accountability and ownership of risk and control across the organisation.

1st line of defence Identity and control		2nd line of defence Set standard and challenge	3rd line of defence Independent assurance
A. Divisional, Site and Corporate Teams (*front line*)	B.Support Teams (*within Divisional and Corporate Teams*)	Risk, Compliance, Business Continuity, Financial Control, Security, Health, Safety and Wellbeing, and Information Security	Internal Audit External Audit Regulator
• Identify, take and manage risks in day-to-day activities. • Execute risk and control procedures on a day-to-day basis. • Ensure risks are within the organisation's risk appetite, risk management and control policies.	• Monitor and test risk management activities formed by A. • Monitor compliance with organisation's risk appetite, risk management and control policies. • Provide input for risk reporting.	• Develop and facilitate effective risk management and control policies. • Independently challenge and oversee the 1st line of defence. • Monitor and report risk exposure (including internal control) status. • Provide training, tools, advice and support to the 1st line.	• Provide independent assurance on the effectiveness of governance, risk management, and internal controls, including the manner in which the other lines of defence achieve risk management and control objectives.

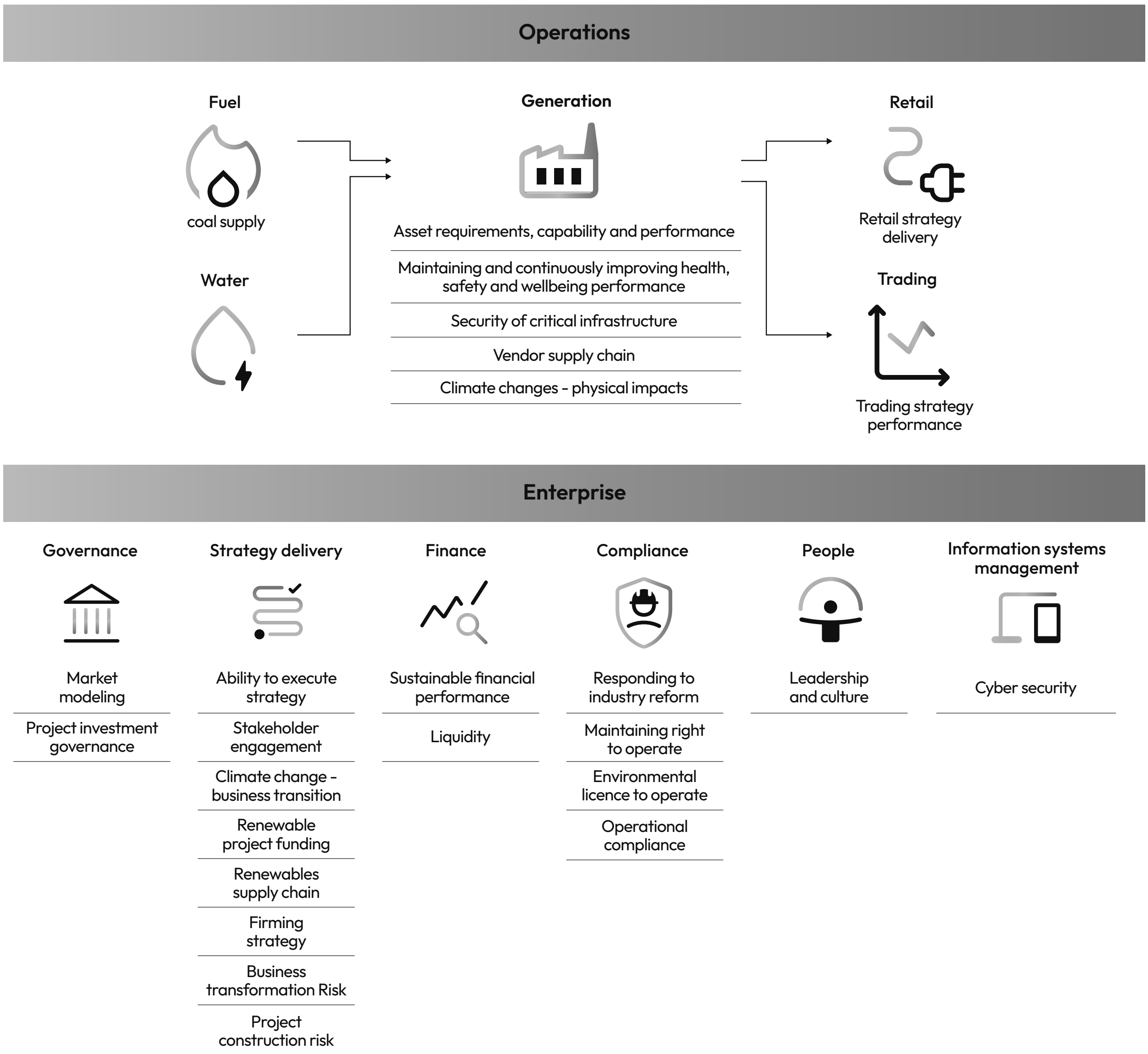
The Board, its committees and the Executive Leadership Team collectively have the responsibility and accountability to set Stanwell's objectives and supporting strategies and to ensure that the 'three lines of defence' are effectively and continually interacting with each other so that risks are being managed.

Stanwell's Board approved Risk Appetite Statement details the level of risk the Board is willing to accept in pursuit of Stanwell's strategic objectives. It influences Stanwell's strategy formulation, the response to Stanwell's current and emerging risk environment, and informs business decisions at all levels about how to respond to emerging risks and how much control is expected.

The Board monitors Stanwell's performance against its stated risk appetite via the Risk Appetite Dashboard Report. The Report assigns leading indicator metrics to each qualitative Appetite category. These provide an early warning of rising risk levels and enable the Board and Management to act early to avoid breaching a particular risk tolerance.

Stanwell seeks to embed risk management principles and practices into strategy development and day-to-day business processes to achieve robust and responsible commercial outcomes. Stanwell faces a variety of risks due to the nature of its operations.

The material strategic risks faced by Stanwell's operation are illustrated in the diagram below:



Stanwell's climate-related risk profile (both physical and transitional) will change over time as it transforms its portfolio of assets away from coal and towards renewable sources.

The Audit and Risk Management Committee receives presentations from management at each meeting on Stanwell's material strategic risks (both financial and non-financial), the controls in place to manage those risks and actions to reduce the risk to the target level within a prescribed timeframe.

Stanwell has implemented several other policies that directly or indirectly serve to mitigate and manage risk, including the Trading Risk Management Policy which provides the governance framework that ensures that electricity market and credit risk exposures are measured, managed and controlled within the parameters of Stanwell's risk appetite.

Stanwell conducts reviews of its business interruption risks and implements appropriate planning to mitigate those risks. These plans are tested by periodic business continuity and disaster recovery exercises that are designed to provide a sound degree of resilience should Stanwell need to respond to, and recover from, an adverse event while continuing to maintain business critical functions.

Stanwell manages cyber security as a material strategic risk. Our cyber security program is designed to improve our cyber security maturity which leverages and aligns with the Australian Energy Sector Cyber Security Framework. The five security functions of 'Identify', 'Protect', 'Detect', 'Respond' and 'Recover' are the foundation of our cyber security framework.

Stanwell's response to the risk of fraud is consistent with the Crime and Corruption Commission's guide to best practice in fraud and corruption control and includes regular fraud risk assessments, the annual review of the fraud control plan and the effective operation of fraud prevention and detection controls. In addition, the internal audit function performs forensic data analysis, unannounced audits and a rolling program of audits focusing on the effectiveness of fraud prevention and detection controls.

Stanwell's Compliance and Regulatory Management System is based upon the International Standard ISO 19600:2014 Compliance management systems – Guidelines. The Board approved Compliance and Regulatory Management Policy outlines Stanwell's commitment to ensuring that Stanwell is able to meet all of its compliance obligations and appropriately respond to any compliance and/or regulatory issues.

Any compliance issue and/or breach is recorded, monitored and escalated using an organisation-wide information technology tool, which ensures prompt attention and analysis.

Principle eight - Remunerate fairly and responsibly

The fees paid to directors for serving on the Board and on the committees of the Board are determined by shareholding Ministers and advised to Stanwell.

The People and Safety Committee oversee and provide advice to the Board on employment strategies and frameworks. The Committee makes recommendations to the Board on Enterprise Agreement (EA) frameworks as well as remuneration settings for non-EA employees and the remuneration and other terms of employment for senior executives.

When increasing senior executive remuneration or awarding incentive payments, the Board must comply with the Policy for Government Owned Corporations Chief and Senior Executive Employment Arrangements Version 2.

Details of the remuneration paid to directors and senior executives are set out in the key management personnel note on pages 124 to 130 of this report.

Government Owned Corporations Act requirements

Government directions and notifications

Section 120(e) of the *Government Owned Corporations Act 1993* (Qld) requires Stanwell to provide in its Annual Report particulars of any directions and notifications provided to Stanwell by shareholding Ministers that relate to the relevant financial year.

During the 2023/24 year, Stanwell acted in compliance with a shareholding Minister direction under section 257 of the *Electricity Act 1994* (Qld) to make offers to AEMO to dispatch thermal capacity from its portfolio during the direction period, in price bands consistent with a coal cost not exceeding AU$125 per tonne. The price bands are to be measured at the Queensland reference node (South Pine).

Dividend Policy

Stanwell's Dividend Policy considers the return that shareholders expect from their investment and the cash requirements of the business. Stanwell's dividend payout ratio continues to be 100 per cent of Net Profit After Tax, with any adjustments subject to agreement by shareholding ministers.

On 13 May 2024, the Stanwell Board recommended to its shareholding Ministers a dividend payout ratio of 100 per cent of the Net Profit After Tax.

Corporate entertainment and hospitality (individual events over $5,000)

Corporate entertainment and hospitality expenditure over $5,000.00 for the 2023/24 financial year is detailed below:

Event	Cost
Stanwell Energy Markets annual charity fundraising bowls day event	$13,070
2024 Stanwell Board Central Queensland community engagement dinner	$8,709

Financial Results

General information

The financial statements cover the consolidated entity consisting of Stanwell Corporation Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Stanwell Corporation Limited's functional and presentation currency.

Stanwell Corporation Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are: Stanwell Corporation Limited, L2, 180 Ann Street, Brisbane QLD 4000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2024. The directors have the power to amend and reissue the financial statements.

Directors' report

The directors present their report on the consolidated entity consisting of Stanwell Corporation Limited and its subsidiaries (together, referred to as the 'Group') as at the end of the 2023/24 financial year.

Principal activities

The Group's principal activities during the 2023/24 financial year were the operation of its energy portfolio which includes the origination, generation, trading and retail of electricity and electricity-related products.

Financial results

		2023/24 $M	2022/23 $M
Profit/(Loss)	Before income tax	855.9	253.3
Profit/(Loss)	After income tax	594.4	175.2
Profit/(Loss)	Attributable to members of the Group	594.4	175.2

Dividends - Stanwell Corporation Limited

On 28 June 2024, shareholding Ministers approved the Stanwell Board's recommendation of a dividend payout ratio of 100 per cent of its Net Profit After Tax.

The Group's 2023/24 financial performance has enabled the business to deliver an annual dividend of $594.4 million returned to shareholders to help fund Queensland's essentials services such as schools and hospitals.

Year in review

Financial performance

The Group delivered a Net Profit After Tax of $594.4 million (2022/23: $175.2 million) for the year ended 30 June 2024.

In 2023/24, the Group recorded no impairment expenditure, as Stanwell's generating assets have been assessed to reflect their carrying value.

The Group remains financially strong and able to meet all of its obligations, and its financial results demonstrate that the fundamentals of the business are robust and strong.

National Electricity Market

As international and Australian economies transition to a low carbon future, several factors have created extremely challenging market conditions.
The uncertainty and volatility resulting from geopolitical circumstances and supply chain disruptions is expected to see pressures continue across the energy industry in the short to medium term.

While significant challenges remain, the energy transition presents many opportunities for Stanwell, and Stanwell is well placed to compete and grow in this environment.

Strategy

In early-2024, the Board and senior leaders refreshed Stanwell's Corporate Strategy to ensure that the Group is well positioned to respond to challenges that are occurring in its external environment.

While the goals contained in the 2024 Strategy remain the same, the refreshed strategic priorities ensure the Group can successfully deliver its Queensland Energy and Jobs Plan commitments, as well as respond to the risks and opportunities presented by Australia's energy transition.

The Strategy outlines the goals we are focused on achieving by 2035 and our priorities for the next five years. The Strategy provides the blueprint to:

- **Build a firmed renewable portfolio:** By 2035, in keeping with the Queensland Energy and Jobs Plan, we aim to have a portfolio of 9 to 10 GW of renewable energy and 5 GW of firming.
- **Operate our current portfolio reliably and repurpose it for the future:** We will continue investing in and operating our Stanwell and Tarong power stations and Meandu Mine to provide reliable generation as well as firming capacity and system services to the National Electricity Market.
  By 2035, we aim to have gradually repurposed our Tarong and Stanwell power stations to renewable energy hubs.
- **Drive the development of Queensland's hydrogen industry and the use of other new technologies:** Stanwell is driving the development of a Queensland hydrogen industry through our proposed Central Queensland Hydrogen (CQ-H_2) project. We will also investigate, pilot, commercialise and use new technologies that help ensure the stability of Queensland's future new energy portfolio.
- **Create future pathways for our people:** We will work alongside our people to ensure they realise opportunities from the energy transition.
  While we transform our business, we will create a safe, respectful and inclusive working environment that ensures we continue to attract, retain and develop existing and new talent.

Strategy delivery

Stanwell's Corporate Strategy sets out the work we need to do between now and 2035 to create a new, clean energy portfolio, help achieve Queensland's renewable energy targets and create future opportunities for our people, our communities and the State of Queensland.

During 2023/24, the Group achieved several important milestones in relation to the delivery of its Corporate Strategy.

Key strategic achievements include:

- continued to build an extensive clean energy pipeline of renewable energy projects and off-take agreements, with a portfolio of more than 3 GW of renewable generation and firming capacity now either in operations, under construction or financially committed (1,609.4 MW secured in 2023/24);
- progressed the construction and installation of the Stanwell and Tarong battery energy storage systems (BESS) (100 per cent equity);
- commenced early stage civil works at the Future Energy Innovation Training Hub and began the design of its training and interpretive centre, which is one of the ways Stanwell is equipping its people with skills for the future;
- doubled our investment in the Wambo Wind Farm securing a 50 per cent ownership of the second stage of the project in early-2024;
- progressed the front end engineering design (FEED) study for the proposed CQ-H_2 project to enable a final investment decision. The FEED study represents the largest investment in an Australian renewable hydrogen project of its kind to date, with a commitment of $117 million from government and consortium partners; and
- officially launched Stanwell's Asset Maintenance Company (SAMCo), equipping our people with skills for the future and creating career opportunities with renewable energy.

Review of operations

Safety

The Group has continued to strive to be a leader in best practice safety management, driving proactive safety initiatives and advancing a strong safety culture across the business.

During 2023/24, Stanwell had no serious injury or fatality events, indicating that the critical controls were effective. This result is underpinned by the ongoing visible leadership in Stanwell's workplace, supported by values interactions and critical control verification processes.

The Group's continued focus on safety also resulted in 100 per cent of its leading indicator targets being achieved or exceeded during 2023/24.

The Group's comprehensive approach to managing health and safety involves identifying, assessing, and mitigating physical and psychosocial hazards and risks. The Group proactively supports health and wellbeing through its dedicated Health and Wellbeing Strategy.

Throughout 2023/24, the Group continued to partner with Bunyarra Wellbeing Co (Bunyarra) and TELUS Health (formerly Benestar) to deliver Employee Assistance Program services to both employees and their families. Bunyarra's strong rapport with our people continues to position it as an early intervention resource, mitigating potential psychosocial hazards and events.

Environment

Stanwell's final Progressive Rehabilitation and Closure Plan was approved by the Queensland Department of Environment, Science and Innovation in January 2024, meeting the Group's obligations to provide an end of life plan for Meandu Mine, located in the south Burnett.

The Group works alongside regulators to restore land which was once mined to a native ecosystem consisting of species which are best suited to the South Burnett's climate and conditions. During 2023/24, more than 39.4 hectares of native ecosystem rehabilitation was completed at Meandu Mine, taking the total land area rehabilitated to 704.9 hectares since the 1980s.

Plant

In 2023/24, Stanwell's generation portfolio achieved an average availability of 93 per cent, and a reliability factor of 99 per cent (with a reliability factor of 99.4 per cent over the 2023/24 summer period). Through the high plant reliability from the Stanwell and Tarong power stations, Stanwell's assets are able to generate as and when the National Electricity Market (NEM) requires, putting downward pressure on price.

Combined, the Stanwell and Tarong power stations sent out 19,085 GWh of energy (2022/23: 19,423 GWh) in 2023/24.

The Group continues to undertake regular maintenance and major overhauls at its generating units to ensure the required level of reliability is maintained to support Queensland's energy requirements. In 2023/24, the Group invested more than $171.5 million in sustaining capital at its power stations to improve efficiency and maintain their performance. As part of this, major overhauls were delivered at Stanwell Power Station Unit 1 and Tarong Power Station Unit 4 during 2023/24.

The Group also spent $605.7 million on new renewable energy and firming projects to build out its new renewable energy portfolio and deliver upon Stanwell's commitments under the Queensland Energy and Jobs Plan.

Fuel

Coal for the Tarong power stations is supplied by the Group's Meandu Mine.

Coal for the Stanwell Power Station is supplied by the Curragh Coal Mine under an agreement with Coronado Curragh Pty Ltd. This agreement also provides Stanwell with a revenue stream based on coking coal exported from the Curragh Mine. During the 2023/24 financial year, this contributed $188.8 million to the Group's revenue.

Stanwell Energy

During 2023/24, the Group's retail arm, Stanwell Energy, continued to assist its customers to power their businesses using renewable energy and to meet their decarbonisation ambitions.

In the past year, the Group secured several renewable energy power purchase agreements that will be used to help customers meet these objectives.

Stanwell Energy also implemented and undertook various initiatives during the past financial year to ensure it continues to deliver for our customers. Achievements include:

- working with customers to incorporate their own renewable energy into their retail agreements, such as solar farms on their land or separately negotiated power purchase agreements;

- developing flexible offerings which assist customers to install behind the meter devices at their sites; and
- promoting our time-of-use tariff to assist customers in saving money on their energy bills.

Culture and community

Equity, diversity and inclusion

Stanwell has a comprehensive and integrated Equity, Diversity and Inclusion (EDI) Strategy which articulates our objectives, and demonstrates our commitment and the imperative of valuing, and achieving value from a more diverse workforce.

The Group's EDI Strategy comprises five focus areas – reconciliation, age diversity, gender equity, respect and an inclusive and diverse culture.

Stanwell measures the percentage of its workforce that identifies as Aboriginal and Torres Strait Islander as well as the proportion of women in our workforce. In 2023/24, Stanwell increased representation across both metrics.

In 2023/24, Stanwell developed its Aboriginal and Torres Strait Islander Employment, Engagement and Collaboration Strategy, an important step in the work we have been undertaking as part of the Group's Reflect Reconciliation Action Plan (RAP).

The strategy was developed alongside Stanwell's RAP working group and in consultation with community partners. It sets out the Group's plan to deliver employment opportunities, but also recognises the value of having stronger First Nations voices within Stanwell.

Building a pipeline of future talent

During 2023/24, the Group continued invest in the skills and capabilities of its apprentice, trainee and graduate cohorts to ensure that Stanwell is building a workforce that meets the needs of the transition.

In February 2024, 23 new apprentices, trainees and graduates commenced. In total, Stanwell has 56 apprentices, trainees and graduates across its operating sites and corporate office as at 30 June 2024.

Communities

During the 2023/24, Stanwell's social investment programs provided $665,981 in funding, supporting over 117 community groups and 103 events in the South Burnett and Central Queensland in the areas of health and wellbeing, community resilience, First Nations engagement, education and training, arts and culture and sport.

During the past financial year, the Group also administered the Wambo Wind Farm Community Benefit Fund on behalf of the joint venture comprising Stanwell and Cubico Sustainable Investments, distributing grants totalling $146,417 to organisations and projects in Jandowae and the surrounding areas.

Other matters

Sustainability

Stanwell's Sustainability Strategy sets out commitments that continue to create value for the Group's stakeholders, and ensures it continues to be transparent about where it is excelling, and where it must improve.

The Sustainability Strategy provides a framework for all of the Group's sustainability and climate-related work, including the initiatives Stanwell puts in place, its analysis and management of climate-related risk and its annual sustainability disclosures.

During 2023/24, the Group progressed a program of work to ensure Stanwell is prepared to report in alignment with the objectives and disclosure requirements of the Queensland Government and meet the currently proposed Commonwealth sustainability and climate-related disclosure standards due to be finalised in late 2024 (commencing in the 2025-26 reporting period).

Climate-related risks and opportunities

Stanwell seeks to embed risk management principles and practices into strategy development and day-to-day business processes to achieve robust and responsible commercial outcomes. Recognising the requirement for affordable, reliable and sustainable energy, the Group is managing the transition to a lower emission future in a safe, orderly and sustainable manner.

Directors' report

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Queensland energy class action

On 20 January 2021, law firm Piper Alderman, supported by litigation funder, Litigation Capital Management, commenced a class action in the Federal Court against Stanwell and CS Energy alleging a misuse of market power in relation to electricity trading in the period 1 January 2013 to 6 June 2017.

The National Electricity Market is heavily monitored and scrutinised by a range of independent regulatory agencies, including the Australian Energy Regulator and the Australian Energy Market Commission.

Stanwell strongly refutes the allegations made in relation to the Class Action and is defending them through the court system.

An initial trial commenced on 3 June 2024, and remains ongoing at the time of signing these accounts.

Environmental regulation

The Group is subject to a broad range of environmental regulation under both Commonwealth and State legislation. The primary environmental State legislation governing the Group's activities in Queensland is the *Environmental Protection Act 1994 (Qld) and the Mineral Resources Act 1989 (Qld).*

The Group operates under an Environmental Management System and a Compliance and a Regulatory Management System. Together, these systems provide the framework and guidance for the management of environmental activities, enabling the effective and efficient provision of environmental advice, and ensure that the appropriate monitoring and reporting of environmental compliance occurs.

As a result, during the period covered by the report, the directors have remained fully informed of any breaches of environmental regulation that required notification to a regulator. The Group is subject to the reporting requirements of the *National Greenhouse and Energy Reporting Act 2007 (Cth)* (NGER Act). The NGER Act requires the Group to report its annual greenhouse gas emissions and energy production and use. The Group began reporting under the NGER Act during the 2009 financial year.

The Group has implemented systems and processes for the collection and calculation of the data required and submits annual reports to the Clean Energy Regulator. The Group is also subject to the reporting requirements of the National Pollutant Inventory (NPI) as implemented by the *Environmental Protection Regulation 2008 (Cth)*. The NPI requires the Group to report on emissions and transfers of toxic substances to air, land and water each financial year. The Group has implemented systems and processes for the collection and review of the data required and submits its reports via a third party.

Directors

The following persons were directors of the Group during the 2023/24 financial year and up to the date of this report:

- Paul Binsted;
- Adrian Noon to 31 May 2024;
- Howard Morrison from 1 October 2023;Jacqueline King to 30 September 2023;
- Jane Schmitt from 1 June 2024
- John Thompson from 1 October 2023;
- Kara Cook from 1 June 2024;
- Karen Smith-Pomeroy to 30 September 2023;
- Laurie Lefcourt from 1 June 2024.
- Mariana O'Gorman; and
- The Hon. Wayne Swan to 30 January 2024;

Paul Binsted

BEc, LLB

Independent Non-executive Chair and Director

Mr Binsted was initially appointed a director and Chair of Stanwell on 7 May 2020 and is a member of the Audit and Risk Management Committee.

Mr Binsted has had an extensive career in corporate finance and has an interest in macro and micro economics. From 1982 to 2007, he held senior positions at Lloyds Corporate Advisory Services, Schroders, Salomon Smith Barney (now Citigroup) and was the Managing Director and Joint CEO of Lazard.

Mr Binsted is Chair of the Energy Corporation of NSW (EnergyCo) and has held directorship positions across the energy, renewables, sea ports, mining and rail sectors, including Director of Gladstone Ports Corporation, Director of the Clean Energy Finance Corporation and Chair of its Audit Committee; Council Member of the Australian National Maritime Museum and Chair of its Audit Committee; Chair of Sydney Ports Corporation and the State Rail Authority of NSW; and Deputy Chair of Donaldson Coal Holdings Limited and Paringa Mining and Exploration Company PLC.

He was also a member of the Financial Sector Advisory Council which provided advice to the Government on policies to facilitate the growth of a strong and competitive financial sector; and was a Chief Adviser to the Australian Federal Treasury.

Mr Binsted is a member of the Economics Society of Australia and a Solicitor of the Supreme Court of New South Wales.

Howard Morrison

B.ENG (Elect)

Independent Non-executive Director

Mr Morrison was appointed a non-executive Director of Stanwell on 1 October 2023, and is a member of the People and Safety Committee.

Mr Morrison's experience spans 40 years in the electricity industry as an employee and later as a consultant. He has held a variety of senior engineering and managerial roles in the energy generation sector, with accountabilities ranging from asset responsibility and technical service provision, through to asset portfolio management and general management. Mr Morrison has also held positions on joint venture management committees and held Board of Director positions at various research organisations. As a consultant he provided services to the energy, mining and health sectors.

Mr Morrison has been a member of working groups sponsored by the Federal Government on cost of new generation technologies. At a Federal Government level, Mr Morrison has been a member of international delegations for the Carbon Sequestration Leadership Forums (Paris and Oslo).

He has retained an active interest in his chosen profession and presented lectures at the University of Queensland in Generator Inspection and Maintenance as part of the Masters in Power Generation Engineering.

Mr Morrison is on a leave of absence commencing 3 July 2024, to undertake the role of Special Advisor to the CS Energy Limited Board of Directors.

Jane Schmitt

LLB, LLM, GAICD

Independent Non-executive Director

Ms Schmitt was appointed a non-executive Director of Stanwell on 1 June 2024, and is a member of the People and Safety Committee.

Ms Schmitt is a lawyer by profession, with significant experience in senior executive roles and board governance across several sectors, including health, sport, energy and education.

Her significant governance background has provided her with a deep understanding of board relationships and engagement, along with contemporary governance practices necessary to support the achievement of strategic goals and a positive board culture aligned to the organisation's values and purpose. She also brings expertise in advocacy, strategy and policy development, governance, stakeholder engagement and corporate affairs.

Ms Schmitt has held a number of executive roles which included terms as CEO and Company Secretary of the Australian Medical Association Queensland (AMA Queensland), as Group Chief of Corporate Affairs and Growth of the Mater Group, and most recently, under her own consultancy practice, she is CEO of The Institute of Quarrying Australia.

Directors' report

John Thompson AM
Licensed Plumber and Drainer, Mediation Practitioner Certificate *(UK) Independent Non-executive Director*

Mr Thompson was appointed a non-executive director of Stanwell on 1 October 2023 and is a member of the People and Safety Committee.

Mr Thompson served as a Queensland Industrial Relations Commissioner for twenty years inclusive of six years as a dual appointment at the Australian Industrial Relations Commission (now the Fair Work Commission). Other roles included Co-Reviewer of the Five-Year Review of the *Queensland Industrial Relations Act 2016*, and Chair of Australia's first independent panel to advise on ethical procurement for government suppliers.

Mr Thompson has also held several senior positions in the Trade Union Movement including General Secretary of the Queensland Council of Unions, Secretary of the Plumbers and Gasfitters Union and Executive Member of the Australian Council of Trade Unions.

Current positions held by Mr Thompson include Chair of the Contract Cleaning Industry (Portable Long Service Leave) Authority and the Queensland Government's Tripartite Procurement Advisory Panel, and Referee for the Development Tribunal, Queensland Department of Housing, Local Government, Planning and Public Works.

Mr Thompson was previously a director across a variety of organisations including QSuper; Sunsuper Building Unions Superannuation Scheme – Queensland; WorkCover Queensland; Queensland Curriculum Council; State Training Council; Construction Industry Training Foundation Trust; Qleave – Portable Long Service Leave – Building and Construction; Workplace Health and Safety Committee (Building and Construction); Building Industry Apprenticeship Advisory Committee; Plumbers and Drainers Examination and Licensing Board; and Queensland Performing Arts Trust.

In the 2023 King's Birthday Honours, Mr Thompson was appointed a Member (AM) of the Order of Australia (General Division) for significant service to Industrial Relations in the Building and Construction Industry.

Kara Cook
LLB, BBus, GAICD, GradDip LegalPrac
Independent Non-executive Director

Ms Cook was appointed a non-executive director of Stanwell on 1 June 2024, and is a member of the Audit and Risk Management Committee.

Ms Cook has a background spanning law, politics and the not-for-profit sector, and a deep commitment to advocating for those in need and creating positive community outcomes. Ms Cook founded Australia's first expert Domestic Violence law firm, serving as CEO of Basic Rights Qld and Working Women Qld and led the legal services of Women's Legal Service Queensland. Ms Cook was a former recipient of the Australian Young Lawyer of the Year.

Her career includes time as a Local Councillor for Morningside Ward in Brisbane City Council until 2023, with committee responsibilities as Shadow Chairperson of the City Planning Committee, Olympic Games and Economic Development Committee, Ethics Committee, Lifestyle and Community Services Committee and the Transport Committee.

Ms Cook also serves as a board member on the Children's Health Queensland Hospital and Health Advisory Board, with committee responsibilities as a member of the Audit and Risk and Research committees.

Laurie Lefcourt
FCA, GAICD
Independent Non-executive Director

Ms Lefcourt was appointed a non-executive Director of Stanwell on 1 June 2024, and is the Chair of the Audit and Risk Management Committee.

Ms Lefcourt has an extensive background in financial, strategic and risk management, particularly in the resources, construction, and infrastructure sectors. She has held senior management and executive roles across Rio Tinto, Queensland Rail, Sinopec Oil and Gas, and Wiggins Island Coal Terminal. She is the founder of Sage Strategies Pty Ltd, a boutique consulting firm specialising in strategy and risk management, finance team mentoring, and coaching.

Ms Lefcourt has been a non-executive director for the past six years. She is currently on the Board of Acrow Ltd (ASX:ACF), and chairs its Audit and Risk Committee. She also serves as Independent Audit, Risk and Improvement Committee Chair for three regional councils.

Ms Lefcourt was previously a non-executive Director and Chair of the Audit and Risk Committee of Tamawood Ltd (ASX:TWD), Advance NanoTek Ltd (ASX:ANO), and SenterpriSYS Ltd (NSX:SPS), and was a member of the Jabiru Town Development Authority and Central Queensland University Council.

Marianna O'Gorman
LLB (Hon), MClimChange, GAICD, GAIST, GDLP
Independent Non-Executive Director

Ms O'Gorman was appointed a non-executive director of Stanwell on 1 October 2021 and is the Chair of the People and Safety Committee and a member of the Audit and Risk Management Committee. She brings governance expertise in the areas of environmental, social, governance, clean energy technology and public policy.

Ms O'Gorman is a company director with governance roles across the public and not-for-profit sectors including with clean-tech enabler, the Australian Renewable Energy Agency and think tank, the McKell Institute. With a passion for gender equality, she is also a Chief Executive Women (CEW) committee member and a founding committee member of an organisation to promote gender equality in politics.

Her governance and sustainability leadership was recognised by CEW as one of its inaugural Sustainability Scholars, the Australian Institute of Company Directors (AICD) though their Rural and Regional Leaders Scholarship and by the Australian National University as a Garnaut Prize recipient.

Information on Officers

The following persons were officers of the Group during the 2023/24 financial year and up to the date of this report:

- Michael O'Rourke - Chief Executive Officer
- Catherine Cook - Chief Financial Officer;
- Richard Jeffery - General Manager Strategic Partnerships from 31 August 2024;
- Sophie Naughton - Executive General Manager Energy Trading;
- James Oliver - Chief Operating Officer;
- Steve Quilter - Executive General Manager Growth and Future Energy; and
- Glenn Smith - Executive General Manager Business Services.

Michael O'Rourke
LLB, BCom, GDip AppFin, GDip CSA
Chief Executive Officer

Mr O'Rourke has more than 25 years' experience as a senior leader in the energy industry. He was appointed Chief Executive Officer of Stanwell Corporation in November 2021.

Mr O'Rourke joined Stanwell in 1998 and has held several executive roles in the business, including Chief Financial Officer, where he was responsible for overseeing the financial services, legal, procurement and insurance portfolios.

Prior to this, Mr O'Rourke held Executive General Manager roles in the Trading, Strategy and Corporate Services functions, and as General Counsel.

As Chief Executive Officer, Mr O'Rourke leads the Stanwell team to use its existing portfolio to play a key role in maintaining the security and stability of electricity supply, while transitioning to a cleaner energy future.

Having been closely involved in the planning and development of renewable and energy storage assets, Michael has a deep understanding of the energy industry, combined with a strong commercial and safety focus.

Mr O'Rourke holds a Bachelor of Commerce and a Bachelor of Laws from the University of Queensland. He also holds post graduate qualifications in leadership, governance and finance.

Catherine Cook

BBus (ProfAcc), MCommlaw, CPA
Chief Financial Officer

Ms Cook joined Stanwell in August 2022 and was appointed as Chief Financial Officer.

As Chief Financial Officer, Ms Cook leads the corporate finance function for Stanwell. This includes financial reporting, tax and treasury; quantitative analytics, risk, insurance and settlements; procurement and supply; financial planning & analysis; financial strategy, joint ventures and portfolio investments.

Prior to Stanwell, Ms Cook was Deputy Chief Financial Officer at Thiess, a global mining services provider. Ms Cook is an experienced and inclusive leader that is recognised for partnering with operational and functional leaders to develop and execute strategic business outcomes.

Catherine holds a Bachelor of Business (Professional Accounting), Masters of Commercial Law and is a Certified Practicing Accountant.

Richard Jeffery

ACMA, GCMA, Bachelor of Arts
(Economics and French)
Executive General Manager Strategic Partnerships

Mr Jeffery is an experienced commercial manager and people leader, with significant experience across the energy, resources, and heavy industry sectors.

Having previously held leadership roles within Stanwell's financial, commercial and future energy teams, Mr Jeffery now leads Stanwell's Strategic Partnerships division, which collaborates with the broader business to develop Stanwell's commercial and sustainability strategies, develop and foster key partnerships to support delivery of those strategies, and ensure that those strategies are effectively communicated to our people, our owners and the communities in which we operate.

Mr Jeffery has a Bachelor of Arts degree in French and Economics from the University of Reading in the United Kingdom. He is a qualified accountant, holding the Chartered Institute of Management Accountants designation

Sophie Naughton

BA/LLB, GradDipEd, GAICD
Executive General Manager Energy Markets

From February 2021, Ms Naughton has held the role of Stanwell's Executive General Manager Energy Markets. In this role, Ms Naughton is responsible for Stanwell's trading and market interfaces, Stanwell Energy's retailing to commercial and industrial customers, and the regulation strategy, analytics and modelling functions.

In December 2019, Ms Naughton was appointed Executive General Manager Business Services. As Executive General Manager Business Services, Ms Naughton was responsible for Stanwell's business strategy development, community and stakeholder engagement, information and business systems, human resources management and organisational development.

Since joining Stanwell in 2011, Ms Naughton has also held management roles across human resources and industrial relations and completed a teaching degree.

Ms Naughton holds a Bachelor of Laws and a Bachelor of Arts from the University of Queensland. Prior to joining Stanwell, she worked as a lawyer, then in leadership roles across a range of industries in both the public and private sector.

James Oliver

MBA, BE (Mech) Hons 1, MIEAust, CPEng, NER, RPEQ, IntPE (Aus), GAICD
Chief Operating Officer

Mr Oliver was appointed to the position of Chief Operating Officer in May 2019. He is an experienced senior business manager, with strong project management experience, and a Master of Business Administration, focusing on organisational leadership.

In his role as Chief Operating Officer, he oversees Stanwell's operations and provides leadership and direction for both the Operations Leadership Team and wider business. Mr Oliver's responsibilities also include delivering asset strategies, policies, systems and operational risk management controls to facilitate the achievement of Stanwell's short and long-term business objectives.

Mr Oliver joined Stanwell in 2003 and has held a number of operational roles throughout the business, including General Manager Operational Excellence, Stanwell Power Station Site Manager, Stanwell Power Station Production Manager and Stanwell Power Station Engineering Manager.

Stephen Quilter

BEng (Mech), MBA
Executive General Manager Growth and Future Energy

Mr Quilter was appointed Executive General Manager Growth and Future Energy at Stanwell in December 2021. Prior to this he held the role of Executive General Manager Energy Trading and Commercial Strategy since 2016.

In a career spanning 30 years in the energy industry in both Queensland and New South Wales, Mr Quilter has worked in various operational roles including senior engineering and management positions.

In his current role, Mr Quilter is accountable for the origination and oversight of the growth of Stanwell's diversified renewable generation and energy storage portfolio and the development of Queensland's premier renewable hydrogen export project - the proposed CQ-H_2 project. He is passionate about innovation in the energy industry and the opportunities that the energy transition presents for Stanwell's team members and our customers and partners.

From January 2022, for a period of eight months, Mr Quilter was seconded to the Queensland Department of Energy and Public Works to work on the development of the Queensland Energy and Jobs Plan and Infrastructure Blueprint.

Mr Quilter joined Stanwell in February 2012 as Swanbank Power Station Manager and was appointed General Manager of Stanwell's gas and hydro generation portfolio in May 2013.

Glenn Smith

ADip Business Management
Executive General Manager Business Services

Mr Smith joined Stanwell as General Manager People and Culture in early 2020 and was appointed Executive General Manager on 30 July 2022.

As Executive General Manager Business Services, Mr Smith is responsible for Stanwell's information and business systems, legal services, Human Resources management and organisational development.

Mr Smith is an experienced executive in human resources, employee relations and external affairs. His industry experience is broad, covering both publicly listed, private companies and the public sector across a range of industries in the resources, contracting, manufacturing, service and utilities sectors.

Karen Buckley

BA, GDip Law, FGIA, FCIS, GAICD
Company Secretary

Ms Buckley was appointed as Company Secretary on 1 July 2011. Ms Buckley has extensive governance experience in both listed companies and Government owned corporation environments including regulatory compliance, enterprise risk management and business resilience.

Meetings of Directors

The numbers of meetings of the Company's Board of directors and of each Board committee held during the 2023/2024 financial year, and the numbers of meetings attended by each director were:

	Board		People and Safety Committee		Audit and Risk Management Committee	
	A	B	A	B	A	B
Paul Binsted	8	8	3	3	4	4
Adrian Noon[1]	7	7	N/A	N/A	4	4
Howard Morrison[2]	6	6	2	2	N/A	N/A
Jacqueline King[3]	2	2	1	1	N/A	N/A
Jane Schmitt[4]	1	1	0	0	N/A	N/A
John Thompson[5]	5	5	2	2	N/A	N/A
Kara Cook[6]	1	1	N/A	N/A	0	0
Karen Smith-Pomeroy[7]	2	2	1	1	1	1
Laurie Lefcourt[8]	1	1	N/A	N/A	0	0
Marianna O'Gorman	8	8	3	2	4	3
The Hon. Wayne Swan[9]	4	3	N/A	N/A	N/A	N/A

A = Meetings held whilst a director.
B = Number of meetings attended during the time the director held office or was a member of a committee.

In addition to the above, during the 2023/24 financial year, the Board held a strategy workshop focused on the long-term success of the Group and received seven briefings on various topics including, Work, Health and Safety officer due diligence obligations, modern slavery, power system security and on several nascent renewable energy and firming technologies.

The Board also attended Stanwell's operating sites to undertake due diligence on Stanwell's safety systems and processes. This included meetings with the site-based Health and Safety Committees and discussions with Health and Safety Representatives.

1. Adrian Noon resigned 31 May 2024.
2. Howard Morrison appointed 1 October 2023.
3. Jacqueline King term expired 30 September 2023.
4. Jane Schmitt appointed 1 June 2024.
5. John Thompson appointed 1 October 2023.
6. Kara Cook appointed 1 June 2024.
7. Karen Smith-Pomeroy term expired 30 September 2023.
8. Laurie Lefcourt appointed 1 June 2024.
9. Wayne Swan resigned 30 January 2024.

Indemnification and insurance of Officers

Indemnification and insurance

In accordance with its Constitution, the Group has entered into a standard form Deed of Access, Insurance and Indemnity with the current directors of the Group to indemnify them to the maximum extent permitted by law against all liabilities which they may incur in the performance of their duties as directors of the Group, except for a liability for a pecuniary penalty order or a compensation order under the *Corporations Act 2001 (Cth)*. The indemnity is made available to current and former directors of the Group for a period of seven years from the date of their resignation.

To the extent permitted by law, the indemnity covers liability for legal costs. In accordance with the standard form Deed of Access, Insurance and Indemnity referred to above, the Group has, during the 2023/24 financial year, paid an insurance premium in respect of the directors and executive officer of the Group. In accordance with normal commercial practice, the insurance contract prohibits disclosure of the nature, or the liability covered by, or the amount payable under, the contract of insurance. No claims have been made by any director or officer of the Group pursuant to these indemnities.

Auditor's Independence Declaration

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001 (Cth)*, is set out on page 64.

Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off, in accordance with that Instrument, to the nearest thousand dollars or, in certain cases, to the nearest dollar. This report is made in accordance with a resolution of directors.

P.A. Binsted

Paul Binsted
Chair

Laurie Lefcourt
Director

29 August 2024
Brisbane

Auditor's independence declaration

Queensland Audit Office
Better public services

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Stanwell Corporation Limited

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of Stanwell Corporation Limited for the financial year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Stanwell Corporation Limited and the entities it controlled during the period.

I Asim

Irshaad Asim
as delegate of the Auditor-General
29 August 2024

Queensland Audit Office
Brisbane

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2024

		Consolidated	
	Note	2024 $'000	2023 $'000
Revenue and other income	2	3,311,156	3,775,790
Finance income	2	64,200	49,650
Expenses			
Electricity and energy services expense		(1,351,820)	(2,205,823)
Fuel costs		(411,254)	(490,552)
Raw materials and consumables used		(79,601)	(74,562)
Employee benefits expense		(173,343)	(143,379)
Depreciation and amortisation expense	3	(181,056)	(148,437)
Other expenses		(203,130)	(133,583)
Finance costs	3	(82,748)	(88,765)
Impairment	3	-	(159,986)
Non hedge accounted change in fair value of derivative instruments		(36,544)	(127,078)
Profit before income tax equivalent expense		**855,860**	**253,275**
Income tax equivalent expense	21	(261,439)	(78,059)
Profit after income tax equivalent expense for the year		**594,421**	**175,216**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of retirement benefit obligation		(4,611)	111
Income tax equivalent relating to these items	21	1,383	(33)
Items that may be reclassified to profit or loss			
Net change in fair value of cash flow hedges		360,482	2,279,850
Income tax equivalent relating to these items	21	(108,145)	(683,955)
Other comprehensive income for the year, net of tax		249,109	1,595,973
Total comprehensive income for the year		**843,530**	**1,771,189**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet
30 June 2024

		Consolidated	
	Note	2024 $'000	2023 $'000
Assets			
Current assets			
Cash and cash equivalents	4	148,671	132,640
Current receivables	5	439,818	353,018
Inventories	6	194,054	180,627
Other current assets	7	441,144	916,320
Derivative financial instruments	12	835,135	2,439,311
Total current assets		**2,058,822**	**4,021,916**
Non-current assets			
Non-current receivables	8	424,567	369,648
Derivative financial instruments	12	639,970	1,088,797
Property, plant and equipment	9	2,260,734	1,657,654
Intangibles	10	102,999	68,549
Exploration and evaluation		6,082	6,263
Deferred tax equivalent assets	21	184,388	393,263
Retirement benefit surplus	11	13,942	18,800
Other non-current assets		6,469	290
Total non-current assets		**3,639,151**	**3,603,264**
Total assets		**5,697,973**	**7,625,180**
Liabilities			
Current liabilities			
Trade and other payables	13	264,339	244,837
Current borrowings	17	37,572	38,412
Derivative financial instruments	12	1,309,500	2,909,423
Current tax liabilities	21	72,853	4,514
Current provisions	14	665,807	63,407
Other current liabilities	15	50,222	12,232
Total current liabilities		**2,400,293**	**3,272,825**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

		Consolidated	
	Note	2024 $'000	2023 $'000
Non-current liabilities			
Non-current borrowings	18	891,697	1,542,700
Derivative financial instruments	12	565,844	1,298,863
Non-current provisions	16	412,637	453,759
Other non-current liabilities		3,954	-
Total non-current liabilities		**1,874,132**	**3,295,322**
Total liabilities		**4,274,425**	**6,568,147**
Net assets		**1,423,548**	**1,057,033**
Equity			
Contributed equity	19	1,289,946	1,166,746
Transactions with owners		(13,084)	(13,084)
Cash flow hedge reserve	12	(359,126)	(605,648)
Retained earnings		505,812	509,019
Total equity		**1,423,548**	**1,057,033**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the year ended 30 June 2024

Consolidated	Contributed equity	Transactions with owners	Cash flow hedge reserve	Retained earnings	Total equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2022	977,619	(13,084)	(2,202,383)	333,725	(904,123)
Profit after income tax equivalent expense for the year	-	-	-	175,216	175,216
Other comprehensive income for the year, net of tax	-	-	1,595,895	78	1,595,973
Total comprehensive income for the year	-	-	1,595,895	175,294	1,771,189
Transfer of cash flow hedge reserve to property, plant and equipment, net of tax	-	-	840	-	840
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 19)	189,127	-	-	-	189,127
Balance at 30 June 2023	1,166,746	(13,084)	(605,648)	509,019	1,057,033

Balance at 1 July 2023	**1,166,746**	**(13,084)**	**(605,648)**	**509,019**	**1,057,033**
Profit after income tax equivalent expense for the year	-	-	-	594,421	594,421
Other comprehensive income for the year, net of tax	-	-	252,337	(3,228)	249,109
Total comprehensive income for the year	-	-	252,337	591,193	843,530
Transfer of cash flow hedge reserve to property, plant and equipment, net of tax	-	-	(5,815)	-	(5,815)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 19)	123,200	-	-	-	123,200
Dividends payable (note 20)	-	-	-	(594,400)	(594,400)
Balance at 30 June 2024	**1,289,946**	**(13,084)**	**(359,126)**	**505,812**	**1,423,548**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
for the year ended 30 June 2024

		Consolidated	
	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,770,034	5,979,488
Payments to suppliers and employees (inclusive of GST)		(2,281,680)	(5,835,000)
Return of collateral		61,846	379,467
Interest received		14,476	5,774
Interest paid		(66,982)	(77,996)
Income tax equivalents paid		(88,495)	(167,283)
Net cash inflow from operating activities	28	**1,409,199**	**284,450**
Cash flows from investing activities			
Cash transfers to advances facility		(57,459)	(80,530)
Payments for property, plant and equipment		(761,420)	(326,741)
Payments for intangibles		(45,883)	(46,989)
Proceeds from sale of property, plant and equipment		1,487	12
Net cash outflow from investing activities		**(863,275)**	**(454,248)**
Cash flows from financing activities			
Proceeds from equity contributions	19	123,200	207,500
Repayment of borrowings		(826,763)	(432,499)
Proceeds from borrowings		176,235	469,931
Payment of lease liabilities		(2,565)	(2,658)
Net cash from/(used in) financing activities		**(529,893)**	**242,274**
Net increase in cash and cash equivalents		16,031	72,476
Cash and cash equivalents at the beginning of the financial year		**132,640**	**60,164**
Cash and cash equivalents at the end of the financial year	4	**148,671**	**132,640**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

A. Deferred tax related to assets and liabilities arising from a single transaction

The Group applied *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 112)* in the current financial period and in the year ended 30 June 2023.

These amendments require that the Group recognises a separate deferred tax asset in relation to its lease and decommissioning liabilities, and a deferred tax liability in relation to its lease right-of-use assets and decommissioning assets. These deferred tax assets and liabilities are included in the “Provisions” and “Property, plant and equipment” categories respectively in the Deferred tax asset / (liability) disclosure in note 21.

B. Material accounting policy information

The Group also adopted *Disclosure of Accounting Policies (Amendments to AASB 101)* from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies.
The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made the necessary amendments to the policies disclosed in the relevant note where required.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the *Corporations Act 2001* and the Queensland *Government Owned Corporations Act 1993* (GOC Act).

Stanwell Corporation Limited is a for-profit entity for the purpose of preparing the financial statements.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value through profit or loss. Inventory (environmental certificates) is also held at fair value.

1. Material accounting policy information (continued)

Going Concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.
The consolidated financial statements as at 30 June 2024 reflect a net asset position of $1,423,548,000 (2023: $1,057,033,000 net asset position) and a deficiency in net current asset of $341,471,000 (2023: $749,091,000 surplus). Notwithstanding the deficiency in the net current asset, Stanwell has access to overdraft facility of $2 million, working capital facility of $600 million and $1.2 billion collateral facility (undrawn) with QTC to meet cash shortfall when required. On 1 July 2024, a liquidity facility of $664.8 million was established with QTC.

Cash and Cash Equivalents have increased by $16,031,000 and there was been net cash inflow from operations of $1,409,199,000 (2023: $284,450,000 net cash inflow), primarily because there was a return of cash collateral in respect of Stanwell's electricity futures positions on the ASX.

Equity has increased by $366,515,000 since 30 June 2023.

The Directors have prepared cash flow forecasts and revenue projections for a period of not less than thirteen months from the date of this report. These cash flow projections show that Stanwell can pay its debts as and when they fall due.

To assist Stanwell managing its going concern assumption, on 5 June 2023, QTC provided Stanwell with a limited waiver letter in respect of both performance ratios (Adjusted EBITDA Debt Service Coverage Ratio of greater than or equal to 1.5 times and Total Debt not exceeding 45 per cent of Total Capital). This waiver will remain in place until 1 October 2024 unless otherwise agreed to in writing between the parties

The ability of Stanwell to continue as a going concern is fundamentally dependent on:

- Stanwell's continued shareholder support and existing debt financing;
- Stanwell generating the forecast revenues as included in the cashflow forecasts; and
- Stanwell's ability to control the expenditure as included in the cashflow forecasts.

On the basis of the information available, the Directors consider that there are reasonable grounds to believe that Stanwell will be able to pay its debts as and when they fall due.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the Parent entity is disclosed in note 26.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Stanwell Corporation Limited ('Company' or 'Parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Stanwell Corporation Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

1. Material accounting policy information (continued)

Subsidiaries are all those entities over which the Parent has control. The Parent entity controls an entity when the Parent entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Interests in Subsidiaries

Stanwell Corporation Limited had 100% (2023: 100%) ordinary equity holding in the following subsidiaries. All entities within the Group were incorporated in Australia and are Australian residence for tax purposes.

CQ-H_2 Facilities Pty Ltd*
CQ-H_2 HLF Pty Ltd*
CQ-H_2 HPF Pty Ltd*
CQ-H_2 HTF Pty Ltd*
CQ-H_2 Industrial Water Pty Ltd*
Glen Wilga Coal Pty Ltd
Goondi Energy Pty Ltd
Mica Creek Pty Ltd
SCL North West Pty Ltd
Stanwell Asset Maintenance Company Pty Ltd
Stanwell Renewable Energy Holdings Pty Ltd
Stanwell Renewable Energy Pty Ltd
Stanwell Wambo Stage 2 Hold Co Pty Ltd
Stanwell Wambo Stage 2 Hold Co Pty Ltd as trustee for the Stanwell Wambo Stage 2 Hold Trust*
Stanwell Wambo Stage 2 Hold Trust
Stanwell Wambo Stage 2 Project Co Pty Ltd
Stanwell Wambo Stage 2 Project Co Pty Ltd as trustee for Stanwell Wambo Stage 2 Project Trust*
Stanwell Wambo Stage 2 Project Trust
Stanwell Wambo Stage 2 Pty Ltd
Tarong Energy Corporation Pty Ltd
Tarong Fuel Pty Ltd
Tarong North Pty Ltd
TEC Coal Pty Ltd
TN Power Pty Ltd
Wambo 2 Hold Co Pty Ltd
Wambo 2 Hold Co Pty Ltd as Trustee for the Wambo 2 Hold Trust
Wambo 2 Hold Trust
Wambo 2 Project Co Pty Ltd as Trustee for the Wambo 2 Project Trust
Wambo 2 Project Trust
Wambo 2 Project Co Pty Ltd

1. Material accounting policy information (continued)

In addition, Stanwell Corporation Limited had 25% (2023: 25%) ordinary equity holding in Wambo Common Asset Co Pty Ltd. This company was incorporated in Australia.

**These entities are excluded from the Deed of Cross Guarantee.*

CQ-H_2 Facilities Pty Ltd, Stanwell Asset Maintenance Company Pty Ltd, Stanwell Wambo Stage 2 Pty Ltd, Stanwell Wambo Stage 2 Hold Co Pty Ltd, Stanwell Renewable Energy Pty Ltd, Tarong Fuel Pty Ltd, TN Power Pty Ltd, and Wambo 2 Hold Co Pty Ltd, are holding companies.

Glen Wilga Coal Pty Ltd, Goondi Energy Pty Ltd, Mica Creek Pty Ltd, SCL North West Pty Ltd and Tarong Energy Corporation Pty Ltd are dormant.

Deed of Cross-Guarantee

The Company has entered into a Deed of Cross Guarantee with its subsidiaries, with the exception of those stated above, under which each company guarantees the debts of the others. By entering the deed, the wholly owned subsidiaries can apply for relief from preparing a financial report and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investment Commission, if or when they become Large Proprietary Companies.

The companies listed above represent a 'Closed Group' for the purposes of the Corporations Instrument, and, as there are no other parties to the Deed of Cross Guarantee that are controlled by the Company, they also represent the 'Extended Closed Group'.

Current and non-current classification

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is classified as current when:

- it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within 12 months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is either expected to be settled in the consolidated entity's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax equivalent assets and deferred tax equivalent liabilities are always classified as non-current.

1. Material accounting policy information (continued)

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred using the effective interest method.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

A number of new accounting standards are effective for annual periods beginning after 1 July 2024 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to AASB 101)

The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 July 2024. As disclosed in Notes 1 and 18, the Group has long term borrowings that are subject to specific covenants which are subject to a limited waiver until 1 October 2024 . The Group is in the process of assessing the potential impact of the amendments on the classification of these liabilities and the related disclosures.

Other Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory are not expected to have a significant impact on the Group's consolidated financial statements.

Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Judgements and estimates that are material to the financial statements are provided throughout the notes to the financial statements.

2. Revenue and other income

	Consolidated	
	2024 $'000	2023 $'000
Revenue from contracts with customers		
Sale of electricity - wholesale	1,812,595	2,879,111
Sale of electricity - retail	1,035,501	1,236,045
Energy services revenue	340,252	447,928
	3,188,348	**4,563,084**
Other revenue and income		
Hedging (loss)/gain	(137,874)	(1,072,751)
Coal revenue sharing arrangements	188,796	256,869
Insurance	6,969	-
Ancillary services revenue	16,113	16,077
Grant income	2,867	-
Services revenue	33,970	7,304
Other revenue	11,967	5,207
	122,808	**(787,294)**
Revenue and other income	**3,311,156**	**3,775,790**
Finance income		
Interest Income	14,476	5,774
Unwinding of discount on financial asset (refer note 8)	49,724	43,876
Finance income	**64,200**	**49,650**

Application of accounting policies

Revenue from Contracts with Customers

Most of the revenue recognised by the Group arises from contracts for the supply of electricity to the National Electricity Market (NEM) and business customers in Australia. In accounting for these contracts, the Group recognises revenue to depict the transfer to the customer of the goods or services promised in the contract in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. *Revenue from contracts with customers* is recognised using the five step model in AASB 15 *(Revenue from Contracts with Customers)* and generally occurs when control of the goods or service is transferred to the customer.

2. Revenue and other income (continued)

Revenue Stream	Description	Revenue recognition under AASB 15
Revenue from contract with customers:		
Sale of electricity - wholesale	Represents revenue from the sale of electricity generated by the Group and dispatched to the NEM.	Revenue is recognised when electricity is dispatched to the NEM and measured using the output method. Stanwell measures the output using the electricity meterage on a daily basis.
Sale of electricity - retail	Represents revenue from contracts with business customers for the supply of electricity. These contracts can be longer term in nature.	Stanwell recognises revenue over time where there are a series of performance obligations in a contract with the customer. The progress is measured based on units of electricity delivered (output method) over the contract towards the satisfaction of the performance obligation. Any non-cash consideration received from the customer as fulfilment of the contract is accounted for as revenue and measured at fair value. Stanwell recognises revenue at a point in time where there are distinct performance obligations in a contract with a customer. The performance obligation is satisfied at a point in time, that is on delivery of electricity to the customer.
Energy services revenue	Represents revenue in relation to the recharge of transmission, network charges and other operating costs directly attributable to delivery of electricity to retail customers.	The Group recognises revenue when performance obligations are satisfied over time which is generally when energy services are delivered.
Other revenue and income:		
Coal revenue sharing arrangements	Represents revenue from coal revenue sharing arrangements.	Stanwell recognises revenue from coal sharing arrangements in accordance with the terms of the contract which is the point in time when the ownership of the coal being exported is legally transferred to the buyer. Typically the transfer of ownership and the recognition of revenue occurs when the coal passes the ship rail when loading at the port.
Grants income	Represents revenue from grants received from the Government.	Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.
Other revenue and income	Represents income from consortium members and includes ancillary services revenue and other income.	Stanwell recognises revenue and other income when performance obligations are satisfied in accordance with the terms of the contract, reflecting the completion of deliverables as specified.
Insurance income	Represents the amount received/ receivable from the insurers reflecting the compensation for losses or damages.	Stanwell recognises insurance income when the claim is approved by the insurer.

Finance income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Finance income includes interest income on the non-current receivable disclosed in note 8 for the termination of Stanwell's reversionary rights at the Curragh mine.

3. Expenses

	Consolidated	
	2024 $'000	2023 $'000
Profit before income tax includes the following specific expenses:		
Depreciation		
Leased assets- right-of-use assets	(2,331)	(1,988)
Land and buildings	(2,707)	(2,201)
Generation assets	(142,993)	(114,234)
Operational mining assets	(13,567)	(13,719)
Other plant and equipment	(7,085)	(6,485)
Total depreciation	**(168,683)**	**(138,627)**
Amortisation		
Development right	(3,077)	-
Software	(8,840)	(9,409)
Exploration and evaluation	(181)	(125)
Mining information	(275)	(276)
Total amortisation	**(12,373)**	**(9,810)**
Total depreciation and amortisation	**(181,056)**	**(148,437)**
Impairment		
Land and buildings	-	(10,962)
Generation assets	-	(65,325)
Operational mining assets	-	(66,487)
Other plant and equipment	-	(1,378)
Capital work in progress	-	(15,141)
Leased assets - right-of-use assets	-	(43)
Mining information	-	(589)
Software	-	(61)
Total impairment	**-**	**(159,986)**

3. Expenses (continued)

	Consolidated	
	2024 $'000	2023 $'000
Finance costs		
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	(69,680)	(77,590)
Unwinding of the discount on provisions	(14,977)	(11,175)
	(84,657)	(88,765)
Amount capitalised	1,909	-
Finance costs expensed	**(82,748)**	**(88,765)**
Amounts included in other expenses		
Services and consultants	(120,223)	(64,836)
Amounts included in employee benefits expense		
Defined contribution superannuation expense	(19,952)	(14,909)
Defined benefit plan expense	(247)	(427)

During the financial year $623,000 (2023: $469,900) was paid/payable to the Queensland Audit Office, for the audit of the financial statements and Australian Financial Services Licence (AFSL). In addition, $47,500 (2023:$16,250) was paid to other auditors in relation to other assurance services.

4. Cash and cash equivalents

	Consolidated	
	2024 $'000	2023 $'000
Cash at bank and in hand	148,671	132,640

Cash at bank is bearing an interest rate of 4.1% (2023: 3.0%). The carrying amount for cash and cash equivalents reasonably equates to their fair value.

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Credit risk

Cash and cash equivalent balances are held with Queensland Treasury Corporation (QTC) and other bank and financial institution counterparties which are rated AA- to AA+.

5. Current receivables

Financial assets at amortised cost	Consolidated	
	2024 $'000	2023 $'000
Trade receivables:		
Retail customers	160,949	142,601
Other trade receivables	138,734	128,256
Advances facility	138,818	81,359
Other receivables	1,708	921
Less: Allowance for expected credit losses	(391)	(119)
	439,818	**353,018**

Trade receivables

Trade receivables primarily comprise amounts owing to Stanwell by retail customers. Other trade receivables include amounts owing by the Australian Energy Market Operator (AEMO), as well as amounts owing under coal rebate sharing arrangements, power purchase agreements, and over-the-counter (OTC) electricity contracts. Transactions with AEMO and OTC counterparties are settled net on a consolidated basis.

Advances facility

Under the Queensland Government's cash management regime, Government Owned Corporations (GOCs) advance surplus cash to Queensland Treasury.

GOC access to the advances is generally subject to notification periods of 24 to 48 hours. The deposits at call yielded floating interest rates between 4.4% to 5.14% during the year ended 30 June 2024 (2023: 1.92% to 4.17%). Refer to note 18 for further information on interest rate risk.

Because of the short-term nature of the advances, their carrying amount is assumed to be a reasonable approximation of fair value.

Application of accounting policies

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 to 90 days depending on the nature of the agreement. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

5. Current receivables (continued)

The Group has applied the simplified approach to measuring expected credit losses on current receivables, which uses a lifetime expected loss allowance. The amount of the allowance for expected credit losses is recognised in profit or loss within other expenses. When a trade receivable is assessed as impaired, it is written off within other expenses. Subsequent recoveries of amounts previously written off are credited against the same line item in profit or loss.

Application of accounting estimates and judgements

The allowance for expected credit losses is based on management's estimate of the prospect of recovering the debt.

Financial risk management objective

Credit risk

Credit risk exposure refers to the situation where the Group may incur financial loss as a result of another party to a financial instrument failing to fulfil their contractual obligation.

The Group has a strict credit policy for all customers trading on credit terms and assesses counterparty creditworthiness using a range of quantitative and qualitative measures. Credit ratings determined by a recognised rating agency are considered where available. Unrated entities have ongoing credit evaluations performed on their financial condition and other qualitative measures to ensure all counterparty credit exposures remain within acceptable levels. Particularly in instances where counterparties are not rated, the Group lowers the potential net credit impact by requiring credit support provision as appropriate.

The carrying amount of financial assets best represent the Group's maximum exposure to credit risk at the reporting date. At 30 June 2024, $2,812,346 of the Group's financial assets were past due but not impaired (2023: $3,671,804).

The Group transacts spot electricity and ancillary services with AEMO, which is a company limited by guarantee. AEMO was incorporated under the *Corporations Act 2001* and is owned by the Governments of the six jurisdictions who are members of the Australian Energy Market – Queensland, Victoria, South Australia, New South Wales, Australian Capital Territory and Tasmania. AEMO is self-funding and has an ability to recover its costs from fees that participants are required to pay. As effective power system operations are of great importance to the Governments involved, support from all owners is assumed. As a result, credit risk with AEMO is not considered significant.

Retail customers are generally from the commercial and industrial sector and vary in credit rating or are unrated. These customers have ongoing credit evaluations performed on their financial condition and other qualitative measures to ensure credit exposures remain within acceptable levels.

The Advances facility is held with QTC. No expected credit loss has been recognised in relation to this balance.

The expected credit losses on trade receivables are estimated using externally and internally sourced credit ratings and expected loss rates, taking into account historical and forward looking metrics. An impairment assessment was performed at 30 June 2024 and an allowance for expected credit losses of $390,524 has been recognised (2023: $119,171).

5. Current receivables (continued)

A summary of the credit quality of the current receivable counterparties as assessed by reference to external credit ratings (Standard & Poor's or equivalent) as reflected in the following table:

	Consolidated	
	2024 $'000	2023 $'000
AA+ to AA-	145,222	98,736
A+ to A-	11,533	11,662
BBB+ to BBB-	103,439	105,947
Other and non-rated	86,625	73,138
AEMO	93,390	63,653
	440,209	**353,136**

6. Inventories

	Consolidated	
	2024 $'000	2023 $'000
Stores - at cost	85,214	71,565
Less: Provision for obsolescence	(18,015)	(15,990)
	67,199	**55,575**
Fuel	69,635	67,811
Environmental certificates at fair market value	57,220	57,241
	194,054	**180,627**

Application of accounting policies

Environmental certificates

The Group is subject to various regulatory environmental schemes and as such accrues environmental liabilities as part of its general business operations. To meet these liabilities, the Group acquires environmental certificates through derivative contracts and surrenders these to the scheme administrators periodically.

Environmental certificates are recognised in the financial statements at fair market value where fair value is determined by reference to observable market prices at reporting date.

6. Inventories (continued)

Fuel and stores

Fuel and stores are carried at the lower of weighted average cost per individual item of inventory and net realisable value. Cost for stores and fuel is their purchase price and for partly processed and saleable products is generally the cost of production. For this purpose, the cost of production includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of inventory are determined after deducting associated rebates and discounts.

Provision for obsolescence

The Group provides for inventory obsolescence based on the ageing of stock items held and changes in technology that would render parts obsolete.

Application of critical accounting estimates and judgements

Environmental certificates

As per AASB 13 *Fair Value Measurement*, the environmental certificates are classified as Level 1 as these instruments are traded in active markets and the valuation is based on quoted market prices at the end of the reporting period.

7. Other current assets

	Consolidated	
	2024 $'000	2023 $'000
Prepayments	9,015	10,109
Cash collateral	432,200	906,361
Less: Allowance for expected credit losses	(71)	(150)
	441,144	**916,320**

Application of accounting policies

Cash collateral

Cash collateral is provided to support the margin requirements that are required to be held to cover positions traded on the Australian Securities Exchange. The margin requirement comprises an initial margin which is designed to reduce systemic risk and ensure that market/counterparty obligations are met even if a clearing participant was to default, and a variation margin which is equal to the fair value of the Company's exchange-traded derivative positions, refer note 12 Derivative financial instruments. The existing positions will unwind over the next three years, while new positions will be taken in the ordinary course of business.

An impairment assessment was performed at 30 June 2024 and an allowance for expected credit losses of $71,301 has been recognised (2023: $149,515).

8. Non-current receivables

In August 2018, Stanwell exchanged its reversionary right to coal resources in the Stanwell Reserved Area (SRA) at the Curragh mine as part of negotiating a new long-term coal supply agreement for Stanwell Power Station from 2027 to 2038 with Coronado Curragh Pty Limited (Coronado). The value of the consideration for Stanwell's rights over the SRA was $210,000,000 and is expected to be received over the term of the new coal supply agreement as an offset amount against amounts payable to Coronado for coal delivered. If the new coal supply agreement is terminated, any unpaid portion of the SRA value is repayable by Coronado in cash. Under the terms of the agreement, the SRA value receivable of $210,000,000 accretes at a rate of 13% per annum until it has been paid in full. The accretion is recognised as interest income within finance income.

	Consolidated	
	2024 $'000	2023 $'000
Receivables	431,104	381,380
Less: Allowance for expected credit losses	(6,537)	(11,732)
	424,567	**369,648**

Application of critical estimates and judgements

Credit risk

The financial asset counterparty has a credit rating in the B ratings range. An allowance provision equal to the 12 month expected credit loss has been recognised on the basis that the Group does not consider that there has been a significant increase in credit risk since initial recognition of the financial asset.

9. Property, plant and equipment

	Consolidated	
	2024 $'000	2023 $'000
Land and Buildings - cost	186,797	185,161
Less: Accumulated depreciation and impairment	(111,323)	(109,899)
	75,474	**75,262**
Generation assets - cost	3,815,210	3,821,084
Less: Accumulated depreciation and impairment	(2,887,783)	(2,909,446)
	927,427	**911,638**
Operational mining assets - cost	2,702,809	2,521,611
Less: Accumulated depreciation	(2,366,723)	(2,150,007)
	336,086	**371,604**
Other plant & equipment - cost	119,260	112,175
Less: Accumulated depreciation and impairment	(97,739)	(90,588)
	21,521	**21,587**
Capital work in progress - sustaining	76,868	199,630
Capital work in progress - growth	803,315	56,805
	880,183	**256,435**
Right-of-use assets	30,386	29,136
Less: Accumulated depreciation and impairment	(10,343)	(8,008)
	20,043	21,128
	2,260,734	**1,657,654**

9. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and Buildings	Generation assets	Operational mining assets	Other plant and equipment	Capital work in progress	Right-of-use assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2022	**86,758**	**938,220**	**377,982**	**19,726**	**119,484**	**6,983**	**1,549,153**
Additions	-	-	8,658	-	326,741	16,176	351,575
Disposals	-	(8)	-	(5)	-	-	(13)
Project write-off	-	-	-	-	(1,655)	-	(1,655)
Rehabilitation Asset Adjustment	-	6,101	50,403	-	-	-	56,504
Impairment of assets	(10,962)	(65,325)	(66,487)	(1,378)	(15,141)	(43)	(159,336)
Reclass WIP impairment	(173)	(5,242)	(128)	(199)	5,795	-	53
Transfers between classes	1,840	152,126	14,895	9,928	(178,789)	-	-
Depreciation expense	(2,201)	(114,234)	(13,719)	(6,485)	-	(1,988)	(138,627)
Balance at 30 June 2023	**75,262**	**911,638**	**371,604**	**21,587**	**256,435**	**21,128**	**1,657,654**
Additions	-	833	10,929	-	804,900	1,246	817,908
Disposals	-	-	-	(3)	-	-	(3)
Project write-off	-	-	-	-	(649)	-	(649)
Rehabilitation Asset Adjustment	-	(11,452)	(67,240)	-	33,199	-	(45,493)
Impairment of assets	-	-	-	-	-	-	-
Reclass WIP impairment	(437)	(8,644)	(6,165)	(503)	15,749	-	-
Transfers between classes	3,356	178,045	40,525	7,525	(229,451)	-	-
Depreciation expense	(2,707)	(142,993)	(13,567)	(7,085)	-	(2,331)	(168,683)
Balance at 30 June 2024	**75,474**	**927,427**	**336,086**	**21,521**	**880,183**	**20,043**	**2,260,734**

9. Property, plant and equipment (continued)

Application of accounting policies

Property, plant and equipment are stated at historical cost less accumulated depreciation/amortisation and accumulated impairment charges. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include the costs of dismantling and removing the items and restoring the site on which they are located, capitalised borrowing costs and transfers from other comprehensive income of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment, refer to note 12 Derivative financial instruments.

Subsequent costs of replacing part of an item of property, plant and equipment are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced asset is derecognised. The costs of day to day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

The Group has established a program of major overhauls providing cyclical maintenance works on the generation and operating assets. Capitalised overhaul expenditure is depreciated over the period in which the Group expects to derive the benefits of the overhaul.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the profit or loss.

Stripping costs

(i) Pre production stripping costs

Overburden and other mine waste materials are often removed during the initial development of a mine in order to access the mineral deposit. This activity is referred to as development stripping and the directly attributable costs, inclusive of an allocation of relevant overhead expenditure, are capitalised as development costs. Capitalisation of development stripping costs ceases and amortisation of those capitalised costs commences upon commercial extraction of ore. Amortisation of capitalised development stripping costs is determined on a unit of production basis for each area of interest. Development stripping costs are considered in combination with other assets of an operation for the purpose of undertaking impairment assessments.

(ii) Post production stripping costs

Overburden and other mine waste materials continue to be removed throughout the production phase of the mine. This activity is referred to as production stripping, with the associated costs charged to profit and loss, as operating cost, except when all three criteria below are met:

- Production stripping activity provides improved access to the specific component of the ore body, and it is probable that economic benefit arising from the improved access will be realised in future periods;
- The Group can identify the component of the ore body for which access has been improved; and
- The costs relating to the production stripping activity associated with that component can be measured reliably.

9. Property, plant and equipment (continued)

If all of the above criteria are met, production stripping costs resulting in improved access to the identified component of the ore body are capitalised as part of post-production stripping costs and are amortised over the life of the component of the ore body. The determination of components of the ore body is individual for each pit. The allocation of costs between production stripping activity and the costs of ore produced is performed using relevant production measures, typically strip ratios. Changes to the mine design, technical and economic parameters affecting life of the components and strip ratios, are accounted for prospectively.

Depreciation

Depreciation is recorded over the useful life of the asset, or over the remaining life of the mine or power station if shorter. Assets are depreciated from the date they become available for use. Land is not depreciated. Operational mining assets are depreciated on either a units of use or straight-line basis. Other major categories of property, plant and equipment are depreciated on a straight-line basis.

The Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. Physical, economic, environmental and climate risk factors are taken into consideration in assessing useful lives of assets, including but not limited to asset condition and obsolescence, technology changes, commercial contract lives and renewals, regional electricity supply-and-demand, and environmental policy changes. Any reassessment of useful lives in a particular year will affect the depreciation expense.

Change in estimated useful lives

At 30 June 2023, the Group revised the useful lives of its Property, Plant, and Equipment due to the impacts of State Government Infrastructure Blueprint announced in September 2022.

The plan is a key supporting document that outlines major electricity infrastructure investments required to transform the energy sector to achieve the Queensland Government's 50 per cent Infrastructure Blueprint by 2030, support emissions reduction outcomes, and support continued renewable energy growth, while maintaining, reliable electricity supply of its power generation facilities.

As a result of this plan, the Group had revised the estimated useful lives of its thermal power generation facilities from 2043 to 2035 for Stanwell Power Station and 2037 to 2035 for Tarong Power Station . As the revision to the useful lives is a change in estimate, it was accounted for prospectively from 1 July 2023 resulting in an estimated increase of $10,858,000 in depreciation expense in 2024 and a similar amount in future years. The Group will continue to reassess the useful lives of its thermal generation assets in future years as guidance is provided by the Queensland Energy Security Advisory Board.

9. Property, plant and equipment (continued)

Units of use basis

Where operational mining assets are depreciated on a units of use basis, depreciation is normally calculated using the equipment hours extracted from the mine in the period as a percentage of the total equipment hours for the relevant asset.

Development expenditure which is capitalised represents initial or up-front development mining costs that create future benefits, by providing access to coal in new pits. These are proportionally depreciated over the Run of Mine tonnes for the life of the pit as the coal is mined.

During the year, the depreciation model for operational mining assets was changed from units of use method to straight line method, as the consumption of economic benefits is expected to be even over the life of the asset. This change in accounting estimate has been accounted for prospectively.

Straight-line basis

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	15 - 42 years
Generation assets (including overhauls)	2 - 22 years
Operational mining assets	2 - 22 years
Other plant and equipment	2 - 30 years

Impairment

The Group assessed the recoverable amount of its CGUs using the value in use method incorporating best estimate of the range of economic conditions that may exist in the foreseeable future in relation to climate change and energy transition.

Assumptions such as electricity demand, forecast spot prices, generation expenditure and life of plant used for the valuation of the assets in the impairment test take account of the commitments to decarbonize the economy as outlined in the Queensland SuperGrid Infrastructure Blueprint and therefore, assume restrictions on the use of fossil fuels and the development of new alternative technologies to drive the energy transition, which will lead to the transition of thermal generations in the long term.

As part of energy transformation and accelerating progress, the Group's coal-fired power stations will progressively become clean-energy hubs from 2027 to assist in achieving the Queensland Governments zero net emissions by 2050.

In determining recoverable amounts of the Group's CGUs, forecast cash flows have been based on the principles outlined in the Queensland SuperGrid Infrastructure Blueprint with the power stations shifting to seasonal operation from 2027 and units transitioning to "reserve" back up generation capacity or repurposed as synchronous condensers during the period to 2035.

No impairment or reversal of impairment has been recognised in the year ended 30 June 2024 (2023: Impairment of $160.0 million before tax recognised in relation the Group's Tarong Precinct CGU).

9. Property, plant and equipment (continued)

The following table outlines the key inputs and assumptions and their relationships to value in use considered in the discounted cash flow methodology to determine each CGU's recoverable amount under the value in use approach:

Unobservable inputs	Nature of inputs	Relationship of unobservable inputs and value in use
Revenue cash flows	Prevailing electricity demand and supply conditions determine physical dispatch of electricity and spot price outcomes. The scenario under which the cash flows were modelled take into account the closure of coal fired plants and investments for renewable energy all of which would have an impact on demand and supply of electricity.	A higher expected electricity generation or an increase in the electricity prices through increased demand or decreased supply of electricity would increase the value in use. An increase in generation from renewables over and above the decrease in coal fired plants will decrease the value in use.
Operating expenditure	Operating expenditures for the electricity generation have been determined based on the most recent management forecasts available at the time of the valuation.	An increase in operating expenditure decreases the value in use.
Capital expenditure	Future capital expenditure required to ensure the security and reliability of electricity generation has been determined based on the most recent management forecasts available at the time of the valuation.	An increase in future capital expenditure decreases the value in use.
Life of plant	Cash flows have been projected based on the expected life of the plant. The cash flows incorporate the change in operating profile of the power stations from 2027 in line with the Infrastructure Blueprint	Any increases in the projected volume of generation of the operating plant, under certain scenarios, increases the value in use. A bringing forward of the expected closure dates may decrease the value in use. Useful lives are amended prospectively when a change in operating life is determined. The estimated useful lives of our assets align with our climate change strategy commitments.
Weighted Average Cost of Capital (WACC) discount rate	A nominal post-tax WACC of 7.5% (2023: 7.5%) has been employed in the valuation. The WACC discount rate has been determined in consultation with independent experts based on a long-term view of the market cost of capital. The WACC equates to a pre-tax discount rate of approximately 10.7% (2023: 10.7%).	The higher the nominal WACC, the lower the value in use.

Application of critical accounting estimates and judgements

Stripping costs

These assets form part of the total investment in the relevant cash generating unit, which is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

9. Property, plant and equipment (continued)

The recoverable amount is calculated based on either the fair value of the asset less costs to dispose or value in use. Fair value less costs to sell is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The value in use calculation is determined using the expected future cash flows from the continuing use of the assets, discounted to a present value using an appropriate market based pre-tax discount rate. The discount rate reflects the current market assessment of the time value of money and asset specific risks for which the cash flow estimates have not been adjusted.

Assets that have previously been impaired are assessed annually to determine if there has been a reversal in impairment. Where this exists, the impairment is reversed through the profit or loss only to the extent that the carrying value does not exceed the original carrying value net of depreciation and amortisation should the asset not have been impaired.

Reviews are undertaken on an asset-by-asset basis except where these assets do not generate cash flows independent of other assets. Where assets do not generate cash flows independent of each other the impairment assessment is based on the cash generating unit.

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to it that may lead to indicators of impairment of assets. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Key estimates and assumptions are made in determining the recoverable amount of assets including, but not limited to, electricity demand, wholesale electricity prices, a discount rate, cost of fuel and achievable market values for asset disposal.

Given the nature of the Group's operations, it is exposed to climate related risks and these are considered in determining the recoverable amounts of the CGUs.

Sources for the key estimates and assumptions in the impairment testing include:

- Market pricing and dispatch are based on the most recent management endorsed forecast. Longer term modelling is developed on a portfolio approach, based around recent observable peak/energy demand forecasts provided by AEMO and other sources, available at the time of evaluation, combined with internally developed assumptions around forecast coal and gas prices, new entrants and retirements and the impact of renewable energy targets as announced in the Infrastructure Blueprint.
- All other costs are based on the most recent management endorsed forecast incorporating renewable energy targets from Infrastructure Blueprint.
- Capital expenditure required over the CGU's remaining life and transition to clean energy hubs.
- Escalation, taxation and discounting were applied in accordance with the Group's assumptions at the time of evaluation.
- The Group assumed a discount rate in order to calculate the present value of its projected cash flows. The discount rate represented a WACC for comparable companies operating in similar industries. Determination of the WACC requires separate analysis of the cost of equity and debt, and considers a risk premium based on an assessment of the risks related to the projected cash flows. Given coal-based generation is a non-renewable energy source, the risk premium incorporates the long-term viability of coal in the NEM. It incorporates assumption from Infrastructure Blueprint.
- Selection of assumptions used to model the projected cash flows using the traditional approach to develop the base case scenario.

9. Property, plant and equipment (continued)

- The Group continues to develop its assessment of the potential impacts of climate change and the transition to a low-carbon economy and this has been considered in the assumptions used as part of the recoverable amount assessment. Specifically the Group incorporated the projected new renewable energy entrants into the market and their impact on early transition of thermal power station into clean energy hubs in accordance with the Infrastructure Blueprint.

Changes to the key estimates and assumptions outlined above in future years may have a material impact of the recoverable amounts of the Group's CGUs. The Group will continue to reassess the assumptions used in impairment testing of its thermal generation assets in future years as guidance is provided by the Queensland Energy Security Advisory Board.

Right-of-use assets

The Group leases offices, motor vehicles, land, plant and equipment. Rental contracts for offices are typically made for fixed periods of 10 years, but may have extension options as described below. Motor vehicle leases have an average term of 3 years with no renewal option included in the contract.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line-basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

10. Intangibles

	Consolidated	
	2024 $'000	2023 $'000
Development right - at cost	90,235	44,352
Less: Accumulated amortisation	(3,077)	-
	87,158	**44,352**
Mining Information - at cost	83,569	83,569
Less: Accumulated amortisation and impairment	(80,540)	(79,676)
	3,029	**3,893**
Software - at cost	156,502	155,700
Less: Accumulated amortisation and impairment	(143,690)	(135,396)
	12,812	**20,304**
	102,999	**68,549**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Mining information	Software	Development right	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2022	**4,169**	**28,347**	**-**	**32,516**
Additions	-	2,069	44,352	46,421
Impairment on assets capitalised from FY21 WIP and reallocation	-	(53)	-	(53)
Impairment of FY23 assets	(589)	(61)	-	(650)
Amortisation expense	(276)	(9,409)	-	(9,685)
Balance at 30 June 2023	**3,304**	**20,893**	**44,352**	**68,549**
Additions	-	802	45,883	46,685
Impairment booked from FY23 WIP	-	(43)	-	(43)
Amortisation expense	(275)	(8,840)	(3,077)	(12,192)
Balance at 30 June 2024	**3,029**	**12,812**	**87,158**	**102,999**

10. Intangibles (continued)

Application of accounting policies

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the profit or loss in the year in which the expenditure is incurred.

Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of managed services as well as direct payroll and payroll related costs of employees' time spent on the project.

In addition, Stanwell has various software-as-a-service cloud computing arrangements in place.
The Group does not have possession of the underlying software, rather, the Group has non-exclusive access and use of the software, over the contract period.

The accounting treatment of costs incurred in relation to these arrangements is to recognise contract fees for use of the application and customisation costs as an operating expense over the term of the service contract. Configuration costs, data conversion and migration costs, testing costs and training costs are recognised as an operating expense as the service is received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets. Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 Intangible Assets.

Development right

Development right represents the approval to develop renewable assets and includes intellectual property. Development right has a finite useful economic life and amortisation shall begin when the asset is available for use. The Development right is amortised over 30 years.

Mining lease and information

Mining information and mining leases acquired are carried at the net fair value at date of acquisition less amortisation and impairment losses. Mining lease represents right to extract coal and also gives the owner control over the resources.

Application of critical accounting estimates and judgements

Estimates of useful lives are reassessed annually, and any change in estimate is taken into account in the determination of future amortisation charges. Adjustments to useful life are made when considered necessary.

Impairment of intangible assets is considered along with property, plant and equipment. Refer to note 9 Property, plant and equipment.

11. Retirement benefit surplus

	Consolidated	
	2024 $'000	2023 $'000
Present value of the defined benefit obligation	(42,206)	(45,271)
Fair value of defined benefit plan assets	56,148	64,071
Net asset in the balance sheet	**13,942**	**18,800**

Superannuation plan

The Group contributes on behalf of its employees to a number of defined contribution funds as well as participating in the industry multiple employer superannuation fund, LGIAsuper (the 'Fund') trading as Brighter Super, which consists of a defined contribution section and a defined benefit section. The defined contribution section receives fixed contributions from the Group, which are recognised as an expense as they become payable. The Group's legal or constructive obligation is limited to these contributions. The defined benefit section, which is closed to new members, provides lump sum benefits based on years of service and average salary.

The Fund is managed by a trustee company, LGIAsuper Trustee (the 'Trustee'). The Trustee is responsible for managing the Fund for the benefit of all members, in accordance with the trust deed and relevant legislation. The Fund is regulated by the Australian Prudential Regulation Authority under the *Superannuation Industry (Supervision) Act 1993*.

Application of accounting policies

The present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past service costs, is recognised as a liability or asset in the balance sheet.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the Fund to the reporting date, calculated annually by an independent actuary using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted at the reporting date using market yields of high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income, in the period in which they occur. Future taxes that are funded by the Group and are part of the provision of the existing benefit obligation (e.g. taxes on investment income and employer contributions) are taken into account in measuring the net liability or asset.

11. Retirement benefit surplus (continued)

Employer contributions and risk exposure

Employer contributions to the defined benefit section of the plan are based on recommendations by the plan's actuary. Actuarial assessments are made at no more than three yearly intervals, and the last such assessment was made during the year ended 30 June 2022 on the Fund Position as at 1 July 2021 by Towers Watson Australia Pty Ltd.

The method used to determine the employer contribution recommendations at the last actuarial review was the aggregate method. Under the aggregate method, the future contribution rates are determined, and are expected to be sufficient to fund the difference between the value of future benefits for existing defined benefit members and the value of the plan assets attributable to defined benefit members, over the future working lifetime of the existing defined benefit members.

Based on the actuary's recommendations in the actuarial review as at 1 July 2021, a contribution rate of nil (2023: nil) of defined benefit members' salaries has been adopted. In the event that further funding is required, the Group will immediately contribute that funding as required.

The Fund does not impose a legal liability on the Group to cover any deficit that exists in the Fund. If the Fund were wound up, there would be no legal obligation on the Group to make good any shortfall. The Trust Deed of the Fund states that if the Fund winds up, after the payment of all costs and the payment of all member benefits in respect of the period up to the date of termination, any remaining assets are to be distributed by the Trustee of the Fund, acting on the advice of an actuary, to the participating employers.

12. Derivative financial instruments

Financial assets and liabilities at fair value

	Consolidated	
	2024 $'000	2023 $'000
Current assets		
Electricity contracts - cash flow hedges	158,923	453,091
Electricity contracts - fair value through profit or loss	649,956	1,920,305
Foreign currency contracts - cash flow hedges	977	2,717
Environmental contracts - fair value through profit or loss	22,327	63,198
Oil contracts - fair value through profit or loss	2,952	-
	835,135	**2,439,311**
Non-current assets		
Electricity contracts - cash flow hedges	30,547	155,112
Electricity contracts - fair value through profit or loss	421,547	724,071
Foreign currency contracts - cash flow hedges	-	3,252
Environmental contracts - fair value through profit or loss	187,363	205,594
Oil contracts - fair value through profit or loss	513	768
	639,970	**1,088,797**
Current liabilities		
Electricity contracts - cash flow hedges	(482,572)	(974,769)
Electricity contracts - fair value through profit or loss	(813,559)	(1,907,163)
Foreign currency contracts - cash flow hedges	(380)	(48)
Environmental contracts - fair value through profit or loss	(12,881)	(25,342)
Oil contracts - fair value through profit or loss	(108)	(2,101)
	(1,309,500)	**(2,909,423)**
Non-current liabilities		
Electricity contracts - cash flow hedges	(202,317)	(358,679)
Electricity contracts - fair value through profit or loss	(328,792)	(860,756)
Foreign currency contracts - cash flow hedges	(4)	(37)
Environmental contracts - fair value through profit or loss	(34,679)	(79,180)
Oil contracts - fair value through profit or loss	(52)	(211)
	(565,844)	**(1,298,863)**
Net derivative financial instrument (liabilities)	**(400,239)**	**(680,178)**

12. Derivative financial instruments (continued)

Application of accounting policies

Derivatives and hedging activities

Derivative financial instruments include exchange traded and over-the-counter swaps, caps and option contracts for electricity, environmental certificate, oil and foreign currency price risk. Power purchase agreements are assessed to determine if they are a derivative financial instrument or contain an embedded derivative. When a power purchase agreement is assessed as a derivative it is split into its electricity and environmental certificate price risk components and included in the respective categories as fair valued through profit or loss.

Derivatives are classified as fair valued through profit or loss unless they are designated as hedges of a particular risk associated with highly probable forecast transactions (cash flow hedges). Certain derivatives do not qualify for hedge accounting or are not designated as hedges but have been entered into for the risk management objective of economically hedging a risk. These derivatives are classified as fair valued through profit or loss.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is classified as fair valued through profit or loss or is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivative financial instruments spanning both current and non-current periods are split into their current and non-current components prior to valuation. The fair value of these components is then classified as a current asset or liability when the maturity profile is less than 12 months, and classified as a non-current asset or liability when the maturity profile is greater than 12 months.

Change in fair value recognised in the profit or loss

Gains and losses that are recognised in the statement of profit or loss and other comprehensive income from remeasuring the fair value of derivatives that do not qualify as effective hedging instruments are classified as "non hedge accounted change in fair value of derivative instruments".

Hedge accounted change in fair value of derivative instruments

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity reserves. An ineffective portion is recognised immediately in profit or loss within "non hedge accounted change in fair value of derivative instruments".

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss is recognised in profit or loss as other revenue.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria. This includes when a hedging instrument expires or is sold or terminated. The discontinuance is accounted for prospectively. Any gain or loss accumulated in equity reserves at that time remains in equity and is reclassified to profit or loss, as other revenue, when the forecast transaction occurs.

12. Derivative financial instruments (continued)

Application of critical accounting estimates and judgements

The fair value of derivative financial instruments must be estimated for recognition, measurement and disclosure purposes. Valuation policies and procedures are developed by Group Risk, reviewed by Modelling Analytics and approved by the General Manager Risk and Energy Settlements. Changes in fair values of financial instruments are reported to management weekly and the Board monthly.

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards, being:

Level 1: The fair value of derivative financial instruments traded in active markets (publicly traded derivatives) is based on quoted market prices at the end of the reporting period. The quoted market price used for these derivatives is the last settled price.

Level 2: The fair value of derivative financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. All significant inputs required to fair value an instrument are observable.

Level 3: One or more of the significant inputs is not based on observable market data.

The following tables present the fair value of the Group's financial derivative instruments classified into the three levels:

	Level 1	Level 2	Level 3	Total
2024	$'000	$'000	$'000	$'000
Recurring fair value measurement				
Assets				
Current derivative financial instrument assets	686,390	135,632	13,113	835,135
Non-current derivative financial instrument assets	193,172	34,771	412,027	639,970
Total assets	**879,562**	**170,403**	**425,140**	**1,475,105**
Liabilities				
Current derivative financial instrument liabilities	(957,048)	(302,554)	(49,898)	(1,309,500)
Non-current derivative financial instrument liabilities	(354,015)	(108,050)	(103,779)	(565,844)
Total liabilities	**(1,311,063)**	**(410,604)**	**(153,677)**	**(1,875,344)**
Net derivative financial instrument assets/(liabilities)	**(431,501)**	**(240,201)**	**271,463**	**(400,239)**

12. Derivative financial instruments (continued)

	Level 1	Level 2	Level 3	Total
2023	$'000	$'000	$'000	$'000
Recurring fair value measurement				
Assets				
Current derivative financial instrument assets	2,047,174	307,751	84,386	2,439,311
Non-current derivative financial instrument assets	432,189	155,440	501,168	1,088,797
Total assets	**2,479,363**	**463,191**	**585,554**	**3,528,108**
Liabilities				
Current derivative financial instrument liabilities	(2,440,247)	(434,742)	(34,434)	(2,909,423)
Non-current derivative financial instrument liabilities	(944,101)	(229,848)	(124,914)	(1,298,863)
Total liabilities	**(3,384,348)**	**(664,590)**	**(159,348)**	**(4,208,286)**
Net derivative financial instrument assets/(liabilities)	**(904,985)**	**(201,399)**	**426,206**	**(680,178)**

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for derivative financial instrument fair value measurements during the year. Transfers out of level 3 were into level 2 as a result of the availability of additional observable forward prices.

The following table presents the changes in level 3 derivative financial instruments for the years ended 30 June 2024 and 30 June 2023.

Level 3 Net assets/(liabilities)	2024	2023
	$'000	$'000
Balance at the beginning of the year	**426,206**	**(64,375)**
Gains/(losses) recognised in profit or loss	(69,154)	229,311
Gains/(losses) recognised in other comprehensive income	(4,900)	156,192
Initial recognition of Solar 150 Program (refer note 19)	-	(26,247)
Purchases	-	52
Sales	-	(2,460)
Settlements	(82,112)	128,856
Transfers out of level 3 into level 2	1,423	4,877
Balance at the end of the year	**271,463**	**426,206**
Total unrealised gains/(losses) for the year included in profit or loss that relate to level 3 derivative financial instruments held at the end of the year	**(84,001)**	**161,883**

12. Derivative financial instruments (continued)

The significant valuation techniques and processes used to value derivative financial instruments categorised within level 2 and level 3 are:

- Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.
- Adjusted market comparison technique: Broker quotes are adjusted using a number of long-term curve scenarios sourced from Intelligent Energy Systems Pty Ltd (IES), which are weighted by the strike prices of existing long-terms deals in the portfolio to determine the fair value where a product does not have an observable market price.
- Option valuation model using implied volatility where terms are not identical to market quoted prices.
- Credit risk factors applied to adjust fair values for non-performance risk.
- Forward curve decomposition methodology using historic electricity settled prices and independently sourced modelled scenarios to interpolate over-the-counter forward prices to a greater level of granularity.
- Market prices for long term power purchase agreements are determined using the “adjusted market comparison technique” and the “forward curve decomposition methodology”. The expected generation profile of each project is determined using site specific data.
- Where power purchase agreements have an LGC component, the market price of LGCs is determined by a process of linear interpolation from the last observable market price to a value of zero at the end of the LGC scheme, unless an observable price is present. The expected quantity of generated LGCs is determined using site specific data.

The significant inputs used in these valuation techniques are:

Published over-the-counter forward prices;

- Exchange traded market prices;
- IES long-term forward curve scenarios;
- Market volatilities;
- Discount factors;
- Credit risk factors;
- Forecast generation; and
- Electricity settled prices.

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements of derivative financial instruments. The analysis was prepared by changing the significant unobservable input to a reasonably possible alternative, while holding other inputs (including discount factors and credit value adjustments) constant.

12. Derivative financial instruments (continued)

2024 Class of derivative financial instrument	Fair value included in level 3 $'000	Unobservable inputs	Relationship of unobservable inputs to fair value
Electricity contracts - fair value through profit or loss	150,070	Adjustment of broker quotes using a number of IES long-term forward curve scenarios, weighed by strike prices of existing long-term deals in the portfolio to determine the fair value where a product does not have an observable market price.	An increase in the unobservable forward price of 20% would increase fair value by $299,421,000. A decrease in the unobservable forward price of 20% would decrease fair value by $311,581,000.
		Site specific forecast generation to determine the fair value where a product does not have a fixed volume.	A 20% increase or decrease in the generation forecasts used in the contract valuations would result in a $109,127,000 increase or decrease in fair value.
Environmental contracts - fair value through profit or loss	169,234	Site specific forecast generation to determine the fair value where a product does not have a fixed volume.	A 20% increase or decrease in the generation forecasts used in the contract valuations would result in a $35,288,000 increase or decrease in fair value.

2023 Class of derivative financial instrument	Fair value included in level 3 $'000	Unobservable inputs	Relationship of unobservable inputs to fair value
Electricity contracts - fair value through profit or loss	292,624	Adjustment of broker quotes using a number of IES long-term forward curve scenarios, weighed by strike prices of existing long-term deals in the portfolio to determine the fair value where a product does not have an observable market price.	An increase in the unobservable forward price to the IES high case (equating to an average price increase of $10.24/MWh) would increase fair value by $113,086,000. A decrease in the unobservable forward price to the IES low case (equating to an average price decrease of $73.43/MWh) would decrease fair value by $668,383,000.
		Power purchase agreements classified as derivatives are valued using forecast generation.	A 20% increase or decrease in the generation forecasts used in the contract valuations would result in a $78,475,000 increase or decrease in fair value.
Environmental contracts - fair value through profit or loss	157,841	Power purchase agreements classified as derivatives are valued using forecast generation.	Generation forecasts used in the contract valuations would result in a $39,794,000 increase or decrease in fair value.

Master netting arrangements - not currently enforceable

Agreements with energy industry counterparties are based on an International Swaps and Derivatives Association (ISDA) Master Agreement and similar agreements. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet, but have been presented separately in the following tables. The net amount of financial assets summarised in the following tables best represent the Group's maximum exposure to credit risk on those derivatives at the reporting date.

12. Derivative financial instruments (continued)

	Amounts presented in the balance sheet	Amounts subject to master netting agreements	Financial instrument collateral	Net amount
2024	$'000	$'000	$'000	$'000
Financial assets				
Derivative financial instrument assets	1,475,105	(981,178)	(33)	493,894
Cash collateral	432,127	-	(431,500)	627
Total	**1,907,232**	**(981,178)**	**(431,533)**	**494,521**
Financial liabilities				
Derivative financial instrument liabilities	(1,875,344)	981,178	431,500	(462,666)
Other current liabilities	(1,137)	-	33	(1,104)
Total	**(1,876,481)**	**981,178**	**431,533**	**(463,770)**

2023	$'000	$'000	$'000	$'000
Financial assets				
Derivative financial instrument assets	3,528,108	(2,839,679)	-	688,429
Cash collateral	906,212	-	(904,984)	1,228
Total	**4,434,320**	**(2,839,679)**	**(904,984)**	**689,657**
Financial liabilities				
Derivative financial instrument liabilities	(4,208,286)	2,839,679	904,984	(463,623)
Total	**(4,208,286)**	**2,839,679**	**904,984**	**(463,623)**

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including commodity price risks and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses mainly on the unpredictability of the electricity and financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and electricity commodity price risks, a counterparty credit ratings analysis for credit risk and a contracts aging analysis for liquidity risk.

Financial risk management is carried out by the Finance division under policies approved by the Board. The Energy Markets division identifies, evaluates and hedges market risks. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as mitigating interest rate and credit risk, use of derivative financial instruments and investment of surplus funds.

12. Derivative financial instruments (continued)

Commodity price risk

The Group uses derivative financial instruments to hedge certain risk exposures, primarily exposure to fluctuations in the prices of wholesale electricity and environmental certificates.

Electricity contracts

The Group is exposed to electricity price movements in the NEM. To manage this electricity price risk, the Group has entered into electricity sales contracts and a number of electricity derivatives (including over-the-counter and exchange traded swaps, caps and option contracts) in accordance with the Board approved Trading Risk Management Policy. The derivatives are timed to settle contemporaneous with the cash flows of the economically hedged electricity sales and purchases. Electricity price risk exposures are measured weekly through the review of the Group's mark-to-market exposure of the net derivative asset and liability position and relevant at-risk simulation methods.

Environmental contracts

The Group is exposed to environmental certificate price movements through their requirement to comply with various regulatory environmental schemes as part of their normal business operations.

To manage its environmental certificate price risk, the Group contracts the acquisition of environmental certificates under power purchase agreements and buys and sells certificates in both the spot and forward markets. The contracts are classified as environmental derivative contracts. These certificates are classified as inventory.

Sensitivity analysis

The following table summarises the sensitivity of the Group's derivative financial instruments to electricity and environmental price risk. The analysis is performed on a pre-tax basis using similar information to that which would be provided to management and reflects the impact on the Group's financial position at balance date should upward and downward movements of electricity forward prices of 20% (2023:50%) or environmental certificate forward prices of 20% (2023:20%) occur.

	Average price increase			Average price decrease		
	% change	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
		$'000	**$'000**		**$'000**	**$'000**
Electricity price - 2024	20%	465,114	(487,755)	(20%)	(497,768)	483,012
Electricity price - 2023	50%	1,041,996	(1,590,227)	(50%)	(1,049,246)	1,583,717
Environmental price - 2024	20%	120,233	-	(20%)	(120,553)	-
Environmental price - 2023	20%	99,310	-	(20%)	(99,296)	-

12. Derivative financial instruments (continued)

Credit risk

Credit risk exposure refers to the situation where the Group may incur financial loss as a result of another party to a financial instrument failing to fulfil their contractual obligation. Concentrations of credit risk exist for groups of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Derivative counterparty credit risk exposures are predominantly to financial institutions and energy market participants.

The Group utilises industry practice credit review processes and security instruments to manage its credit risks. The Group's credit risk exposure for derivatives is managed by trading with energy industry counterparties under ISDA agreements. The credit exposure of derivatives is calculated utilising a value at risk methodology which takes into account the current market value, duration of exposure, diversification of the counterparty's market operations, likelihood of default of the counterparty, the expected loss given default, credit collateral and the volatility of market prices. The Group manages its exposure to credit risk for certain derivatives on a net position basis for each of the counterparties. Those net positions are provided in the preceding section "master netting arrangements not currently enforceable". The fair values of derivatives include adjustment for credit risk factors.

A summary of the credit quality of derivative financial assets is assessed by reference to external credit ratings as reflected in the following table:

Consolidated	**2024**	**2023**
	$'000	$'000
AA+ to AA-	27,769	101,662
A+ to A-	894,020	2,502,182
BBB+ to BBB-	549,672	157,906
Other and non-rated	3,644	766,358
	1,475,105	**3,528,108**

Credit risk incorporates the risks associated with the Group transacting with customers and counterparties who could be impacted by climate change or by changes to laws, regulations or other policies adopted by governments or regulatory authorities including carbon pricing and climate change adaptation or mitigation policies.

Liquidity risk

The Group is subject to cash flow volatility and manages a substantial portion of that risk by entering into derivatives. To the extent that volatility still arises, the Group manages liquidity risk by maintaining sufficient cash and undrawn facilities to meet unexpected volatility, refer note 18 Non-current borrowings.

The following table analyses the Group's remaining contractual maturity for its derivative financial instrument liabilities which are net settled in cash. The table is based on the undiscounted net cash flows and the earliest date on which they are required to be paid and excludes net settled derivative liabilities without a future cash flow due to cash collateral already paid.

12. Derivative financial instruments (continued)

	1 year or less	Between 1 and 5 years	Greater than 5 years	Total Contractual cash flows	Discounting	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000
Derivative financial instrument liabilities net settled - 2024	346,990	183,799	16,201	546,990	(30,268)	516,722
Derivative financial instrument liabilities net settled - 2023	453,250	306,399	(13,550)	746,099	(26,682)	719,417

The following table analyses the Group's remaining contractual maturity for its derivative forward agreements to purchase non-financial items for cash. The table is based on the undiscounted prices specified in the forward agreements and the earliest date on which they are required to be paid. These forward agreements may have either a positive or a negative fair value at the reporting date and accordingly be reported either as a derivative asset or a derivative liability.

	1 year or less	Between 1 and 5 years	Greater than 5 years	Total contractual cash flows
	$'000	$'000	$'000	$'000
Derivative financial instrument gross settled payable - 2024	83,150	381,686	97,151	561,987
Derivative financial instrument gross settled payable - 2023	80,811	239,142	117,211	437,164

Hedge accounting activities - cash flow hedges

The electricity derivatives designated as cash flow hedges of electricity sales are a net cash flow of receive fixed price and pay variable observed NEM price per megawatt hour. The electricity derivatives designated as cash flow hedges of electricity purchases are a net cash flow of receive variable observed NEM price and pay fixed price per megawatt hour. These derivatives are entered into as part of the economic hedging strategies in accordance with the Trading Risk Management Policy.

The cash flows of the hedged electricity sales and purchases are expected to occur over the next 4 years (2023: 4 years), with the hedge reserve reclassifications to the profit or loss within the same financial years as the cash flows.

The Group documents at the inception of the hedging transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the electricity swaps closely match the nominal amount and expected settlement date of the expected highly probable forecast transactions. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the contracts are identical to the hedged risk component (electricity price). To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

12. Derivative financial instruments (continued)

The hedge ineffectiveness can arise from:

- Differences in the periodic volumes of the hedging instruments and hedged items;
- Different indexes (forward electricity prices) linked to the hedged risk of the hedged items and hedging instruments;
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items; and
- Changes to forecast timing of the cash flows of the hedged items and the hedging instruments.

The impact of the electricity swap hedging instruments on the balance sheet is, as follows:

	Highly probable forecast electricity sales	Highly probable forecast electricity purchases	Total
As at 30 June 2024	**$'000**	**$'000**	**$'000**
Current assets	24,163	134,760	158,923
Non-current assets	13,970	16,577	30,547
Current liabilities	(477,447)	(5,125)	(482,572)
Non-current liabilities	(202,231)	(86)	(202,317)
Nominal amount of electricity swap hedging instruments	**28,141,725 MWH**	**5,021,928 MWH**	
The fixed cash flows are for prices per MWh of:	**$35 to $276**	**$33 to $202**	
As at 30 June 2023	**$'000**	**$'000**	**$'000**
Current assets	80,294	372,797	453,091
Non-current assets	93,142	61,970	155,112
Current liabilities	(964,720)	(10,049)	(974,769)
Non-current liabilities	(351,349)	(7,330)	(358,679)
Nominal amount of electricity swap hedging instruments	**36,130,002 MWh**	**7,223,136 MWh**	
The fixed cash flows are for prices per MWh of:	**$32 to $496**	**$32 to $265**	

12. Derivative financial instruments (continued)

The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is as follows:

	Effective gain/(loss) recognised in OCI*	Ineffective gain/(loss) recognised in profit or loss	Change in fair value of hedging instrument	Change in fair value of the hedged item attributable to the hedged risk	Gain/(loss) reclassified from OCI* to profit or loss
Year ended 30 June 2024	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Highly probable forecast electricity sales	404,811	55,393	460,204	(379,623)	(109,750)
Highly probable forecast electricity purchases	(185,321)	(6,588)	(191,909)	184,333	(28,124)
	219,490	**48,805**	**268,295**	**(195,290)**	**(137,874)**
Year ended 30 June 2023					
Highly probable forecast electricity sales	2,002,210	101,548	2,103,758	(2,000,386)	(1,423,594)
Highly probable forecast electricity purchases	(800,112)	(24,929)	(825,041)	801,709	350,843
	1,202,098	**76,619**	**1,278,717**	**(1,198,677)**	**(1,072,751)**

Ineffectiveness recognised in profit or loss is included in "non hedge accounted change in fair value of derivative instruments"

12. Derivative financial instruments (continued)

	2024	2023
	$'000	$'000
Cash flow hedge reserve movements		
Balance at the beginning of the year	**(605,648)**	**(2,202,383)**
Effective portion of changes in fair value of cash flow hedges of electricity swaps	219,490	1,202,098
Effective portion of changes in fair value of cash flow hedges of currency forwards	3,118	5,001
Net change in fair value of cash flow hedges of electricity swaps transferred to other revenue	137,874	1,072,751
Net change in fair value of cash flow hedges of currency forwards transferred to property, plant and equipment	(8,308)	1,200
Income tax equivalent relating to these items	(105,652)	(684,315)
Balance at the end of the year	**(359,126)**	**(605,648)**
Represented by:		
Balances for continuing hedges		
Highly probable forecast electricity sales	(452,857)	(773,511)
Highly probable forecast electricity purchases	83,576	194,369
Highly probable forecast foreign currency purchases	416	4,118
Balances remaining for which hedge accounting is no longer applied		
Highly probable forecast electricity sales	8,876	(30,662)
Highly probable forecast electricity purchases	863	108
Highly probable forecast foreign currency purchases	-	(70)
	(359,126)	**(605,648)**

*Other comprehensive income (OCI)

13. Trade and other payables

Consolidated	2024	2023
	$'000	$'000
Trade payables	82,025	75,031
Accrued expenses	182,314	169,806
	264,339	**244,837**

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting date.

13. Trade and other payables (continued)

Application of accounting policies

The Group recognises an amount payable where contractually obliged or where there is a past practice that has created a constructive obligation. The Group accrues an expense for bonuses based on a formula that takes into consideration, amongst other factors, the profit attributable to the Company's shareholders after certain adjustments.

14. Current provisions

Consolidated	2024	2023
	$'000	$'000
Employee benefits	62,184	51,988
Dividends	594,400	-
Restoration, rehabilitation and decommissioning	9,223	7,025
Other	-	4,394
	665,807	**63,407**

Dividends

Refer to note 20 Dividends for further information.

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes annual and long service leave. The entire amount of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months:

Consolidated	2024	2023
	$'000	$'000
Employee benefits obligation expected to be settled after 12 months	18,972	17,649

Application of accounting policies

A provision is recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and

14. Current provisions (continued)

uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

15. Other current liabilities

Consolidated	2024	2023
	$'000	$'000
Deferred revenue	48,294	11,989
Other current liabilities	1,928	243
	50,222	12,232

Deferred revenue

Deferred revenue represents grants received by the group for which the corresponding revenue has not yet been earned or recognised. It is recorded as a liability on the balance sheet until the group fulfills the conditions or performance obligations associated with the grant or payment.

16. Non-current provisions

Consolidated	2024	2023
	$'000	$'000
Employee benefits - long service leave	1,511	1,254
Restoration, rehabilitation and decommissioning	391,511	434,126
Other provisions	19,615	18,379
	412,637	453,759

16. Non-current provisions (continued)

Consolidated 2024	Total Restoration*
	$'000
Carrying amount at the start of the year	**441,151**
Payments	(4,356)
Movement in estimates	(84,237)
New provisions- renewable projects	33,199
Unwinding of discount	14,977
Carrying amount at the end of the year	**400,734**

* Includes both Current and Non-current restoration, rehabilitation and decommissioning provision.

Long-term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted at the end of the reporting period using appropriate market based pre-tax discount rates with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Superannuation

A defined contribution plan receives fixed contributions from the Group and the Group's legal or constructive obligation is limited to these contributions. The contributions are recognised as an expense as they become payable.

Restoration, rehabilitation and decommissioning

Future costs associated with the rehabilitation of power station sites, the closure and restoration of coal mines, the make-good of corporate office space, and the provision for rehabilitation of renewable energy assets are estimated and provided for. For mining activities, restoration and rehabilitation costs are accounted for in the period when the related disturbance occurs, whether during site development or production, based on the net present value of estimated future costs. Similarly, the costs associated with renewable energy assets are provided for based on their specific closure plans. Provisions do not cover additional obligations expected from future disturbances. Cost estimates are reviewed annually to incorporate known developments and are subject to formal review at regular intervals throughout the life of the operation.

When provisions for restoration and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost is amortised over the estimated economic life of the operation. The value of the provision is progressively

16. Non-current provisions (continued)

increased over time as the effect of the discounting unwinds, creating an expense which is recognised as a finance cost. The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the profit or loss in each accounting period. The amortisation of the discount is shown as a financing cost, rather than as an operating cost.

Application of accounting estimates and judgements

Employee benefits

Provisions for employee benefits are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Restoration, rehabilitation and decommissioning

The costs for the restoration of site damage which arises during production are provided at their net present values and charged against operating profits as the extraction progresses. This calculation requires the use of key assumptions including the timing of restoration work, legal requirements, potential changes in climate conditions and a discount rate.

Provisions for Restoration, rehabilitation and decommissioning obligations are based on risk adjusted cash flows. These estimates have been discounted to their present value at a pre-tax risk free rate, based on an estimate of the long-term, risk free, pre-tax cost of borrowing. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. As at 30 June 2024, the Group reassessed its estimate of the pre-tax discount rate from 3.45% to a discount rate of 3.95% to 4.25% resulting in a decrease to the provision of $23,165,782.

Future climate-related conditions, legislation and policies may have an impact on these estimates and will continue to be monitored. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at each site is reviewed periodically and based on the facts and circumstances available at the time.

The closing balance includes amounts relating to the restoration of the Tarong Power Station, Tarong North Power Station, Meandu Mine and Stanwell Power Station locations. The estimated timing of restoration activities and associated cashflows for the Tarong Power Station, Tarong North Power Station, Meandu Mine and Stanwell Power Station site remediation work has been brought forward, reflecting progressive repurposing of the power stations as outlined in the Queensland SuperGrid Infrastructure Blueprint. The impact of the change in timing has been included in the measurement of the provision at 30 June 2024.

17. Current borrowings

Consolidated	2024	2023
	$'000	$'000
Unsecured borrowings	35,101	35,863
Lease liability	2,471	2,549
	37,572	**38,412**

Unsecured borrowings are provided by QTC (principal due in the next 12 months). Additional information about the long term debt facility is included in note 18 Non-current borrowings.

Application of accounting policies

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of liability.

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- Uses a build-up approach that starts with a risk free interest rate adjusted for credit risk for leases held, which does not have recent third party financing; and
- Makes adjustments specific to the lease (e.g. term and security).

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

17. Current borrowings (continued)

Variable lease payments

Property leases contain variable payment terms relating to outgoings. Outgoings means all expenses paid or payable by the Landlord and legally recoverable from the Tenant for a financial year in connection with the Land and Building including for example all levies, taxes, rates, water, refuse collection, fire services levies, insurance premiums, cleaning and maintenance expenditure. The Company treats outgoings as a non-lease component and recognises as an operating expense in the profit or loss as incurred.

Extension and termination options

Extension options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Extension options for office leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

As at 30 June 2024, potential future cash outflows of $12,203,359 (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

The lease term is reassessed if an option is actually exercised or the Group becomes obliged to exercise it.
The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and it is within control of the lessee.

18. Non-current borrowings

Financial liabilities at amortised cost

Consolidated	2024	2023
	$'000	$'000
Unsecured borrowings	873,348	1,523,113
Lease liability	18,349	19,587
	891,697	**1,542,700**

Unsecured borrowings

Unsecured long-term borrowings of $908,448,240 are provided by QTC and include $35,100,549 of current borrowings, refer note 17 Current borrowings and $873,347,691 of non-current borrowings.

Lease liabilities

Refer to note 17 Current borrowings for further information on lease liabilities.

18. Non-current borrowings (continued)

Fair value

The market value of unsecured borrowings for the Group at 30 June 2024 was $841,949,712 (2023: $1,508,193,960) compared to a carrying amount of $908,448,240 (2023: $1,558,975,743). The market value is the price that the notional underlying debt instruments funding the loan could be realised at balance date as advised by Queensland Treasury Corporation. This is classified as level 2 in the fair value movements hierarchy.

Application of accounting policies

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.
Fees paid on the establishment of borrowing facilities are recognised as transaction costs of the borrowings to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Where the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period, these are classified as non-current liabilities.

Financial risk management objective

Interest rate risk

Interest rates on the unsecured borrowings are at book rate which is reviewed and updated as necessary once per year to reflect the evolving market rate of interest that the QTC pays to investors to service the underlying bond funding. The total interest rate payable includes a Competitive Neutrality Fee payable to Queensland Treasury, representing the difference between the cost at which QTC is able to source debt and the estimated cost of debt for the Company were it to be a stand-alone entity not owned by the Queensland Government.
The Competitive Neutrality Fee can be adjusted up or down according to changes in credit quality of the Company and market changes to the relative cost of debt compared with a highly-rated government issuer.

18. Non-current borrowings (continued)

An increase/decrease in interest rates of 100 basis points (2023: 100 basis points) would have an adverse/favourable effect as described in the following tables. The percentage change is based on the expected volatility of interest rates using QTC forecasts.

	Basis points increase			Basis points decrease		
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
	%	$'000	$'000	%	$'000	$'000
2024						
Cash and cash equivalents	1.00%	1,326	-	(1.00%)	(1,326)	-
Advances facility	1.00%	814	-	(1.00%)	(814)	-
Borrowings	1.00%	(129)	-	(1.00%)	168	-
		2,011	**-**		**(1,972)**	**-**
2023						
Cash and cash equivalents	1.00%	1,326	-	(1.00%)	(1,326)	-
Advances facility	1.00%	814	-	(1.00%)	(814)	-
Borrowings	1.00%	(8,086)	-	(1.00%)	8,125	-
		(5,946)	**-**		**5,985**	**-**

Liquidity risk

The Group is subject to cash flow volatility and manages a substantial portion of that risk by entering into derivatives. To the extent that volatility still arises, the Group manages liquidity risk by maintaining sufficient cash and undrawn facilities to meet unexpected volatility. The Group uses stress testing to measure extreme cash flow risk. The Group has access to QTC funds as required once shareholding Ministers' annual approval for the borrowing purpose has been received. Ongoing credit criteria and reporting requirements must be met and the facility is assessed by QTC annually.

Capital management

The Group sources all long-term borrowings from QTC and QTC manages debt financing, including new debt raising and the re-financing of existing borrowings, on behalf of the Group in accordance with agreed benchmarks.

The Group monitors capital on the basis of agreed financial covenants (EBITDA Debt Service Coverage Ratio and Total Debt to Total Capital Ratio). QTC has provided Stanwell with a limited waiver in respect of these ratios until 1 October 2024.

18. Non-current borrowings (continued)

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2024	2023
	$'000	$'000
Expiring within one year (bank overdraft and working capital facility)	602,000	402,000

The overdraft facility is with the Australia and New Zealand Banking Group Ltd and has an approved limit of $2,000,000 (2023: $2,000,000). The working capital facility is with QTC and has an approved limit of $600,000,000 (2023: $400,000,000). Stanwell has a $1.2 billion collateral facility (undrawn) with QTC to manage any liquidity timing variations. On 1 July 2024, an additional liquidity facility of $664.8 million was established with QTC.

As at 30 June 2024, the Group had drawn down $nil against the working capital facility (2023: $nil).

Remaining contractual maturities

The following table analyses the Group's remaining contractual maturity for its borrowings. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The table includes both interest and principal cash flows.

	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
	$'000	$'000	$'000	$'000
Borrowings - 2024	70,358	296,453	1,015,500	1,382,311
Borrowings - 2023	96,475	1,071,296	781,564	1,949,335

19. Contributed equity

Consolidated	2024	2023	2024	2023
	Shares	Shares	$'000	$'000
Ordinary shares (A class) - fully paid *	4	4	-	-
Ordinary shares (B class) - fully paid *	924,568,658	924,568,658	1,289,946	1,166,746
	924,568,662	**924,568,662**	**1,289,946**	**1,166,746**

* Balance of Ordinary shares comprises Share Capital and Transactions with owners

19. Contributed equity (continued)

Movements in ordinary share capital

Details	Date	$'000
		$'000
Balance	1 July 2022	977,619
Equity injection from Queensland Renewable Energy and Hydrogen Jobs Fund relating to Wambo Wind Farm	21 December 2022	192,500
Solar 150 Program	30 June 2023	(18,373)
Equity injection from Queensland Renewable Energy and Hydrogen Jobs Fund relating to the CQ-H_2 Project	19 June 2023	15,000
Balance	30 June 2023	1,166,746
Equity injection from Queensland Renewable Energy and Hydrogen Jobs Fund relating to Wambo Wind Farm	27 March 2024	123,200
Balance	30 June 2024	1,289,946

Solar 150 Program

On 30 June 2023, under section 257 of the *Electricity Act*, Solar 150 Program was transferred to Stanwell Corporation Ltd.

The fair value of $18,373,000 (loss) (net of tax) has been recognised in equity. Subsequent to initial recognition, the arrangement will be accounted for as a derivative financial instrument at fair value through profit and loss.

Ordinary shares

The Company is wholly owned by the State of Queensland.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and holders of A class shares are entitled to one vote per share at a shareholders' meeting. B class shares have non-voting rights at a shareholders' meeting. The shares have no par value.

In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

20. Dividends

Dividends paid/payable during the financial year were as follows:

Consolidated	2024	2023
	$'000	$'000
Final dividend for the year ended 30 June 2024 of 64.3 cents (2023:nil) per fully paid share	594,400	-

Application of accounting policies

A provision for dividends payable is recognised in the reporting period in which the dividends are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

21. Income tax

Consolidated	2024	2023
	$'000	$'000
Income tax equivalent expense/(benefit)		
Current tax equivalent	171,916	150,689
Deferred tax equivalent	89,394	(72,544)
Adjustments for current tax equivalent of prior periods	(15,082)	16,142
Adjustment for deferred tax equivalent of prior periods	15,211	(16,228)
Aggregate income tax equivalent expense	**261,439**	**78,059**
Deferred tax included in income tax equivalent expense comprises:		
Decrease in deferred tax equivalent assets	45,257	1,075,913
Increase/(decrease) in deferred tax equivalent liabilities	44,137	(1,148,457)
Deferred tax equivalent	**89,394**	**(72,544)**
Numerical reconciliation of income tax equivalent expense/(benefit) and tax at the statutory rate		
Profit before income tax equivalent expense	855,860	253,275
Tax at the statutory tax rate of 30%	**256,758**	**75,983**
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Derecognition of deferred tax balances	3,488	2,141
Non-deductible expenses	1,064	21
	261,310	78,145
Adjustments for tax equivalent of prior periods	129	(86)
Income tax equivalent expense	**261,439**	**78,059**
Tax equivalent benefit/(expense) relating to items of other comprehensive income and recognised directly in equity		
Cash flow hedges recognised in other comprehensive income	(108,145)	(683,955)
Cash flow hedges recognised in reserves	2,493	(360)
Transfer through equity- Solar 150 Program	-	7,874
Actuarial (gains) on defined benefit plans	1,383	(33)
	(104,269)	**(676,474)**

21. Income tax (continued)

The Company and its wholly owned Australian controlled entities form a tax consolidated group.

The Company as head entity in the tax consolidated group is required to make income tax equivalent payments to the State Government and is not liable to pay Commonwealth tax that would be payable if it were not a Government Owned Corporation.

These payments are made pursuant to section 129(4) of the GOC Act and are based upon rulings set out in the Treasurer's Tax Equivalents Manual. The National Tax Equivalents Regime gives rise to obligations which reflect in all material respects those obligations for taxation which would be imposed by the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997*.

Income tax equivalent expense is made up of current tax equivalent expense and deferred tax equivalent expense. Current tax equivalent expense represents the expected tax payable on the taxable income for the year, using current tax rates and any adjustment to the tax payable in respect of previous years. Deferred tax equivalent expense represents change in temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

21. Income tax (continued)

Consolidated	2024	2023
	$'000	$'000
Deferred tax asset/(liability)		
Net deferred tax equivalent asset/(liability) comprises temporary differences attributable to:		
Employee benefits	24,993	15,973
Derivatives	184,413	382,583
Provisions	123,264	142,225
Other liabilities	15,772	18,603
Property, plant and equipment	(111,122)	(115,245)
Defined benefits plan	(4,183)	(5,640)
Inventories	(39,249)	(43,557)
Other assets	(9,500)	(1,679)
Deferred tax asset	184,388	393,263
Movements:		
Opening balance	**393,263**	**980,965**
Charged/(credited) to profit or loss	(104,606)	88,772
Cash flow hedges charged to equity	(108,145)	(683,955)
Cash flow hedges recognised in reserves	2,493	(360)
Actuarial (gains)/losses on defined benefit plans	1,383	(33)
Transfer through equity - Solar 150 Program	-	7,874
Closing balance	**184,388**	**393,263**

Tax effect accounting

The Group adopts the balance sheet approach to accounting for income tax equivalent payments.

Deferred tax equivalent balances arise when there are temporary differences between carrying amounts and the tax bases of assets and liabilities, other than for the following:

- Where the difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither the accounting profit nor taxable profit or loss;
- Where the temporary difference relates to investments in subsidiaries, associates and interests in joint arrangements to the extent the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Where the temporary difference arises on the initial recognition of goodwill.

21. Income tax (continued)

Deferred tax equivalent assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax equivalent assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date.

Tax equivalent assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax equivalent balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

Consolidated	2024	2023
	$'000	$'000
Income tax payment due	72,853	4,514

Tax consolidation

As a consequence of the establishment of the tax consolidated group, the current and deferred tax equivalent amounts for the tax consolidated group are allocated among the entities in the Group using a stand-alone taxpayer approach whereby each entity in the tax consolidated group measures its current and deferred taxes as if it continued to be a separate taxable entity in its own right. Deferred tax equivalent assets and deferred tax equivalent liabilities are measured by reference to the carrying amounts of the assets and liabilities in the Company's balance sheet and their tax values under consolidation.

The tax consolidated group has entered into a tax sharing agreement and tax funding agreement. The tax funding agreement requires each wholly owned controlled entity to pay to the Company the current tax equivalent liability (or asset) and any unused tax losses assumed by the Company. The tax sharing agreement sets out the allocation of income tax equivalent liabilities amongst the entities should the Company default on its tax obligations and the treatment of entities exiting the tax consolidated group.

In accordance with the tax funding agreement and Interpretation 1052 Tax Consolidation Accounting, any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses from the wholly owned controlled entities in the tax consolidated group are recognised by the Company. To the extent that the amounts recognised by the Company and its wholly owned entities are equivalent, amounts payable to (receivable by) the Company are accounted for through inter-company loan accounts. Any differences between these amounts are recognised by the Company as an equity contribution to or distribution from the wholly owned controlled entities. Distributions firstly reduce the carrying amount of the investment in the wholly owned controlled entities and are then recognised as revenue.

22. Key Management Personnel

(a) Directors

The following persons were Directors of the Company and its subsidiaries during the financial year.

Directors

Paul Binsted – *Chair*

Adrian Noon (Finished on 31 May 2024)

Howard Morrison (From 1 October 2023)

Jacqueline King (Finished on 30 September 2023)

Jane Schmitt (From 1 June 2024)

John Thompson (From 1 October 2023)

Kara Cook (From 1 June 2024)

Karen Smith-Pomeroy (Finished on 30 September 2023)

Laurie Lefcourt (From 1 June 2024)

Marianna O'Gorman

The Hon. Wayne Swan (Finished on 8 February 2024)

(b) Other key management personnel

The following management personnel, all of whom were employed by the Company, had the authority and responsibility for planning, directing and controlling the activities of the Group during the financial year:

Chief Executive Officer - Michael O'Rourke

Chief Financial Officer - Catherine Cook

Chief Operating Officer - James Oliver

Executive General Manager Energy Markets - Sophie Naughton

Executive General Manager Business Services - Glenn Smith

Executive General Manager Growth & Future Energy - Stephen Quilter

Executive General Manager Strategic Partnerships - Richard Jeffery(1)

(1) Appointed Executive General Manager Strategic Partnerships on 31 August 2023, prior to this acted in the role for seven months.

(c) Remuneration of key management personnel

Directors

Directors' remuneration is determined by the shareholding Ministers. In addition, the shareholding Ministers have determined remuneration payable to Directors who are members of various Board committees. Directors' remuneration comprises Directors' fees, committee fees and superannuation contributions. Directors are reimbursed for reasonable expenses incurred whilst conducting business on behalf of the Company.

Directors' compensation does not include insurance premiums paid by the Company or related parties in respect of Directors' and officers' liabilities and legal expenses, as the insurance policies do not specify premiums paid in respect of individual directors.

22. Key Management Personnel (continued)

Other key management personnel

Remuneration policy

The Company's Board approved Senior Executive - Recruitment, Appointment and Remuneration Policy provides that:

- recruitment and appointment of Senior Executives will be based on the principles of merit and equity;
- remuneration of Senior Executives will be aligned to the Company's Corporate Plan and organisational objectives and reviewed regularly to ensure that strategic business requirements are supported; and
- remuneration arrangements will be consistent with the Queensland Government's Policy for Government Owned Corporations Chief and Senior Executive Employment Arrangements Version 2.

Remuneration packages for the Chief Executive Officer and other key management personnel comprise the following components:

- base salary, which is payable in cash and based on an applicable market rate, as assessed by independent remuneration consultants;
- retirement benefits delivered under defined contribution superannuation funds nominated by the key management personnel;
- at-risk performance incentives, which are payable annually in cash or superannuation, or a combination of both, depending upon the satisfaction of key criteria; and
- other benefits, which may include private health insurance, access to a pool car park, airline club membership or equivalent, mobile device and associated costs and residential internet connection for remote access.

Link between remuneration paid and performance of the Group

Directors' remuneration is not directly linked to the performance of the Group, with any remuneration increases being determined by the shareholding Ministers in accordance with section 84 of the GOC Act. Directors do not receive any performance related remuneration.

In accordance with the *Senior Executive - Recruitment, Appointment and Remuneration Policy*, remuneration increases for the Chief Executive Officer and other key management personnel are determined on an annual basis taking into account:

- the outcome of individual performance reviews;
- movement in market rates;
- government policy;
- the Company's capacity to pay; and
- advice from shareholding Ministers.

The Board has discretion to approve annual total fixed remuneration increases for the Chief Executive Officer and other key management personnel; however, any annual increase is capped at 10 per cent per annum, subject to the total fixed remuneration not exceeding the latest market median for the position's work value.

In extraordinary circumstances, the Board may, with prior written approval of shareholding Ministers, set the Chief Executive Officer and other key management personnel total fixed remuneration at the market median plus up to 10 per cent to attract or retain an applicant with exceptional skills or experience.

22. Key Management Personnel (continued)

At-risk performance incentive payments of the Chief Executive Officer and other key management personnel are capped at 15% of total fixed remuneration (base salary and superannuation). The amounts payable are based on achievement of pre-determined corporate, divisional, individual performance targets and a values assessment as approved by the Board.

Service agreements

Service agreements are not in place for Directors.

The Chief Executive Officer's appointment is approved by the shareholding Ministers upon recommendation of the Board. The remuneration and other terms of employment for the Chief Executive Officer are specified in an employment contract.

The Chief Executive Officer is employed on an ongoing (tenured) basis commencing in November 2021. Where the Chief Executive Officer terminates employment at the initiative of the Executive (including resignation, retirement, or notification they do not wish to continue employment with Stanwell), the Chief Executive Officer is not entitled to a termination payment.

The termination benefits applicable to the Chief Executive Officer include:

- payment of termination benefit on early termination by the Group, except for serious misconduct, bankruptcy, serious offence, unsatisfactory performance or incapacity is equal to six months salary.

Senior Executive appointments are approved by the Board. The remuneration and other terms of employment for these roles are specified in employment contracts. Senior Executive appointments continue to be made in accordance with the *Queensland Government's Policy for Government Owned Corporation Chief and Senior Executive Employment Arrangements Version 2* unless otherwise determined by shareholding Ministers.

22. Key Management Personnel (continued)

Contract dates for the Senior Executive roles are as follows:

- Chief Financial Officer - commenced employment with Stanwell on an ongoing (tenured) basis in August 2022.
- Chief Operating Officer - commenced employment with Stanwell on an ongoing (tenured) basis in June 2019.
- Executive General Manager Energy Markets - commenced employment with Stanwell on an ongoing (tenured) basis in December 2019.
- Executive General Manager Growth & Future Energy - commenced employment with Stanwell on an ongoing (tenured) basis in July 2016.
- Executive General Manager Business Services - commenced employment with Stanwell on an ongoing (tenured) basis in February 2021.
- Executive General Manager Strategic Partnerships - commenced employment with Stanwell on an ongoing (tenured) basis in July 2007.

(d) Details of remuneration

Details of the remuneration of each Director of the Company and each of the other key management personnel of the Group are set out in the following tables:

Directors of Stanwell Corporation Limited

	Short-term benefits		Post employment	
Name	**Cash salary**	**Committee Fees**	**Superannuation**	**Total**
2024	$'000	$'000	$'000	$'000
Paul Binsted	102	9	14	125
Adrian Noon	45	6	6	57
Howard Morrison	41	3	6	50
Jacqueline King	8	1	1	10
Jane Schmitt	4	-	1	5
John Thompson	41	3	6	50
Kara Cook	4	-	1	5
Karen Smith-Pomeroy	8	3	1	12
Laurie Lefcourt	4	-	1	5
Marianna O'Gorman	49	11	8	68
The Hon. Wayne Swan	28	-	4	32

22. Key Management Personnel (continued)

	Short-term benefits		Post employment	
Name	Cash salary	Committee Fees	Superannuation	Total
Total	334	36	49	419
2023	$'000	$'000	$'000	$'000
Paul Binsted	79	9	11	99
Adam Aspinall	14	4	2	20
Adrian Noon	17	2	3	22
Jacqueline King	30	6	5	41
Karen Smith-Pomeroy	31	10	5	46
Marianna O'Gorman	31	8	5	44
The Hon. Wayne Swan	30	-	4	34
Total	232	39	35	306

Other key management personnel of the Group

	Short-term benefits			Post employment	Long term benefits	
Name	Cash salary	Bonus	Non-monetary benefits	Superannuation	Long service leave	Total
2024	$'000	$'000	$'000	$'000	$'000	$'000
Chief Executive Officer	775	117	29	114	19	1,054
Chief Financial Officer	376	47	26	54	9	512
Chief Operating Officer	428	65	28	63	11	595
Executive General Manager Energy Markets	422	64	23	62	11	582
Executive General Manager Business Services	378	56	27	55	9	525
Executive General Manager Growth & Future Energy	422	65	22	62	11	582
Executive General Manager Strategic Partnerships[1]	371	49	11	54	9	494
	3,172	463	166	464	79	4,344

(1) Richard Jeffery performed the role of Executive General Manager Strategic Partnerships from 31 August 2023. Prior to this, Richard Jeffery acted in this role for seven months.

22. Key Management Personnel (continued)

	Short-term benefits			Post employment	Long term benefits	
Name	Cash salary	Bonus	Non-monetary benefits	Superannuation	Long service leave	Total
2023	$'000	$'000	$'000	$'000	$'000	$'000
Chief Executive Officer	715	88	27	102	18	950
Chief Financial Officer(1)	296	-	24	38	7	365
Acting Chief Financial Officer(2)	56	-	2	6	1	65
Chief Operating Officer	408	60	30	60	10	568
Executive General Manager Energy Markets	378	58	22	57	10	525
Executive General Manager Business Services(3)	354	47	11	51	9	472
Executive General Manager Growth & Future Energy(4)	396	60	20	58	10	544
Acting Executive General Manager Growth & Future Energy(5)	67	-	2	7	1	77
Acting Executive General Manager Strategic Partnerships(6)	141	-	4	23	3	171
Total	**2,811**	**313**	**142**	**402**	**69**	**3,737**

(1) Catherine Cook performed the role of Chief Financial Officer from 29 August 2022.
(2) Darren Wiltshire performed the role of Acting Chief Financial Officer from 1 July 2022 to 28 August 2022.
(3) Glenn Smith performed the role of Executive General Manager Business Services from 30 July 2022. Prior to this, Glenn Smith acted in this role for nine months.
(4) Stephen Quilter was seconded to Department of Energy and Public Works until 28 August 2022.
(5) Richard Jeffery performed the role of Acting Executive General Manager Growth & Future Energy between 1 July 2022 to 27 August 2022.
(6) Richard Jeffery performed the role of Acting Executive General Manager Strategic Partnerships from 6 February 2023.

(e) Other transactions with key management personnel

A number of key management personnel of the Group are or were also Directors of other organisations which have or had transactions with the Group. All transactions in the years ended 30 June 2023 and 30 June 2024 between the Group and Directors or other key management personnel, including their related parties, were on normal commercial terms and conditions.

The Company's shareholding Ministers are identified as part of the Company's key management personnel. During the year, these Ministers were:

- The Deputy Premier, Treasurer, Minister for Trade and Investment, The Honourable Cameron Dick MP; and
- The Minister for Energy and Clean Economy Jobs, The Honourable Michael de Brenni MP.

22. Key Management Personnel (continued)

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Company does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by the Ministerial Services Branch within the Department of Premier and Cabinet. As all Ministers are reported as key management personnel of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements for the 2024 financial year, which are published as part of Queensland Treasury's Report on State Finances.

23. Contingencies and commitments

(a) Guarantees

Guarantees are issued to third parties to support derivative trading and environmental obligations. All guarantees are provided in the form of unconditional undertakings provided by QTC and all except for one are secured through indemnity agreements.

These guarantees may give rise to liabilities in the Parent entity if the Parent or subsidiaries do not meet their obligations under the terms of the agreements or other liabilities subject to the guarantees.

The total value of guarantees issued to third parties at 30 June 2024 was $871.7 million (2023: $818.4 million). The fair value of the guarantees is $Nil (2023: $Nil).

Application of accounting policies

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value, which is determined as the present value of the amount that would be payable to a third party for assuming the obligation, and subsequently at the higher of the amount of the obligation under the contract, as determined under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

Class action and Corporation Act (Litigation Funding) declaration

On 20 January 2021, law firm Piper Alderman, supported by litigation funder, Litigation Capital Management, commenced a class action in the Federal Court against Stanwell and CS Energy alleging a misuse of market power in relation to electricity trading in the period 1 January 2013 to 6 June 2017.

An amended statement of claim was delivered in December 2022. Stanwell lodged an amended defence in March 2023. The initial trial commenced on 3 June 2024 and is in progress. The claim remains ongoing at the time of signing these accounts and Stanwell continues to defend the claim.

23. Contingencies and commitments (continued)

(b) Capital commitments

Capital expenditure mainly committed at the end of the reporting period but not recognised as liabilities is as follows:

Commitments - capital property, plant and equipment	2024	2023
	$'000	$'000
Within one year	559,803	63,360
Later than one year but no later than five years	304,073	1,178,267
Total - property, plant and equipment	**863,876**	**1,241,627**

24. Related party transactions

Parent entity

Ultimate control of the Group resides with the State of Queensland. The ultimate Parent entity within the Group is Stanwell Corporation Limited.

Joint operations

Interests in joint operations are set out in note 27.

Key management personnel

Disclosures relating to key management personnel are set out in note 22 Key management personnel.

Other State of Queensland controlled entities and post-employment benefit plans

All State of Queensland controlled entities meet the definition of a related party in AASB 124 *Related Parties*. The Group transacts with other State of Queensland controlled entities as part of its normal operations on terms equivalent to those that prevail in arm's length transactions.

The following transactions occurred with related parties:

Consolidated	2024	2023
	$'000	$'000
Sales of electricity - retail	20,870	44,346
Hedging gain/(loss)	78,736	(269,210)
Other revenue	12,471	5,262
Royalties	(19,107)	(19,240)
Employee benefits expense	(9,682)	(7,944)
Other expenses	(11,422)	(5,332)
Raw materials and consumables	(146,811)	(167,699)
Finance costs	(66,586)	(76,349)
Non hedge accounted change in fair value of derivative instruments	89,182	183,687
Income tax equivalent expense	(261,439)	(78,059)

24. Related party transactions (continued)

Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Consolidated	2024	2023
	$'000	$'000
Cash and cash equivalents	76,725	90,446
Trade and other receivables	139,622	85,602
Derivative financial instrument assets	26,320	95,386
Trade and other payables	(2,849)	(9,331)
Derivative financial instrument liabilities	(148,710)	(172,202)
Deferred tax equivalent balances	184,388	393,263
Current tax equivalent liabilities	(72,853)	(4,514)
Borrowings	(908,448)	(1,558,976)

Key management personnel

Disclosures relating to key management personnel are set out in note 22. In 2023, Director, Karen Smith-Pomeroy (finished 30 September 2023) was a non-executive director of the Queensland Treasury Corporation Board.
The outstanding balance reported for Borrowings relates solely to QTC. Finance costs totalling $66,586,000 were paid to QTC during the year and interest revenue of $12,471,000 was earned from QTC. Transactions between the Group and QTC were on normal commercial terms and conditions.

In 2024, Mariana O'Gorman was the non-executive director of Australian Renewable Energy Agency (ARENA). Stanwell had received funding from ARENA for $20 million for the CQ-$H_2$ FEED Study and has been shortlisted for funding under the $2 billion ARENA Hydrogen Headstart program.

All other transactions between the Group and Directors or other key management personnel, including their related parties, were immaterial in nature.

25. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

26. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

Parent	2024	2023
	$'000	$'000
Profit/(loss) after income tax	185,240	(105,413)
Total comprehensive income	**185,240**	**(105,413)**

Balance sheet

Parent	2024	2023
	$'000	$'000
Total current assets	2,047,939	4,013,541
Total assets	**4,209,446**	**6,273,128**
Total current liabilities	2,320,012	3,229,291
Total liabilities	**4,255,945**	**6,280,188**
Equity		
Contributed equity	1,289,945	1,166,746
Transactions with owners	(13,084)	(13,084)
Cash flow hedge reserve	(359,126)	(605,648)
Accumulated losses	(964,234)	(555,074)
Total equity/(deficiency)	**46,499**	**(7,060)**

Guarantees entered into by the Parent entity in relation to the debts of its subsidiaries

The Company has entered into a Deed of Cross Guarantee with its subsidiaries under which each company guarantees the debts of the others.

Contingent liabilities

The contingent liability for the Parent entity is disclosed in note 23.

Capital commitments - Property, plant and equipment

Parent entity had $450.5 million in capital commitments for property, plant and equipment as at 30 June 2024 (2023: Nil).

Application of accounting policies

The accounting policies of the Parent entity are consistent with those of the consolidated entity, as disclosed in note 1 Material accounting policies, except for investments in subsidiaries which are accounted for at cost, less any impairment in the Parent entity.

27. Joint Operations

The Group acquired a 50% interest in the Wambo Wind Farm Joint Operation on 15 December 2022, with Cubico Sustainable Investments (Cubico) holding the remaining interest. The Joint Operation is a staged, large-scale renewable energy development located near Jandowae in the Western Downs region of Queensland. Stanwell has acquired a 50 per cent ownership stake (126 MW electricity) in Stage 1 of the Wambo Wind Farm, currently being developed by Cubico. Stanwell will also secure off-take for the remaining 50 per cent (126 MW) of the Project through a power purchase agreement (PPA) with Cubico and has entered into a 30-year maintenance services contract with the original equipment manufacturer (OEM), Vestas, for the operations phase.

Similar to Stage 1, Stanwell acquired a 50 per cent ownership interest (126 MW electricity) on 21 December 2023 in Stage 2 of the Wambo Wind Farm, with Cubico. Stanwell has also secured ‘Capacity Purchase Agreement’ (CPA) for the remaining 50 per cent (126 MW) of the Project with Cubico. The 50% interest in the Wambo Stage 2 of the Wind Farm has been accounted for as Joint Operations.

The principal activity of the joint operation is the delivery of renewable energy to the National Electricity Market and contribute to the Queensland Government’s renewable energy generation target of 50% by 2030, helping the state transition to a low carbon emissions future.

Application of accounting policies

Under AASB 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Stanwell Corporation Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

28. Reconciliation of profit after income tax to net cash inflow from operating activities

Consolidated	2024	2023
	$'000	$'000
Profit after income tax equivalent expense for the year	594,421	175,216
Adjustments for:		
Depreciation and amortisation	181,056	148,437
Impairment of non-current assets	-	159,986
Net (gain)/loss on disposal of property, plant and equipment	(1,484)	1
Unwinding of discount on provision	14,977	11,175
Non-cash rehabilitation provision	(5,545)	13
Non-cash retirement benefits expense	6,076	4,387
Stock obsolescence provision	2,025	107
Non-cash interest unwind on lease liabilities	1,442	1,145
Non-cash finance income	(49,724)	(43,876)
Non-cash expected credit losses	(5,001)	4,260
Fair value loss on financial instruments at fair value through profit and loss	157,368	1,216,128
Fair value loss/(gain) on environmental certificates and Surrender Liability	21,795	(16,299)
Non-cash other provision	-	1,525
Inventory fuel stockpile adjustment	3,223	85
Change in operating assets and liabilities:		
(Increase)/decrease in current receivables	(28,825)	287,681
(Increase) in inventories	(18,695)	(32,499)
Decrease in other current assets	62,152	397,071
Decrease/(increase) in current financial assets	326,294	(1,606,676)
Decrease in other non-current assets	108,848	576,223
Increase/(decrease) in trade and other payables	76,721	(299,795)
Increase/(decrease) in provision for income tax	68,339	(452)
Increase in current provisions	5,861	577
(Decrease) in other current liabilities	(3,500)	(19,895)
Increase in deferred tax liabilities	1,383	7,841
(Decrease) in rehabilitation provisions	(4,356)	(3,601)
Deferred tax reserves movement	(105,652)	(684,315)
Net cash inflow from operating activities	**1,409,199**	**284,450**

29. Changes in liabilities arising from financing activities

Consolidated	Liabilities		
	Borrowings	Lease liabilities	Total
	$'000	$'000	$'000
Balance at 1 July 2022	1,521,543	8,114	1,529,657
Changes from financing cash flows			
Repayment of borrowings	(432,499)	-	(432,499)
Proceeds from borrowings	469,931	-	469,931
Payment of lease liabilities	-	(2,658)	(2,658)
Other changes			
New leases	-	15,534	15,534
Interest expense	58,048	2,291	60,339
Interest paid	(58,047)	(1,145)	(59,192)
Balance at 30 June 2023	1,558,976	22,136	1,581,112
Changes from financing cash flows			
Repayment of borrowings	(826,762)	-	(826,762)
Proceeds from borrowings	176,235	-	176,235
Payment of lease liabilities	-	(2,565)	(2,565)
Other changes			
New leases	-	1,249	1,249
Interest expense	53,508	1,442	54,950
Interest paid	(53,508)	(1,442)	(54,950)
Balance at 30 June 2024	**908,449**	**20,820**	**929,269**

Consolidated entity disclosure statement
As at 30 June 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Stanwell Corporation Limited	Body corporate	Australia	N/A	Australian
CQ-H_2 Facilities Pty Ltd	Body corporate	Australia	100.00%	Australian
CQ-H_2 HLF Pty Ltd	Body corporate	Australia	100.00%	Australian
CQ-H_2 HPF Pty Ltd	Body corporate	Australia	100.00%	Australian
CQ-H_2 HTF Pty Ltd	Body corporate	Australia	100.00%	Australian
CQ-H_2 Industrial Water Pty Ltd	Body corporate	Australia	100.00%	Australian
Glen Wilga Coal Pty Ltd	Body corporate	Australia	100.00%	Australian
Goondi Energy Pty Ltd	Body corporate	Australia	100.00%	Australian
Mica Creek Pty Ltd	Body corporate	Australia	100.00%	Australian
SCL North West Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Asset Maintenance Company Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Renewable Energy Holdings Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Renewable Energy Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Hold Co Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Hold Co Pty Ltd as trustee for the Stanwell Wambo Stage 2 Hold Trust	Body corporate -Trustee	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Hold Trust	Trust	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Project Co Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Project Co Pty Ltd as trustee for Stanwell Wambo Stage 2 Project Trust	Body corporate -Trustee	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Project Trust	Trust	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Pty Ltd	Body corporate	Australia	100.00%	Australian
Tarong Energy Corporation Pty Ltd	Body corporate	Australia	100.00%	Australian
Tarong Fuel Pty Ltd	Body corporate	Australia	100.00%	Australian
Tarong North Pty Ltd	Body corporate	Australia	100.00%	Australian
TEC Coal Pty Ltd	Body corporate	Australia	100.00%	Australian
TN Power Pty Ltd	Body corporate	Australia	100.00%	Australian
Wambo 2 Hold Co Pty Ltd	Body corporate	Australia	100.00%	Australian
Wambo 2 Hold Co Pty Ltd as Trustee for the Wambo 2 Hold Trust	Body corporate - Trustee	Australia	100.00%	Australian
Wambo 2 Hold Trust	Trust	Australia	100.00%	Australian
Wambo 2 Project Co Pty Ltd	Body corporate	Australia	100.00%	Australian
Wambo 2 Project Co Pty Ltd as Trustee for the Wambo 2 Project Trust	Body corporate - Trustee	Australia	100.00%	Australian
Wambo 2 Project Trust	Trust	Australia	100.00%	Australian

Consolidated entity disclosure statement
As at 30 June 2024

Basis of preparation

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with Section 295(3)(a) of the *Corporations Act 2001*. It includes Stanwell Corporation Limited and the entities it controlled at 30 June 2024 under the requirements of AASB 10 *Consolidated Financial Statements*.

Determination of Tax Residency

Section 295(3A) of the *Corporation Acts 2001* requires that the tax residency of each entity which is included in the CEDS be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

Trusts

Australian tax law does not contain specific residency tests for trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Directors' declaration
30 June 2024

In the Directors' opinion:

(a) the financial statements and notes set out on pages 65 to 136 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 1 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in the corporate structure described in note 1 Material accounting policies.

(d) the information disclosed in the consolidated entity disclosure statement on page 137 is true and correct.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.

P.A. Binsted

Paul Binsted
Non-executive Director

Laurie Lefcourt
Non-executive Director

29 August 2024
Brisbane

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INDEPENDENT AUDITOR'S REPORT

To the Members of Stanwell Corporation Limited

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Stanwell Corporation Limited and its controlled entities (the group).

The financial report comprises the consolidated balance sheet as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In my opinion, the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the group's financial position as at 30 June 2024, and its financial performance for the year then ended; and

b) complying with the Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Impairment of property plant and equipment

Refer to note 9 in the financial report.

Key audit matter	How my audit addressed the key audit matter
The group's balance sheet includes property, plant and equipment totalling \$2,260.7 million of which approximately 66% relates to thermal power stations and related mining assets (thermal generation assets). Assessing carrying values of property, plant and equipment for impairment is complex and highly judgemental. At 30 June 2024, Stanwell's assessment is based on the principles outlined in the Queensland Energy and Jobs Plan (QEJP) and Queensland SuperGrid Infrastructure Blueprint (the Blueprint) in determining forward looking assumptions about the operating and market conditions of its thermal power stations. It also involves the use of complex models to measure the recoverable amount. Key assumptions, judgements and estimates in the group's impairment testing process and determination of recoverable amounts for its thermal generation assets include: • allocating assets to cash generating units (CGUs) • selection of the scenario for forecasting future cash flows and determining it is the most appropriate in comparison to other possible scenarios • estimating future cash inflows and outflows based on: - the principles outlined in QEJP and the Blueprint including the proposed timing for conversion of the thermal power stations to clean energy hubs - electricity demand and available generation - renewable energy targets - wholesale electricity prices - cost of fuel and water - timing of overhauls and sustaining capital expenditure • determining the rate used to discount the forecast of cashflows to their present value.	My procedures included, but were not limited to: • with the assistance of valuation specialists: - assessing the design, integrity and appropriateness of the discounted cash flow models with reference to common industry practices and the requirements of the accounting standards - assessing the reasonableness of the scenario selected by management in estimating the recoverable amount of each CGU using the traditional cash flow approach - evaluating the scope, competency and objectivity of the group's external expert to provide assumptions adopted by management for forecast wholesale electricity prices - evaluating whether the discount rates applied were within a reasonable range by comparison to my own assessment with reference to market data and industry research • agreeing forecast cash flows to the latest budgets and forecasts approved by the Board • challenging the reasonableness of the key assumptions underlying the cash flow forecasts in light of the impacts of the principles outlined in QEJP and the Blueprint and in comparison to AEMO published data and other relevant internal and external evidence • assessing the reasonableness of long-term fuel and water costs comparing them to contractual arrangements • assessing the historical accuracy of management's forecasts by comparing prior year budgets to actual results • testing the mathematical accuracy of the discounted cash flow models • assessing the appropriateness of the disclosures included in note 9 to the financial statements.

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Accounting for derivative financial assets and liabilities

Refer to note 12 in the financial report.

Key audit matter	How my audit addressed the key audit matter
Accounting for derivative financial assets and liabilities is inherently complex. Key factors contributing to this complexity include: • use of internal valuation models in Stanwell's estimation of the fair value of certain financial instruments. These models are complex and use key inputs that involve significant judgment due to the absence of observable market data for some assumptions; and • the group's application of hedge accounting involves judgements about Stanwell's forecast generation profile to monitor ongoing hedge effectiveness for compliance with the specific requirements of AASB 9 *Financial instruments*.	My procedures included, but were not limited to: • use of a derivative valuation specialist to assist me in: - obtaining an understanding of the valuation methodologies and assessing their appropriateness with reference to accounting standards and common industry practices - challenging management assumptions used in the valuation process and assessing the reasonableness of the key inputs by comparison to independently sourced external market data and my own assessment using knowledge and understanding of industry specific factors - for a sample of derivatives, testing the reasonableness of the valuation calculations by agreeing key terms to supporting documents (including contracts) and counter-party confirmations and recalculating the fair values for comparison to those calculated by the group based on our understanding of generally accepted derivative valuation practices • assessing Stanwell's hedge accounting process for compliance with accounting standards. This included reviewing hedge accounting documentation and testing the methodology for calculating hedge effectiveness • for cash flow hedges, assessing the reasonableness of forecast information used to support that hedged transactions are considered highly probable of occurring • testing reconciliations of the cash flow hedge reserve and assessing the appropriateness of the presentation of gains and losses in the consolidated statement of profit or loss and other comprehensive income • assessing the appropriateness of the disclosures included in note 12 to the financial statements.

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Measurement of the provision for restoration, rehabilitation and decommissioning

Refer to notes 14 and 16 in the financial report.

Key audit matter	How my audit addressed the key audit matter
As at 30 June 2024, the group has provisions for restoration, rehabilitation and decommissioning of $400.7 million relating to its thermal power stations, mining operations and renewables projects. The measurement of these provisions required significant judgments in: • assessing the group's obligations under current environmental, regulatory and legal requirements and the impact on the completeness of the activities incorporated into the provision estimate • estimating the quantum and timing of future costs for restoration, rehabilitation and decommissioning activities taking into account the principles outlined in QEJP and the Blueprint; and • determining appropriate rates for annual cost escalation and to discount the forecast costs to their present values. The group determines its estimate of the provision using a combination of external expert advice and internal assessments.	My procedures included, but were not limited to: • assessing the competence, capability and objectivity of the external experts used by Stanwell in measuring the provisions • assessing the nature and quantum of costs contained in the provision calculation, and comparing it to internal and external documentation supporting the group's estimation of future required activities, including QEJP and the Blueprint, and the group's external expert reports, where available • evaluating the completeness of the provisions through examination of Stanwell's operating sites, external expert advice and relevant environmental and regulatory requirements • evaluating whether annual cost escalation factors and discount rates were within a reasonable range with reference to market and industry research • testing the mathematical accuracy of the group's present value calculations.

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

At the date of this auditor's report, the available other information in Stanwell's Corporation Limited's annual report for the year ended 30 June 2024 was the directors' report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard

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Responsibilities of the Directors for the financial report

a) The directors of the company are responsible for the preparation of the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*: and

b) the consolidated entity disclosure statement that is true and correct in accordance with, the Corporations *Act* 2001, and,

for such internal controls as the directors determine is necessary to enable the preparation of.

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar5.pdf

This description forms part of my auditor's report.

IAsim

29 August 2024

Irshaad Asim
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

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