








# Our people

Maintaining employee engagement and providing opportunities for our employees to develop in a safe working environment is critical to our success as an organisation.

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# Our people – progress and priorities

Past LAST YEAR, WE SAID WE WOULD:	Present THIS PAST YEAR, WE HAVE:	RESULTS	Future IN THE COMING YEAR, OUR PRIORITIES ARE TO:
Develop a wellbeing strategy which will include how we will improve the people management skills of our managers, and employee health and wellness.	Developed and delivered a program to educate our managers on wellbeing and provided tools to help them introduce wellbeing outcomes for their teams. A total of 85 per cent of managers attended the program in the year.	 ON TRACK FOR TARGET	<ul style="list-style-type: none"> <li>&gt; Deliver capabilities that support the business units' growth strategies and corporate function improvement plans.</li> <li>&gt; Build the capabilities of our leaders and people managers to maintain high employee engagement and wellbeing.</li> </ul>
Continue to support the business in maintaining high engagement in the changing economic environment, along with promoting alignment of behaviours with our values.	Committed to disclosing any Code of Conduct breaches that result in an employee exit. Conducted 360 degree reviews with almost half of our Leadership Team and 42 of our Senior Managers. The review includes an assessment of how effectively our values and leadership attributes are demonstrated.	 ON TRACK FOR TARGET	
<b>Employee retention</b>			
Maintain our focus on minimising employee turnover. Our rolling turnover targets were: <ul style="list-style-type: none"> <li>• 10 per cent for regretted turnover,</li> <li>• 5 per cent for non-regretted turnover,</li> <li>• 15 per cent for total turnover.</li> </ul>	Introduced initiatives to enhance retention such as increasing investment in learning and development. Our turnover results for FY10 were: <ul style="list-style-type: none"> <li>• Regretted turnover decreased to 7.5 per cent from 12.4 per cent in FY09,</li> <li>• Non-regretted turnover decreased to 7.2 per cent from 18.4 per cent in FY09,</li> <li>• Total turnover significantly decreased to 14.7 per cent from 30.8 per cent in FY09.</li> </ul>	 ON TRACK FOR TARGET	<ul style="list-style-type: none"> <li>&gt; Increase employee retention by addressing issues raised by 'Our Voice' survey and from our quarterly Exit Survey and New Starter Survey data. Our targets for rolling turnover for FY11 are:                             <ul style="list-style-type: none"> <li>• 10 per cent for employee initiated turnover (this will include regretted and non-regretted turnover),</li> <li>• 15 per cent for total turnover.</li> </ul> </li> </ul>
<b>Personal and career development</b>			
Continue to build our strength in personal and career development planning.	Delivered Objective Setting and Development Planning Programs to more than 80 per cent of our managers.	 ON TRACK FOR TARGET	<ul style="list-style-type: none"> <li>&gt; Increase the percentage of women in management roles, in line with our target of 40 per cent by 2015.</li> <li>&gt; Foster a more flexible and diverse work environment through targeted initiatives.</li> </ul>
<b>Health, Safety and Environment (HSE)</b>			
Improve specialist HSE support by: <ul style="list-style-type: none"> <li>• Increasing the presence of our HSE team on development and property sites.</li> <li>• Making HSE information easier to access on our intranet.</li> </ul>	Created additional HSE Adviser positions enabling the HSE team to increase engagement with contractors. Continued to develop the intranet site to ensure that relevant information, guidance notes and forms are available.	 ON TRACK FOR TARGET	<ul style="list-style-type: none"> <li>&gt; Establish metrics on our HSE team's level of engagement with development and property sites.</li> <li>&gt; Identify specific development opportunities for HSE team members.</li> </ul>

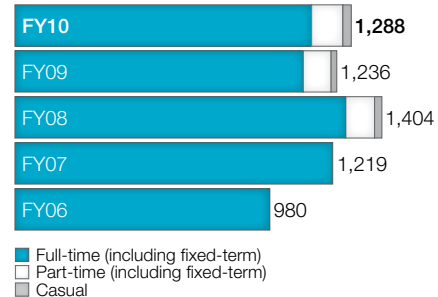
## Our people

Our employees are central to our ability to deliver on our business outcomes. Maintaining employee engagement and providing opportunities for them to develop in a safe working environment is critical to our success as an organisation.

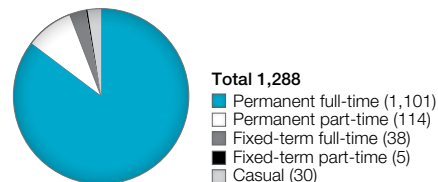
Each year we review key drivers from our external and internal environment to determine the initiatives for our People strategy for the year ahead. These initiatives are pursued through the year and we report on progress to the Board. We commenced FY10 with a People strategy to:

- Continue building the capability of our people,
- Enhance our talent and succession management practices and processes,
- Enhance our capability for managing organisational change,
- Ensure the wellbeing of our people,
- Embrace diversity.

### Our workforce – number of employees



### Our workforce – employment type



## Employee engagement

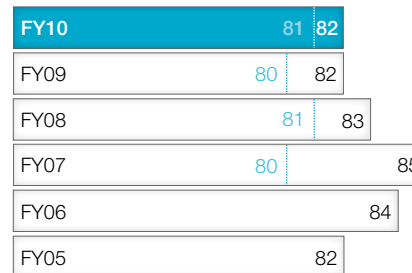
### OUR VOICE

The 2010 'Our Voice' employee opinion survey – administered by Towers Watson – is in its sixth consecutive year at Stockland. Towers Watson provides an independent service and delivers both national and international norms that allow us to track our performance across a range of categories that underpin our people proposition.

We aim to continue to foster a work environment that attracts, develops and retains talented individuals. One of the key measures from the 'Our Voice' survey is employee engagement. Our performance on engagement gives us a snapshot of how our people think, feel and act at Stockland.

Our 2010 employee engagement score was 82 per cent which is the same as last year and remains one point higher than the Global High Performing Norm (GHPN), which is Towers Watson's highest benchmark. In light of the recent financial crisis, maintaining this high level of engagement is a great achievement.

### Employee engagement (%)



More than 90 per cent of our employees participate in our annual employee engagement survey, enabling us to benchmark ourselves against high performing companies.

| Global High Performing Companies Norm.

There were a few areas that positively contributed to the engagement result including:

- Increased investment in learning and development opportunities for our people despite the financial crisis. Our score for the Training and Learning category increased significantly compared to 2009 and is now 13 points above the GHPN.
- Our employees reported that the ability to balance their work/life commitments had improved from last year and is now 7 points above the GHPN.
- As with previous years, our commitment and achievements in corporate responsibility and sustainability continue to be a positive influence for our people and as a category it scored 7 points above the GHPN.

Strengthening our work environment requires us to continually address areas that are scored less favourably by our employees.

The survey indicated that employees' 'intention to stay' with Stockland had declined relative to last year with 13 per cent now seriously considering leaving. While our turnover data has improved over the past 12 months, the survey data suggests more needs to be done to understand the drivers impacting retention. Gaining a deeper understanding of these drivers is a key initiative in our People strategy for the year ahead.

Our people's perception about pay declined significantly when compared to 2009 (a fall of 9 points). This related to perceptions about matching pay to performance and also perceptions about the quantum of pay relative to the market. While part of the decline can be attributed to the modest pay (both in terms of fixed pay and short-term incentives) people received last year as a result of the financial crisis, there are still issues to be addressed. These include people's understanding of how remuneration outcomes are determined and also rectifying actual salary anomalies.

In response to the survey results, we have provided greater information to our employees on how salaries and short-term incentives are determined and explained the salary benchmarking process that we adopt. We are also looking carefully, as part of the current remuneration review process, to redress any significant anomalies in remuneration relative to market data.

The survey indicated that 47 per cent of our people perceive their workload to be excessive. Work is currently underway to investigate this further and understand the factors that contribute to this result. In particular, we are undertaking a major Finance Transformation Project to review all core finance systems and processes across the business. This initiative will provide our people with enhanced systems and tools to complete their work in a more efficient and effective way. Our level of recruitment activity has also increased as economic conditions begin to improve.

We are committed to acting on feedback from the survey. Each year our Executive Committee and Board are presented with the key results and each Senior Executive ensures detailed debriefing sessions are held in their part of the business to better understand the feedback and identify strategies to address areas for improvement.

### DIVERSITY AND INCLUSION Diversity in the workplace

We value diversity and aim to create a vibrant and inclusive workforce which is reflective of the communities in which we operate. Building a more inclusive workforce enables greater diversity of thought, more informed decision making and ultimately better business outcomes.

Our Diversity Steering Committee guides our diversity strategy and the implementation of our action plan. It also champions diversity across the business. Diversity forms an integral part of our People strategy, with progress against our objectives and targets reported to the Board twice a year. In the past year our focus has been on enhancing gender diversity, workplace flexibility and disability inclusiveness.

In the 2010 'Our Voice' employee survey, 89 per cent of people felt that we support equal employment opportunities for all employees.

This score has remained constant since 2009, and is 15 per cent above the Global High Performing Norm (GHPN).

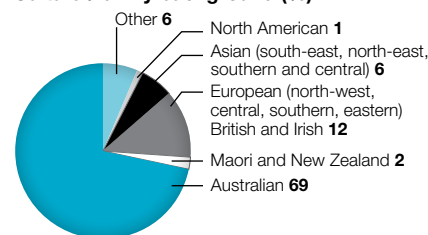
We are determined to ensure that our workplace is free from discrimination, bullying and harassment, enabling everyone to work in a happy, relaxed and safe environment. In FY10 we introduced a two-hour face-to-face training program on preventing workplace discrimination and harassment, reinforcing our zero tolerance approach. We delivered 58 programs to 65 per cent of employees in various job bands in FY10. In FY11 we will expand the availability of this program beyond capital city locations to include employees based in regional areas. The program supplements the online Equal Employment Opportunities training completed by all employees.

We accommodate the Diversity Council Australia (DCA) in our head office, providing workstations and IT facilities free of charge. The DCA is an independent not-for-profit diversity adviser to businesses in Australia. This arrangement provides us with the opportunity to collaborate with the DCA on how we can enhance diversity in our workplace. This year we sponsored a comprehensive DCA research project 'Working for the Future: A National Survey of Employees' (available on the DCA website), which provides a valuable insight into Australian employment and diversity-related workplace trends.

#### Median age of employees

<b>FY10</b>	<b>35</b>
FY09	35
FY08	34
FY07	34
FY06	34

#### Cultural/family background (%)



Percentages are based on employees who responded to these questions in the 'Our Voice' survey. 96 per cent of employees provided a response to these questions.

#### Gender diversity

Our aim is to increase the percentage of women in management roles, which over the past year has increased from 34 per cent to 35 per cent. After achieving our initial target of 35 per cent, we are now aiming to increase the number of women in management roles to 40 per cent within the next five years.



#### Women in management (%)

<b>FY10</b>	<b>35</b>
FY09	34
FY08	30
FY07	28
FY06	28

Our five year target is 40 per cent of women in management roles.

We have become a corporate member of Women on Boards, a national program for women seeking to enhance their career through director roles with public companies, community and not-for-profit boards. This program provides our female employees with access to a range of valuable resources, networking and professional development opportunities. We continue to sponsor the National Association of Women in Construction, an organisation that aims to advance the interests of women in the industry and recognise their achievements.

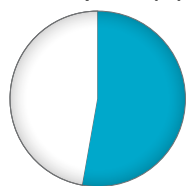
Our panel of preferred recruiters are encouraged to consider candidates of both genders and are now required to provide details in their quarterly activity reports on the number of women referred in their candidate shortlists.

Our talent and succession management programs ensure that people have targeted development plans in place to address identified knowledge, skills and experience gaps which may prevent them from moving into senior positions.

## Our people

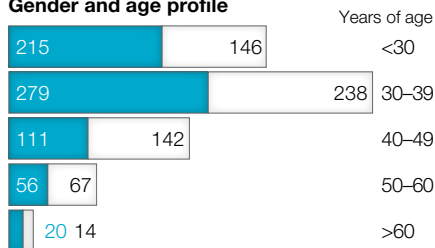
Each year the Peter Daly Fellowship provides an opportunity for employees to undertake an overseas study tour to research leading practices that cannot be readily accessed in Australia. In 2010, the winning team comprised three female employees who undertook research on 'maximising opportunities for women in leadership'. The project involved visiting the USA, the UK and Sweden. The research findings and recommendations will help us refine our gender diversity strategy and initiatives.

### Gender profile (%)



■ Women (53)  
□ Men (47)

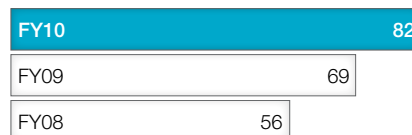
### Gender and age profile



■ Women (681)  
□ Men (607)

A new Parental Transitions Program has been introduced to provide an enhanced level of support to our employees preparing to commence or return from parental leave. During the year we introduced a change to our parental leave policy, requiring employees who choose to end their employment during or within 12 months of taking paid parental leave to repay these funds on a pro-rata basis.

### Parental leave return rate (%)



In accordance with the Australian Stock Exchange Corporate Governance Principles and Recommendations, we have adopted a Gender Diversity Policy that includes measurable objectives relating to gender. This policy is available on our website, with an update on progress against our objectives provided annually in this report.

### Workplace flexibility

Our commitment to embracing flexible working has expanded beyond the minimum requirements outlined in the new Fair Work Act, to provide all employees with the opportunity to request flexible working arrangements. A new online flexible working requests system has been introduced, enabling Human Resources to track all requests and assist managers in implementing appropriate solutions. A Flexibility @ Stockland training program has also been introduced to 93 per cent of our people managers in FY10. The workshops educate our managers on our Flexible Working policy and on the new requirements of the Fair Work Act.

Feedback collected as part of the workshops has allowed us to understand where we are currently providing flexible work arrangements, as well as the challenges in implementing a work environment that supports flexible arrangements. We will offer further training and support for flexible working over the next year to managers and employees.

In the 2010 'Our Voice' employee survey, 90 per cent of people felt that their manager is considerate of their life outside of work – 11 per cent above the GHPN.

Furthermore, 81 per cent of employees believe that their working arrangements provide sufficient flexibility to meet their personal/family needs, which is 6 per cent above the GHPN.

### Disability inclusiveness

In conjunction with the Australian Network on Disability, we participate in the 'Stepping into Law' and 'Stepping into IT' programs. These programs support tertiary students with a disability by providing them with paid work experience during their summer vacation.

As part of International Day of People with Disability, we again hosted a number of events to raise awareness of the needs of people with a disability. Interactive team activities were held involving employees navigating around our retail centres while experiencing some of the challenges faced by people with vision and mobility impairments. The activities provided valuable insights into potential enhancements that could be made in terms of accessibility and improved facilities for people with disabilities.

## CASE STUDY

# Parental transitions program



Trinity Child Care, NSW

We are committed to creating a family-friendly workplace, making it easier for people to develop a successful career, while balancing family responsibilities. This year we introduced a Parental Transitions Program in response to a significant increase in the number of people taking parental leave and to enhance our parental leave return rate. Designed to provide a higher level of support to our employees preparing to commence or return from parental leave, the program includes a comprehensive range of resources.

### Parental seminar

A one-day program for working parents who are expecting a child or are in the early stages of preparing to return to work. The seminar provides practical information and tools to assist in the development of child, personal and career strategies.

*"This seminar exceeded my expectations and I left feeling well informed and prepared for discussions with my manager regarding my options and intentions for parental leave as well as my career plan."*

Jasmine Monger, Administration Manager, Baulkham Hills Shopping Centre

### Parental DVD

A flexible and self-paced series designed to help develop a step-by-step plan to prepare for commencing and returning from parental leave.

*"Professionally pitched with good advice, such as finding a mentor – a woman at or beyond your level who has managed the return to work. A very strong focus on getting back to work, while managing potential issues such as guilt and income stress."*

Siobhan Toohill, General Manager – Corporate Responsibility & Sustainability

### Parenting information pack

This pack contains details on a vast range of topics such as nursery furniture, safe toys, childcare options and road safety.

*"It's very comprehensive and will keep me entertained for quite some time with all the information."*

Lisa Whinnen, Executive Assistant – Commercial Property

### Paid parental leave

Primary care givers can access 12 weeks paid parental leave, whilst non-primary care givers may take 10 days paid leave upon the birth or adoption of a child.

### Flexible working

Working parents also benefit from our commitment to flexible working, which goes beyond the minimum requirements of the new Fair Work Act, providing employees with the opportunity to request flexible working arrangements. A new online flexible working requests system has been introduced, together with training for our people managers in evaluating requests and implementing flexibility solutions.

Our Chief Financial Officer, Tim Foster, has embraced flexible working, leaving early on two consecutive afternoons a fortnight to collect his daughters from school. We are aiming to create an environment where flexibility becomes common practice, continuing to deliver business outcomes in a way that meets the needs of individuals.

## Our people

### Human rights

Our workplace human rights commitments are included in the following policies and procedures:

- Code of Conduct and Ethical Behaviour,
- Dispute Resolution Policy,
- Whistleblowing Policy,
- Health and Safety Policy.

We look to work with organisations that demonstrate a commitment to human rights through responsible supply chain management.

### Employee benefits

We support our employees by offering a range of benefits such as:

- Eligibility to participate in an employee share plan and short-term incentive program,
- Employee discounts for purchases in Stockland developments,
- Two days paid personal volunteering leave,
- Parental Transitions Program,
- On-site childcare centre at our Sydney office,
- Dependent care information and referral service,
- Option to purchase additional leave,
- Learning and development programs,
- Employee Assistance Program that offers confidential counselling for employees and family members.

### HEALTH, SAFETY AND WELLNESS

#### Caring for our employees

Our FY10 objective was to continue to provide safe and healthy workplaces and to ensure that our people have the skills and support they need to conduct their work safely. During this time, we have improved our systems and procedures, increased our team of specialist health and safety resources and improved our induction program for new employees.

We also maintained our focus on training, for example by developing a customised course to help our frontline employees deal with aggressive people, a recurrent hazard highlighted by our improved incident reporting system.

In the 2010 'Our Voice' survey, 97 per cent of our employees reported their work area was a safe place to work.

This is 6 points higher than the GHPN and 9 points higher than the Australian National Norm (ANN).

We have continued to build a culture where all employees feel a personal responsibility for their wellbeing and that of their colleagues by:

- Delivering more frequent leadership communications on health and safety matters,
- Strengthening our reporting processes,
- Improving the quality of health and safety key performance indicators in each employee's performance plan,
- Implementing new employee health and wellness initiatives, including the successful trial of a walking program.

This year, 94 per cent of employees said they think that Stockland cares about the health and safety of employees and the same number reported they have a good understanding of their health and safety responsibilities. Another pleasing result was that 89 per cent of employees reported that effective action is taken when unsafe conditions are brought to management's attention. This is 4 points higher than the GHPN and 7 points higher than the ANN.

In FY10 we experienced zero severe injuries or fatalities but our Lost Time Injury Frequency Rate (LTIFR) increased from 2.6 to 6 (injuries per million hours worked).

#### Lost time injury rate

<b>FY10</b>	<b>6.0</b>
FY09	2.6
FY08	2.9
FY07	5.2

Number of injuries per million person hours worked.

Three factors have influenced this increase:

1. There has been a concerted effort by HSE Managers and Advisers to educate Business Managers and employees on the importance of reporting all incidents and injuries. We believe this has led to an increase in reported injuries that would previously not have been reported.
2. As we currently report on our direct employees only, this reflects a relatively small reporting base which is subject to noticeable variation in our LTIFRs when lost time injuries are experienced.
3. Some of these LTIs were caused by assaults from external sources and lunchtime sport activities.

With improved reporting, it is possible to more accurately assess the factors contributing to both actual and near miss incidents and therefore direct resources to appropriate areas.

### Health, safety and environment (HSE) consultation

We have established formal consultative mechanisms with employees on occupational health and safety (OH&S). Currently, our active committees represent from 25 per cent to 50 per cent of employees. Consultation via our CR&S and other committees mean that up to 100 per cent of all employees have opportunities for consultation and representation. The formal OH&S mechanisms, in conjunction with other consultative mechanisms, ensure that all levels of employees, through to management, are covered by these consultative arrangements.

In FY11, we will identify a process to ensure that formal joint management-worker health and safety committees cover all employees. We will also review the effectiveness and coverage of existing consultative mechanisms.

Enhancing employee health and wellness has been an important element of our FY10 Health, Safety and Environment strategy. We provided an employee education program on the H1N1 virus, which aimed to minimise the risk of virus transmission and offered free immunisation to all employees. We maintained a strong program of health and wellness events and communications.

### Risks impacting our employees

We are engaged in diverse business operations, covering retail, commercial and industrial facilities, residential developments and established and new retirement living estates. As such our range of HSE risks are also diverse.

For our Commercial Business, the HSE risk to the business includes liability arising from incidents occurring on Stockland owned and controlled sites. For employees at these sites, HSE risks include interactions with members of the public, slips, trips and falls and manual handling injuries.

For our Residential business, HSE risks arise from civil works carried out by contractors, as well as public liability risks associated with communal facilities while still under Stockland control.

For our Retirement Living business, HSE risk arises from the condition of property purchased and risks from civil works undertaken by contractors at development sites.

We undertake regular and systematic audits of all facilities to ensure that they meet both regulatory and Stockland requirements.

Training and competency development programs are developed and applied across all business divisions to ensure that employees are aware of HSE risks and have the skills and knowledge to manage these risks. Where skill requirements are identified, we develop additional programs to meet these needs.

Local and immediate risks are addressed by ensuring Managers and Supervisors undertake regular risk assessments with the support of HSE Managers and Advisers.

Projects are undertaken with Stockland insurers to proactively identify areas of HSE risk, and to undertake interventions aimed at reducing these risks.

## CASE STUDY

# Safe Work Week at Stockland



Global Corporate Challenge award presentation

Safe Work Week, an Australian Federal Government initiative, took place in October 2009. Safe Work Week aims to encourage all working Australians to concentrate on safety in their workplace.

We ran a program of events with employees and contractors over the five days of Safe Work Week to encourage safety in the workplace and at home. The Safe Work Week kicked off with a morning tea with Paralympian, Nigel Smith. Nigel lost his left leg in an industrial accident and shared his experiences of how he not only returned to work but went on to represent Australia in volleyball.

During the week employees and contractors were encouraged to participate in the following events:

- Toolbox talk events with contractors – Focusing on key safety issues for our contractors,
- Ergonomic demonstrations – Educating our employees on why ergonomics is important and how to set up their workspaces to avoid strain injuries,

- Health checks – Health and fitness professionals carried out checks on our employees against measures such as metabolic age, body fat percentage and blood pressure,
- Massages – Professional therapists offered our employees 15 minute massages to promote massage as a way to manage stress,
- Practical Stress Management for Busy People – This seminar helped our employees to recognise stress symptoms and their causes and provided practical, user-friendly techniques to reduce stress levels and assist them in living a balanced lifestyle,
- First Aid at Home – This one-hour course provided our employees with vital information on first aid,
- Kid Safe Seminar – This seminar provided our employees with valuable advice on home safety, road safety, and safe, creative play.

During the week we were presented with an award for our performance in the Global Corporate (walking) Challenge, the world's largest corporate health initiative.

Feedback from the week was positive and we will run the program again in October 2010.

## Our people

## Health and safety performance

	FY10	FY09	FY08
Total average workforce	1,243	1,320	1,372
Total hours worked	2.17 million	2.31 million	2.40 million
Independent contractors working on-site to whom Stockland is liable for the general safety of the working environment	Not recorded	Not recorded	Not recorded
Number of lost time injuries	13	6	7
Lost time injury frequency rate (the number of injuries per million person hours worked)	6	2.6	2.9
Number of injuries requiring medical treatment (not including lost time injuries)	12	12	10
Frequency rate of medical treatment (MT) injuries (the number of MT injuries per million person hours worked)	5.5	5.2	4.2
Frequency rate (LT and MT) (the number of injuries (lost time and medical treatment injuries, per million person hours worked. Does not include injuries requiring first aid treatment only)	11.5	7.8	7.1
Occupational diseases instances	0	0	0
Fatalities	0	0	0
Lost days (total for the recorded lost time injuries)	87	31	14
Average lost day rate – severity rate (average number of days lost per lost time injury)	6.6	5.2	2.3

## Learning and development

## CAPABILITY DEVELOPMENT

Learning and career development is an important part of maintaining an engaged workforce. Our performance in this area was measured in the April 2010 'Our Voice' survey with over 81 per cent of employees responding favourably to the training and learning questions. This was 13 points higher than the Global High Performing Norm (GHPN). The personal development category was 7 points higher than the GHPN, with 76 per cent of employees responding favourably.

In July 2009 we introduced a training program on career development planning for our people managers.

More than 80 per cent of our people managers attended half-day sessions on Objective Setting and Development Planning. This program was deemed a priority as we only had 71 per cent of employees with development plans in the system last year. This has now increased to 83 per cent in the reporting period.

Reflecting our increased focus on employee development and career planning, and more rigorous data collection, employees participated in an average of 5.9 training days per employee over the reporting period. We spent 2.5 per cent of payroll for training. This includes broader development activities such as seminars, conferences, mentoring activities, further education and workshops, as well as formal training sessions.

## Annualised training days per employee

FY10	5.9
FY09	2.9
FY08	3.7
FY07	4.6
FY06	3.1

## Training spend as a % of payroll

FY10	2.5
FY09	1.3
FY08	2.0
FY07	1.9
FY06	2.1

In FY10 we also focused on:

- Developing our leaders and managers to maintain high engagement in changing economic circumstances,
- Building the capability of our major job categories,
- Supporting greater workplace diversity through a range of employee and manager programs.

## Developing our leaders and managers

We conducted 360 degree assessments with almost half of our Leadership Team and 42 of our Senior Managers. The review includes an assessment of how effectively values are demonstrated. Leaders who participate in the assessment draw up action plans to support their development. The aggregated results of these assessments help us create custom leadership development programs.

The 'Our Voice' survey outlined the need to further develop the capability of our managers. We have responded by continuing to hold our regular 'Inspiring Manager' programs, with topics on strengthening career development skills and employee wellbeing. In one of these sessions, we trained managers on the 'Our Voice' Wellbeing Index and framework. We also provided techniques for managers to create a positive working environment.

As well as these core programs, we offered further training options for experienced managers, including programs on Self Insight, Leading High Performance Teams and Transformational Leadership.

#### Building capability in job categories

The Role Accountabilities framework is an important aspect of our capability strategy and enables us to identify common development opportunities and build appropriate learning programs to support them. It also provides a mechanism for formalised development and career planning for employees within these roles. We provided in-house development programs for key job categories in FY10 including Development Managers, Asset Managers and Sales.

Our Development Manager Essentials program for the Residential business provides training for our Development Managers on essential elements of their roles such as financial metrics, marketing and sustainability. Two sessions have been held in FY10, with more than 68 attendees from around the country.

For our asset management capability, our Gateway program has been updated to extend across all Commercial asset management classes.

Residential sales professionals, as well as their Retirement Living colleagues, have undertaken customised sales training this reporting period, with a focus on a standard processes and key skills. In the coming year, we will build on this core knowledge, focusing on behavioural skills.

#### Supporting greater workplace diversity through training

As part of our commitment to diversity, employees undertook mandatory online Equal Employment Opportunity training in July and August 2009. This training included three modules on discrimination, grievance and harassment. At the same time, selected employees completed Trade Practices and Privacy training. This training takes place every 18 months and is next scheduled for December 2010. The online Equal Employment Opportunity training has been complemented by a new face-to-face practical program facilitated by a highly experienced trainer, with 65 per cent of all employees attending sessions.

## CASE STUDY

# Gateway asset management training program



Stockland training program

The Gateway program helps attendees gain a broader understanding of all Commercial Property asset classes. The program has been developed following our successful 2008 program that focused on retail asset management.

The current program includes Stockland-developed content and takes place over 11 days in the 2010 calendar year, with the option for attendees to undertake further study with the Macquarie Graduate School of Management in 2011. The Gateway course

covers the fundamentals of the role of an asset manager, and combines theoretical and practical approaches. We have 39 employees, from Commercial Property and other business areas, participating in this program in 2010.

Employees have worked together to produce up-to-date best practice content for the program. Senior management from across the company have supported the employees involved in developing and delivering the course, and a Steering Group reviews the program design and content.

Internal experts are responsible for developing content for the course, and these employees train other employees who work in the same field to deliver the content at the training.

The learning and development team provide overall project management and assistance with program design and training on facilitation skills. This approach is being used successfully in a number of other programs for key job categories, ensuring that internal knowledge is shared across the organisation.

## Our people

### EMBEDDING SUSTAINABILITY

Embedding sustainability into our business activities is essential for the delivery of our CR&S strategy objectives. Over the past 12 months the organisation has achieved several significant milestones in relation to our commitment to embedding sustainability in our day-to-day operations.

The 'Our Voice' survey results have again indicated that our efforts to communicate our sustainability strategy, performance and achievements were successful:

- 94 per cent of our employees believe we are an environmentally responsible company (up by 1 per cent compared to FY09),
- 92 per cent of our employees believe we are socially responsible (same result as FY09),
- 88 per cent of our employees believe we achieve the right balance between social, environmental and financial responsibilities (up by 2 per cent compared to FY09).

EMPLOYEES WHO BELIEVE WE ARE ENVIRONMENTALLY RESPONSIBLE

94%

EMPLOYEES WHO BELIEVE WE ARE SOCIALLY RESPONSIBLE

92%

EMPLOYEES WHO THINK WE ACHIEVE THE RIGHT SOCIAL, ENVIRONMENTAL, AND FINANCIAL BALANCE

88%

The development and alignment of our Retirement Living, Residential and Commercial Property sustainability policies with our CR&S strategy was a significant step forward in our efforts to embed sustainability across the organisation. Both our Residential and Commercial Property businesses have increased their resourcing in sustainability roles, in recognition of the need to focus our efforts on material issue areas, such as community development. Our Retirement Living business intends to appoint a dedicated Sustainability Manager in FY11.

*At our leadership team level, many of our leaders have increased their role in championing sustainability initiatives across the business.*

For example:

- Our Managing Director has championed our efforts to decrease our greenhouse gas emissions (GHG) by including a GHG reduction target in his key performance indicators,
- Our Chief Financial Officer is taking over the responsibility for the collection of greenhouse gas emissions data from our sustainability teams, firmly embedding sustainability in our day-to-day accounting processes.

At management level we remain committed to embedding sustainability in our performance management approach. We continue to use a Balanced Scorecard approach across the organisation which requires all employees to set objectives, measures and targets in the following four categories:

- Business/financial,
- Stakeholder,
- People and leadership,
- Corporate responsibility and sustainability and health, safety and environment.

In FY11 we plan to trial a new system that will ensure these four categories are included in every employee's performance objectives. The system will also allow us to better track employee CR&S objectives.

## Employee metrics

All employee metrics exclude UK operations.

### OUR WORKFORCE

#### Stockland workforce – number of employees

	FY10	FY09	FY08
Full-time (including fixed-term)	1,139	1,107	1,272
Part-time (including fixed-term)	119	108	105
Casual	30	21	27
<b>Total</b>	<b>1,288</b>	<b>1,236</b>	<b>1,404</b>
FTE	1,243	1,193	1,361

#### Stockland workforce – employment type

	FY10	FY09	FY08
Permanent full-time	1,101	1,090	1,258
Permanent part-time	114	108	104
Fixed-term full-time	38	17	14
Fixed-term part-time	5	–	1
Casual	30	21	27
<b>Total</b>	<b>1,288</b>	<b>1,236</b>	<b>1,404</b>

#### Median age of employees

	FY10	FY09	FY08	FY07	FY06
	35	35	34	34	34

#### Absentee rates (%)

	FY10	FY09	FY08	FY07	FY06
	1.6	1.5	1.4	1.3	1.3

### GENDER DIVERSITY

#### Stockland workforce – gender

Job Band	Men FY10	Women FY10	Total FY10	Men FY09	Women FY09	Total FY09	Men FY08	Women FY08	Total FY08
Executive Management	5	2	7	5	2	7	5	2	7
Leadership Team	22	6	28	24	5	29	34	6	40
Senior Management	88	36	124	88	30	118	95	27	122
Management	187	118	305	164	110	274	222	120	342
Professional/Technical	225	234	459	240	203	443	233	226	459
Employee	80	285	365	79	286	365	85	349	434
<b>Total</b>	<b>607</b>	<b>681</b>	<b>1,288</b>	<b>600</b>	<b>636</b>	<b>1,236</b>	<b>674</b>	<b>730</b>	<b>1,404</b>

#### Stockland workforce – gender (%)

Job Band	Men FY10	Women FY10	Men FY09	Women FY09	Men FY08	Women FY08
Executive Management	71	29	71	29	71	29
Leadership Team	79	21	83	17	85	15
Senior Management	71	29	75	25	78	22
Management	61	39	60	40	65	35
Professional/Technical	49	51	54	46	51	49
Employee	22	78	22	78	20	80
<b>Total</b>	<b>47</b>	<b>53</b>	<b>49</b>	<b>51</b>	<b>48</b>	<b>52</b>

## Our people

## Gender and age profile

Age	Men FY10	Women FY10	Total FY10	Men FY09	Women FY09	Total FY09	Men FY08	Women FY08	Total FY08
<30	146	215	361	146	217	363	159	257	416
30-39	238	279	517	236	253	489	283	293	576
40-49	142	111	253	142	96	238	154	97	251
50-60	67	56	123	60	58	118	64	71	135
>60	14	20	34	16	12	28	14	12	26
<b>Total</b>	<b>607</b>	<b>681</b>	<b>1,288</b>	<b>600</b>	<b>636</b>	<b>1236</b>	<b>674</b>	<b>730</b>	<b>1,404</b>

## Gender and age profile (%)

Age	Men FY10	Women FY10	Men FY09	Women FY09	Men FY08	Women FY08
<30	11	17	12	18	11	18
30-39	18	22	19	20	20	21
40-49	11	9	11	8	11	7
50-60	5	4	5	5	5	5
>60	1	2	1	1	1	1
<b>Total</b>	<b>47</b>	<b>53</b>	<b>49</b>	<b>51</b>	<b>48</b>	<b>52</b>

Note: All percentage figures are rounded. Accordingly, tables may not add up to 100%.

## Women in management – business unit (%)

	FY10	FY09
Commercial Property	37	38
Corporate Services	48	51
Residential	24	20
Retirement Living	41	33

## Average fixed remuneration ratio – gender and job band

Job Band	Ratio FY10		Ratio FY09		Ratio FY08	
	Women	Men	Women	Men	Women	Men
Executive Management	1.00	2.35	1.00	2.67	1.00	2.57
Leadership Team	1.00	1.15	1.00	1.25	1.00	1.36
Senior Management	1.00	1.28	1.00	1.30	1.00	1.23
Management	1.00	1.23	1.00	1.24	1.00	1.18
Professional/Technical	1.00	1.12	1.00	1.12	1.00	1.11
Employee	1.00	1.06	1.00	1.06	1.00	1.01

Remuneration data includes fixed pay only and does not include incentives. These figures exclude casual employees and those who received a sale commission during FY10.

## EMPLOYEE TURNOVER

During the reporting period, employee departures categorised as regretted turnover decreased to 7.5 per cent (against our target of 10 per cent), which is an improvement from 12.4 per cent in FY09. Last year the strong correlation between employee wellbeing and intention to stay was acknowledged, and as a result our training programs have focused on improving employee wellbeing. For example, our 'Inspiring Manager' series and 'Leading with Insight' programs are designed to support managers in developing the necessary skills to more effectively lead their teams. While these and other initiatives may have assisted in the reduction of regretted turnover, economic uncertainty has also been a factor in improved retention.

To obtain feedback from our employees at each stage of the working lifecycle we have put in place a number of initiatives. Feedback is sought from new employees within the first three months of their employment, existing employees via the 'Our Voice' survey, and departing employees through exit interviews. We will continue to use information from these surveys to help our managers lead their teams and maximise employee retention.

All Stockland employees are engaged under individual employment contracts, rather than via collective agreements. If significant operational or structural changes are required in the business, we consult with employees impacted by the changes. Our Redundancy Policy outlines our approach to restructuring, notification, redeployment and redundancy.

We remain committed to aligning our behaviours with our values. Our Code of Conduct and Ethical Behaviour sets out the standards of behaviour with which all our employees are expected to comply. When people are made an offer to join Stockland, they are required to review the Code and sign and return the form. The code references our Fraud and Corruption Policy, with additional information available on StockXchange, our intranet. While we don't provide specific training on the Code of Conduct, our compliance training programs do build employee awareness on key areas forming part of the code. For example, our Group Risk team nominates people in 'specific roles' who must undertake an online course in Trade Practices (including consumer protection and unfair business conduct and anti-competitive conduct).

All employees complete online compliance training in Equal Employment Opportunity and Privacy, which are areas referred to in our Code of Conduct and Ethical Behaviour. Employees must undertake this online compliance training every 18 months. In FY10, the employment of five people was terminated due to breaches of this code.

Our total turnover has decreased considerably to 14.7 per cent (down from 30.8 per cent last year), which is primarily due to limited organisational restructuring, in comparison to the 13 per cent<sup>1</sup> reduction made to our workforce last year.

<sup>1</sup> This reduction includes both the Australian and UK workforce.

## TURNOVER

### End of year turnover

#### Rolling turnover (%)

	FY10	FY09	FY08
Regretted	7.5	12.4	13.3
Non-regretted/Stockland initiated	7.2	18.4	13.1
<b>Total</b>	<b>14.7</b>	<b>30.8</b>	<b>26.4</b>

Headcount used is based on end of financial year data. All data (including headcount) excludes those employed on a casual or fixed term basis.

#### Overall turnover

	FY10	FY09	FY08
No. exits	178	369	359
Headcount	1,215	1,236	1,362
Turnover rate	14.7%*	29.9%	26.4%

Headcount used is based on end of financial year data. All data (including headcount) excludes those employed on a casual or fixed term basis.

#### Turnover – gender

	Men FY10	Women FY10	Men FY09	Women FY09	Men FY08	Women FY08
No. exits	89	89	166	203	172	187
Headcount	579	636	644	649	665	697
Turnover rate	15%	14%	26%	31%	26%	27%

Headcount used is based on end of financial year data. All data (including headcount) excludes those employed on a casual or fixed term basis.

#### Turnover – age group

	<30	30–39	40–49	50–60	>60	Total
<b>No. exits FY10</b>	<b>48</b>	<b>67</b>	<b>44</b>	<b>15</b>	<b>4</b>	<b>178</b>
No. exits FY09	99	153	79	34	4	369
No. exits FY08	89	141	87	31	11	359
<b>Headcount FY10</b>	<b>331</b>	<b>488</b>	<b>245</b>	<b>120</b>	<b>31</b>	<b>1215</b>
Headcount FY09	346	477	234	115	26	1236
Headcount FY08	395	564	246	132	25	1362
<b>Turnover rate FY10</b>	<b>15%</b>	<b>14%</b>	<b>18%</b>	<b>13%</b>	<b>13%</b>	<b>15%</b>
Turnover rate FY09	29%	32%	34%	30%	15%	30%
Turnover rate FY08	23%	25%	35%	23%	44%	26%

Headcount used is based on end of financial year data. All data (including headcount) excludes those employed on a casual or fixed term basis.