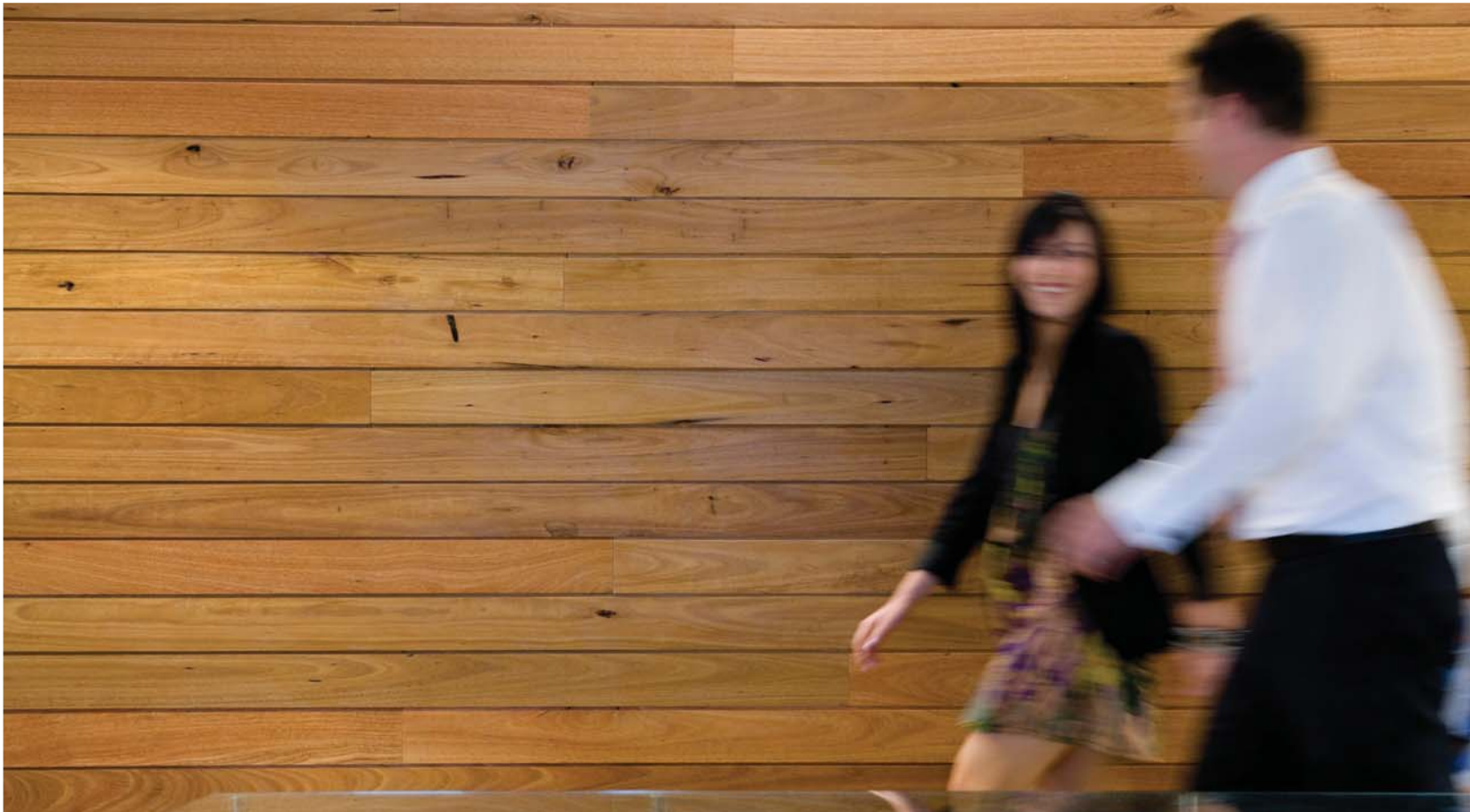


Our people



- 33 Progress and priorities**
- 34 Employee engagement**
- 34 Our voice
- 35 Case study: Our purpose
- 36 Diversity and inclusion
- 39 Case study: Women in Leadership
- 40 Health, safety and wellness
- 42 Learning and development**
- 42 Capability development
- 43 Case study: Community development training for Managers
- 44 Embedding sustainability
- 45 Our people metrics**

Fostering an environment where our people can give their best, continue to grow, develop their careers and make a positive contribution to our business and communities.

Our people – progress and priorities

LAST YEAR WE SAID WE WOULD

Past

People capabilities

Deliver capabilities that support the business units' growth strategies and corporate function improvement plans.

Leadership capabilities

Build the capabilities of our leaders and people managers to maintain high employee engagement and wellbeing.

Aligned, connected and engaged culture

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 were:

- 10 per cent for employee initiated turnover (this will include regretted and non-regretted turnover),
- 15 per cent for total turnover.

Diversity and flexibility

Increase the percentage of women in management roles, in line with our target of 40 per cent by 2015.

Foster a more flexible and diverse work environment through targeted initiatives.

Occupational health and safety (OH&S)

Establish metrics on our Health, Safety and Environment (HSE) team's level of engagement with development and property sites.

Identify specific development opportunities for HSE team members.

THIS PAST YEAR WE HAVE

Present

Focused our efforts on further developing capability in our sales job team – delivering sales coaching for Sales Managers in Residential and Retirement Living and quarterly state based skills workshops for sales professionals.

Supported our Finance Transformation Program to streamline job titles and define future state capabilities.

Continued our Gateway asset management training program this year.

Developed a Leadership Success Profile that defines our Leadership Responsibilities and Attributes to support our strategy and purpose. Designed and launched a mentoring program in Corporate Services. Delivered a range of management development programs (Managing at Stockland; Leading with Insight and Building Capability).

Introduced One Up career discussions with employees and their one up manager (i.e. their manager's manager).

Held Manager Discussion groups involving 50 managers from Sydney and Melbourne to explore key issues impacting on their engagement.

Employee initiated turnover at 14.5 per cent for FY11 continues to be a challenge, requiring an increased focus in the year ahead.

Increased the percentage of women in management roles from 35 to 37 per cent and introduced two new women's development programs – the Future Women Leaders Program and the Senior Women Leaders Program.

Introduced a workshop for our Leadership Team to build a greater awareness of unconscious bias and its implications for business.

Embedded our Parental Transitions Program, with the return rate of employees from parental leave increasing to 94 per cent.

Expanded our involvement in the Stepping Into work experience program for tertiary students with a disability.

Reviewed individual OH&S accountabilities and responsibilities in all our job roles across the business and developed new OH&S lead indicators that will focus on driving proactive safety performance through a range of initiatives aligned with a National OH&S Strategy.

Commenced briefings on the new Workplace Health and Safety Harmonisation Laws to our Executive and Senior leadership teams.

Developed and implemented National OH&S Strategy with our OH&S team broadening their capability to impact safety performance at a national level.

Conducted an OH&S National Internal survey with over 100 frontline managers to identify key issues and requirements to assist with the development of procedures, reporting and analysis, legal requirements and contractor management. The feedback was integrated into the national OH&S Strategy.

Changed the Health, Safety and Environment function name to Occupational Health and Safety (OH&S) to focus on and reinforce the core responsibilities of the team.

RESULTS

ACHIEVED OUTCOME 

ONGOING 

ONGOING 

ONGOING 

ONGOING 

IN THE COMING YEAR OUR PRIORITIES ARE

Future

Deliver capabilities that support business unit growth strategies and corporate function improvement plans

Design and deliver management and leadership development initiatives aligned with the new Leadership Success Profile.

Extend the mentoring program more broadly across the organisation.

Reduce employee initiated turnover to 10 per cent or below.

Review and update our performance management and reward frameworks.

Increase the percentage of women in management roles, in line with our target of 40 per cent by 2015.

Foster a more flexible and diverse work environment through targeted initiatives.

Continue to deliver briefings on the new Workplace Health and Safety Harmonisation Laws to our workgroups across the business.

Develop OH&S Risk Leadership Standards.

Deliver OH&S Risk Leadership Training.

Upskill our OH&S team members and qualify them as ASNZ4801 Safety Management Systems accredited auditors to assess compliance with our new Safety Management System.

Implement new safety management system and audit program aligned with ASNZ4801.

OUR PEOPLE **EMPLOYEE ENGAGEMENT**

Fostering an environment where our people can give their best, continue to grow, develop their careers and make a positive contribution to our business and communities is central to Stockland's ongoing success.

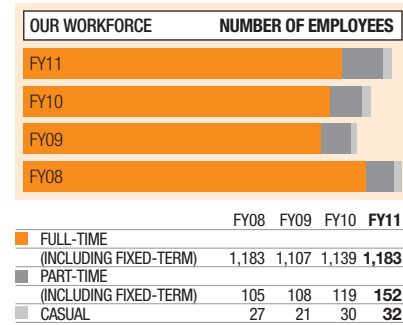
To ensure our people initiatives are contributing to creating this environment, each year we identify strategic focus areas and related projects as part of our People Strategy. For FY11, we had five strategic focus areas:

- Build people capabilities to support our business growth plans,
- Strengthen our leadership capabilities,
- Foster an aligned, connected and engaged culture,
- Support diversity and flexibility, and
- Master the human resources fundamentals.

Through the year, we have implemented a range of initiatives in support of these strategic areas and some of these are outlined in this section.

One of the important initiatives this year was the work on defining our organisational purpose (see case study). This was a program conducted over several months that engaged a significant number of our employees at all levels to help shape and define our new purpose.

A purpose portal was created to facilitate employee involvement along with a range of face-to-face opportunities. In total, around 1,100 employees have visited the portal since the launch and 10 workshops were conducted across the country which involved 145 employees.



Boundary:

We are working hard to integrate Aevum employees into our people systems. References to all employees refers to those employees that are inducted into Stockland systems.

In 2011

Our increase in engagement was largely driven by a reported improvement in team morale and an improvement in how energised people feel to go the extra mile

—

Our One Up initiative gives our employees the opportunity to share their career aspirations, explore broader career development options and build a stronger relationship with their manager's manager

—

Employee engagement

Our Voice

The Our Voice employee opinion survey is a key source of feedback from our employees that helps us continue to enhance our workplace. 2011 was the seventh consecutive year that we have conducted the survey, demonstrating Stockland's commitment to listening and responding to our people. The survey is used to understand what we are doing well and to identify areas where we can improve to drive better outcomes for our employees and our business.

In addition to developing an organisation-wide response to the survey, debriefing sessions are held in each team to better understand the feedback from the survey and identify strategies to address local issues.

Employee engagement is a key indicator that gives us an insight into how our people think, feel and act at Stockland. We measure it using a set of questions benchmarked by our survey provider Towers Watson. Pleasingly, in 2011 our employee engagement score was 84 per cent, up two points from the prior year and three points above the Global High Performing Norm (GHPN), Towers Watson's highest benchmark. The increase in engagement this year was largely driven by a reported improvement in team morale (up four points) and an improvement in how energised people feel to go the extra mile (up six points).

Compared to last year, several categories registered improved year on year scores, including:

- Pay – this was the most improved category with a seven point improvement since 2010. The increase redressed the decline in the same category from the 2010 survey.
- Balancing Work/Life – this category improved by five points and is 10 points above the GHPN. Stockland has invested significantly in the past years to encourage more flexible working arrangements (see our Section on Diversity and Inclusion for further details).
- Working Relationships/Collaboration – this category improved by four points. We have focused on strengthening cross business relationships and in 2010 established several improvement projects to deliver a One Stockland approach to key business capabilities.

Our purpose

Employees have consistently indicated through the Our Voice surveys that opportunities for professional and career development are the primary drivers for working at Stockland. We introduced further initiatives in the past year to respond to this feedback. The first was a Stockland-wide initiative called One Up which is a discussion between an employee and their one up manager (i.e. their manager's manager) where the employee has an opportunity to share their career aspirations, explore broader career development options and build a stronger relationship with their manager's manager.

The second was a pilot Mentoring Program that was launched in Corporate Services and will be progressively rolled out over the remainder of the year. All employees in Corporate Services were invited to participate in the program and we have 45 mentors and 56 people as mentees. In February and March 2011 mentors and mentees were trained to provide them with the skills required to for the mentoring relationship. The evaluation of the program after three months showed that 90 per cent Agreed or Strongly Agreed that the mentoring program has met their expectations.

Our key areas of focus for improvement in the year ahead are:

- Improving employee retention – while intentions to stay have improved from 2010, there are still just over 10 per cent of employees who have indicated they are seriously considering leaving Stockland. This, coupled with our current employee initiated turnover rate at 14.5 per cent, is an area we wish to focus on to minimise our turnover rate.
- Our customer category score was slightly below the GHPN and in light of our new organisational purpose, customers will be a key focus area for the year.
- Our people indicated that improving work processes and systems is their highest priority. To that end, our Finance Transformation Project is now well underway and aims to improve all our core finance systems and processes.

In 2010 we acknowledged that our organisation's vision – to be a world class property company – was less compelling for our people than it once was. We also noticed a growing focus on community in the language and actions of our employees and were keen to understand this better.

As we began to explore these issues we soon came to realise that what we were lacking was a clearly articulated purpose. We believe purpose-driven organisations are more inspiring for employees, stakeholders and customers.

We also discovered that true purpose comes from within. It is not what we do, or how we do it, but why we do it. So began our process of discovery, to articulate our purpose.

The process involved thorough stakeholder engagement:

- We reviewed all existing customer, investor and media research.
- We interviewed all of the Executive Committee and the Board of Directors.
- We invited guest speakers to share new ideas with employees.
- We set up the Purpose Portal – an online blog and interactive website. Nearly all employees visited the site and many uploaded videos, images and stories.
- We held 10 Purpose workshops across the country.
- Finally, all of this information was reviewed and distilled by the Steering Committee, and a common purpose was defined.

Our people provided passionate feedback about why they are proud to work at Stockland and what sets us apart. Here are two very representative contributions from our interactive website:

"We are a company that strives to be a model corporate citizen in our approach to our customers, our people and our responsibilities to the environment and to the communities we serve."

"I am proud of the legacy of quality developments we are leaving as we shape the communities of the future to meet the needs of Australians of all ages."

The process to define the purpose set a new standard in communication, with greater emphasis on two-way conversations with our people through the Purpose Portal. It's a standard that fits well with the purpose we discovered:

We believe there is a better way to live.

Since launching this purpose in March 2011 we have continued this new approach to communication to maintain the momentum we created throughout the process. Employees continue to use the portal, to share examples of how they are delivering a better way. We have also continued our guest speaking program, to encourage employees to think about things in new ways. Of course, leadership remains critical to our success. People managers have played a key role in communicating with their teams and our six-monthly May employee roadshow, which sees our senior executives present to employees around the country, was themed around our new purpose.

And to ensure our purpose is more than words, work is continuing on several streams aligned to our purpose including: people capabilities (discussed under capability development); processes and decision-making; customers; collaboration and KPIs; community development; brand; community involvement; stakeholder engagement; and metrics and measurement.

Our
purpose

a better way to live.

We are a company that strives to be a model corporate citizen in our approach to our customers, our people and our responsibilities to the environment and to the communities we serve

OUR PEOPLE **EMPLOYEE ENGAGEMENT**

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 and flexibility strategy, together with 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.

Over the past year our focus has been on implementing and embedding initiatives to maximise our parental leave return rate and opportunities for women in management, while building awareness about unconscious bias and creating a more disability inclusive workplace. As a result of this focus, we were recognised as a 2011 Employer of Choice for Women by the Equal Opportunity for Women in the Workplace Agency (EOWA).

In the 2011 Our Voice employee survey, 94 per cent of people felt that we provide a working environment that is accepting of differences in cultural background or lifestyle.

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. During FY11, our two-hour face-to-face training program on preventing workplace discrimination and harassment was expanded to include more of our employees based in regional areas. This program supplements the online Equal Employment Opportunities training that all employees are required to complete.

This year we introduced a new training workshop for our Leadership Team to improve awareness of unconscious bias and the consequences of stereotypic beliefs. The workshop has promoted a greater awareness about the importance of, and barriers to, embracing diversity. In particular, the workshop assists in uncovering unconscious bias and identifying approaches to improve decision-making, while generating personal and organisational commitments to embrace diversity into business as usual activities. By taking proactive steps to minimise unconscious bias, we help avoid potential discrimination.

We accommodate the Diversity Council Australia (DCA) in our Sydney and Melbourne offices, providing workstations and IT facilities free of charge. 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.

Gender diversity

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, and we provide an update on progress against our objectives annually in this report. Our aim is to increase the percentage of women in management roles, which over the past year has increased from 35 per cent to 37 per cent. We have set a target to increase the number of women in management roles to no less than 40 per cent by 2015.

93 per cent of people felt that we provide a working environment that is accepting of gender differences, according to our 2011 Our Voice opinion survey.

Two new accelerated development programs have been implemented to maximise opportunities for women in leadership at Stockland. The Future Women Leaders Program is targeted at emerging talent, while the Senior Women Leaders Program is designed for experienced managers. Both programs are facilitated by an external consultancy specialising in maximising opportunities for women in business. The programs were recommended for implementation by our 2010 Peter Daly Fellowship winners, with the content reflecting their global best practice research findings. See our case study on women in leadership.



We are a corporate member of Women on Boards (WOB), 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. This year WOB facilitated an in-house workshop on Realising your board potential, designed to assist our women to maximise their opportunities for board selection. Since becoming a corporate member of WOB last year, over 40 women at Stockland have registered to participate in WOB activities.

We continue to sponsor the National Association of Women in Construction (NAWIC), an organisation that aims to advance the interests of women in the industry and recognise their achievements. Natalie Myatt (Regional Asset Manager) was awarded a 2011 NAWIC International Women's Day Scholarship which provides the opportunity for women in the construction industry to develop a White Paper. Natalie's research will provide Stockland and the Australian construction industry with a set of guidelines to assist in implementing social sustainability policies. At the 2011 Property Council of Australia National Innovation and Excellence Awards, Natalie Myatt also won the Future Leader of the Year Award. This award provides Natalie with the opportunity to travel overseas and develop a method to assess business value delivered by social responsibility.

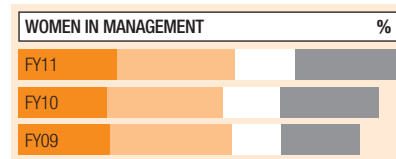
We continue to sponsor the Urban Design Institute Australia (UDIA) NSW and Stockland Women in Development Leadership Award. This award acknowledges, encourages and promotes the positive contribution of women to the NSW property industry.

MEDIAN AGE OF EMPLOYEES	
FY11	35
FY10	35
FY09	35
FY08	34
FY07	34
FY06	34

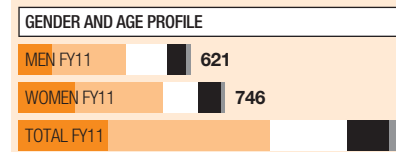
OUR PEOPLE **EMPLOYEE ENGAGEMENT**

International Women's Day acknowledges the economic, political and social achievements of women. This year Stockland celebrated the day by supporting the charity Dress for Success, improving employment opportunities for disadvantaged women.

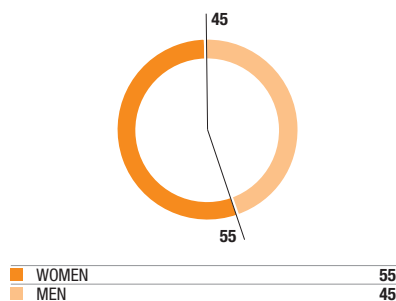
Our Parental Transitions Program provides comprehensive support for employees preparing to commence or return from parental leave. A selection of the initiatives available include a one day seminar for working parents expecting a child, a comprehensive practical parenting information pack, keeping in touch events and a subscription to a helpful Australian parenting magazine. These benefits reflect our continued commitment to helping our employees balance their career and family responsibilities. During the year, we enhanced our parental leave policy providing eligible employees commencing parental leave (as the primary caregiver) with 15 weeks paid leave – an increase of three weeks compared to our previous policy. Stockland's Paid Parental Leave Program operates independently and in addition to the Australian Government's new Paid Parental Leave (PPL) scheme.



	FY09	FY10	FY11
COMMERCIAL PROPERTY	38	37	41
CORPORATE SERVICES	51	48	49
RESIDENTIAL	20	24	25
RETIREMENT LIVING	33	41	43



	MEN	WOMEN	TOTAL
<30	121	203	324
30-39	265	316	581
40-49	148	129	277
50-60	71	80	151
>60	16	18	34



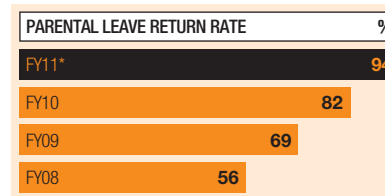
Workplace flexibility

Our commitment to embracing flexible working has expanded beyond the minimum requirements outlined in the *Fair Work Act*, to provide all employees with the opportunity to request flexible working arrangements. Our online flexible working requests system enables Human Resources to track all requests and assist managers in implementing appropriate solutions. In FY11, 30 new formal flexible working requests were approved by managers for implementation.

In the 2011 Our Voice employee survey, 91 per cent of people felt that their manager is considerate of their life outside of work – 12 per cent above the Towers Watson GHPN.

Furthermore, 83 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. As part of our commitment to enabling workplace flexibility, a Balancing Work and Home seminar was held in Brisbane, Sydney and Perth. Attended by over 50 employees, the seminar was facilitated by Davidson Trahaire Corpsych, Stockland's Employee Assistance Program provider.

During 2011 we are co-sponsoring a comprehensive research project From Marginal to Mainstream – making flexibility standard business practice being undertaken by the Diversity Council of Australia. The research project will provide a valuable insight into Australian employment and diversity-related workplace trends by demonstrating how men can play a key role in mainstreaming flexibility, and identifying actions which can be taken by organisations, work teams and employees to make flexible careers standard business practice. Results of this comprehensive research study will be available in November 2011.



* Total includes 52 females and 2 males for FY11.

Disability inclusiveness

Over summer 2010/11 Stockland provided paid work experience opportunities to eight university students with a disability. The students worked in our Sydney, Brisbane and Melbourne offices as part of the Stepping Into Program, undertaken in conjunction with the Australian Network on Disability (AND). We also hosted two training seminars for AND at Stockland Head Office. Our commitment to advancing the equitable inclusion of people with disability has been recognised with Stockland's membership of the Australian Network on Disability being elevated from silver to gold standing.

Eighty-eight per cent of employees believe that Stockland provides a working environment that is accepting of people with a disability.

Stockland also participated in the Willing and Able Mentoring (WAM) Program, developed by Deakin University and the University of Melbourne. The program offers tertiary students with a disability the opportunity to help launch their professional career by matching the student with a mentor working in the relevant functional area.

We have made significant commitments to improving the accessibility of our assets. For more information please refer to the Accessibility and Livable Housing Design section.

“
My fiancé and I have been thrilled by the parental transitions program from our paid parental leave scheme, the information package and magazine subscription, to our return to work lunch in head office. It is lovely to feel like such a valued member of the Stockland team
”

Elesha Landy
Marketing Manager,
Stockland Glendale

OUR PEOPLE **EMPLOYEE ENGAGEMENT**

Ethnicity and Indigenous Australians

As part of celebrations for Mabo Day on 3 June 2011, Stockland Head Office hosted an Indigenous exhibition featuring a portrait of Bonita Mabo. The painting was commissioned by The Aboriginal Arts Residency Kenmore (AARK) and painted by Gregory S Fergusson with Samara Littlemore. Mabo Day commemorates the landmark decision by the High Court of Australia in the *Mabo versus Queensland* court case, which led to the Commonwealth Native Title legislation. Bonita Mabo is the wife of Edward Koiki Mabo who led the eponymous campaign for Indigenous land rights.

During the year, Stockland became a member of the not-for-profit organisation Australian Indigenous Minority Supplier Council (AIMSC), providing a tangible way to effectively engage with Indigenous suppliers on a business level and develop Stockland's approach to supplier diversity.

Through our participation in the Horizons Program, which provides students experiencing disadvantage with access to paid employment opportunities and mentoring support, we provided paid work experience to an Indigenous student.

We also enhance cultural awareness through our participation in A Taste of Harmony diversity celebrations. This annual event encourages employees to bring in food representing their cultural background, building a greater appreciation of the cultural diversity within our workforce.

Our community initiatives also support our commitment to diversity please refer to the Community Involvement section.

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.

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, and
- Employee Assistance Program that offers confidential counselling for employees and family members.

In 2011

As a result of this focus, we were recognised as a 2011 Employer of Choice for Women by the Equal Opportunity for Women in the Workplace Agency (EOWA)

—

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

—

Women in Leadership – Peter Daly Fellowship

Stockland is committed to improving gender diversity in the workplace, in particular, the number of women in management roles. Gender diversity forms an integral part of our People Strategy, as having more women in leadership positions will facilitate greater diversity of thought and better business outcomes.

A range of programs and initiatives are already in place to support achievement of our gender diversity objectives such as women's networking events, a parental transitions program and access to flexible working arrangements. Recognising an opportunity to build upon these initiatives, the 2010 Peter Daly Fellowship was awarded to three female employees to undertake research on maximising opportunities for the advancement and empowerment of women in business. This annual fellowship provides an opportunity for employees to undertake an overseas study tour to research leading practices that cannot be readily accessed in Australia.

After surveying our female managers about their own experiences and researching leading practices in 20 organisations across five countries, our Peter Daly Fellowship winners finalised their recommendations to support the advancement of women into leadership roles at Stockland. These recommendations spanned three key areas: building a culture of inclusion; maximising talent development; and promoting accountability through measurement and reporting.

For further details on the research undertaken and recommendations made, please go online to see the video made by our Fellowship winners.

As a direct result of this work we have now introduced two new accelerated talent development programs that prepare women to assume leadership roles at Stockland. The Future Women Leaders Program is targeted at emerging talent, while the Senior Women Leaders Program is designed for employees already in manager roles. Both programs include a series of workshops that provide leadership training, coaching and access to valuable networking opportunities.

The team's research also identified the importance of reducing unconscious bias in the workplace. During the year we introduced an unconscious bias workshop for our Leadership Team which aims to create awareness of the business benefits of diversity, understand how unconscious bias impacts on decision-making and propose solutions to spot and redress unconscious bias.

Over the past year, the percentage of women in management roles has increased from 35 per cent to 37 per cent. With the introduction of the new programs above to supplement our existing initiatives, we are progressing well towards achieving our aim of having a minimum of 40 per cent of women in management roles by 2015.

As a direct result of this work we have now introduced two new accelerated talent development programs that prepare women to assume leadership roles at Stockland

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Peter Daly Fellowship winners:
Lisa Van Erp, Kate Van Erp,
Kate Verman and Rachel McAllister.

OUR PEOPLE **EMPLOYEE ENGAGEMENT****Health, safety and wellness****Our new safer way OH&S strategy**

Consistent with the emerging National Harmonisation process that will result in the introduction in January 2012 of new Workplace Health and Safety (WHS) Laws, we have undertaken formal reviews and planning to prepare for these laws while maintaining compliance with current laws, and continuing to focus on reducing and controlling our OH&S risk exposures. The transition of Occupational Health and Safety legislation in Australia from multi-state based prescriptive legislation to a more harmonised National performance-based approach has placed greater emphasis on the need for us to adopt a national approach to managing our health and safety risks. We have responded by developing a National OH&S Strategic Plan that will see us develop effective and streamlined OH&S management systems and processes and implement a one Stockland approach to OH&S management. As part of developing the OH&S strategy, a five year trend analysis was conducted across physical asset protection, public liability and workers compensation performance. This analysis assisted in gaining a better understanding of our key OH&S risk themes and developing risk prioritised strategic objectives and planned action initiatives to continue to drive improved governance performance of OH&S.

Our two year OH&S Strategic Plan focuses on four key areas:

- Engaging and empowering visibly committed leadership,
- Simplifying and strengthening OH&S systems,
- Mitigating and managing our OH&S key risks, and
- Mastering sustainable OH&S capability and a risk aware culture.

To support our strategic refresh we have invested in a new National OH&S Systems and Assurance Manager role that will focus on the development of our National OH&S Management System, develop national programs for key risk areas such as physical asset and public safety and implement a formal audit and compliance program.

OH&S accountability and responsibility

As part of our OH&S Strategy we have completed a review of individual OH&S accountabilities and responsibilities in all our job roles across the business. The outcome of this review has been the development of new OH&S lead indicators for 2012 and an increase in the associated weightings for roles with more OH&S responsibility and accountability. The implementation of these new lead indicators will focus on driving proactive safety performance through a range of initiatives aligned with our National OH&S Strategy. We have also commenced briefings on the new Workplace Health and Safety Harmonisation Laws to our Executive and senior leadership teams to assist them in focusing on and understanding our new OH&S Strategy and how the Harmonised WHS Laws will require them to respond in their roles.

Safety management system audits

To enable us to determine how to best implement National OH&S Management systems that will focus on our key risk areas and provide, as a minimum, regulatory compliance assurance under the new harmonised WHS laws, a gap analysis audit was piloted. This audit process combines both physical asset safety controls in line with our general insurance requirements and an Australian Standards 4801 Safety Management System (ASNZ4801) tool. This combined audit program will streamline existing audit practices and provide an annual risk prioritised Safety and Asset Protection Plan for each property that will enable both property risk and safety system process and regulatory risks to be managed via a transparent and simplified process. Ongoing management will include self assessments and an annual verification process.

OH&S reporting capabilities review

Significant progress has been made in defining and developing OH&S reporting capability. A new suite of OH&S reports has been designed to measure and track performance more effectively and efficiently, minimise error thresholds and associated costs and to reflect progress with strategic objectives and managing OH&S risk. There are also a number of projects underway to automate and streamline our incident data transfers to our brokers and insurers.

In 2011

A new suite of OH&S reports has been designed to measure and track performance more effectively and efficiently, minimise error thresholds and associated costs and to reflect progress with strategic objectives and managing OH&S risk

98 per cent believe their work area is a safe place to work and 95 per cent believe Stockland does a good job of ensuring employee health and safety wherever we operate

OUR PEOPLE **EMPLOYEE ENGAGEMENT**

LOST TIME INJURY
FREQUENCY RATE
PER MILLION
PERSON HOURS
WORKED

2.15

Lost time injury rate

The Lost Time Injury Frequency Rate (LTIFR) for FY11 is 2.15 which is a 64 per cent decrease from 5.98 in 2010. The number of lost time injuries has decreased from 13 to five, with number of days lost down by 20 per cent from 87 in 2010 to 70 in 2011. This is a strong performance improvement, aligned with the strategic refresh and implementation of supporting proactive initiatives.

Our Voice survey OH&S results

Overall across our business 94 per cent of our employees think that Stockland is a place that cares about the health and safety of its employees. Ninety-eight per cent believe their work area is a safe place to work and 95 per cent believe Stockland does a good job of ensuring employee health and safety wherever we operate. Our new OH&S Strategy will assist with strengthening and streamlining our OH&S systems and procedures and include focus on key areas such as OH&S training and risk prioritised resource allocation to further improve some of these areas.

Global Corporate Challenge

For the third consecutive year we have supported and sponsored participation for our employees in the Global Corporate Challenge (GCC) – a health and wellbeing initiative developed specifically for workplaces that commenced in May 2011. Over 16 weeks participants record and enter their daily step count (or cycling or swimming distances) into the GCC interactive website. This year saw a positive increase in the number of teams registered. Last year 41 per cent of our participants reported a decrease in stress, 39 per cent reported an improvement in sleep and 40 per cent reported a loss in weight.

Customer health and safety

This year we undertook an initiative to provide our customers at all of our shopping centres and our employees with access to Automated External Defibrillators (AEDs). We have installed 46 units including the provision of additional AEDs for our own employees access at our head office locations.

We have also developed a process that requires that play areas are certified by an external certifier. The process is undertaken to ensure regular risk identification and continuous improvement monitoring to ensure our playgrounds are meeting best practice safety requirements in design, installation and equipment. Our findings provided assurance that our designs and installations are compliant with relevant Australian Standards and we have also implemented a variety of improvements that will continue to formalise and uphold our high standards of safety in this area.

HEALTH AND SAFETY PERFORMANCE

	FY11	FY10	FY09	FY08
Total average workforce*	1,330	1,243	1,320	1,372
Total hours worked	2.32 million	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	Not recorded
Number of lost time injuries	5	13	6	7
Lost time injury frequency rate (the number of injuries per million person hours worked)	2.2	6	2.6	2.9
Number of injuries requiring medical treatment (not including lost time injuries)	8	12	12	10
Frequency rate of medical treatment (MT) injuries (the number of MT injuries per million person hours worked)	3.7	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)	5.9	11.5	7.8	7.1
Occupational diseases instances	0	0	0	0
Fatalities	0	0	0	0
Lost days (total for the recorded lost time injuries)	70	87	31	14
Average lost day rate – severity rate (Average number of days lost per lost time injury)	14	6.6	5.2	2.3

* Average workforce uses monthly employee totals rather than end of financial year figure used in Our people metrics.

FY11 HEALTH AND SAFETY PERFORMANCE BY GENDER AND REGION

	MEN	WOMEN	NSW	QLD	VIC	WA
Number of lost time injuries	5	0	2	1	1	1
Number of occupational diseases	0	0	0	0	0	0
Number of lost days	70	0	50	17	1	2

OUR PEOPLE **LEARNING AND DEVELOPMENT**

Learning and development

Capability development

Learning and development continues to be an important part of our people proposition at Stockland and is a key factor in maintaining engagement among our employees. Our performance in this area was measured in the 2011 Our Voice survey with over 80 per cent of employees responding favourably to the training and learning questions. This is eight points higher than the Global High Performing Norm (GHPN). The personal development category also showed a favourable response rate from employees of 76 per cent, which is 10 points higher than the GHPN.

In addition to our regular provision of training and development opportunities, during FY11 we introduced some new programs designed to improve our people's experiences of working at Stockland and developing key capabilities.

During the year we delivered performance review training to more than 85 per cent of our people managers to help support them in assessing performance and holding effective review discussions with their employees. The training also helped ensure a consistent approach across the business and clear communication to employees around the process.

In 2011

We delivered performance review training to more than 85 per cent of our people managers to help support them in assessing performance and holding effective review discussions with their employees

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To help ensure new employees are able to gain an understanding of our business as quickly as possible, we reviewed and updated our orientation program this year. Under the new format, the 3-R strategy is more clearly reflected and our employees get to not only learn about each part of the business from our leaders but experience this first-hand through visiting some of our physical assets. More than 86 per cent of participants rated their satisfaction with the new program as either excellent or very good.

We also introduced a formal mentoring program for employees. The program is currently being piloted in our Corporate Services business and gives employees in this area an opportunity to gain advice and discuss career and other work related challenges with an objective party in a confidential and safe way. It also promotes relationship building across teams and knowledge sharing and development for all involved. There are currently 71 people in the program in total, 35 acting as mentors and 55 being mentored. These numbers include 21 who are both mentoring others and being mentored themselves.

Developing our leaders and managers

In light of our 3-R strategy and new purpose we reviewed the type of leadership we require to ensure our success. A project was undertaken to look at what we expect of our leaders at each level, what skills and behaviours are needed to deliver on these expectations, and what experiences are critical for them to have had prior to taking on a leadership role. The project has delivered clear leadership success profiles for each level of leadership within the business. These will be used to support recruitment, promotion and development of our leaders to continue to build our leadership capability for the future.

During the year 20 of our senior leaders completed a 360 degree leadership assessment including a professional debrief to identify development requirements.

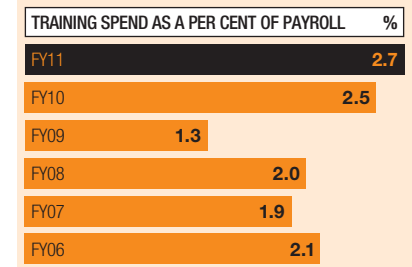
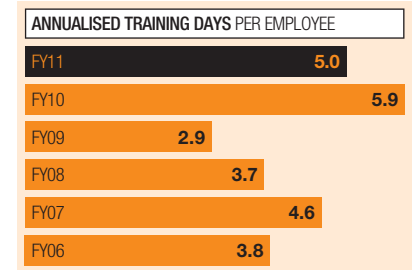
Our General Managers participated in a Leadership Development program focused on strengthening their skills in holding high stakes conversations to support both internal performance discussions and external stakeholder engagement.

Our focus for FY12 is to embed the new Leadership Responsibilities and Attributes at all levels of people management through the use of 360 degree leadership assessments, individual development plans and refreshed management and leadership development programs.

Building capability in job categories

In FY11 we focused our efforts on further developing capability in our sales job team. The year kicked off with a sales coaching program for 20 Sales Managers in Residential and Retirement Living. This was a 12 month program with a series of three workshops and monthly coach the coach forums. In addition to this, we ran quarterly state based skills workshops for our sales professionals and associates. Topics included negotiation skills, leveraging your leads and objection handling. In FY12, we will focus on creating a common sales training curriculum for our three business areas to support a One Stockland sales culture.

In our Commercial Property business 39 Asset Management employees completed the Gateway program that was launched last year. This program helps Asset Managers gain a broader understanding of all Commercial Property asset classes. Feedback on the program was very positive with 67 per cent of the participants rating their overall satisfaction with the program as either *excellent* or *very good*.



Community development training for Managers

In FY12 we are focused on ensuring community development plans become the backbone of community-focused activity at every Commercial Property asset



Enriching local communities is a key goal for Stockland's Residential and Commercial Property business units. To help achieve this, employee development in FY11 focused on embedding sustainability within our organisation, and empowering decision-makers to think big about "what I can do to deliver a more sustainable community".

Community development training

In our Commercial Property business we have developed the Stockland Four Step process, designed to make community development an integral part of the operation and development of our assets. Through the delivery of our Commercial Property Community development Toolkit and face-to-face manager workshops we have helped asset managers work with communities to understand and address their needs.

In FY12 we are focused on ensuring community development plans become the backbone of community-focused activity at every Commercial Property asset. The success of this approach will depend on our asset teams on the ground, and providing them with encouragement and support will be vital. To meet this need, we will create a network of asset teams who can support each other and share their experiences. A dedicated Community development intranet page will provide case studies, shared resources and links to encourage communication between asset managers. A range of partnerships will promote ongoing investment in stakeholder relationships, and also create strong links with local community groups.

Development Manager training

A similar approach to embedding sustainability in our Residential business was demonstrated during the Development Managers' Conference, in October 2010.

The conference focused on the why and how of designing and delivering more sustainable communities.

Employees were addressed by keynote speaker Paul Gilding, former CEO of Greenpeace, Ecos and Easy Being Green. Paul's overall message was to challenge traditional approaches to development, and empower our employees to create vibrant, sustainable communities through their decision-making. The group then considered the development industry's responsibility to foster a more sustainable future and Stockland's role in leading this transition.

During the conference we developed a model of continuous self improvement. We selected a project in each state in which we operate, and identified key initiatives that we will deliver on those projects as a first stage in our research and delivery. The lessons we learn will help inform decision-making on future projects.

"We are in an excellent position to influence social change in Australia due to our scale and capability. We can't be afraid to do so, we have a social contract with our customers to take up the challenge. We will take the messages from the conference and implement them on our projects." Clare Sowden, Assistant Development Manager, Residential.



Asset and Development Manager training.

OUR PEOPLE **LEARNING AND DEVELOPMENT**

Embedding sustainability

Embedding sustainability into our business activities is essential in delivering on our CR&S strategy objectives. Our employees are central to our ability to deliver sustainable business outcomes. Over the past 12 months we have worked to train, engage and reward our people on sustainability. The results of the Our Voice employee survey confirm that we are doing this successfully:

- 87 per cent of our employees believe we are doing a good job of integrating sustainable business practices into our day-to-day operations.
- 89 per cent of our employees believe we achieve the right balance between social, environmental and financial responsibilities.
- 93 per cent of our employees believe we are environmentally responsible.
- 94 per cent of our employees believe we are socially responsible.

We continue to integrate sustainability responsibilities by embedding sustainability objectives into all employees' key performance indicators (KPIs). Sustainability KPIs are recognised as having an equivalent importance to financial and people management performance metrics. In the coming year, our Residential business will further embed sustainability objectives in employee KPIs by identifying the key decision points throughout a project's life cycle where sustainability outcomes can be influenced. This includes everything from where land is bought, to how community sites are set up to make the most of solar orientation, to the sustainability features our sales teams promote to our customers. This process will see the inclusion of more detailed sustainability outcomes in the KPIs of each role.

We have also had a focus this year on improving our employees' awareness of our sustainability approach, position and achievements, and have shared sustainability stories and information throughout the organisation. This has been done through a variety of means: face-to-face information and training sessions, Development Managers' conferences and through our internal employee online portals. We aim to empower our employees to create vibrant, sustainable communities through their decision-making. Please see our embedding sustainability through training case study.

In 2011

We continue to integrate sustainability responsibilities by embedding sustainability objectives into all employees' key performance indicators (KPIs)



METRICS

Our people metrics

Our workforce

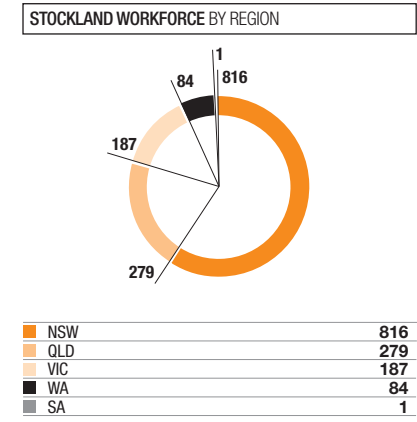
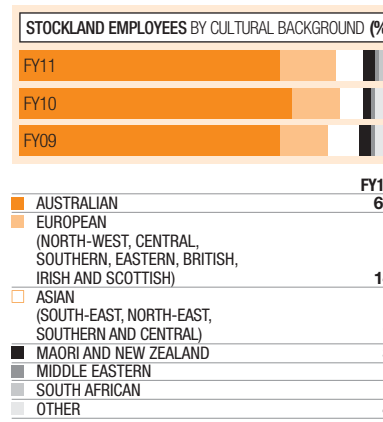
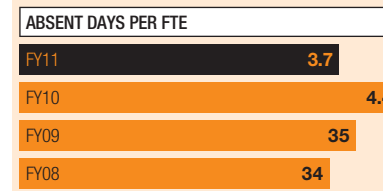
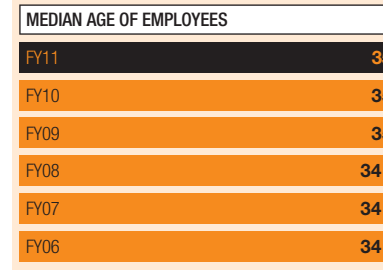
STOCKLAND WORKFORCE – NUMBER OF EMPLOYEES

	FY11	FY10	FY09	FY08
Full-time (including fixed-term)	1,183	1,139	1,107	1,272
Part-time (including fixed-term)	152	119	108	105
Casual	32	30	21	27
Total	1,367	1,288	1,236	1,404
FTE	1,306	1,243	1,193	1,361

* FTE includes those on extended leave and employed on a casual basis.

STOCKLAND WORKFORCE – EMPLOYMENT TYPE

	FY11	FY10	FY09	FY08
Permanent full-time	1,134	1,139	1,107	1,272
Permanent part-time	150	114	108	104
Fixed-term full-time	49	38	17	14
Fixed-term part-time	2	5	-	-
Casual	32	30	21	27
Total	1,367	1,288	1,236	1,404



OUR PEOPLE **METRICS**
Gender diversity

STOCKLAND WORKFORCE – GENDER

Job Band	Men FY11	Women FY11	Total FY11	Men FY10	Women FY10	Total FY10	Men FY09	Women FY09	Total FY09	Men FY08	Women FY08	Total FY08
Executive Management	6	1	7	5	2	7	5	2	7	5	2	7
Leadership Team	20	7	27	22	6	28	24	5	29	34	6	40
Senior Management	95	41	136	88	36	124	88	30	118	95	27	122
Management	200	143	343	187	118	305	164	110	274	222	120	342
Professional/Technical	231	265	496	225	234	459	240	203	443	233	226	459
Employee	69	289	358	80	285	365	79	286	365	85	349	434
Total	621	746	1,367	607	681	1,288	600	636	1,236	974	730	1,404

 OVERALL PROPORTION OF WOMEN
IN MANAGEMENT

FY11	FY10	FY09	FY08
37%	35%	34%	30%

* Note: Our five year target is 40 per cent of women in management roles by 2015.

WOMEN IN MANAGEMENT – BUSINESS UNIT (%)

	FY11	FY10	FY09
Commercial Property	41	37	38
Corporate Services	49	48	51
Residential	25	24	20
Retirement Living	43	41	33

AVERAGE FIXED REMUNERATION RATIO – GENDER AND JOB BAND

Job Band	Ratio FY11		Ratio FY10		Ratio FY09		Ratio FY08	
	Women	Men	Women	Men	Women	Men	Women	Men
Executive Management	1.00	1.95	1.00	2.35	1.00	2.67	1.00	2.57
Leadership Team	1.00	1.13	1.00	1.15	1.00	1.25	1.00	1.36
Senior Management	1.00	1.27	1.00	1.28	1.00	1.30	1.00	1.23
Management	1.00	1.25	1.00	1.23	1.00	1.24	1.00	1.18
Professional/Technical	1.00	1.16	1.00	1.12	1.00	1.12	1.00	1.11
Employee	1.00	1.04	1.00	1.06	1.00	1.06	1.00	1.01

* Remuneration comparison data includes fixed pay only and does not include incentives. These figures exclude casual employees and those who received a sales commission or bonus during FY11.

In 2011

We remain committed to promoting the alignment of behaviours with our values

Turnover

The employee initiated turnover rate for FY11 was 14.5 per cent (against a target of 10 per cent). This is deterioration from 10.5 per cent in FY10, but a slight improvement on 15.5 per cent in FY09. While employees leave for many reasons, our reduced strategic focus on some business areas contributed to this outcome. As our 3-R growth strategy will see us reduce our presence in the Office and Industrial sectors over time, during the past year some employees opted to pursue career opportunities outside Stockland, despite our best endeavours to transition them into challenging roles internally where applicable. Likewise, the gradual completion of our Apartments projects also prompted some employees with a career interest in this area to pursue external opportunities, contributing to a higher level of employee initiated turnover.

To obtain feedback from our employees throughout the entire employee life cycle we have put in place a number of processes. Feedback is sought from new employees within the first three months of their employment, existing employees via the annual employee opinion survey, and departing employees through exit interviews. Our exit interview analysis confirms that the top three reasons for employees resigning from Stockland are: no appropriate opportunities available for career advancement; not enough interest in or enjoyment of the type of work; and not enough challenge or stretch in the job. Over the next 12 months we will continue to use information captured in these surveys to support our managers in developing the necessary skills to more effectively lead their teams and maximise employee retention.

Where significant operational or structural changes are required within the business, we consult with employees impacted by such changes and adopt a consistent approach in managing restructures. We do however, have a consistent approach in place for managing restructures. All Stockland employees are engaged under individual employment contracts, rather than via collective agreements. If significant operational or structural changes are required within 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 promoting the alignment of behaviours with our values. Our Code of Conduct and Ethical Behaviour sets out the standards of behaviour and conduct with which all our employees are expected to comply. All employees complete online compliance training in Equal Employment Opportunity, Competition & Consumer Law 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 FY11, the employment of three people was terminated due to breaches of this code.

OVERALL TURNOVER

	FY11	FY10	FY09
No. Exits	239	178	369
Headcount	1,284	1,215	1,198
Turnover rate (%)	18.6	14.7	30.8

ROLLING TURNOVER (%)

	FY11	FY10	FY09
Employee initiated	14.5	10.5	15.5
Stockland initiated	4.1	4.2	14.3
Total	18.6	14.7	30.8

OUR PEOPLE **METRICS****TURNOVER – GENDER**

	Men FY11	Women FY11	Men FY10	Women FY10	Men FY09	Women FY09	Men FY08	Women FY08
No. exits	119	120	89	89	162	202	172	187
Headcount	592	692	579	636	586	612	665	697
Turnover rate (%)	20	17	15	14	28	33	26	27

TURNOVER – AGE GROUP

	<30	30–39	40–49	50–60	>60	Total
No. exits FY11	75	83	68	7	6	239
No. exits FY10	48	67	44	15	4	178
No. exits FY09	99	153	79	34	4	369
No. exits FY08	89	141	87	31	11	359
Headcount FY11	299	548	267	141	29	1,284
Headcount FY10	331	488	245	120	31	1,215
Headcount FY09	346	477	234	115	26	1,198
Headcount FY08	395	564	246	132	25	1,362
Turnover rate FY11 (%)	25	15	25	5	21	18.6
Turnover rate FY10 (%)	15	14	18	13	13	14.7
Turnover rate FY09 (%)	29	32	34	30	13	30.8
Turnover rate FY08 (%)	23	25	35	23	44	26.4

* All turnover data (including headcount) excludes those employed on a casual or fixed term basis. Headcount is based on FY11 end of period data at 30 June 2011.

OUR PEOPLE **TURNOVER**

TURNOVER – BY TENURE

	< 1 Yr	1–<3 Yrs	3–<5 Yrs	5–<10 Yrs	10 Yrs +	Total
No. exits FY11	46	69	72	48	4	239
No. exits FY10	25	90	39	24	0	178
No. exits FY09	67	172	67	51	12	369
Headcount FY11	206	302	408	293	75	1,284
Headcount FY10	158	396	348	248	65	1,215
Headcount FY09	145	573	228	199	53	1,198
Turnover rate FY11 (%)	3.6	5.4	5.6	3.7	0.3	18.6
Turnover rate FY10 (%)	2.1	7.4	3.2	2	0	14.7
Turnover rate FY09 (%)	5.6	14.4	5.6	4.3	1	30.8

* All turnover data (including headcount) excludes those employed on a casual or fixed term basis. Headcount is based on FY11 end of period data at 30 June 2011.

TURNOVER – BY REGION

State	Metric	FY11
NSW	No. exits	121
	Headcount	757
	Turnover rate (%)	16
VIC	No. exits	52
	Headcount	179
	Turnover rate (%)	29.1
QLD	No. exits	55
	Headcount	268
	Turnover rate (%)	20.5
WA	No. exits	11
	Headcount	79
	Turnover rate (%)	13.9

* All turnover data (including headcount) excludes those employed on a casual or fixed term basis. Headcount is based on FY11 end of period data at 30 June 2011.