“I have learnt that KPIs are not about showing off that people are now literate. Rather, it’s the impact of literacy on people’s lives.” – CPP program partner
In 2002, BMA created the Community Partnerships Program (CPP) to address the social and lifestyle needs of BMA’s employees and their families in Central Queensland towns.

The program, which extends across most of the Bowen Basin as well as the Mackay/Sarina region, is a way for us to give back to the communities in which we operate.

Over the years, the program has grown to support partnerships with government, training and welfare organisations and, most importantly, the communities themselves.

It has been extremely heartening to see and hear about the hard work and dedication put in by our partners to ensure the success of these programs.

Our aim is to address social needs by developing partnerships that focus on creating sustainable, long-term value. We are successful in creating value when the communities in which we operate value our citizenship.

It is important for BMA to know that the CPP is running effectively and efficiently, with funds reaching the areas in the community most in need of support.

To this end, BMA has commissioned an independent review of the CPP by the Centre for Social Responsibility in Mining (CSRM).

The review takes into account input from a variety of stakeholders involved in the implementation and delivery of the CPP and the information contained in this report will help us to continue improving performance and delivery in the area of community investment.

The following pages contain a short summary of the CSRM evaluation report and I encourage you to take the time to read through the information to get a better idea of how this program works.

In particular, the key findings and recommendations on areas for improvement have provided constructive feedback for the team here at BMA, and will be a valuable tool to ensure the ongoing success of the CPP.

Marcelo Bastos  
Chief Executive Officer  
BHP Billiton Mitsubishi Alliance
**ABOUT BMA:**

The BHP Billiton Mitsubishi Alliance (BMA) was created in June 2001 as a strategic partnership between BHP Billiton and Mitsubishi Development Pty Ltd under which the two companies share equal ownership and management of seven Bowen Basin coal mines and the Hay Point coal export terminal near Mackay.

The mines – Blackwater, Broadmeadow, Goonyella Riverside, Peak Downs, Saraji, Norwich Park and Gregory Crinum – produce a broad cross-section of products ranging from high quality hard coking coals to high energy thermal coals.

In addition, BMA manages South Walker Creek and Poitrel mines on behalf of BHP Mitsui Coal Pty Ltd. Participants are BHP Billiton (80%) and Mitsui and Co (20%). BMA is Australia’s largest coal miner and exporter, and the world’s largest supplier to the seaborne coking coal market.

BMA operations provide major benefits to the communities in which they operate (Blackwater, Moranbah, Dysart, Emerald, Capella, Nebo and Sarina/Mackay) and the wider Central Queensland region, through local employment, support for local businesses and Government taxes and charges paid.

In addition, BMA manages an overarching community investment portfolio with funding allocated across five key areas:

- **Regional infrastructure support:** special levies, subsidies, maintenance of local roads, airports and other council infrastructure and water subsidies
- **Local site initiatives:** sponsorships and donations to a range of community causes
- **Landmark projects:** major infrastructure projects that involve partnerships with local councils, state and federal governments
- **Community Partnerships Program:** a range of programs designed to address social needs in BMA towns
- **Skills for Growth plan:** investments in secondary and tertiary institutions to promote interest and skills in fields relevant to the mining industry.

**ABOUT THE CPP:**

The BMA Community Partnerships Program (CPP) was established in September 2002 to address the social needs of communities in the Central Queensland towns where BMA’s employees and their families are located.

BMA is the largest private employer in Central Queensland, providing direct employment for more than 9,800 people (including contractors) in the region and paying more than $650 million a year in wages and salaries.

The aim of the CPP is to support initiatives that promote partnerships with government, training and community support organisations in the communities in which BMA operates.

In the year to June 2008, the CPP invested $1 million in local community programs, extending across most of the Bowen Basin and Mackay region, which encompasses the Hay Point Coal Terminal.

There is a full-time Community Investment Coordinator based in Emerald, who coordinates site involvement in the CPP.

Six priority areas serve as the focus of the CPP, with all of the programs supported fitting into one of the following categories:

- **Youth development**
- **Economic development/business skills training**
- **Community development and welfare**
- **Community safety, sport, wellbeing and recreation**
- **Arts, entertainment and cultural development, and**
- **Environment and sustainable development.**

---

Annual Family Tree Planting Day at Campwin Beach
BMA commissioned the University of Queensland’s Centre for Social Responsibility in Mining (CSRM) to conduct an independent review of BMA’s Community Partnerships Program (CPP).

The purpose of the review was to evaluate the program’s performance against stated objectives, assess the overall structure, balance and cohesion of the CPP and make recommendations about its future focus, including areas for improvement.

A similar review undertaken in 2005 when the CPP was less than three years old found the program was delivering reasonable value given the short duration of the partnerships and lack of formal reporting on program achievements.

The previous study also highlighted areas for improvement and made a series of key recommendations in regard to the overall performance of the CPP. This further review was able to examine how effective BMA has been in implementing recommendations from the 2005 study.

The CPP supported a total of 23 programs during FY08, which are referred to as the program portfolio. The CSRM study assessed the strengths of the BMA CPP portfolio and its impact; reviewed the overall composition of the investment portfolio and considered the value created by the portfolio as a whole.

In addition, BMA wanted to evaluate the effectiveness of individual programs, with particular reference to ten partnerships to allow CSRM to research and evaluate the programs in greater detail.

These were selected from a cross section of five of the six priority areas, comprising partnerships with government, community, industry and non-governmental organisations (NGOs) and were spread across most geographical areas.

The ten partnerships selected comprised:
1. Learning and Development Centre for Literacy (Education Queensland)
2. Moneycare Financial Counselling Service (Salvation Army)
3. Be More Active Moranbah (Queensland Health)
4. Moranbah Community Radio 96.9 Rock FM (Volunteer management committee)
5. Moranbah Youth Development program (Department of Communities and Emergency Long-Term Accommodation Moranbah – ELAM)
6. Blackwater Youth Development program (Department of Communities and Duaringa Shire Council)
7. Dysart Youth Development program (Broadsound Shire Council)
8. Dysart Learning Centre (Learning Network Queensland)
9. Hinterland Economic Development Manager (Belyando, Broadsound and Nebo Shire Councils, and other corporate sponsors Rio Tinto Coal Australia and Anglo Coal)
10. Learning for Life Program (Smith Family).

The review aimed to look at each of the above partnership programs and determine:
1. **The overall effectiveness of the program**, including whether each program was achieving its objectives and helping to build capacity in the community
2. **Attitudes towards the new reporting regime**, including how successful the new quarterly reporting format has been and how the community partner feels about it – in terms of helpfulness, ease of use, relevance and reporting frequency
3. **Stakeholder perceptions**, both of the program and of BMA as a partner.
Key findings of the evaluation report are as follows:

- The CPP is highly valued by BMA’s partners. They were extremely positive in their attitude towards the CPP and about their relationships with BMA. Many are genuinely interested in what BMA is trying to achieve through the CPP and are keen to develop their relationships with BMA further.

- The CPP has been successful in leveraging matched funding from government departments and local councils.

- Despite varying program scopes and capability of partner organisations, most partners were able to demonstrate positive outcomes from their programs. In terms of the individual programs, some are more ambitious than others and the partners have varying capabilities.

- The current reporting pro forma is regarded negatively by virtually all partners. This is primarily because it does not contain appropriate performance measures to demonstrate and communicate program achievements. However, most partners do appreciate the value of reporting on a regular basis.

- Addressing issues of performance measurement and reporting are critical to the future of the CPP. The shortfall of KPIs makes it difficult to identify individual program achievements and limits BMA’s ability to track the performance of its portfolio of programs.

  Without good performance data, it is difficult to make well-informed decisions on the viability of programs, make good investment decisions, plan strategically, communicate achievements to BMA’s stakeholders or identify new investment opportunities that may be derived from, or extend, existing projects.

  Since BMA seeks to develop ongoing relationships with its partners, this represents a missed opportunity.

- A great strength of the CPP is its consideration of local community needs and the desire to invest in social programs that are of value to BMA employees and their families.

- The six identified priority areas need to be reviewed and updated. The portfolio remains focused on priority areas that were developed as a result of community consultation in 2002. As a result, Youth Development programs dominate the portfolio.

  While this is clearly an area of community need, others may be equally deserving but relatively under-funded, such as economic and skills development and environmental programs. An ongoing monitoring program would help to ensure the focus and balance of the portfolio remains relevant in the changing social environment.

- If the CPP is to engage seriously with the concept of regional sustainability, it must do more to connect sites with stakeholders in Mackay, the regional centre. Many BMA employees live in Mackay and commute to the mines to work, or are employed at the Hay Point terminal, so there are clear business drivers to adopt a more regional approach.

  There are also likely to be greater partnering opportunities available in the regional centre as several government departments and not-for-profit organisations (NFPs) operate out of Mackay.

- BMA should consider proactive project generation to address social issues, instead of relying solely on partners to generate proposals.

- BMA should increase the level of engagement of site management in the CPP review process, to facilitate an increased understanding of the social environment in which sites operate, how they affect and are affected by this environment, and the complexity and regional nature in addressing social issues. An arms-length model potentially reduces both site-level accountability for social performance, and opportunities to engage with regional-level stakeholders.
recommendations

The following recommendations are designed to improve the effectiveness of the partnership programs and the CPP portfolio as a whole. Recommendations made reflect the themes which were focused on and evaluated in more detail in the full report.

REPORTING
1: Develop a new reporting pro forma that includes measures of performance to capture the higher level benefits of programs.
   The current pro forma focuses primarily on activities, rather than program outcomes. CSRM recommends the development of performance measures that capture what has been learned and what changes have occurred to ensure the project is on the right pathway to achieve its high-level objectives, such as behavioural change and changes in knowledge and skills.

2: Develop the new pro forma in consultation with the program partners.
   A workshop where partners have the opportunity to share their knowledge and gain insights from others is likely to lead to the development of a reporting format that works for everyone.

   It is also likely that reporting on a quarterly basis may be unnecessary. Biannual reporting is likely to be adequate to indicate program performance for established partners and this change would have the added advantage of reducing the reporting burden.

3: Ensure the data collected in the pro forma is used by BMA in making renewal decisions and that this is communicated to partners.
   A reporting regime imposes obligations on both the provider and the collector. Greater rigour in completing the pro forma would be encouraged if partners were assured that BMA considers and acts on the information provided.

NETWORKING AND COMMUNICATION
4: Commit to an annual review meeting to discuss the progress of each partnership program.
   An annual review meeting, held face-to-face and including BMA personnel, the site level program coordinator and manager, would provide opportunities to form a better understanding of partner needs, discuss the progress of the partnership and identify opportunities to increase value from the partnership.

5: Continue to hold the annual CPP development workshops.
   The annual CPP development workshops were regarded as important networking events by most partners. However, some partners had difficulties in travelling long distances to attend the event. BMA should consider holding the event at different locations each year, or assisting with travel and accommodation expenses for partners in more remote locations to promote maximum partner engagement.
6: Continue to develop the existing partnerships by fostering networking opportunities between current partners. Given the current difficulties in sourcing new partners and programs, the most effective way of generating new initiatives is likely to be through existing partnerships.

7: Ensure CPP priorities remain ‘live’ by linking to an ongoing social monitoring program. Current CPP priority areas reflect community concerns identified during the 2002 Community Needs survey. Since then, there have been significant changes in the mining industry that have impacted on communities. Ongoing social monitoring is important to ensure the focus and balance of the portfolio remain relevant and attuned to changing needs in the social environment.

8: Establish a link between CPP programs and Landmark projects to strengthen local programs. The Landmark projects present opportunities for multi-purpose infrastructure developments and providing accommodation spaces for useful community development projects. They also create opportunities for new programs that maximise the potential of new infrastructure.

9: Look to partner with another well-regarded NGO or government agency to develop at least one larger scale regional program based in Mackay. If BMA is to engage seriously with the concept of regional sustainability, it will be important to develop the connection between sites and stakeholders in Mackay, the regional centre. The CPP is heavily focused on local programs. Developing a more regional approach to social investment recognises that:

1) many local social issues need regional solutions,
2) the social impacts of mining are extending beyond local communities, and
3) a regional approach is consistent with BHP Billiton’s broader commitment to promoting sustainable development.

10: Include site general managers and HR managers in future reviews. Since the sites contribute financially to the CPP, and they appear to have considerable influence over the types of partnerships supported, their views are important to an understanding of the CPP and how it operates. Interviews with site managers and site employees who interact with CPP partners should be incorporated in future reviews.

11: Establish a formal process of regular communication between the CPP coordinator, site-based community relations personnel and the community investment manager. One way to ensure sites are effectively engaged in community investment decisions is to develop stronger communication channels between corporate services and community relations practitioners at each site. By encouraging formal engagement between the CPP coordinator and the site-based community relations practitioners, BMA has the opportunity to:

1) engage with the sites more effectively through a specific contact point,
2) influence decision making at the site level through a local ‘champion’ and
3) create a network of BMA community relations practitioners with a shared view of good community relations practice.
learning and development centre for literacy

PURPOSE

The Learning and Development Centre for Literacy (LDC) in Dysart is a partnership between BMA and Education Queensland (EQ) aimed at improving the standard of teaching literacy.

The partnership has funded a learning centre for excellence that provides extra support and resources to teachers and schools in the Bowen Basin region.

The program ran for two funding cycles, each three years long, from 2002 to June 2008, but did not require an extension as EQ believes this program has achieved its identified goals.

OBJECTIVES

The aims of the LDC for Literacy were to:

- Maintain and further develop the Learning Development Centre as a site of excellence in teaching and learning
- Provide personnel from schools with access to quality learning and development opportunities
- Encourage and support the establishment and support of local learning networks within host schools
- Improve literacy outcomes for all students in LDC Literacy schools.

SUMMARY AND CONCLUSIONS

This program can be viewed as a success from the perspectives of the community, EQ and BMA.

The initial objectives of the program were met and EQ was able to implement a state-wide literacy strategy, having learnt from and built upon the success of the BMA-funded program.

The progress reports provided by EQ were exemplary. The data compiled in the pro forma and the additional material supplied provided a clear picture of the program, who was involved, what activities were carried out and how performance was measured.

There is also evidence of reflective thought – the EQ reporting format requires the LDC team to comment on the strengths and weaknesses of the program and make suggestions as to how the service might be improved in the future.

The relationship between BMA and EQ also appears to have been a successful one, with a clear understanding of roles and responsibilities.

BMA’s role has been primarily one of sponsorship, meaning that BMA has provided the funding, leaving EQ to deliver the program.

In this case, it has been a successful approach as EQ has the management capabilities, client base, and reporting structures in place to ensure the LDC programs are delivered effectively and efficiently.

Although there have been some personnel changes in EQ, this does not seem to have affected the relationship between the partners.

This may be attributed to the LDC officer at community level staying the same and maintaining a steady, positive relationship with BMA’s CPP coordinator.
PURPOSE

The aim of Learning for Life is to provide disadvantaged young people with education and scholarship support to stay in school and reach their full potential.

The Smith Family and BMA are partners in this program, which covers the Mackay and Sarina areas. Funding for this initiative has been renewed and will continue on from a previous three-year agreement (2005–2008).

OBJECTIVES

The primary aim is to provide practical support to disadvantaged students in the Mackay-Sarina area and to enhance the ability of those communities to shape their own futures. Specific objectives are to:

- Demonstrate to the local communities of Mackay and Sarina that BMA is a committed and caring community citizen.
- Provide opportunities for BMA staff to become actively involved in the development of the communities in the nominated area.
- Support the development of sustainable community programs which enable self-determination.
- Promote BMA’s commitment to a more caring and cohesive Australia to the broader community.

SUMMARY AND CONCLUSIONS

The Learning for Life program has achieved considerable outcomes for the Mackay and Sarina communities. As of March 2008, 268 students and 135 families had benefited from scholarship opportunities.

After initial success on a smaller scale, the literacy mentor support program ‘Student2Student’ is now offered under a community wide model. Other literacy programs include ‘Let’s read it’ for youth, and ‘financial literacy’ for adults. Young people also benefited from several personal development programs such as the ‘Kids Fishing Adventure Day’, and the ‘Family Tree Planting Day’.

The success of the partnership can, in part, be attributed to the commitment and entrepreneurial nature of the coordinator on the ground, who has been able to create links with other organisations in Mackay. Relationships have been developed with several local schools and many of their programs are supported by or partnered with other organisations such as Artspace Mackay, a regional art gallery operated by the Mackay City Council, and Sunfish Mackay, a peak recreational fishing group in Queensland.

Using the BMA brand has assisted The Smith Family in gaining the support of other sectors within the community. In turn, BMA has been positively promoted across a wide range of areas, and is seen to be supporting poor and marginalised groups in local communities.

The Smith Family highly values its partnership with BMA. They would like to see the partnership move from what is perceived to be a philanthropic relationship to closer integration. Significantly more opportunities exist to expand the program and attract other partners.

The data provided by The Smith Family to BMA in the quarterly reporting could more effectively capture the quality and achievements of the program.

While there are several performance indicators in the pro forma, no data are reported against these. Case studies and the results of reading tests and surveys could be included to ensure these achievements are captured more successfully.

The organisation also appears to have a high level of quality assurance measures, with a focus on evidence-based programs that are piloted and evaluated before implementation.
The CSRM study found considerable progress had been made since the 2005 review, especially in the areas of introducing a formal reporting regime, establishing a major new program with a highly regarded not-for-profit partner and increasing efforts to engage with sites.

Major strengths of the program have been:

- its success in establishing partnerships with government and respected non-governmental organisations,
- the commitment to meeting community needs, and
- a focus on continuing improvement, as exemplified by the commitment to finding new ways of improving performance and to a regular examination of its own performance.

Two particular issues are likely to have a significant impact on the future direction of the CPP: access to resources and strategic intent.

To address these issues, BMA will need to develop a strategy around the ongoing operation of the CPP and reconfirm its commitment to funding the program. Financial commitment has decreased since 2004 as the Landmark Projects program was implemented.

On balance, it seems likely the CPP has the capacity and relationships to meet these challenges, although the review has highlighted some important questions about the future direction of the CPP:

- Does the CPP need to broaden its focus beyond the host communities to address some of the regional impacts of mining? For example, should affordable housing become a priority area, given the demand for accommodation in mining towns?
- Should the CPP be more involved in addressing Indigenous disadvantage in the region by providing work readiness and employment pathways into the BMA workforce and via its contractors? There are no Indigenous programs in the current CPP portfolio.
- In the case of existing high-performing partnerships, what can be done to maximise the value from existing networks to expand the reach of current programs or create opportunities for new ones?
- What opportunities could be created by linking new or existing CPP programs to Landmark projects? The provision of new infrastructure could open up new opportunities for the CPP.

The test for the CPP in the future will revolve around its ability to address new challenges – drivers for a more regional approach to community investment, the saturation effects of current partnering initiatives, development of a new approach to funding which reflects a mix of both proactive project development and reactive funding of proposals and the continued pressure being placed on social infrastructure by the resources boom.

It may be necessary to expand the focus of the CPP to meet these challenges and review and adapt priority areas to reflect ongoing community consultation.

The CPP plays an important role in the overall BMA community investment portfolio as the key mechanism that focuses on the development of social capital.

Sustainable towns need access to a range of services that contribute to community life and provide a sense of personal satisfaction and well being.

This includes health services, access to education and training, recreation and leisure activities.

The relevance and effectiveness of the CPP will be ensured in the long term provided the CPP portfolio continues to clearly demonstrate an overlap of community needs and strategic business interests pertaining to social investment.

"Feedback for me is the enthusiasm of participants... and their stories of how the program has helped them.”

- CPP program partner