



## *Pacific Coal's Investments in Community Development Projects Strengthen the Sustainability of Coal Mining Communities in Queensland*

*Kestrel Coal operations, showing the retention dams in the background.*

*Pacific Coal's community development projects aim to meet the challenges facing the communities in which they operate, by stimulating opportunities for employment and training, providing young people with skills to enhance their long-term employment prospects and supporting business initiatives that achieve these goals.*

*The Tarong Coal Community Development Fund partnered with a number of local councils to develop a website promoting the local region. It allows tourists to find out more about the area and businesses to sell their products on-line.*



Australian coal producer Pacific Coal Pty Ltd actively engages in community development projects in the areas in which it operates, investing up to A\$330,000 a year through two of its Queensland operations, Tarong and Kestrel.

Sustainable development is a priority for both Tarong Coal, operators of an open cut coal mine in the South Burnett region of Queensland, and Kestrel Coal, underground coal mine operators located near Emerald in the Central Highlands region.

### **Key Principles**

As a member of the Rio Tinto Group, Pacific Coal adheres to the group's *Business with Communities* Partnerships Program, which is based on 'the nine Rs' – nine key principles that underpin long-term interactive relationships:

<b>Recognition</b>	<b>Respect</b>	<b>Review</b>
<b>Resilience</b>	<b>Responsibility</b>	<b>Reward</b>
<b>Resolve</b>	<b>Relevance</b>	<b>Reference</b>

The funds made available from Tarong Coal and Kestrel Coal are placed in trusts and administered by local boards, which are comprised of company and community representatives. Applications for funding are invited from eligible business, educational and community organisations. Pacific Coal's Community Needs Assessment process identifies the priorities of each local community, on which the board's charters are then based. The Assessment process includes personal interviews with a broad cross-section of community members.

### **Tarong Coal Community Development Fund**

Tarong Coal, located in the Tarong Basin, 180km northwest of Brisbane, is an open cut operation, 100% owned by Pacific Coal. Tarong Coal's Meandu mine is the sole supplier of coal to the adjacent 1400 MW Tarong Power Station, which generates 40% of the State's electricity.

Tarong Coal closely monitors its environmental performance, particularly in light of its location at the headwaters of the Burnett River system, surrounded by State forest and the Tarong National Park. Its rehabilitation system is directed to the establishment of a self-sustaining native forest ecosystem. All water used in the mining process is collected in retention dams for recycling at a later stage.



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The Tarong Community Development Fund was established in 1999 with a grant of A\$600,000 to be distributed over three years. The first step taken by Tarong Coal in establishing the Community Development Fund was to conduct a survey of a cross-section of community leaders. The survey participants included people from local government, health and social services, youth affairs, business, rural affairs, religion, environmental groups, and State politics. The survey revealed some of the major challenges facing the community, which included reducing unemployment, diversifying industry, attracting new business and developing a skilled labour force.

The Fund provided eleven successful applicants with A\$175,300 in 2000/01. Community proposals are assessed by a Fund Board of six people comprising of community members and senior management from Tarong Coal. The Fund's goals are to meet the challenges facing the community by stimulating opportunities for employment and training and providing young people with skills to enhance their long-term employment prospects and supporting business initiatives that achieve these goals (Table 1).

**Table 1. Examples of projects that have received funding from Tarong Coal.**

Projects	Outcome
Tarong Coal School Workplacement Program	Provided on-the-job training for 130 high school students.
Nanango Visitor Information Centre	28 volunteer workers trained to staff the information centre.
Tarong Business Program, Stage 2	Assisted local enterprises gain \$15 million in new business.
Farmers' Market	Assists local producers in developing new markets.
South Burnett Regional Tourism Website	Giving 300 local businesses a presence on the Internet.
Tarong Coal Apprentice/ Traineeship Scheme	Created five new jobs and paid half the salaries of employees in 2000/01.
South Burnett Enterprise Centre	Incubates local business start-ups.

### Central Highlands Community Employment and Training Corporation (CHCET)

Located in the Bowen Basin, 51km northeast of Emerald, Kestrel Coal started operations in 1992. Rio Tinto, through Pacific Coal, purchased an 80% interest in the mine in February 1999.

Initially Kestrel Coal contributed \$200,000 to the Central Highlands Community Employment and Training Corporation, matching the contribution of the Queensland Government (Table 2). They have since increased their contribution, offering CHCET access to \$400,000 over the next three years. In 2000/01, the fund supported four programmes in partnership with government or community organisations.



When the local dairy industry was struggling, the Tarong Coal Community Development Fund, in partnership with a number of farmers, ran courses on value-adding to improve the industry's viability.

**Table 2. Projects that have received funding from Kestrel Coal.**

Projects	Outcome
<b>Horticulture Training Initiative</b> 36 people enrolled for farm skills modules.	12 gained full- or part-time employment; 3 took up traineeships; 2 pursued further training; 2 resumed high school studies.
<b>Community Training Partnership</b> 123 people sought an upgrade in skills or accreditation.	85 purchased training; 19 received recognition for prior learning; 19 were referred for training; 22 gained employment.
<b>Central Highlands Reconciliation Project</b>	2,000 trees planted; 100m mosaic pathway completed; 7 people (5 indigenous) completed the projects.

### Sustainable Development Outcomes

Pacific Coal's investment in community development projects has had many positive benefits for the communities in which they operate.

- Local businesses pool resources to strengthen business development and marketing networks.
- Cross-generational programmes have been established to help bind and enrich the communities.
- Individuals develop skills, motivation and self-esteem.
- New income streams are generated for local businesses, helping to develop a positive culture of innovation.
- Younger people are exposed to greater work and training opportunities, strengthening their confidence and providing a more promising future.
- Greater social co-operation and cohesion reduces anti-social behaviour and enhances interaction and mutual support.

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