

COAL & ALLIED

Managed by Rio Tinto Coal Australia

Guidelines

Coal & Allied
Community Trust
2009 - 2011





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About RTCA and Coal & Allied

Rio Tinto Coal Australia Pty Limited is part of the Rio Tinto Group and is one of Australia's leading mining organisations with a highly successful record in the development and management of world-class open cut and underground coal operations.

In New South Wales, Rio Tinto manages Coal & Allied's operations at Mount Thorley Warkworth, Hunter Valley Operations and Bengalla. In Queensland, Rio Tinto operates the Blair Athol, Hail Creek and Kestrel Mines and the Clermont Mine Project.

In April 2008 Coal & Allied announced its intention for growth. We are exploring options to potentially increase our current coal production, by expanding our existing mines and developing new ones.

Introduction

Rio Tinto aims to develop robust relationships with the communities in which it operates, as well as make an effective contribution to communities' long term sustainability. RTCA's eight community development funds, including the Coal & Allied Community Trust (the Trust) are an important part of achieving this.

The Coal & Allied Community Trust was established in 1999 to support communities in the Hunter Valley to build community capacity to address development challenges and take advantage of emerging opportunities. Since its inception, the Trust has contributed more than \$7 million to projects aimed at providing positive benefits to the local community.

Projects have included:

- Building leadership capacity in rural and regional communities
- Supporting students in education, training and job placement
- Encouraging economic diversity through programmes for small and medium sized businesses
- Implementing community generated environmental initiatives for to enhance local and regional sustainability

Information on previous projects supported by the Trust can be found in the Annual Reports, available at www.coalandallied.com.au.

In late 2008, Coal & Allied announced the continuation of the Community Trust and has committed \$3 million to distribute to eligible projects between January 2009 and December 2011. The aim of the Trust is to support projects and programmes that will create opportunities and foster new ideas that will provide a long lasting benefit to the wider community.

As in the past, the Trust will not operate as a grants scheme, but as a partnership programme that aims to develop joint venture projects and community actions that assist all members of the community. It is through such operation that the Trust also delivers a platform for engagement with the local community.

These guidelines provide information for potential applicants on the types of projects that may be eligible for funding, as well as how to make an application.

Eligibility

The Trust aims to target issues, needs and opportunities which are a priority to the local community and are related to Coal & Allied's core business. Specific objectives have been identified based on an understanding of the local social and economic environment, as well as through direct feedback from members of the community. A socioeconomic baseline and community survey in 2007 and interviews with key opinion formers in 2008 assisted in gaining this understanding.

Based on this information, the objectives of the Coal & Allied Community Trust are to support projects in the following areas.

ECONOMIC

Proposals aimed at enhancing the economic base of the region:

- Attract and diversify sustainable business and services
- Strengthen and promote regional attributes, capabilities and cooperation that will add economic value
- Improve the economic competitiveness of the region

SOCIAL & EDUCATION

Proposals aimed at increasing community capacity in the region:

- Develop community and youth leadership and recognise excellence
- Increase access to appropriate academic and vocational education and training
- Increase recognition of the benefits of lifelong learning within the community
- Enhance community recognition of excellence and leadership

ENVIRONMENTAL

Proposals aimed at increasing the quality of the Upper Hunter environment:

- Promote awareness of regional environmental issues
- Implement community generated regional environmental programmes that will improve the quality of the Upper Hunter environment

Applications for funding must demonstrate the potential to contribute to one or more of these objectives.

Applications must benefit residents within the defined catchment area. This is the local government areas of Singleton, Cessnock, Maitland, Muswellbrook and Upper Hunter and is outlined on the map on the inside cover.

Applications should also clearly outline the benefits and outcomes to be achieved and how these will be measured both during and beyond the project. Benefits and outcomes should:

- Result in direct and lasting benefits to the wider community
- Contribute long-term solutions to problems
- Generate benefits that do not presently exist
- Demonstrate broad support from other key stakeholders
- Contribute to the future sustainability of the area

Applicants may present a project that is already fully developed, or may seek funds for scoping studies to determine the feasibility of a worthwhile concept.

Applicants should have the active and practical support of the local community. In-kind or other financial support for the project, co-commitments from target interest groups or supporting documentation from relevant community representatives may demonstrate this.

Eligible applicants are those who:

- Can demonstrate the capacity to make effective use of the funds
- Are willing and able to subject the project to performance measures that focus on outcomes
- Can work in partnership with the Trust and the business
- Can demonstrate the sustainability of a project, without the need for recurrent funding

An important component of the Coal & Allied Community Trust is its ability to fund projects that have the ability to be sustainable in the medium to long term. This means that projects or outcomes of those projects should provide some long term benefit to the wider community.

Support from the Trust may be the sole source of funding; however applicants are encouraged to seek funds and/or in-kind support from a number of sources, such as joint arrangements with government or private funding bodies. There is no limit to the number of other partners that can be involved in the project.

Coal & Allied encourages employees to be involved in community development activities. As such, any opportunities for Coal & Allied employees to be involved in a project should be identified and included in the application.

Applicants should also identify the availability of funds or in kind proposals of support from within their organisation or group.

Trust monies will not be allocated to:

- Private companies seeking finance for their own business activities
- Proposals targeted for political or religious purposes
- Proposals targeted solely for capital works or to finance the purchase of materials, although these may be funded as a minor component of a broader project
- Recurrent funding expenses; contract-based positions may be considered if they represent a critical component of a project
- Fundraising events, campaigns and appeals
- Debt retirement and budget deficits
- Individuals wanting to finance endeavours solely for personal gain
- Projects traditionally funded by government.

Application process

The availability of funding and closing dates for applications will be advertised through local newspapers and company newsletters, the Coal & Allied website and community newsletters.

If you have a project or initiative you think is appropriate for funding, contact the Trust Executive Officer and discuss your idea. They will provide you with initial feedback on the eligibility of your project. The Executive Officer will also provide the Application Form and may, on request, assist you in preparing your application.

Applications must be submitted using the Application Form. They may be legibly hand written, but preferably typed. They must be submitted to the Executive Officer either by fax, mail or electronically. Where applications are sent electronically, a signed copy must also be faxed or posted to the Executive Officer prior to the deadline. In completing the Application Form, applicants must detail how the project will meet the objectives of the Trust, how they will measure its success and how it will be undertaken. Funding amounts should include GST. The Board will not consider incomplete applications.

The following additional guidance may assist in completing an application:

- **Funding:** in order to gain a clear picture on where your finances are to be allocated, it is suggested that you provide a detailed breakdown of your costs and which costs you are seeking to be covered by the Trust. Ideally funding requested should not be for the full amount of your project. You should be able to demonstrate that your group is committed to the project by providing resources (funding or in-kind) as well.

- **Timelines:** good applications will provide a timeline for the project and it's key elements. It is recommended that a commencement date for the project, key milestones/project component phases and the finish date are included in the application.
- **Performance measures and evaluation:** when submitting an application for funding, you need to be willing and able to subject the project to performance measures focusing on outcomes. Make sure your measures are SMART - specific, measurable, achievable, realistic and time framed.

Supporting documentation may be attached, however, applicants should make every effort to complete all relevant sections of the Application Form.

The Executive Officer will review your application and see if any further information is required before your application is forwarded for consideration.

Applications are assessed by the Trust Board, comprising four community Board members and four company members. The Board is chaired by the General Manager External Relations. Applicants with projects valued above \$25,000 may be asked to present their proposals in person to the Board at a scheduled meeting.

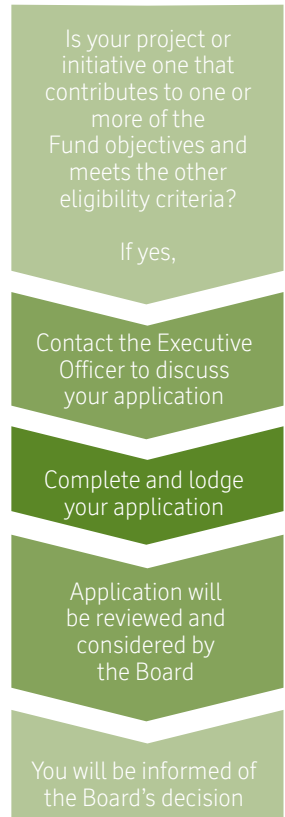
The Board will review and assess the application and then decide by consensus whether they:

- will approve the application
- will approve the application with some conditions
- require further information from the applicant before making a decision
- will not approve the application at this time.

The Executive Officer will let you know in writing of the Boards' decision on your application. If your application is successful, the Executive Officer will then make the relevant arrangements with you.

Successful applicants must agree to:

- Enter into an official funding agreement with Coal & Allied (details of this can be provided by the Executive Officer)
- Use funds within twelve months of approval unless the project is approved for a longer duration
- Submit a brief update report to each Board meeting during the implementation and operation of the project
- Provide a basic acquittal upon completion of the project
- Allow information about the project to be used by Coal & Allied for external communication and promotion purposes.



Contact information

For further information, or to start the application process, please contact:

Executive Officer
Coal & Allied
Community Trust
PO Box 315 Singleton
NSW 2330

Phone: 02 6570 0430
Fax: 02 6570 3601
Email: communitytrust@riotinto.com

More information about Rio Tinto Coal
Australia's community development
funds is available online at
www.riotintocoalaustralia.com.au