



Australian Government
Royal Australian Mint



ANNUAL REPORT 2007-08



ROYAL AUSTRALIAN MINT







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Project Management and Design — Graphic Design, The Royal Australian Mint.
Typesetting — 2B Advertising & Design.

Coin sets featured on colour pages:

Inside front cover — three colour pages (A, B & C)

- A
 - 2008 Fine Silver Year Set (featuring 20 cent silver proof coin and \$1 silver proof coin)
 - 2008 Year Set — International Year of Planet Earth (featuring \$1 proof coin and 20 cent uncirculated coin) and
 - 2008 “C” Mintmark — 100 Years of Australia’s Original Coat of Arms (featuring \$1 silver proof coin and \$1 uncirculated coin)
- B
 - 2008 Icons of the Commonwealth (featuring AU\$25 Gold Kangaroo at Sunset coin; UK Gold Sovereign and CAD\$10 Gold Maple Leaf coin)
 - 2008 Centenary of Rugby League (featuring \$10 gold proof coin; \$5 silver proof coin and \$1 uncirculated coin) and
 - 2008 Centenary of Scouts Australia (featuring \$10 gold proof coin; \$5 silver proof coin; 50 cent uncirculated coin and \$1 uncirculated coin)
- C
 - No coin products featured on this page. Blank page.

Inside back cover — three colour pages (D, E & F)

- D
 - Collage of images of the Royal Australian Mint prior and during refurbishment
- E
 - 2008 Great Australian Artist Series — Reg Mombassa (featuring \$10 gold proof coin, \$1 selectively gold plated coin, \$1 fine silver proof coin; \$1 frunc uncirculated coin and \$1 silver frunc uncirculated coin)
 - 2008 Centenary of Scouts Australia (\$1 rolled coin)
 - 2007 APEC Australia (\$1 rolled coin)
 - 2008 One Hundred Years of Quarantine Australia (\$1 uncirculated coin) and
 - 2008 State Series — 30 Years of Territory Government (NT) and 150 Years of State Government (SA) (\$5 silver proof coins)
- F
 - 2007 Royal 60th Wedding Anniversary (50 cent uncirculated coin)
 - 2008 Land Series — Koala and Wombat (\$1 uncirculated coin)
 - 2008 Little Dinkums — Binny Bilby and Kip Koala (featuring \$5 gold proof coins)
 - 2008 Polar Series — Antarctic Territory (Skua) (featuring \$5 silver proof coin) and
 - 2007 60th Anniversary of Australian Peacekeeping (featuring \$1 uncirculated coin).



Australian Government
Royal Australian Mint

13 October 2008

The Hon Wayne Swan MP
Treasurer
Parliament House
CANBERRA ACT 2600

Dear Treasurer

I have pleasure in presenting to you the Annual Report of the Royal Australian Mint for the year ended 30 June 2008. The Report has been prepared under section 63 of the *Public Service Act 1999*. Subsection 63(1) of the Act requires that a Chief Executive Officer of an agency is to provide a copy of the Report to their Agency Minister for presentation to the Parliament.

As provided in subsection 63(1) of the Act, the Report has been prepared in accordance with guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit. These guidelines provide that a copy of the Annual Report is to be laid before each House of Parliament on or before 31 October.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Smith'.

Graham Smith
Acting Chief Executive Officer



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The Mint circa 1965.

How to contact us

Street address	Royal Australian Mint Denison Street Deakin ACT 2600 AUSTRALIA	Facsimile	(02) 6202 6954 within Australia +61 2 6202 6954 international
Postal Address	Royal Australian Mint Locked Bag 31 Kingston ACT 2604 AUSTRALIA	Internet Email	http://www.ramint.gov.au info@ramint.gov.au
Telephone	Customer service 1300 652 020 Switchboard (02) 6202 6999 within Australia +61 2 6202 6999 international	Chief Executive's Office Visiting the Mint	Telephone (02) 6202 6826 Facsimile (02) 6202 6935 Visitors are welcome between 9.00am and 4.00pm on weekdays, and between 10.00am and 4.00pm on weekends and public holidays. The Mint is closed on Christmas Day and Good Friday.

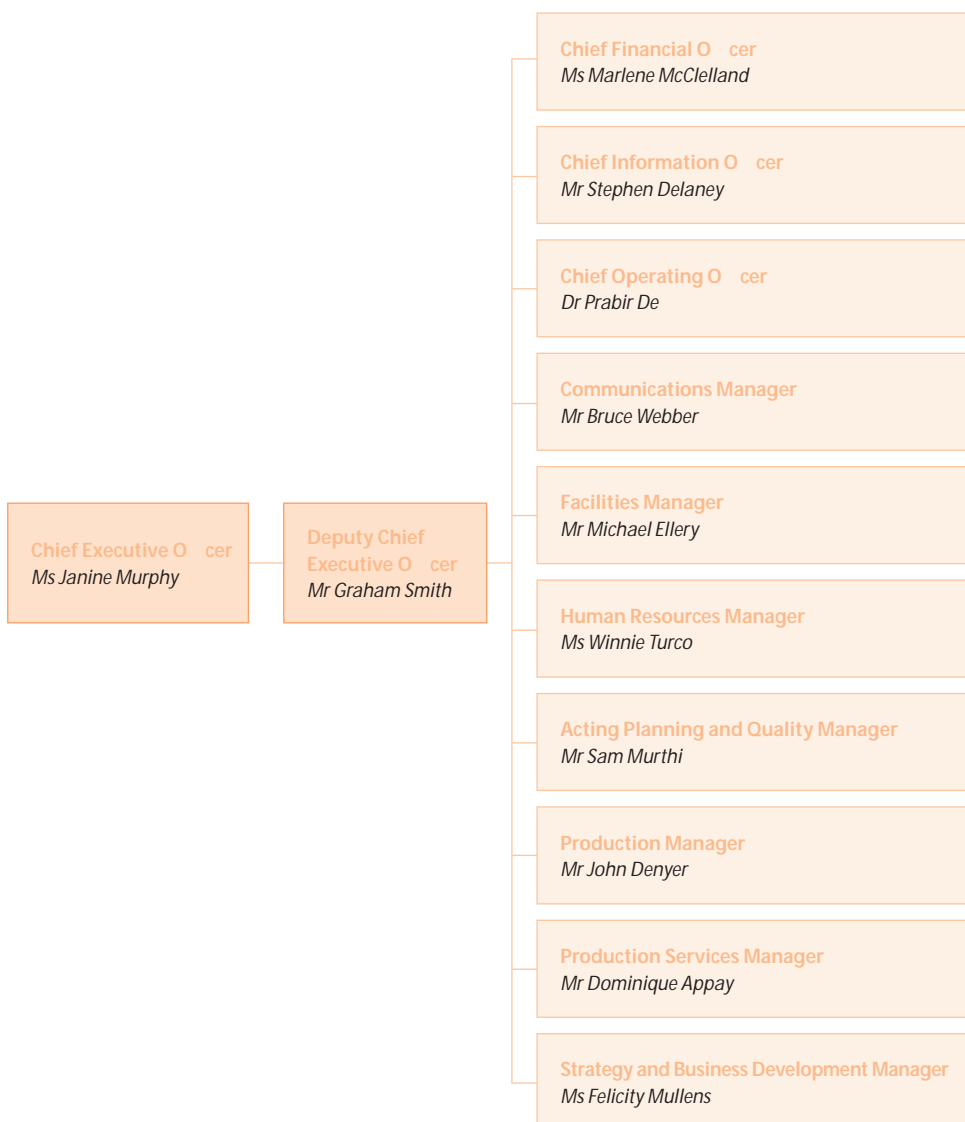
Section 1

INTRODUCTION & OVERVIEW



ORIGINAL CONSTRUCTION : BEFORE THE MINT – THE VIEW TO BLACK MOUNTAIN

Organisation at 30 June 2008



Corporate Profile

The Royal Australian Mint (the Mint) became a prescribed agency within the Treasury portfolio on 1 July 2005, with responsibility for producing circulating coin for Australia. The Mint was established in Canberra in 1965, one year prior to Australia's changeover to decimal currency, and since 1983 has been the sole supplier of Australia's circulating coin requirements.

The Mint also produces a range of high quality collector coins (numismatic coins) which are sold through an extensive mail order operation, a network of domestic and international coin dealers, Australia Post outlets and the Mint's own retail outlet. In addition, the Mint produces a number of Australian medals and awards, as well as tokens, medallions and jewellery items for domestic and overseas customers. The Mint is also a major Canberra tourist attraction with a public gallery, museum and shop that attracted approximately 124,000 visitors during 2007–08.

The Mint is committed to upholding its reputation as one of the leading producers of quality coins in the world and to achieving business excellence.

The Mint's original museum displays.



Vision

Excellence as a sustainable world class Mint.

Mission

To meet the circulating coin and numismatic needs of Australia.

Values

- | | |
|------------------------|---|
| Commitment | <i>we believe in the vision and mission of the Mint, and pursue with enthusiasm and determination the achievement of its business objectives and the maintenance of a safe, healthy and happy work environment</i> |
| Integrity | <i>we are open, honest and straightforward in the way we do our work, and do not take improper advantage of our employment at the Mint to achieve personal gain</i> |
| Teamwork | <i>we understand that we depend on one another for effective performance, and are always on the lookout for ways in which we can help our workgroups to be more flexible, more efficient and more enjoyable to be in</i> |
| Service | <i>we care about the needs of those – both outside and inside the Mint – who receive the products of our work, and we try always to meet those needs at the right time, at the right quality and at the right price</i> |
| Innovation | <i>we continually seek to identify and implement better, safer and more cost-effective ways of doing what we do, encourage others to do the same, and keep ourselves up to date on relevant developments elsewhere</i> |
| Respect | <i>we treat one another with courtesy and consideration, and do not belittle the contributions of others to the achievement of the Mint's vision and goals; we value diversity and renounce discrimination on grounds of race, religion, sex or cultural background</i> |
| Professionalism | <i>we take pride in the quality of our products, in the skills and standards we apply to our work, and in our willingness to learn and to share the benefits of that learning with others</i> |

The Mint's Service Charter

Services

- We aim to meet your needs as a customer efficiently and promptly, and always look for ways of improving the quality and timeliness of our service.
- We seek to respond promptly to any issue you may raise related to the history, production and distribution of Australian coinage and numismatic products.
- You may contact us through our internet site or by mail, email, phone or fax using the address and numbers given in this publication.
- When you contact us we will be courteous, helpful and prompt in any follow up actions required.
- Your first contact person will keep you informed of the progress of your request or may direct your request to a more appropriate person.

Response

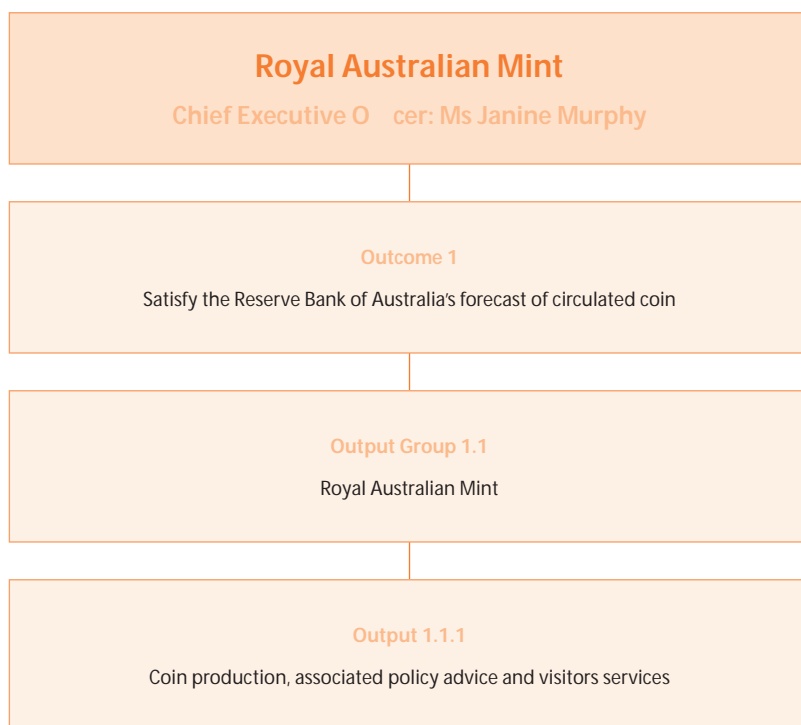
- We will clearly identify ourselves when you contact us by telephone and will ask for specific contact information from you.
- Your discussions will be treated with respect and confidentiality.
- If you contact us by phone during business hours (8.30 am to 4.30 pm), we will address your query immediately or advise of when a response can be expected. If you contact us by phone out of normal business hours your call will be recorded and we will aim to call you back during the next working day.
- Your contact by mail, fax or email will be acknowledged within five working days of receipt.

Complaints

- We will address all complaints in terms of the Australian Standard AS 4269-1995 Complaints Handling and of the Trade Practices Act 1974.
- If you return products, please include your contact details. If you are currently included on our mailing list please advise your customer number. We aim to respond within one week of receipt.
- If you continue to have a problem, our customer contact staff will try to resolve the matter, but if necessary, you will be referred to the appropriate manager.
- If the matter is then not resolved, please contact the Chief Executive Officer (CEO) with all details. The CEO will respond within one week of receipt of this contact.

Note: This Service Charter is not legally binding on the Royal Australian Mint, but is an expression of the standards we seek to achieve and maintain.

Resources for Outcomes



Key priorities in 2007–08

The Royal Australian Mint's 2007–08 Portfolio Budget Statements and internal planning processes identified the following key priorities for Outcome 1:

- Satisfy the Reserve Bank of Australia (RBA) forecasts for circulating coin by monitoring the forecasts and matching production to the forecasts.
- Promote public understanding about the cultural and historical significance of coins.
- Provide advice on coin related issues

Key Outcomes in 2007–08

Outcome 1 – Satisfy the Reserve Bank of Australia's forecast for circulated coin

	(1) Budget* 2007-08 \$'000	(2) Actual revenue and expenses 2007-08 \$'000	Variation (column 2 minus column 1)	Budget** 2008-09 \$'000
Revenue from Other Sources				
Output Group 1.1 – Royal Australian Mint				
Output 1.1.1 – Coin production, associated policy advice and visitors services	59,482	112,905	53,423	59,021
Total Revenue from Other Sources	59,482	112,905	53,423	59,021
Price of Departmental Outputs				
Output Group 1.1 – Royal Australian Mint				
Output 1.1.1 – Coin production, associated policy advice and visitors services	58,464	81,468	23,004	56,464
Total Price of Outputs	58,464	81,468	23,004	56,464
TOTAL FOR OUTCOME 1	1,018	31,437***	30,419	2,557

	2007-08	2008-09
Average Standing Level	180	201

* Full-year budget, including additional estimates

** Budget prior to additional estimates

*** Refer Note 1.5 in the 2007–08 Financial Statements (Appendix A)

Output 1.1.1: Coin production, associated policy advice and visitor services

The Mint delivers a single output – ‘coin production, associated policy advice and visitor services’.

Performance Information

The key performance indicators are:

- Advice meets Treasury Portfolio Minister's needs in administering their responsibilities and implementing Government decisions as they relate to coinage and the Royal Australian Mint operations.
- Produce circulating coin to Reserve Bank of Australia needs.
- Meet financial performance targets.
- Maintain the National Coin Collection and the Royal Australian Mint's Visitors Gallery and promote public understanding about the cultural and historical significance of coins.

Analysis of Performance

During 2007–08, the Mint continued to provide a professional level of advice to the Treasury Portfolio Ministers, and liaised as appropriate with other agencies on a range of issues relating to coinage and Royal Australian Mint operations. The Mint responded to ministerial correspondence, provided relevant information, and met all other ministerial procedural responsibilities.

Whilst continuing to produce circulating coins based on forecasts provided by the Reserve Bank of Australia (RBA), the Mint focused its attention on ways to improve accuracy in meeting the circulating coin requirements of the Australian community. The Mint engaged directly with the commercial banks, and as a result, now has a better understanding of the issues that impact on the demand for circulating coins.

The Mint's visitor gallery continues to be an important attraction in the Canberra region. It is a significant stop for visiting tourists and for school children as part of their education curricula. The public traffic continued despite the fact the Mint premises are under renovation. The Mint is gradually upgrading its communication channels with the general public. It has recently upgraded its web site and the next phase will see enhancements to our call centre capabilities.

Section 2

CHIEF EXECUTIVE REPORT





Chief Executive's Review

In 2007–08 the Mint continued its journey towards *Excellence as a sustainable world class Mint*.

Our ability to identify and address the key issues we face in achieving our vision has been enhanced by expanding the Senior Management Committee. This has freed Senior Managers to focus on the strategic issues that support our vision and drive the numerous projects we are undertaking.

In addition to the major refurbishment and modernisation of the Mint's premises, we have identified the need to improve our IT systems. The proposed new system will support the Materials Handling and Warehousing System (MHWS) and Enterprise Resource Planning (ERP) to achieve increased automation, integration and reliability of information and improved reporting for decision making.

Staff in all areas of the Mint, in addition to their normal duties, have been engaged in a wide range of projects. These activities are working together to achieve a more modern, efficient, innovative, quality aware and sustainable Mint.

The internally focused projects have been added to and supported by a number of other projects we are undertaking with a range of external agents, in particular the Treasury, Department of Finance and Deregulation (Finance), the RBA and other members of the Australian Payments Clearing Association (APCA). A number of these projects are interrelated and will progress closely in parallel. The aim is to achieve a closer relationship between coin demand, forecasts and actual orders. This includes establishing a buffer stock of coins to assist with business continuity planning and smoothing of the production process through the year.

The Mint's outcomes and outputs were clarified in the 2008–09 Commonwealth Budget. This clarification frees the Mint to confidently pursue contracts with foreign governments, overseas dealers and suppliers and better reflects past and present activities.

The 25th biannual Mint Directors Conference (MDC) was held in South Korea in May 2008. With the support of the Government, the Mint was chosen to host the next MDC in Canberra during September 2010. This will provide us with a valuable opportunity to showcase our modern facilities and quality products to the rest of the world's minting fraternity.

The Mint has implemented a wide ranging and holistic approach to training its staff as a way to counter the tight labour market in Canberra, new work requirements flowing from modernisation processes and the ageing of the Mint's workforce. We expect to meet the current and expected demands of the organisation, while also responding to individual skill development needs identified through the new Performance Development System (PDS).

Our training has already yielded dividends for the Mint and its employees who have been successful in competing for new or upgraded positions identified in the 2006 Organisational and Workplace review.

We have put in place a whole of Mint communication and change management strategy to assist with the management and integration of our projects. This strategy aims to keep all staff informed of the progress and implications of change for their work practices. Focus groups are providing a forum for staff to raise improvement ideas or concerns as they arise. Feedback from these groups shows that although staff are suffering the difficulties of working around the refurbishment, and additional projects and training, their morale is being maintained. We are focusing on the benefits to working conditions and careers, and not the small set backs and irritations that arise in reaching those ends.

Outlook for 2008–09

Training for the future will focus in particular on preparing employees to work within the more automated environment they are helping to develop in the Mint. Specific training in response to an Improvement Notice issued by Comcare will emphasise hazard awareness and the preparation of and adherence to safe working methods.

The revised Agency Agreement that is expected to take effect from August 2008 will continue to provide a framework within which a cooperative approach to production is encouraged. We will continue to seek to improve the Mint's ability to make products that the market wants in a timely, efficient and profitable manner at the same time as providing employees with job security, improved career opportunities, training, working conditions and competitive remuneration. The agreement will also continue to reinforce the commitment given by all parties to the Mint Values and Code of Conduct. The improved methods of measurement and accountability being implemented with the new ERP system will give the Mint better measures of productivity improvements for future Agency Agreements.

Management Framework

As a prescribed agency the Mint continues to operate under a Charter endorsed by the Secretary of the Treasury, Dr Ken Henry AC, and the CEO. The Charter was updated during the year to better reflect the relationship between the Treasury and the Mint. It sets out the scope of the roles and accountabilities of the principal stakeholders in producing circulating coins and like products for Australia.

The Mint Advisory Board provides strategic advice and reviews Mint performance against key indicators and strategies in the Mint's Strategic and Business Plans. At 30 June 2008 the Advisory Board comprised:

- Ms Deidre Gerathy, General Manager, Corporate Services Division, Treasury (Chair);
- Mr Ross McDiarmid, Chief Operating Officer, Dyesol Limited;
- Mr Michael Del Gigante, Managing Director, Defence Housing Authority; and
- Mr Geoff Miller, General Manager, Corporations and Financial Services Division, Treasury.

Management of the Mint rests with the Senior Management Committee which at 30 June 2008 comprised: Ms Janine Murphy, Chief Executive Officer (CEO); Mr Graham Smith, Deputy CEO; Ms Marlene McClelland, Chief Finance Officer (CFO); Ms Felicity Mullens, Strategy and Business Development Manager; Dr Prabir De, Chief Operating Officer; Ms Winnie Turco, Human Resources Manager; Mr John Denyer, Production Manager; Mr Dominique Appay, Production Services Manager; Mr Stephen Delaney, Chief Information Officer; Mr Sam Murthi, Acting Planning and Quality Manager; Mr Bruce Webber, Communications Manager; and Mr Michael Ellery, Facilities Manager.

Section 3

MANAGEMENT & ACCOUNTABILITY



ORIGINAL CONSTRUCTION : THE ADMINISTRATION BUILDING WAS CONSTRUCTED FIRST

Refurbishment Project

Significant progress has been made on the Mint refurbishment project which commenced in October 2006 and is due for completion in mid 2009. Two of the six project stages were completed in 2007–08.

The first completed stage was the basement and relocated loading dock. This area allows the Mint to make better use of storage space and to have more efficient receiving and despatch functions. It has also removed a major risk to the Mint, that is having truck movements in shared public traffic areas. The second completed stage was the circulating coin hall. Also completed at this time was a new 8 tonne goods lift. It provides direct access between the circulating coin hall and the basement and is large enough to transport forklifts, heavy production equipment and large quantities of coin product. This lift is the largest of its type in the southern hemisphere.

The delivery of the project has resulted in a number of challenges. These challenges came about because of the age of the building and the complexity of the production processes. Additional funding was sought by the Department of Finance and Deregulation and the Mint to achieve the full potential of the refurbishment project, as initially agreed to by the Government. An increase was required in the project budget from \$41.2 million to \$66.4 million. The additional funding was approved in October 2007 and a revised project brief was presented to the Parliamentary Standing Committee on Public Works in April 2008.

It is a challenging and exciting time for Mint personnel who are benefiting from the improved facilities provided by those stages of the project already delivered. Employees have displayed patience and understanding in working in and around the disruptions and relocations required by the staged process and the requirement that the Mint continue to operate on site during the refurbishment. We are all looking forward to the completion of the project in mid 2009. The Mint will be a modern, efficient and secure manufacturing facility. It will provide a safer and more comfortable workplace. It will offer visitors a more modern and exciting public gallery and will improve the display of the National Coin Collection.



The new tunnel: creating opportunities for efficiency and automation.

IT Services

Modernisation and improved integration of the Mint's Information and Communications Technology (ICT) has been a primary area of focus over the year and will continue to be into the future.

A significant change has included the appointment of a Chief Information Officer (CIO) to head the IT Services Branch and to change the focus of Information and Technology Management at the Mint from one of supporting existing IT systems to one of identifying and implementing new business technology solutions and improving information governance. As a member of the Mint's Senior Management Committee the CIO brings another dimension to deliberations on the appropriate use of technology to achieve the strategic goals of the organisation.

The focus during the 2007–08 financial year has been on the provision of a stable Information Technology platform for the Mint. This included lifecycle upgrades to the current servers and parts of the workstation fleet, upgrades and expanded use of virtualisation and the implementation of new software to perform all data backup and recovery.

A range of key initiatives were completed during the 2007–08 financial year, including:

- The introduction of a range of IT Security controls, including policies, firewalls, spam filtering and auditing as well as a comprehensive employee security awareness program.
- A strong focus on information management, with formalised training for all staff on record keeping practices and awareness.
- Introduction of menu based word processing templates to standardise the creation of Mint correspondence.

An ambitious range of projects is planned for the 2008–09 financial year that will modernise the manufacturing and corporate operations of the Mint.

The cornerstone project is the implementation of a new integrated IT Business System to replace a range of different systems. The tender process and evaluation occurred during the 2007–08 financial year. Implementation will occur over a period of 14 months commencing in September 2008 and finishing by January 2010.

The IT Business System will consist of numerous software products that will be linked and operate as a single system. It will cover all aspects of the Mint's operations, including Enterprise Resource Planning, Financial Management, Logistics, Payroll, Human Resources, Production, Quality Assurance, Asset Management, Sales, Customer Relationship Management and Electronic Document Records Management.

The IT Business System will interface to the Materials Handling and Warehousing System to enable manufacturing orders and reporting to be controlled by a single system.

The IT system will also provide a programmed process for the collection, analysis and reporting of input and output data in the production process and an accurate and timely reconciliation of all coins during each stage of the production process. This will allow the Mint to quickly identify any inconsistencies in coin production and storage, and will therefore address the one outstanding recommendation from the 2006 Australian Federal Police Security Risk Review.

A range of other projects linked to our strategic and business needs also commenced in the 2007–08 financial year and will be completed in the 2008–09 financial year. They include:

- Replacement of the Mint PABX and data communications infrastructure.
 - Introduction of a new platform for our corporate intranet. This will provide electronic forms, collaboration and workflow functionality.
 - Upgrade of server, data storage and desktop computing equipment to provide a suitable platform to operate the new IT Business system.
 - Connection to FedLink to enable secure electronic mail at the In-confidence level with other government agencies.
 - Development of a Mint Information and Knowledge Management Strategy and the introduction of electronic record keeping.
-

Materials Handling and Warehousing Project

The focus of this project in 2007–08 was the development of detailed specifications of outcomes, tendering for and subsequent letting of a contract. Working with the successful tenderer, we have designed a system that meets the original aims of the project outlined in last year's Annual Report but has enhanced environmental benefits. For example, the Materials Handling and Warehousing Project (MHWP) is expected to achieve reductions in cardboard paper consumption of approximately six tonnes each year. Another benefit from the MHWP will be that vision from remote cameras will be linked to the foyer and visitor gallery to give visitors a closer view of operations.

Challenges for the year ahead include the change management process, specifically in the areas of technical skills and cultural practice. The MHWP is continuing to be managed to meet the project program and stay within budget. Careful attention to contract and relationship management is required. Expectations remain high that a successful project will be delivered in March 2009 to coincide with the completion of the refurbishment project.

Management of Human Resources

Staff morale has been positive across the Mint considering the change processes occurring as a result of the refurbishment project and subsequent closure of specified work areas. Although disruptive at times to employees normal working arrangements these changes have also provided a timely opportunity to address past shortcomings in training and development. The scheduled close down periods have enabled the rolling out of comprehensive staff training programs. These programs have been well received by staff.

Performance Development System

The Mint's Performance Development System was reviewed by the CEO in consultation with focus groups to provide a transparent and objective system that is user friendly and aligns with the Mint's Strategic Plan.

Training was provided to all staff concerning the implementation of the system. The training was judged a success and identified a few areas where we needed to further simplify the process.

This has enabled a consistent application of the appraisal process across the organisation. Managers, supervisors and staff now have a better understanding of the relationship between the Strategic Plan, Operational Plans and individual plans.

Royal Australian Mint Union Collective Agreement and APS Values

The 2008–10 Royal Australian Mint Union Collective Agreement was negotiated under section 328 of the *Workplace Relations Act 1996*. A majority of staff voted on 4 July 2008 to accept the Agreement which is expected to take effect in August 2008.

Key features of the Agreement include:

- flexibility in working arrangements
- one week paternity leave
- closedown between Christmas and New Year
- four per cent pay increase on approval and a further four per cent twelve months later and
- a commitment to continued formal and informal consultation between management and employees

Workplace Relations

The Mint has a range of formal and informal consultative arrangements including the Mint Consultative Forum which meets regularly. The Consultative Forum is chaired by the CEO and comprises management and elected employee representatives, and representatives of the Community and Public Sector Union and the Australian Manufacturing Workers Union.

The Mint is committed to discussing workplace issues in a spirit of cooperation and trust, ensuring employees receive information on workplace issues affecting them, including business progress and the impacts of new programs. The agreement also allows scope for employees to contribute their views on these issues. This is particularly important in the current period of change within the Mint.

Recruitment and Succession Planning

The Mint continued to focus on recruitment and retention as a major strategy. Recruitment activity last year resulted in 36 promotions, 25 appointments and three non-ongoing staff converting to ongoing employees. This is an indication that the increased development opportunities offered to staff have improved our retention rate by enabling the Mint to promote and appoint staff from within the organisation.

The Mint will begin to realise its investment in its apprenticeship program later in 2008 when four of our apprentices can be considered for ongoing qualified trade positions. Our apprentices have also been recognised by the Canberra Institute of Technology for dedication to learning. One apprentice, Mr Anthony Palasrinne, has joined the Government's initiative on the national 2008 Apprenticeship Roundtable discussions while another, Mr Adrian Boucher, won a scholarship from the NSW Business Chamber, participated in an exchange with the Royal Canadian Mint and an apprentice placement at the Australian National University.

We will continue to monitor and review our workforce plan to take account of future projected losses in key areas through retirement by increased training and where necessary specialised technical skilling of our staff.



Janine Murphy, CEO and Adrian Boucher at the NSW Business Chamber Awards.

Training

A training unit was set up in 2007–08 and initially addressed the immediate need for upgrading the skills of our staff to enable them to be competitive in securing ongoing positions in the Mint. The first round of the new Performance Development System in 2007 further identified corporate as well as individual development needs across the organisation. Training is an area of primary focus in the Mint. Among the training programs conducted in 2007–08 were courses on interview techniques, getting that selection right, presentation skills, report writing skills, project management, a program on leadership, basic and advanced computer training, strategic thinking, communication and negotiation, financial management, leading teams, policy formulation and many more. Staff attended a total of 846 training places during the year.

One of our success stories is the assessment and development of English as a Second Language training which was carried out over two weeks and addressed the specific requirements of this group of staff. Internal conversation classes have been developed as an extension of this ESL training, to enable staff to keep building on their knowledge. There has also been a variety of internal governance training courses that have been trialled and will now be conducted annually along with courses specific to new Mint employees.

The cost of training courses attended by Mint employees for 2007–08 was \$456,564.

In an environment of continuing change, the Mint will focus on further development of our staff to address skill shortfalls and ensure we recruit and retain talented people for our business. We will concentrate on our OH&S obligations and compliance to maintain a high standard of health and safety for our staff. Our commitment to continuous improvement and best practice will also be high on our agenda.

Occupational Health and Safety (OH&S)

The Mint is committed to providing a safe and healthy workplace for employees, contractors and visitors. All reasonable steps are taken to control or eliminate hazards and minimise the risks associated with production and day to day activities.

In February 2008 the Mint engaged a consultant to undertake the annual OH&S audit against AS4801:2. The auditor noted that there had been some dramatic improvements in compliance, but while there had been many successes there was still room for improvement. The Mint continues to work toward compliance in all areas.

Workstation Assessments were provided for 22 staff during the year. Under our Collective Agreement 111 employees took advantage of the Mint's Healthy Lifestyle Payment. This one-off annual payment is available to contribute to activities such as gym membership, quit smoking and similar activities which promote a healthy lifestyle.

Testing of staff for exposure to nickel, chromium and other heavy metals was completed and results were within normal limits. As part of the Mint's Hearing Conservation Program, and to ensure legislative compliance, 99 staff had hearing tests. Additionally, free influenza vaccinations were made available to staff during the year.

Mint Health and Safety Representatives continue to fulfil a vital role in reviewing current work practices and actively promoting safe work practices across all areas of the Mint.

They undertake regular workplace inspections to an agreed schedule.

There were a total of 23 First Aid attendances during the year. There were 30 Accident Reports and 102 Incident Reports this year. The increase in Incident Reports was contributed to an increase in staff awareness of OH&S reporting obligations and incidents associated with the refurbishment project. A comprehensive investigation was undertaken for all Accident and Incident reports. Remedial actions were taken where appropriate, and in some instances new work instructions were written.

There were six Workers Compensation Claims lodged of which five have been accepted and one is to be determined. These claims resulted in 49 lost time days.

The Mint has notified Comcare of eight dangerous occurrences. Comcare inspectors have investigated three occurrences and have issued a Do Not Disturb Notice and a Prohibition Notice. These notices were issued in relation to an incident during the movement of a press.

The Mint will work toward raising the profile of OH&S and continue the comprehensive OH&S staff training program to meet best practice standards. We have set a target to reduce the number of incident reports by 15 per cent

The Mint is applying engineering solutions to reduce repetitive tasks and the potential for injuries.

Staff will be working in safer areas after the refurbishment is completed. Major changes to the workplace will deliver improved ergonomic considerations, better lighting, ventilation and thermal comfort.

Staffing information

All staff are employed under the *Public Service Act 1999*.

The Mint operative and paid inoperative staff by classification and gender
(at 30 June 2008)

Classi cation	Ongoing				Non-ongoing				Total
	Full-time		Part-time		Full-time		Part-time		
	Male	Female	Male	Female	Male	Female	Male	Female	
Apprentice					9				9
APS1						4			4
APS2	12	21			12	5	1		51
APS3	10	5				3			18
APS4	26	7			2	3		1	39
APS5	17	7		1	2	1			28
APS6	13	5		1		2		1	22
EL1	9	4		1					14
EL2	5	2					1		8
SEB1	1								1
SEB2		1							1
SEB3									
Total	93	52		3	25	18	2	2	195

The Mint operatives paid under the Agency Agreement and AWAs (at 30 June 2008)

	No. of Employees
Agency Agreement	187
AWA — Non SES	6
AWA — SES	2
Total	195

Salary Ranges for Agency Agreement and AWAs (at 30 June 2008)

Classification	Minimum \$	Maximum \$
APS1	33,764	37,319
APS2	38,807	42,374
APS3	42,374	47,671
APS4	48,441	52,670
APS5	52,670	58,437
APS6	60,211	69,242
EL1	74,823	86,265
EL2	86,265	102,819
AWA — Non SES	87,123	124,500
AWA — SESB1	157,402	182,935
AWA — SESB2	192,916	225,801

Total for all SES remuneration was \$346,162 (excluding superannuation allowances)

Workplace Diversity

The Mint respects and appreciates the cultural diversity of its workforce. Forty one per cent of employees are from countries where English is not the spoken language and six per cent were born overseas in countries where English is the first language.

The Workplace Diversity Program continued to formalise the Mint's commitment to ensuring employees in identified groups have fair access to recruitment, training and promotion opportunities. The Mint has a Mature Age Workforce Policy to provide measures that continue to support older staff who wish to remain in the workforce.

To assist employees in balancing work, family and other caring responsibilities, the Agency Agreement leave conditions allows employees to use their personal leave entitlements to care for immediate family members who are sick. Applications for part-time work are considered favourably. Flexible working hours are available to fit in with family commitments. Working from home is also offered to staff to balance work and family commitments.

There is also an additional entitlement of two weeks paid maternity leave. The maternity leave and the additional leave may be taken at half pay. The new Agreement includes an entitlement of one week paternity leave. Executive level employees are able to make use of flexible working hours in the same way as all other Mint employees.

Our current ESL training programs for staff reinforces our commitment to providing more opportunities for staff in this group to advance their careers.

Equal Employment Opportunity Target Groups

Classification	Female	Born o/s	ESL	AATSI	Disability
Apprentice	0	2	2	0	0
APS1	4	11	12	0	0
APS2	26	27	26	0	1
APS3	8	7	6	0	0
APS4	11	16	11	0	1
APS5	9	7	7	0	1
APS6	9	8	7	0	0
EL1	5	9	5	0	0
EL2	2	3	2	0	0
SESB1	0	0	0	0	0
SESB2	1	0	0	0	0
SESB3	0	0	0	0	0
Total	75	90	78	0	3

Disability Strategy

The Mint continued to support and encourage our disabled employees. The Mint maintained a relationship with disability support groups, especially in monitoring and supporting the special needs of one of our long-term employees. We address special needs on an individual basis and where necessary make adjustments to their working environment, for example, through modifications to workstations, access to special software, parking, and hours of duty, and specific job tasking. We also work with peak bodies, looking at developing strategies that support and encourage the employment of staff with disabilities.

The Mint's website complies with *Web Content Accessibility Guidelines (W3C)*, allowing customers to provide feedback, make inquiries and order Mint products via the internet.

The Mint fulfils its obligation under the *Disability Discrimination Act 1992* with regard to its tourist facility. The refurbishment of the Mint which is currently underway will provide facilities that meet the Mint's obligations under the Act.

Special Projects

The absence of a reporting mechanism that allowed visibility of the whole of the circulating pool to the commercial banks resulted in the size of the coin pool growing by almost 94 per cent between 2004 and 2006. This growth created an unnatural demand for coins and resulted in increased resource usage, materials handling risks and transport and storage costs. The Mint has worked with the Coin Issues Working Group of the Australian Payments Clearing Association to develop a virtual coin pool system. The head offices of commercial banks now report their coin holdings to the Mint and receive back a summary which allows for better planning of coin supply. This cooperative approach to managing the supply of coins has resulted in a reduction in pool size of almost 47 per cent from the peak in 2006 and made substantial financial and environmental savings in materials and energy from reduced output and transport.

Increased metal prices have created a risk of reduced seigniorage collection from low denomination circulating coins. This risk has been offset by the impact of a stronger Australian dollar on materials purchases and an increased demand of high denomination

Bulk coins: a new delivery method.



coins. Three years ago the average face value of coins issued was 30.52 cents per coin. The denomination mix of issued coins in 2007–08 has increased the average face value to 35.67 cents per coin. The Mint is keeping a watching brief on metal prices, the evolution of the coinage mix and their effect on seigniorage.

e Business Continuity Plan (BCP) which was developed last year was subjected to testing this year. The testing simulated a realistic scenario to determine if the BCP was fit to protect the Mint against risks to its business. Results of the testing have been used in a continuous improvement process to further develop the BCP.

e Production Inventory Control Steering Committee (PICSC) model for the accounting and security of high value coins has been incorporated into the MHWP. The two teams have worked together to provide a best fit between the needs for security, accounting and production. The improvements in materials handling have helped to fine tune the inventory control model and have led to the PICSC sign-off of the Materials Handling and Warehousing System Stakeholder Approval of Project Broad Design. One major benefit coming from the MHWP has been the plan to reuse blank delivery drums throughout the coin production and distribution processes. e Mint has negotiated with cash-in-transit businesses to deliver coins in bulk using these drums. This greatly reduces OH&S handling risks in the depots and also reduces the consumption of petroleum-based plastics and timber-based pallets and boxes for combined economic and environmental benefits.

The Chief Operating Officer (COO) progressed a joint exchange program with the Royal Canadian Mint for a final year apprentice, Adrian Boucher. The three month placement was partly supported by the Roger Pysden Memorial Fellowship awarded by the NSW Business Chamber. Both Mints were impressed by the success of the exchange. The Mint will host a staff member from the Royal Canadian Mint early next year. The program aims to exchange knowledge and promote excellence in technical areas of coin production.

e COO chaired the Mint Directors' Technical Committee meetings. e Technical Meeting of Mints in ASEAN (TEMAN) was held in Malaysia in August 2007. This was followed in May 2008 by the 25th Mint Directors Conference in South Korea. The objective of this committee is to identify key issues relating to coinage materials, machines and processes and prepare strategies to address these issues in a cooperative and collegiate manner. Following a bidding presentation in Korea, the Mint has successfully won the right to host the 26th Mint Directors Conference in 2010. The CEO of the Mint has been elected the Vice President of the Mint Directors' Conference.

Over the next year we will create a framework, including developing relations with potential suppliers and host country agents, whereby the Mint can quickly and confidently respond to tenders from foreign governments to mint their circulating coins. This framework will also require us to re-examine the Mint's cost structures and identify priorities for reducing costs.

Planning and Quality Management

Quality Assurance (QA)

One of the important functions carried out by this unit is to conduct internal audits across the Mint to ensure we are complying with the requirements set out in the Mint's Quality Management System (QMS) and to ensure compliance with the international quality management standard ISO 9001 this financial year. An audit carried out by external contractors reaffirmed the Mint's accreditation to ISO 9001. This was a pleasing result with input required by a wide cross-section of staff to achieve this rating. In addition, the QA Section visits the premises of suppliers to audit their QMS to ensure there is alignment with the Mint QMS and ultimately to maintain the integrity of our product.

Additional demands associated with the staged closures and reopening of various sections of the Mint as a result of the refurbishment program has increased the workload on the QA. QA processed, on average, 39 per cent more coinage dies and 75 per cent more coinage blanks over the previous year.

During the year the QA Section identified several areas where it can improve its own performance for the benefit of the Mint. In particular the unit will focus on:

- increased monitoring of supplier quality standards
- taking a more systemic whole of organisation approach to quality improvement
- engaging with all branches of the Mint to identify key quality concerns and developing quality processes and procedures
- education and awareness programs for staff and suppliers.

The scope to do this within existing staff resources will be achieved by:

- standardisation of viewing/inspecting equipment across the organisation
 - a stronger focus on Whole of Mint quality activities
 - exploration and acquisition of new technology, especially for inspection functions, to remove any subjectivity when inspecting final product.
-

Planning and Scheduling

Another key function within the Branch is Planning and Scheduling. In order to achieve sales and profit target the Mint pays particular attention to the most cost effective scheduling of purchases and delivery of inputs in manufacturing circulating coins and numismatic products. We aim to maintain an optimal level of goods for sale and a balanced workload, fully utilising the available human and financial resources.

As a result of working cooperatively with suppliers and with input from all areas of the Mint, it has been possible to produce additional stocks of coins to meet the forecast demand for coins during the scheduled shutdown periods of the refurbishment program.

A key focus for the next year will be to minimise inventory holdings and optimise production volumes to match with fluctuating numismatic demands. Planning and Scheduling will work cooperatively with Marketing, Production and Finance branches of the Mint to develop a whole of Mint policy for numismatic products.

Circulating coins

The 197 million circulating coins produced during the financial year was substantially lower than the previous year's production of 549 million pieces. This was because of the shut down of the Circulating Coin Section from October 2007 to January 2008 and the building of buffer stocks in the previous year. The demand for coins was 361 million pieces during the financial year which was fully met by using our stock holdings.

There will be a further closure of the Circulating Coin Section between late 2008 and early 2009 to install the Material Handling and Warehousing System. The Production Planning Schedule includes a front-loaded coining strategy to meet demand to the end of 2008 and the first six months of 2009 for circulating coins.

Production Services

Production Services plays a primary role in the preproduction preparation of coin designs and tooling for coin manufacture and improving related manufacturing processes.

A significant impact on the operation during the year has been the refurbishment project and the demands and stresses of the construction program which impacted on the way we delivered our services.

Early in 2008, the Toolroom was relocated from the area it had occupied since the Mint opened in 1965 to five temporary locations. Machinery was carefully relocated and some non-critical items were stored in an off-site location. The refurbished space will allow the opportunity for revising tooling processes and will help to realise ongoing gains in manufacturing efficiency.

In order to accommodate staged shutdowns of various aspects of the Mint's production process, Production Services delivered 3,600 circulating dies, 276 proof dies and 388 uncirculated dies, to meet the projected die demand until the end of 2008. Likewise, toolmaking efforts have produced over 10,500 coin press feeding "fingers" as well as die holders and anvils, coining collars and wear and repair parts. Over the remainder of 2008 improvements will be made to coin press tooling manufacture and a stock of press spare parts will be built to support circulating coin production in 2009.

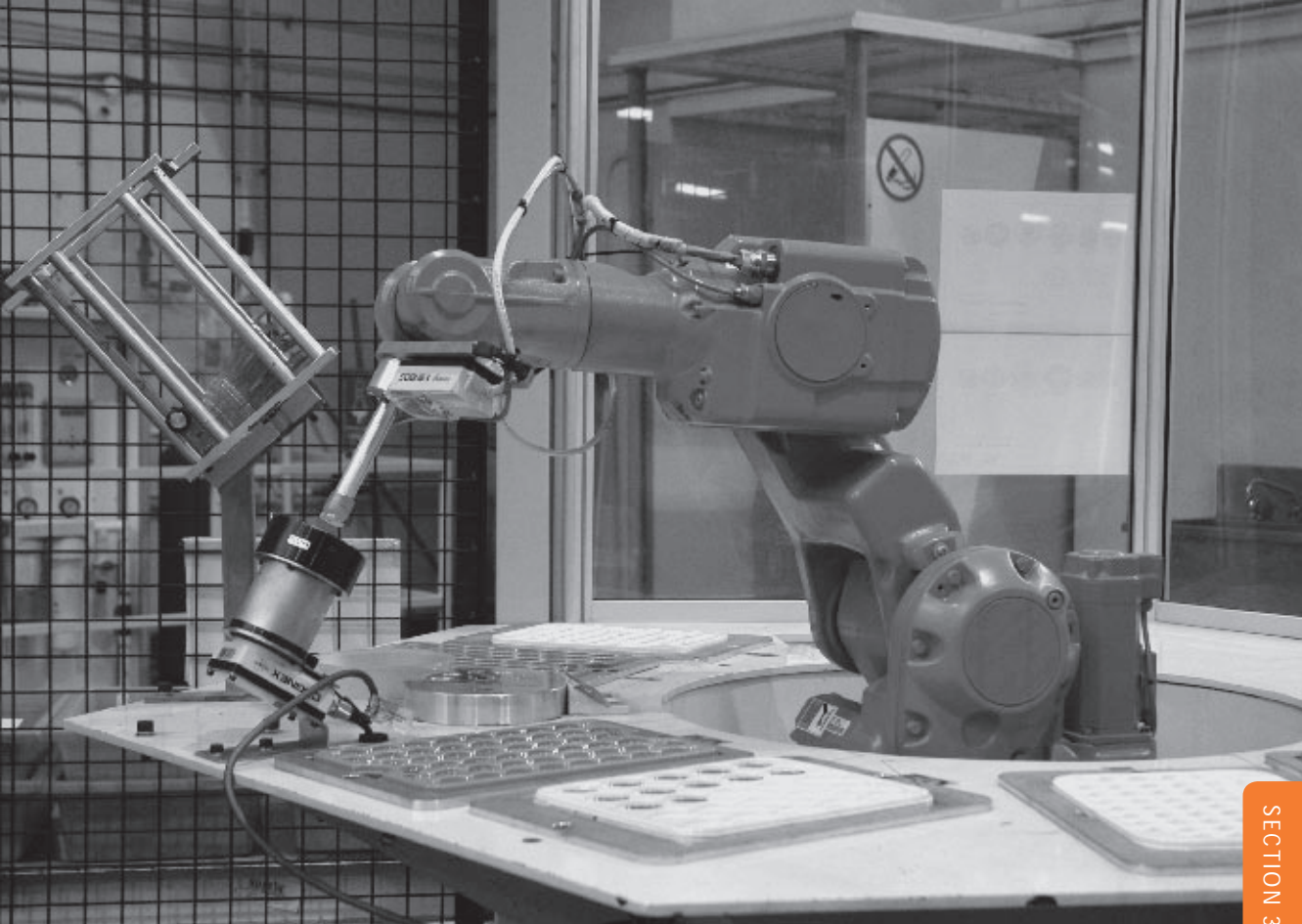
The time to deliver coin designs and master tooling was reduced by 50 per cent compared to previous rates. A total of 24 coin designs, plasters and master tools were produced to support the proof coining program adjusted to meet the refurbishment project. The unusually high demand for master tools early in 2008 was met by our two CNC engraving machines with additional staff being trained to support this demand. The remainder of 2008 will be spent in improving and consolidating design and engraving processes, and developing new coin designs and master tooling for future years.

Staff in the Toolroom conducted educational tours to demonstrate Toolroom processes to secondary school students and business visitors. The Toolroom continued to support and guide the education of nine Fitting and Machining apprentices.

Several innovative, automation projects were delivered during the year:

- The robotic machine for packing uncirculated coins was redesigned and rebuilt to improve throughput, reduce operator intervention, and to improve safety. The result has doubled the output of the machine, has self-maintaining features and is totally enclosed to protect operators.
- A coin blank mass measuring machine was designed, built and tested, including the software to run the computer and the hardware to feed the coin blanks.
- The prototype coin alignment machine built in late 2006 has completed its trials and received a "makeover" in 2008. It is now in a more robust enclosure and its software has been expanded to include an unlimited number of coin types.

The "redesign for manufacture" project forecast last year completed a redesign task on nine circulating coin press feed tables. They were rebuilt to eliminate 22 years of wear. This resulted in a saving over replacement of nearly 80 per cent of manufacturer's price. This year the project



Improved efficiency, accuracy and a safer workplace through automation.

is being expanded to include coining die manufacture with a holistic “design, manufacture and operate” approach to cost reduction and improvement. Preliminary tooling designs have been done for the Mint’s proof coin presses.

The approach in the coming year is to augment our modern refurbished facilities with improvements in operations, people, equipment and processes.

Key activities will be to:

- acquire and apply better technologies to common operations
- train and improve the skills of staff in new technologies
- explore upgrades of existing machinery to improve performance
- research and acquire innovative processes for improving product quality and manufacture.

The outcome sought is to raise the standard of operations while reducing the costs of manufacture of tooling and products.

Operations

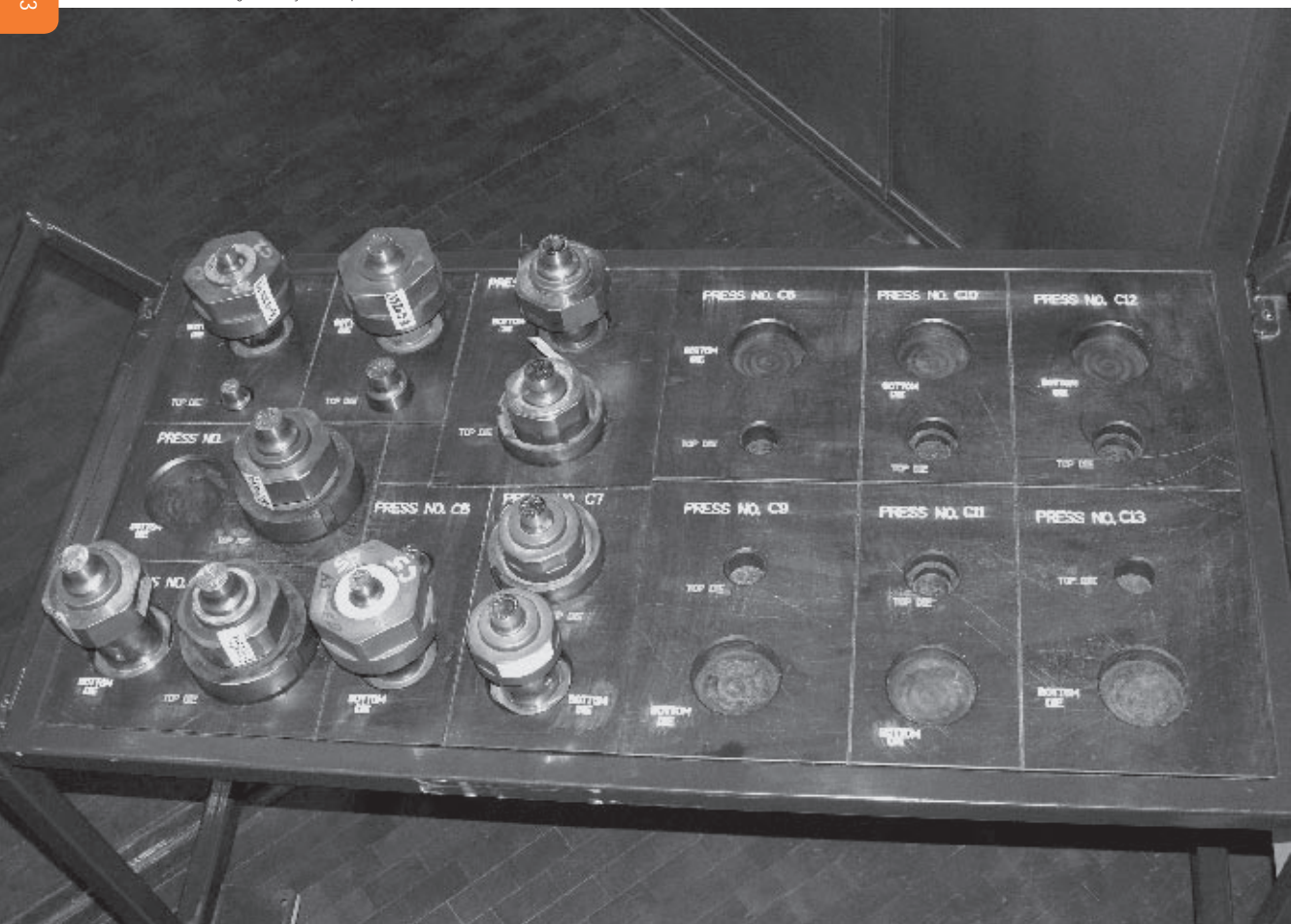
Circulating Coin Production

The circulating coin production area was closed for a period of six months from July 2007 to enable refurbishment of the area to be completed. A buffer stock of circulating coins was produced prior to the shutdown to meet demand.

The shutdown period provided a number of challenges. All manufacturing equipment needed to be removed for refurbishment to occur. Staff were temporarily moved to other production roles within the Mint or were involved in the refurbishment of the 13 circulating coining presses. The fitting of new and reconditioned tooling and components to the presses will extend their life by many years.

The refurbishment has acted as a catalyst to assist in our move to become a modern coining facility which in turn allows the Mint to move towards a lean manufacturing environment. This includes the introduction of a Visual Workplace including expansion of the Mint-wide

55: Coining dies ready for their presses.



5S initiative. The Visual Workplace is being created with an emphasis on an uncluttered, organised work area, large noticeboards, visual devices and visual controls. This results in an improved understanding of work instructions, less work in progress and an increased level of accurate information on the manufacturing process available to all staff.

Since the hand back of the Circulating Coin area in January 2008, over 190 million coins across all denominations have been produced. It is planned that a further 250 million coins will be produced during the first 5 months of the 2008–09 financial year, in preparation for the next scheduled shutdown to facilitate the delivery of the materials handling and warehousing system.

There will be a continued focus on moving to a lean manufacturing environment with the introduction of Task or Action Teams. These teams will empower staff to make considerable contributions to the Mint's business outcomes with a focus on specific production or workplace issues. Further enhancements to the Visual Workspace including progressing 5S will be implemented.

Numismatic Coin Production

Numismatic coin production has focused on the preparation for a planned six month shutdown for refurbishment and to ensure that the Mint's numismatic coin release program would be unaffected. This involves making sufficient coins to meet all planned demand from August 2008 to February 2009.

A number of organisational changes were completed in 2007–08 to integrate the blank preparation and die polishing units into the Numismatic Section. These changes have delivered better overall coordination of the production process with improved communications between the units. This has led to a better quality of blanks delivered to coining and a more timely supply of dies.

For the first time a modern laser frosting machine was used to apply frosting to the dies used to produce high volume products. This has dramatically reduced the preparation time for each die.

The Numismatic production facility will be closed for building refurbishment from July to December 2008. Several major pieces of new equipment will be installed with the completion of the refurbishment. These include a new Automatic Pickling Line to improve blank preparation efficiency and product quality and a physical vapour deposition (PVD) coating machine for die preparation. The PVD coating machine will reduce the demand for the chrome plating of dies and deliver an increased die life.

Numismatic coining presses will be extensively reconditioned during the refurbishment shutdown drawing on the detailed recommendations of machine specialists. This will extend the life of the presses and make them more able to deliver a high quality product.



Celebrating the Centenary of Scouting with a \$1 coin.

Marketing

A well planned and targeted marketing strategy is essential to sustaining the profitability of the Mint's commercial activities. In 2007–08 the Mint invested considerably in developing a whole of life product and brand marketing strategy that includes market research, the development of numismatic themes, product development, advertising, forecasting and sales through both wholesale and retail channels and customer feedback which underpins a focus on continuous improvement within the Mint.

Significant progress was made during the year in developing the market research function and this has led to a greater provision of market information within the organisation. During 2007–08, customer geo-demographic studies have assisted with product development and promotional activity. Research was also undertaken at several coin and agricultural shows and in the Mint Shop to gain an understanding of who visits the various Royal Australian Mint displays and to measure awareness of the Mint and its activities.

A formalised project tracking system was introduced and has produced efficiencies and improved communications throughout the Mint. In addition, a product matrix has been developed that ensures that a clearly defined range of products is released throughout the numismatic calendar and that each coin is appropriate for the target customers, including coins for younger collectors.

The Mint's principal points of sale are its wholesale distributors, call centre and shop. We have also attended local and international coin fairs and agricultural shows to increase the national and international awareness of our brand and products. Sales forecasting methods have been reviewed and improved. This has assisted production planning and call centre efficiency, and has resulted in reduced component wastage. Direct marketing tools are being applied to ensure that advertising for specific products is directed to the most appropriate customer demographics using the appropriate mediums.

Highlights of the numismatic program included the introduction of the Mint's new signature numismatic coin, the Kangaroo at Sunset, which sold out in record time. In response to the rising price of gold and the subsequent increase in demand, the innovative "Little Dinkums" 1/25 oz gold coins were successfully introduced. The terminology for the highly popular mintmark \$1 coins was reviewed. The terms "counterstamp" and "privymark" were introduced to the series to reflect the evolution and maturity of this successful product. Community groups were supported by promoting organisations such as Scouts Australia, the National Rugby League, the International Polar Year and the International Year of Planet Earth through coin issues and their associated launches.

The Mint participated in joint marketing arrangements with Australia Post, the Royal Mint and the Royal Canadian Mint. This involved the supply of Royal Australian Mint products for inclusion in joint packaging and marketing arrangements. Coins that were supplied as part of these arrangements are shown in Appendix E.

The numismatic program that is planned for the next financial year will build on this strong foundation. Product themes have been carefully researched and the price points and packaging styles are appropriate for the target markets. Relationships with wholesale distributors are being revitalised and a new "Terms of Trade" agreement will be introduced to underpin the process. The opening of the refurbished entry foyer and shop in 2009 is expected to restore shop sales to their former levels and introduce more customers to our existing mail list. We will continue to review the effectiveness of our marketing activities, product development systems and sales channels to best use our resources. Our Senior Management will continue to pursue strategic alliances with international partners in order to maintain the Royal Australian Mint's standing as a world class international Mint.

Advertising and Market Research

2007–08 Expenditure for Advertising and Market Research

Vendor	Purpose	Cost (\$) GST Exclusive
Canberra FM Radio Pty Ltd	Radio advertising for tourist gallery	2,940
Countrywide Media Pty Ltd	Advertising numismatic products	1,050
Cre8ive Australasia Pty Ltd	Advertising numismatic products	5,020
Cvent	Market research	3,685
Dept of Territories	Advertising for numismatic product in shop	1,595
Emergency Media Pty Ltd	Advertising numismatic products	1,585
Ethnic Communications	Market research	220
Field Force	Market research	7,653
Galaxy Research	Market research	12,900
Google Ireland Limited	Advertising in international magazine	2,970
H. Gietl Verlag & Publikations Service GMBH	Advertising in international magazine	2,176
Hardie Grant Magazines	Advertising tourist gallery	3,091
hma Blaze Pty Ltd	Advertising Australia and overseas various publications	224,787
Media Monitors	Media monitoring and press release	21,526
Miller Magazines, Inc	Advertising numismatic products	1,624
National Capital Attractions Association	Advertising tourist gallery	227
New Magazine	Advertising numismatic products	990
Paddywack Promotional Products Pty Ltd	Market research	545
PMP Digital	Advertising numismatic products	923
Roy Morgan Research	Market research	18,780
Screenmakers P/L	Advertising for numismatic product in shop	2,450
Token Publishing Ltd	Advertising in international magazine	3,287
The Word	Advertising numismatic products	1,170
TRW Projects	Advertising numismatic products	400
TW Media Pty Ltd	Advertising numismatic products and tourist gallery	614
Union Offset Printers	Mint Issue brochure	104,444
Universal McCann	Advertising numismatic products and tourist gallery	2,682
TOTAL		429,334

Museum, Gallery and Visitor Services

The Mint is responsible for maintaining the National Coin Collection. These coins and other coin related artefacts are displayed in the public gallery and the tourism functions of the Mint.

There were approximately 124,000 visitors to the public gallery in the year 2007–08.

This number reflects the continuing decline resulting from the refurbishment works and the closure of the observation gallery. Visitors are able to watch the up-to-date video, which now explains the refurbishment process, visit the “Treasures of the National Coin Collection”, the Mint shop and are able to mint their own coins on the visitor presses.

Plans are being developed for the fitout of the new visitor’s gallery, which is due to open early next year. The Mint participated in a satisfaction survey conducted by the University of Canberra across ten major Canberra attractions and the recommendations will be included in the final brief when they are available. The operations of the Museum and Gallery were audited during the year by independent auditors. The report concluded that the National Coin Collection is supported by policies and procedures and is secured within a controlled environment. There were some recommendations for procedural improvements, the majority of which have been implemented. The National Coin Collection was independently valued at \$12,580,680.

The provision of Museum, Gallery and Visitor Services is designated as a Community Service Obligation (CSO) and is currently partly funded from seigniorage using a model approved by the Parliamentary Secretary to the Treasurer in 2003. The remaining cost of providing these services is cross-subsidised from the proceeds of the Mint Shop and visitor presses.

It is intended to review the funding of the CSO function in the financial year 2008–09. The review will take account of increased rents following the refurbishment and the need to continue to meet the public expectations on the Mint as a National Institution.

Acknowledgement and funding of the museum gallery and visitor services as a CSO will determine the extent of engagement the Mint can have with its visitors. In particular resolution of ongoing funding arrangements will determine whether the Mint can provide an educational experience for school tours that links closely with the school curriculum.

Communications

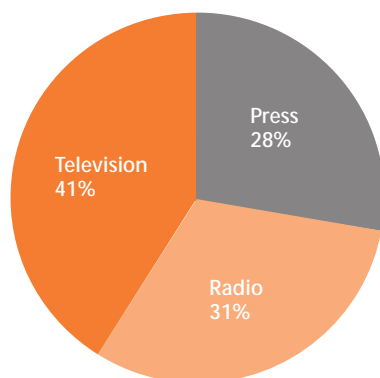
The rate of internal and external change and the number and complexity of projects has resulted in an increased need for structured and coordinated communications. Within the Mint we have added internal communications and change management functions to the Communications Branch to address these issues.

External Communications

One of the primary objectives of the Communications Branch is to achieve proactive, positive publicity for the Mint. We do this by overseeing our website, providing media liaison and media monitoring, responding to enquiries from the public, undertaking issues and crisis management and managing the Royal Australian Mint brand.

The Royal Australian Mint was mentioned 163 times during the year in television, radio and press items. is coverage potentially reached 10 million Australians and is equivalent to advertising valued at almost \$700,000 (see analysis in diagram below). We achieved frequent mentions in specialist numismatic publications and used our presence at international events to build additional relationships with the numismatic media.

Volume of Media Coverage by Media Type



Media Type	Volume	Audience/ Circulation	Advertising Space Rates (\$)
Television	67	1,074,682	413,006
Press	45	8,023,561	179,330
Radio	51	753,800	66,439
Total	163	9,852,043	658,775



Launching the 2008 products Hollywood style.

During the year we have received television coverage on a number of commercial stations. These segments, which were predominately aimed at a children's audience, have promoted the Mint as a tourism destination and raised awareness about the Mint's function of producing Australia's circulating coins.

The Communications Branch has also been responsible for coordinating five product launches this year which have generated product awareness, domestic regional and metropolitan media coverage, and mentions on international numismatic websites. Our major product launch in November attracted a number of dealers and coin collectors who enjoyed the Hollywood opening night theme.

Graphic Design

Our unit of two graphic designers is responsible for setting and maintaining high standards when designing all packaging, promotional material and corporate requirements for both Australian and international audiences. The Graphic Design Section casts a specialist eye over all artwork from launch posters and banners to magazine advertisements and annual reports, while maintaining a creative approach to the branding of the Mint.

Maintaining a supply of products through the temporary shutdown of the production areas for refurbishment in 2008, has depended on the Graphic Design Section processing double the number of artwork briefs compared with a typical year. It is had to be done while sustaining our objective of achieving a worldwide reputation for high quality and innovative artwork.

Our standard for world class quality products was represented in the prestigious 2008 Icons of the Commonwealth. The packaging design honoured the highly regarded signature coins of the three Royal Mints of the Commonwealth. Subtle embellishments such as embossing, spot varnishes and metallic inks enhanced the premium status of this product. It is set to achieve considerable recognition, including impressing the international numismatic community at the 2008 Berlin World Money Fair.

In the year ahead the graphic designers are looking to break new ground in terms of innovative packaging and maintain our contribution to excellence in a world class sustainable Mint.

Internal Communications

Our internal communications are aimed at making sure everyone in the Mint understands what we are trying to achieve. We are making internal communications a two-way street; listening to and encouraging people to help with minimising the impacts of change and making the best of emerging opportunities. Our strategy focuses on educating managers in the role of communication in making them effective and capable leaders. We will explore and promote personal and departmental relationships to build a 'One Mint' internal brand.

Change Management

When the Mint has implemented major change in the past it has tended to focus on processes and systems. We have critically reviewed this approach to change and appointed a Change Manager to work with consultants to develop a transformation management plan. Transformation management focuses on education, training and the use of two-way communications that are inclusive and transparent. The Mint will gain broad levels of participation and engagement from staff using a transformation plan which has people as the central focus of change and empowers them to share our vision, mission, values and objectives.

The new financial year brings more exciting opportunities for the Branch to continue to raise awareness of the Mint's activities. With the current refurbishment project due for completion in mid 2009, the Branch is looking forward to strengthening the Mint's brand and products awareness among our clients and customers.

Finance

The Mint implemented several measures designed to strengthen its working capital by aligning the Mint's operational and production activities better with the changing coinage requirements of the Australian community. This includes the establishment of a buffer stock, and redefining the basis for circulating coin revenue recognition from time of sale to time of production.

These measures were incorporated in the Mint's new Memorandum of Understanding (MOU) with Treasury that took effect from 1 January 2008.

As a result of applying the Finance Minister's Orders and applicable Australian Accounting Standards to these initiatives, the Mint reported an after tax operating surplus of \$31 million in 2007–08. This is represented by:

- the one off payment of \$20 million towards the establishment of a circulating coin buffer stock and
- \$11 million increase due to the change in the circulating coin revenue recognition.

The Mint's operating surplus was derived from gross income of \$112 million—an increase of \$51.2 million over 2006–07. This increase can be attributed to the 20 per cent (\$29 million) growth in circulating coin sales to the Reserve Bank of Australia. There was a corresponding increase in departmental expense (cost of goods sold) as a result of the additional sales.

The Mint's net assets increased from \$65 million at the end of 2006–07 to \$125 million at 30 June 2008. This increase is mainly attributable to:

- \$18 million in appropriation receivable being the capital appropriation not drawn down for major capital and
- payment of \$43 million seigniorage to the Official Public Account.

The Mint received audit clearance of its 2007–08 financial statements from the Australian National Audit Office (ANAO). The ANAO has again issued an unqualified audit report as shown in Appendix A.

The Commonwealth Certificate of Compliance requirements for 2007–08 were successfully met by the Mint. For the financial year 2007–08, the Mint introduced a bi-annual compliance sign-off, i.e. period ending 31 December 2007 and 30 June 2008. The overall outcome improved following delivery of training to staff.

Challenges for the future include management of risks associated with larger than normal inventory; securing implementation of major projects within budget and on time; and delivering efficient and effective management of the Mint's fixed assets during and after the execution of major projects.

Procurement

The Mint is committed to continual improvement of its internal policies and procedures for the procurement of all goods and services. This is consistent with the Mint's Chief Executive's Instructions (CEIs) and the Commonwealth Procurement Guidelines (CPGs).

During the 2007–08 year, the Mint's procurement unit provided support by ongoing review of templates used for procurement; and guidance and advice on procedures for requests for tender including:

- coin blanks
- loose furniture
- ERP – Enterprise Resource Planning software and
- material handling and warehousing system.

The Mint's procurement unit has expanded its staff to facilitate training and support for other areas of the Mint that are purchasing goods and services of high value and where contract negotiations are complex.

Staff attended training and workshops about the new procurement guidelines run by the Department of Finance and Deregulation.

The main priority for the procurement unit in the coming year is to implement a contracts register database for the monitoring and reviewing of all contracts.

Consultancies

Consistent with the CPGs Instructions the Mint engages consultants on the basis of:

- value for money
- open and effective competition
- ethics and fair dealing
- accountability and reporting
- national competitiveness and industry development and
- support for other Australian Government policies.

Typically, consultants are engaged to investigate or diagnose a defined issue or problem; carry out defined research, reviews or evaluations; provide independent advice and information or creative solutions to assist the Mint manage their decision making. The most common reasons for the engagement of consultancy services are:

- unavailability of specialist in-house resources in the short timeframe allowed
- the need for an independent study or review and
- specialist skills and knowledge not available in-house.

The selection methods used for consultancies are categorised in Table A.

During 2007–08, one new consultancy contract valued at \$10,000 and over was entered into involving total expenditure of \$76,182. In addition, two ongoing consultancy contracts valued at \$10,000 and over were active during the year involving total actual expenditure of \$528,807. Information on expenditure on contracts and consultancies is also available on the AusTender website www.tenders.gov.au

Table A – Consultancies valued at and over \$10,000 in 2007–08

Consultant Name	Description	Contract Price (\$)	Selection Process ⁽¹⁾	Justification ⁽²⁾
Acumen Alliance (ACT) Pty Ltd	IT Business Systems Consultancy	399,000	Open Tender	b
Lange Consulting and Software	Consultancy Services for Development of RFT for IT Systems Upgrade	53,625	Direct Source	b
Grosvenor Management Consulting	Transformation Management	76,182	Select Tender	b
Total consultancies over \$10,000		528,807		

(1) **Open Tender:** A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders. Public tenders are sought from the marketplace using the Australian Government Austender internet site.

Select Tender: A procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders. Tenders are invited from a short list of competent suppliers.

Direct Sourcing: A form of restricted tendering, available only under certain defined circumstances, with a single potential supplier or suppliers being invited to bid because of their unique expertise and/or their special ability to supply the goods and/or services sought.

(2) Justification for decision to use consultancy:

a – Skills currently unavailable within agency

b – Need for specialised or professional skills

c – Need for independent research or assessment

Assets management

The Mint manages both current and non-current assets in accordance with guidelines set out in the CEIs and Australian Accounting Standards.

The Mint's non-current assets are subject to an annual stocktake to ensure accuracy of records.

The Mint's asset revaluation strategy, applied with sufficient frequency, ensures correctness of the carrying fair value amount at reporting date. In 2007–08, the Australian Valuation Office conducted a desktop revaluation of the Mint's coin collection, plant and equipment and leasehold improvements.

The Mint manages four types of fixed asset classes: plant and equipment, leasehold improvements, intangibles and the National Coin Collection. These assets have a total net value of \$32 million, including \$7 million work in progress associated with the Mint building refurbishment project.

All assets were assessed for impairment at the reporting date.

During 2007–08 the Capital Management Planning Group (CMPG) was established to assess, prioritise and identify funding sources for capital spends. The CMPG is responsible for the management of the Mint's Capital Management Plan (CMP) which was designed to ensure compliance to accounting standards and best practice including depreciation, funding, asset management; and to provide assurance that the Mint is meeting its obligations under the financial management framework and the Commonwealth Procurement Guidelines. Both the CMP and the CMPG provide an improved framework for capital purchases and funding that meet the Mint's business objective of ensuring that the Mint's assets fully support the business aims.

Security and Fraud Control

The refurbishment project continues to take up considerable time and effort for the Mint Security section. The Security Section is responsible for the continuous monitoring and review of protective security requirements for the refurbishment project to ensure an appropriate level of protective security is maintained throughout the project construction stages. As a result of the shared facilities issues raised by the strategy of the construction program, the Mint completed 582 security checks for construction personnel in the 2007–08 financial year.

The Mint Security Section also provided advice to the Refurbishment Project Team on the design and implementation of protective security requirements. The refurbishment project provides further enhancements to the Mint's existing security systems.

The Mint has reviewed its Fraud Control Plan 2006–08 (FCP) in accordance with Commonwealth Fraud Control Guidelines. The update of the FCP was completed with reviews of all fraud risks and the implementation of adequate control measures to ensure compliance with all guidelines. The Mint is satisfied that appropriate fraud prevention, detection, investigation and reporting procedures are in place and that annual fraud data has been collected and reported in line with appropriate guidelines.

The Mint Security, Fraud and Ethics program was implemented in 2007. The plan was developed in order to increase the awareness of staff in the following areas:

- ethical behaviour standards
- fraud prevention
- Australian Public Service Code of Conduct and
- Australian Government protective security standards.

Staff have been surveyed throughout the program to gauge its effectiveness.

The Mint also completed a comprehensive review of its personnel security processes and its compliance with the Australian Government Protective Security Manual. The review noted a number of required changes that have been or are currently being implemented.

2008–09 looks to be another busy year for the Mint Security Team. While the refurbishment project is due for completion in 2009, the ongoing monitoring and review of the protective security requirements of the project will continue to be performed daily.

The refurbishment project will also necessitate a number of functional changes to Mint operations as the project moves towards completion. These functional changes will require the formulation and implementation of a number of new and reused policies and procedures to ensure the Mint functions and resources are adequately protected.

Prior to December 2008 the Mint will also develop and implement a new FCP. The new FCP will take account of any functional changes or high risk activities undertaken in the Mint. The FCP will also identify strategies and policies to remain fully compliant with the Commonwealth Fraud Control Guidelines.

Ecologically Sustainable Development

The Mint continued to focus on how it could improve its environmental management practices in 2007–08, and has taken new initiatives, which have helped the Mint to improve performance under its Environmental Policy.

A review of operational procedures and processes has focused on providing specific strategies, including energy supply, energy use, delivery of goods and services, and redesign of production processes, to achieve greater savings and increase conservation and waste minimisation.

Environmental Management

The Mint's Environment Management System has been improved to make sure ISO 14001:1996 standards are achieved. It has included a review of the Integrated Management Manual to improve the non-wasteful use of resources, and to reduce potential hazards to human health and the environment from emissions and wastes.

Waste water treatment: contributing to environmental management.



The Mint encouraged the shared subscription of publications and promoted the substitution of electronic communications for paper and print media.

The Mint has improved the recycling program for staff and visitors that includes new disposal procedures for classified, non-classified documents and packing materials.

The Mint maintained water conservation measures during the period by:

- compliance with stage 3 water restrictions
- monitoring of water consumption and the use of timers on manufacturing and production equipment with exception reporting at 15 minute time intervals
- cessation of watering of lawns and gardens
- cessation of programmed window washing and
- increased maintenance, including taps and showers in bathrooms and kitchens.

Water consumption for this year was 16,204 kilolitres; a small increase of 7 per cent over the last year because of the resumption of coin production, following refurbishment processes.

Energy Management

The Mint has further improved its maintenance programs by monitoring all systems to reduce the consumption of energy. A consultant has been engaged to develop a new maintenance program for the safe and efficient operation of all building services.

Natural gas consumption was 3.5 million megajoules for the year and electricity consumption was 2.4 megawatts. This is a decrease of approximately 33 per cent and 11 per cent respectively on the previous year. The electricity consumption figure includes the additional requirements from building refurbishment construction activity.

A partial handover of the refurbished areas has enabled the use of the new energy monitoring system through the upgraded Building Management System.

Energy consumption for 2008–09 is expected to remain the same as in the previous year, pending the final handover and completion of the building refurbishment in mid 2009; following which, it is anticipated that further benefits and associated cost savings will be forthcoming, with the full implementation of measures being provided for by the building refurbishment.

Social Club

The Social Club has had another active year with both fund raising and social events. The Social Club and Mint staff are generous in their support of a number of charities and conduct fundraising activities.

Some activities during the year included:

A lunch time sausage sizzle to support the “Movember” men’s health charity. The event was well attended by staff with several Mint men growing moustaches or agreeing to shave off their existing moustaches. The bidding was fast and furious for the great shave off and \$1,513 was raised for “Movember”.

‘Movember’ volunteers: L to R Stan Tokarski, Colin Suitor and John Denyer.



The Mint Christmas Party was held at a local community club. In true Christmas spirit staff enjoyed the festivities and the raffle prizes were the best yet. The CEO presented long service and merit awards to staff. The CEO continues to use these events to highlight the benefits achieved from improvements to process, training and development, job rotation and new or refurbished equipment.

An Easter morning tea was held in the newly refurbished coining hall, with fun awards to deserving staff, with the main Easter raffle being described as “death by chocolate”.

Senior Managers baked ANZAC biscuits for a morning tea held prior to the ANZAC Day holiday. A select group of staff were asked to taste test the offerings and declare a winner. In the interest of harmonious working relationships there was no clear winner.

As the refurbishment project concludes there will be more space available in the Mint to hold social club functions on a more frequent basis. Such functions are strongly supported by staff as an opportunity to acknowledge outstanding achievements, socialise across all Branches. They are a great way to keep all staff well informed of progress across our many projects and their implications for the whole Mint.

2007 Christmas party.



Section 4

CORPORATE GOVERNANCE



ORIGINAL CONSTRUCTION : PROCESS BUILDING EXCAVATIONS AND THE EMERGING ADMINISTRATION BUILDING



Corporate Governance

The Mint's independent Advisory Board assists in providing strategic advice on good corporate governance practices, advising on corporate strategy and providing guidance to the Mint's Senior Management Committee.

The Audit Committee is the other independent body that ensures accountability. Amongst dealing with a range of other matters during the year the Committee also reviews or endorses the Mint's Risk and Fraud Control Plans.

The Mint Senior Management Committee meets regularly to discuss a wide range of policy issues including matters related to corporate governance. The Committee reviews audit, security, procurement, financial and other practices within the Mint to enhance our understanding and compliance with the governance framework.

The Mint continues to monitor the committee structures which it operates within to ensure alignment with corporate objectives including a stronger governance framework. A review was undertaken of the Strategic Plan to ensure that governance objectives were given a high priority. A range of staff and contractor courses have been developed to increase awareness and understanding of these requirements.

Risk Management

The Mint's Risk Management Framework continues to be used as a guiding principal for staff and Managers in their decision making processes. Risk and assurance policies and procedures identify, plan for and help manage the risks associated with the business of manufacturing circulating and numismatic coin for Australia.

These policies and procedures are consistent with our strategic directions and align with the Mint's CEIs.

e Mint's framework for managing risk has four key elements:

- The Fraud Control Plan complies with Australian Government Fraud Control Guidelines
- The CEIs put into effect the *Financial Management and Accountability (FMA) Act 1997* requirements which set out responsibilities and procedures and provide an overarching framework for financial management. They also contain topics relating to risk management, accountability and corporate governance practices
- The internal audit plan identifies individual services and functions requiring audit. The plan incorporates issues raised by the ANAO in its review of the Mint's financial statements and also ANAO reports on cross-agency matters, previous internal audits, evaluations, emerging issues and more strategic risk management issues and
- Risk management and insurable risks are aligned through Comcover and Comcare.

e Mint attends Comcover and other related forums to improve on its knowledge and awareness of risk management strategies and initiatives throughout the Commonwealth.

Internal and External Scrutiny

Audit

The Audit Committee convened four times during 2007–08. Its primary focus included reviewing the Mint's financial statements and a range of internal and external audit reports.

e Mint's Audit Committee is independently chaired by Mr Michael Burton, General Manager, Department of Finance and Deregulation. Mr Vipin Mahajan, Assistant Secretary, Department of Employment and Workplace Relations also acts as an independent member. The two remaining Mint member positions are filled by Mr Graham Smith, Deputy CEO and Mr Michael Ellery, Manager, Facilities Management.

The Mint utilised the services of independent internal auditors Ernst & Young and Walter Turnbull to undertake the range of internal activity identified by the Mint in their internal audit plan. A range of specialist advice was also sought during the year on related topics.

e Audit Committee has a continuous improvement approach to audit services and regularly reviews the Mint's audit program and scrutinises recommendations from completed internal audits, as well as relevant ANAO reviews and best practice guidelines.

The Internal Audit Plan identifies services and functions for auditing. It incorporates issues raised by the ANAO in its audit of the Mint's financial statements, recent ANAO reports on cross-agency matters, upcoming management issues, policy evaluations, previous internal audits and strategic risk management issues. In addition, a watching brief is maintained throughout the year on emerging or topical issues which may impact on the Mint.

Internal Audits

The Mint completed four audits during the 2007–08 program. Additionally assistance was provided to IT Systems and Fraud on specialist project issues.

The audits completed were:

- **Records Management Arrangements** – the review focused on the records management policies and procedures adopted within the Mint and conducted analysis and testing to determine if the control environment was appropriate.
- **Collection Management** – the review determined whether the national coin collection managed by the Mint was operating in an efficient and effective manner.
- **Marketing Arrangements** – the review determined whether the Mint marketing arrangements were adequately managed and were operating efficiently.
- **Asset Management Procedures** – the purpose of this review was to test whether asset management policies and procedures sufficiently met the requirements of the Mint.

Significant Developments in External Scrutiny

There were no significant developments in external scrutiny relating to judicial decisions and administrative decisions of administrative tribunals impacting on the Mint.

Similarly, there were no reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman significantly or directly impacting on the Mint.

Ethical Standards and Accountability

The Mint's people values are very much aligned with the Australian Public Service values and are embedded in the Mint Agency Agreement and Performance Development System.

These values are also communicated and supported by members of the Mint Senior Management Committee whenever an opportunity arises.

The Mint maintains ethical standards through a range of mechanisms including developing policies such as the Fraud Control Plan, the CEIs, IT acceptable use policies and contractor and consultant guidelines.

The Mint continues to provide mandatory fraud and ethics awareness training courses during the year to all staff and contractors to supplement the existing framework. Additionally, a security education and awareness program continues to be improved on with one of those elements being a focus on ethical behaviours. IT security elements are now also included in the awareness program. Staff induction training has been reviewed with more of a focus on Mint and APS values and ethical standards.

Freedom of Information

Under subsection 8 (1) of the *Freedom of Information Act 1982*, the Mint must report on its activities. In 2007–08 the Mint did not receive any requests for information under the *Freedom of Information Act 1982*.

Organisation of the Mint

Details of the Mint's organisational and management structures are set out in this report. The Mint's functions and decision making powers exercised in carrying out those functions are described in the Chief Executive's Review and the Corporate Governance sections of this report.

Arrangements for outside participation

People or organisations outside the Australian Government administration may participate in forming policy or relating to aspects of the Mint's responsibility. They can do this by writing to Treasury portfolio ministers, the Secretary of the Treasury, or the Chief Executive Officer of the Mint. In addition, the Mint website includes details of how the public can access information held within the Mint.

Categories of documents held by the Mint

The Mint holds a wide range of correspondence, analysis and policy advice by Mint officers, including comments on cabinet submissions and drafts of these and other documents.

The Mint stores correspondence to and from Treasury ministers on matters falling within the Mint's portfolio responsibilities.

The Mint also holds documents relating to its organisation and operations including personnel records, staffing records, financial and expenditure records and internal operations such as office procedures and instructions.

Freedom of information applications and initial contact points

The Mint Executive coordinates requests under the *Freedom of Information Act 1982*.

Applicants seeking access under the Act to Mint documents should apply in writing to:

The Chief Executive Officer
Royal Australian Mint
Denison Street
DEAKIN ACT 2600

Attention: Freedom of Information Coordinator

Telephone enquiries should be directed to the Chief Executive Officer, telephone (02) 6202 6826, between 9:00am and 5:00pm Monday to Friday (except public or public service holidays).

Section 5

FINANCIAL STATEMENTS



ORIGINAL CONSTRUCTION : THE ADMINISTRATION BUILDING NEARING COMPLETION

Financial Statements

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APPENDIX A — INDEPENDENT AUDIT REPORT



INDEPENDENT AUDITOR'S REPORT

To the Minister for Superannuation and Corporate Law

Scope

I have audited the accompanying financial statements of Royal Australian Mint for the year ended 30 June 2008, which comprise: a Statement by the Chief Executive and Chief Finance Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Administered Items; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

The Responsibility of the Chief Executive for the Financial Statements

The Royal Australian Mint's Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Royal Australian Mint's preparation and fair

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presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Royal Australian Mint's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Royal Australian Mint's Chief Executive, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Royal Australian Mint:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Royal Australian Mint's financial position as at 30 June 2008 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



John Jones
Executive Director

Delegate of the Auditor-General

Canberra
4 September 2008

APPENDIX A

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2008 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Ministers Orders made under the *Financial Management and Accountability Act 1997*, as amended.



J Murphy
Chief Executive Officer

3 September 2008



M MacLennan
Chief Finance Officer

3 September 2008

ROYAL AUSTRALIAN MINT
INCOME STATEMENT
for the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
INCOME			
Revenue			
Sale of goods	4A	92,018	60,198
Interest	4B	573	613
Rental income	4C	130	177
Other revenue	4D	20,000	-
Total revenue		112,721	60,988
Gains			
Sale of assets	4E	2	-
Foreign Exchange	4F	25	-
Other gains	4G	157	152
Total gains		184	152
Total Income		112,905	61,140
EXPENSES			
Employee benefits	5A	13,041	11,698
Suppliers	5B	64,919	45,284
Depreciation and amortisation	5C	2,402	1,206
Write-down and impairment of assets	5D	27	774
Losses from asset sales	5E	4	5
Royalties	5F	1,075	1,089
Total Expenses		81,468	60,056
Surplus (Debit) before income tax		31,437	1,084
Income tax expense	6	(50)	40
Surplus (Debit)		31,487	1,044

The above statement should be read in conjunction with the accompanying notes.

ROYAL AUSTRALIAN MINT
BALANCE SHEET
as at 30 June 2008

	Notes	2008 \$'000	2007 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	7A	18,149	16,444
Trade and other receivables	7B	37,075	12,713
Total financial assets		55,224	29,157
Non-Financial Assets			
Leasehold improvements	8A	7,053	1,256
Infrastructure, plant and equipment	8B	12,263	11,574
Intangibles	8C	141	314
Inventories	8F	44,377	60,123
Deferred tax assets	8G	895	856
Other non- financial assets	8H	14,113	11,492
Total non- financial assets		78,842	85,615
Total Assets		134,066	114,772
LIABILITIES			
Payables			
Suppliers	9A	2,896	972
Tax liabilities	9B	748	677
Deferred tax liabilities	9C	672	825
Other payables	9D	851	44,003
Total payables		5,167	46,477
Provisions			
Employee provisions	10	3,639	3,359
Total provisions		3,639	3,359
Total Liabilities		8,806	49,836
Net Assets		125,260	64,936
EQUITY			
Contributed equity		73,243	45,444
Reserves		34,954	13,917
Retained surplus		17,063	5,575
Total Equity		125,260	64,936
Current Assets		101,134	89,329
Non-Current Assets		32,932	25,443
Current Liabilities		6,341	48,784
Non-Current Liabilities		2,465	1,052

The above statement should be read in conjunction with the accompanying notes.

ROYAL AUSTRALIAN MINT
STATEMENT OF CHANGES IN EQUITY
as at 30 June 2008

	Retained Earnings		Asset Revaluation Reserves		Buyer Stock Reserves		Contributed Equity/Capital		Total Equity	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance										
Balance carried forward from previous period	5,575	4,531	13,917	5,393	-	-	45,444	34,429	64,936	44,353
Adjustment for errors	-	-	-	-	-	-	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-	-	-
Adjusted opening balance	5,575	4,531	13,917	5,393	-	-	45,444	34,429	64,936	44,353
Income and expense										
Revaluations recognised directly in equity (each item)										
Coin Collection	-	-	1,138	5,980	-	-	-	-	1,138	5,980
Infrastructure, plant & equipment	-	-	6	3,185	-	-	-	-	6	3,185
Tax effect on revaluation	-	-	(107)	(641)	-	-	-	-	(107)	(641)
Revaluation	-	-	1,037	8,524	-	-	-	-	1,037	8,524
Surplus for the period	31,487	1,044	-	-	-	-	-	-	31,487	1,044
Transfer to Buyer Stock Reserves	(20,000)	-	-	-	20,000	-	-	-	-	-
Total income and expenses	11,487	1,044	-	-	20,000	-	-	-	31,487	1,044
Transactions with owners										
Contributions by Owners										
Appropriation (equity injection)	-	-	-	-	-	-	27,799	11,015	27,799	11,015
Sub-total transactions with owners	-	-	-	-	-	-	27,799	11,015	27,799	11,015
Transfers between equity components	-	-	-	-	-	-	-	-	-	-
Closing balance at 30 June	17,063	5,575	14,954	13,917	20,000	-	73,243	45,444	125,260	64,936

The above statement should be read in conjunction with the accompanying notes.

ROYAL AUSTRALIAN MINT
CASH FLOW STATEMENT
for the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		27,664	32,371
Face value - Circulating Coin		167,840	139,737
Other cash received		598	177
Total cash received		196,102	172,285
Cash used			
Employees		(12,426)	(10,778)
Suppliers		(46,810)	(86,817)
Net competitive neutrality payments		(64)	(1,842)
Payments to Commonwealth - royalties		(769)	(701)
Payments to Commonwealth - seigniorage		(136,080)	(57,025)
Net GST paid		(90)	(2,692)
Total cash used		(196,239)	(159,855)
Net cash flows from or (used by) Operating Activities	11	(137)	12,430
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of infrastructure, plant and equipment		6	4
Total cash received		6	4
Cash used			
Purchase of infrastructure, plant and equipment		(8,738)	(3,084)
Purchase of coin collection		-	(66)
Total cash used		(8,738)	(3,150)
Net cash flows used by investing activities		(8,732)	(3,146)
FINANCING ACTIVITIES			
Cash received			
Appropriations - contributed equity		10,574	1,132
Total cash received		10,574	1,132
Net cash flows from financing activities		10,574	1,132
Net increase in cash held		1,705	10,416
Cash at the beginning of the reporting period		16,444	6,028
Cash and cash equivalents at the end of the reporting period	7A	18,149	16,444

The above statement should be read in conjunction with the accompanying notes.

ROYAL AUSTRALIAN MINT SCHEDULE OF COMMITMENTS

as at 30 June 2008

	2008 \$'000	2007 \$'000
BY TYPE		
Commitments Receivable		
Sublease rental income	-	(124)
GST recoverable on commitments	(10,481)	(7,275)
Total commitments receivable	(10,481)	(7,399)
Capital commitments		
Infrastructure, plant and equipment ¹	10,631	1,264
Total capital commitments	10,631	1,264
Other commitments		
Operating leases ²	72,068	73,865
Other commitments ³	32,601	5,185
Total other commitments	104,669	79,050
Net commitments by type	104,819	72,915
BY MATURITY		
Commitments receivable		
Operating lease income		
One year or less	-	(124)
Total operating lease income	-	(124)
Other commitments receivable		
One year or less	(3,988)	(626)
From one to five years	(1,127)	(905)
Over five years	(5,366)	(5,744)
Total other commitments receivable	(10,481)	(7,275)
Commitments payable		
Capital commitments		
One year or less	9,557	1,264
From one to five years	1,074	-
Total capital commitments	10,631	1,264
Operating lease commitments		
One year or less	1,710	784
From one to five years	11,327	9,892
Over five years	59,031	63,189
Total operating lease commitments	72,068	73,865
Other Commitments		
One year or less	32,587	5,127
From one to five years	14	58
Total other commitments	32,601	5,185
Net Commitments by Maturity	104,819	72,915

Note: Commitments are GST inclusive where relevant.

The above schedule should be read in conjunction with the accompanying notes.

ROYAL AUSTRALIAN MINT SCHEDULE OF COMMITMENTS

as at 30 June 2008

Footnote – relates to previous page

1 Plant and equipment commitments are contracts for purchases of production related equipment.

2 Operating leases included are effectively non-cancellable and comprise of :

Nature of lease	General description of leasing arrangement
Lease for office accommodation	The initial period of office accommodation lease is still current. Current lease payments are subject to an annual increase of 2%. Following the completion of the building refurbishment project a new lease will take effect. The term of this lease is 20 years from date of commencement. Lease payments of the new lease agreement are subject to an annual increase of 3% and a rental review to market every 5th anniversary.
Leases for computer equipment and office equipment	The lessor provides all computer equipment designated as necessary in the supply contract for 3 years with an option to extend the term for a fixed period as agreed by both parties. The lessor provides all photocopier equipment designated as necessary in the supply contract for 4 years with an option to extend the term for a fixed period as agreed by both parties.

3 Other commitments comprise of amounts payable under agreements for which the contractor is yet to deliver the goods or perform the services.

The above schedule should be read in conjunction with the accompanying notes.

ROYAL AUSTRALIAN MINT
SCHEDULE OF CONTINGENCIES
for Not For Profit Reporting Entities
as at 30 June 2008

Contingent Assets	Guarantees		Indemnities		Claims for damages or costs		TOTAL	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance from previous period	-	-	-	-	-	-	-	-
New	1,000	-	-	-	-	-	1,000	-
Re-measurement	-	-	-	-	-	-	-	-
Assets crystallised	-	-	-	-	-	-	-	-
Expired	-	-	-	-	-	-	-	-
Total Contingent Assets	1,000	-	-	-	-	-	1,000	-

Contingent Liabilities	Guarantees		Indemnities		Claims for damages or costs		TOTAL	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance from previous period	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-	-	-
Liabilities crystallised	-	-	-	-	-	-	-	-
Obligations expired	-	-	-	-	-	-	-	-
Total Contingent Liabilities	-	-	-	-	-	-	-	-
Net Contingent Assets (Liabilities)	1,000	-	-	-	-	-	1,000	-

The above schedule should be read in conjunction with the accompanying notes.

ROYAL AUSTRALIAN MINT
SCHEDULE OF ADMINISTERED ITEMS
as at 30 June 2008

	Notes	2008 \$'000	2007 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT			
<i>for the year ended 30 June 2008</i>			
Revenue			
Non-taxation revenue			
Seigniorage	16	90,261	98,320
Total non-taxation revenue		<u>90,261</u>	<u>98,320</u>
Total income administered on behalf of Government		<u>90,261</u>	<u>98,320</u>
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT			
<i>for the period ended 30 June 2008</i>			
Other expense - Buyer Stock	16	20,000	-
Total expenses administered on behalf of Government		<u>20,000</u>	<u>-</u>

This schedule should be read in conjunction with the accompanying notes.

ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT

as at 30 June 2008

Financial assets

Receivables - Seigniorage	16	-	42,836
Total financial assets		<u>-</u>	<u>42,836</u>
Total assets administered on behalf of Government		<u>-</u>	<u>42,836</u>

LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT

as at 30 June 2008

Payables

Other payables - Seigniorage	16	(8,444)	-
Total payables		<u>(8,444)</u>	<u>-</u>
Total liabilities administered on behalf of Government		<u>(8,444)</u>	<u>-</u>

This schedule should be read in conjunction with the accompanying notes.

ROYAL AUSTRALIAN MINT
SCHEDULE OF ADMINISTERED ITEMS
as at 30 June 2008

	Notes	2008 \$'000	2007 \$'000
ADMINISTERED CASH FLOWS			
<i>for the year ended 30 June 2008</i>			
Operating Activities			
Cash received			
Seigniorage	16	(121,541)	57,026
Total cash received		<u>(121,541)</u>	<u>57,026</u>
Net Cash from Operating Activities		<u>(121,541)</u>	<u>57,026</u>
Net Increase in Cash Held		<u>(121,541)</u>	<u>57,026</u>
Cash to Official Public Account for:			
Special accounts–Seigniorage	16	121,541	(57,026)
		<u>121,541</u>	<u>(57,026)</u>
Cash at End of Reporting Period		<u>-</u>	<u>-</u>

This schedule should be read in conjunction with the accompanying notes.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

- Note 1: Summary of Significant Accounting Policies
- Note 2: Events after the Balance Sheet Date
- Note 3: Economic Dependency
- Note 4: Income**
- Note 5: Expenses
- Note 6: Income Tax Expense (Competitive Neutrality)
- Note 7: Financial Assets
- Note 8: Non-Financial Assets
- Note 9: Payables**
- Note 10: Provisions**
- Note 11: Cash Flow Reconciliation
- Note 12: Contingent Liabilities and Assets
- Note 13: Senior Executive Remuneration
- Note 14: Remuneration of Auditors**
- Note 15: Financial Instruments
- Note 16: Administered Reconciliation Table**
- Note 17: Administered Commitments, Contingent Liabilities,
Contingent Assets and Administered Investments
- Note 18: Appropriations**
- Note 19: Special Accounts**
- Note 20: Compensation and Debt Relief**
- Note 21: Reporting of Outcomes**

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Royal Australian Mint

The Royal Australian Mint (the Mint) is a prescribed agency under the *Financial Management and Accountability Act 1997*. The objective of the Mint is to produce circulating coin for Australia plus a range of numismatic and minted non-coin products including medallions and tokens. The Mint's collector coin and minted non-coin business is commercial within Government-set parameters.

The Mint is structured to meet one outcome and one output:

Outcome 1: Satisfy the Reserve Bank of Australia's forecast for circulating coin.

Output 1.1.1: Coin production, associated policy advice and visitor services.

The Mint's activities contributing toward this objective are classified as either Departmental or Administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Mint in its own right. Administered activities involve the management by the Mint, on behalf of the Government, of the sale of circulating coin and repatriating funds to the Commonwealth through the seigniorage process.

1.2 Basis of preparation of the Financial Statements

The financial statements and notes are required by section 49 of the *Financial Management and Accountability Act 1997* and are a General Purpose Financial Report.

The statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs), for reporting periods ending on or after 1 July 2007) and
- Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets and liabilities, which as noted, are at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or on the financial position of the Mint.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the Mint or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 12).

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for Departmental items, except where otherwise stated at Note 1.22.

1.3 Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 Statement of Compliance

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. The following new standards are applicable to the current reporting period:

Financial instrument disclosure

AASB 7 *Financial Instruments: Disclosures* is effective for reporting periods beginning on or after 1 January 2007 (the 2007–08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than that previously required. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will affect the disclosure presented in future financial reports.

The following new standards, amendments to standards or interpretations for the current financial year have no material financial impact on the Mint.

- AASB 101 *Presentation of Financial Statement;*
- AASB 1048 *Interpretation and Application of Standards;*
- AASB 2007-1 *Amendments to Australian Accounting Standards arising from AASB interpretation 11;*
- AASB 2007-4 *Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments;*
- AASB 2007-7 *Amendments to Australian Accounting Standards (AASB 1, 2, 4, 5, 107, 128);*
- AASB 2008-4 *Amendments to Australian Accounting Standards — Key Management Personnel Disclosures by Disclosing Entities;*

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

- *ERR Erratum* *Proportionate Consolidation (AASB 101, AASB 107, AASB 121, AASB 127 Interpretation 13);*
- *Interpretation 10* *Interim Financial Reporting and Impairment;*
- *Interpretation 11 AASB 2* *Group and Treasury Share Transactions; and*
- *Interpretation 1003* *Australian Petroleum Resource Rent tax*

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

- *AASB 3* *Business Combinations*
- *AASB 8* *Operating Segments*
- *AASB 101* *Presentation of Financial Statements*
- *AASB 123* *Borrowing Costs*
- *AASB 127* *Consolidated Financial Statements*
- *AASB 1004* *Contributions*
- *AASB 1050* *Administered Items*
- *AASB 1051* *Land Under Roads*
- *AASB 2007-2* *Amendments to Australian Accounting Standards arising from Interpretation 12 (AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131, and AASB 139);*
- *AASB 2007-3* *Amendments to Australian Accounting Standards arising from AASB 8*
- *AASB 2007-6* *Amendments to Australian Accounting Standards arising from AASB 123*
- *AASB 2007-8* *Amendments to Australian Accounting Standards arising from AASB 101*
- *AASB 2007-9* *Amendments to Australian Accounting Standards arising from the Review of AAS 27, 29 and 31 (AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 and AASB 137)*
- *AASB 2008-1* *Amendments to Australian Accounting Standards — Share-based Payments: Vesting Conditions and cancellations (AASB 2)*
- *AASB 2008-2* *Amendments to Australian Accounting Standards — Puttable Financial Instruments and obligations arising on Liquidation (AASB 7, AASB 101, 132, AASB 139 and Interpretation 2)*
- *AASB 2008-3* *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138, and 139 and Interpretations 9 and 107)*

- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASBs 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 and 1038)*
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASBs 1 and 5)*
- AASB 2008-7 *Amendments to Australian Accounting Standards — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (AASBs 1, 118, 121, 127, 136)*
- Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities;*
- Interpretation 4 *Determining Whether an Arrangement Contains a Lease;*
- Interpretation 12 *Service Concession Arrangements*
- Interpretation 13 *Customer Loyalty Programmes*
- Interpretation 14 *AASB 119 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
- Interpretation 129 *Service Concession Arrangement Disclosures*
- Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities.*

Other

The following standards and interpretations have been issued but are not applicable to the operations of the Mint.

AASB 1049 *Whole of Government and General Government Sector Financial Reporting*

AASB 1049 specifies the reporting requirements for the General Government Sector and has no effect on the Mint's financial statements.

1.5 Revenue

Revenue from Production of Circulating Coin

The Mint derives circulating coin revenue through retention of a Government approved transfer price from sale of circulating coin to the Reserve Bank of Australia (RBA). For the period 1 July to 31 December 2007 and in prior years, circulating coin revenue was recognised at the time of sale of circulating coin to the RBA. From 1 January 2008, consistent with the new Memorandum of Understanding (MOU) between the Mint and the Department of the Treasury, circulating coin revenue is recognised at the time of completion of production and classification of the circulating coins as finished goods in the Mint's inventory.

This change in the circulating coin revenue recognition from the point of sale to the RBA, to the point of completion of production has increased circulating coin revenue by \$11m in the current financial year.

In addition, the new MOU allows the Mint a one-off payment of \$20m towards the establishment of a circulating coin buffer stock to provide for contingencies and meet any unexpected demand for circulating coin. This one-off payment has been recognised as Other Revenue (Refer to Note 4D) in the current year and transferred directly to a Buffer Stock Reserve (Refer to Note 1.8).

Revenue from Government

Amounts appropriated for Departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the agency gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government Agency or Authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Revenue from the Sale of Goods and Services

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transition costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Mint.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured and
- the probable economic benefits associated with the transaction will flow to the Mint.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to-date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due, less any provision for bad and doubtful debts. Collectibility of debts is reviewed at balance date. An allowance for impairment is made when collectibility of the debt is no longer probable.

Interest Revenue

Interest revenue is recognised using the effective interest method as set out in *AASB 139 Financial Instruments: Recognition and Measurement*. The interest recognised in the financial statements is adjusted against payments made under competitive neutrality arrangements.

Seigniorage and repurchase of circulating coin

Seigniorage is collected by the Mint on behalf of the Commonwealth. Seigniorage represents the difference between the face value of coinage sold to the RBA and its cost of production to the Mint plus any additional allowances for unavoidable costs and/or surplus agreed by the Department of the Treasury (i.e. the transfer price).

The Mint repurchases mutilated and withdrawn circulating coins on behalf of the Commonwealth. The costs incurred by the Mint in repurchasing circulating coins are offset to an extent by the sale of scrap metal and the balance is supplemented by the Commonwealth via a reduction in the total amount paid to the Commonwealth's Official Public Account (refer Note 16).

The net revenues from circulating coin sales are not directly available to be used by the Mint for its own purposes and are remitted to the Commonwealth's Official Public Account. Seigniorage for 2007–08 is \$90.2m (2006–07: \$98.3m).

1.6 Gains

Resources Received Free of Charge

Resources received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government Agency or Authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Sale of Assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Commonwealth agency under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other distributions to owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend. In 2007–08, there were no distributions to owners.

1.8 Reserves

Property, plant and equipment revaluation reserve

The balance of asset revaluation reserves in the balance sheet reflect differences between the fair value of the Mint's property, plant and equipment and coin collection revaluation reserve and their cost. These unrealised gains are transferred directly to the relevant reserve and are not included in accounting profits. The unrealised gains on these assets are not distributable until the gains are realised through the sale of the relevant asset.

Buffer Stock Reserve

The Buffer Stock Reserve provides funding for the establishment of a circulating coin buffer stock to meet any unexpected demand for circulating coin and provide for contingencies. (refer Note 1.5)

There are no restrictions on the distribution of this reserve to owners.

1.9 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due to be settled within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Mint is estimated to be less than the annual entitlement for sick leave.

Leave liabilities are calculated on the basis of employees' remuneration, including the Mint's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2007. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation. The Mint undertook a review of staff numbers, age profile and leave entitlements at 30 June 2008 to confirm that there had been no significant change in any of these factors during the current year. Hence, an actuarial review was not undertaken in the current year.

Superannuation

Eligible ongoing employees of the Mint are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Commonwealth. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an Administered item.

The Mint makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Mint's employees. The Mint accounts for the contributions as if they were contributions to defined contribution plans.

From 1 July 2005, new employees are eligible to join the PSSap scheme.

The liability for superannuation recognised as at 30 June represents an accrual for the final fortnight of financial year.

1.10 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principle component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.11 Borrowing Costs

All borrowing costs are expensed as incurred.

1.12 Cash

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts, including deposits held in the Official Public Account (OPA), with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.13 Financial Assets

The Mint classifies its financial assets in the following categories:

- Financial assets 'at fair value through profit or loss';
- 'held-to maturity investments';
- 'available-for-sale' financial assets; and
- 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon 'trade date'.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets 'at fair value through profit or loss'.

Financial assets at fair value through profit or loss

Financial assets are classified as Financial Assets at fair value through profit or loss where the Financial Assets:

- have been acquired principally for the purpose of selling in the near future;
- is a part of an identified portfolio of financial instruments that the agency manages together and has a recent actual pattern of short-term profit-taking; or
- is a derivative that is not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the asset within 12 months of the balance sheet date.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part or all of the cumulative gain or loss previously recognised in the reserve is included in profit for the period.

Where a reliable fair value can not be established for unlisted investments in equity instruments cost is used. The Mint has no such instruments.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Mint has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

- financial assets held at Amortised Cost — If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Income Statement.
- Available for sale financial assets — If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Income Statement.
- Available for sale financial assets (held at cost) — If there is objective evidence that an impairment loss has been incurred the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.14 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other Financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.15 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are recognised when settlement is greater than remote.

1.16 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB139. They are not treated as a contingent assets or liabilities, as they are regarded as financial instruments outside the scope of AASB137.

1.17 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor Agency's accounts immediately prior to the restructuring.

1.18 Property, Plant and Equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

the initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. As the Mint has no obligation to restore

or makegood any alterations to its rental premises no costs for restoration or makegood of premises has been added to the value of the Mint's leasehold improvements and no provision for 'makegood' has been recognised.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset class	Fair value measured at:
Plant & equipment	Market Selling Price
Leasehold improvements	Depreciated replacement cost

Following initial recognition at cost, property plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through the operating result. Revaluation decrements for a class of asset are recognised directly through the operating result except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment are written off to their estimated residual values over their estimated useful lives to the Mint using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2008	2007
Office equipment	5 years	5 years
Leasehold Improvements	15 years	15 years
Factory machinery	10–20 years	10–20 years

Impairment

All assets were assessed for impairment at 30 June 2008. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its *fair value less costs to sell* and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Mint were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.19 Intangibles

The Mint's intangibles comprise externally acquired software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives. The useful lives of the Mint's software are 3–5 years (2007: 3–5 years).

All software assets were assessed for indications of impairment as at 30 June 2008. No indicators of impairment were noted.

1.20 Inventories

Inventories held for sale are at the lower of cost and net realisable value.

Inventories held for distribution are valued at cost, less any loss of service potential.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- Raw materials and stores — purchase cost on a first-in-first-out basis.
- Finished goods and work in progress — cost of direct materials and labour plus attributable costs that are capable of being allocated on a reasonable basis.

Inventories acquired at no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

1.21 Taxation/Competitive Neutrality

The Mint is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

Competitive Neutrality

The Mint sells collector coin and minted non-coin products on a for-profit basis. Under Competitive Neutrality arrangements, the Mint is required to make Australian Income Tax Equivalent payments to the Government, in addition to payments for FBT and GST. Notional interest calculation for purposes of competitive neutrality is based on current 10 year market bond rates.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

1.22 Reporting of Administered Activities

Administered revenues, assets and cash flows are disclosed in the Schedule of Administered Items and related Notes.

Except where otherwise stated below, Administered items are accounted for on the same basis and using the same policies as for Departmental items, including the application of Australian Accounting Standards.

Administered Cash Transfers to and from Official Public Account

Revenue collected by the Mint on behalf of, and for use by the Government, is Administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to the OPA are adjustments to the Administered cash held by the Mint and reported as such in the Statement of Cash Flows in the Schedule of Administered Items and in the Administered Reconciliation Table in Note 18. Thus the Schedule of Administered Items largely reflects the Government's transactions, through the Mint, with parties within the Government.

Revenue

All Administered revenues are revenues relating to the course of ordinary activities performed by the Mint on behalf of the Australian Government. All Administered revenues relate to Seigniorage (refer to Note 1.5).

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Note 2: Events after the Balance Sheet Date

There were no significant events after the balance sheet date.

Note 3: Economic Dependency

The Mint is economically dependent on the Reserve Bank of Australia for the purchase of circulating coin.

Note 4: Income

	Notes	2008 \$'000	2007 \$'000
Revenue			
Note 4A: Sale of goods			
Goods			
Australian Circulating Coin Sales		70,573	37,937
Australian Numismatic Coin Sales		19,277	18,280
Other Sales Non Coin Product		2,168	3,981
		<u>92,018</u>	<u>60,198</u>
Provision of goods — related entities		73,877	40,197
Provision of goods — external entities		18,141	20,001
Total sale of goods		<u>92,018</u>	<u>60,198</u>
Note 4B: Interest			
Competitive Neutrality interest equivalent		573	613
Total interest		<u>573</u>	<u>613</u>
Note 4C: Rental income			
Operating lease		130	177
Total rental income		<u>130</u>	<u>177</u>
Note 4D: Other revenue			
Buffer Stock — Australian Circulating Coins	Note 19	20,000	-
Total other revenue		<u>20,000</u>	<u>-</u>
Gains			
Note 4E: Sale of assets			
Net gain from sale of assets			
Proceeds from sale		4	-
Carrying value of assets sold		-	-
Selling expense		(2)	-
Net gain from sale of assets		<u>2</u>	<u>-</u>

ROYAL AUSTRALIAN MINT
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for the year ended 30 June 2008

	2008	2007
	\$'000	\$'000

Note 4F: Foreign exchange

Speculative	-	-
Non-speculative	25	-
Total foreign exchange gains	25	-

Note 4G: Other gains

Resources received free of charge	157	152
Total other gains	157	152

Note 5: Expenses

Note 5A: Employee benefits

Wages and salaries	9,838	8,950
Superannuation		
Defined contribution plans	512	349
Defined benefit plans	1,104	1,101
Leave and other entitlements	1,088	788
Separation and redundancies	-	68
Payroll tax (competitive neutrality)	499	442
Total employee benefits	13,041	11,698

Note 5B: Suppliers

Provision of goods — related entities	39	-
Provision of goods — external entities	57,580	39,010
Rendering of services — related entities	1,307	760
Rendering of services — external entities	5,322	4,782
Operating lease rentals:		
Minimum lease payments	567	665
Workers compensation premiums	104	67
Total supplier expenses	64,919	45,284

Note 5C: Depreciation and amortisation

Depreciation:		
Infrastructure, plant and equipment	2,099	910
Leasehold Improvements	87	18
Total depreciation	2,186	928

Amortisation:

Intangibles:		
Computer Software	216	278
Total amortisation	216	278
Total depreciation and amortisation	2,402	1,206

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

	2008	2007
	\$'000	\$'000

Note 5D: Write-down and impairment of assets

Asset write-downs from:

impairment of financial instruments	18	7
impairment of infrastructure, plant and equipment	9	133
impairment of leasehold improvements – work in progress	-	535
impairment of leasehold improvements	-	88
impairment of intangibles	-	11
Total write-down and impairment of assets	27	774

Note 5E: Losses from assets sales

Infrastructure, plant and equipment

Proceeds from sale	(6)	(4)
Carrying value of assets sold	7	9
Selling expense	3	-
Total losses from assets sales	4	5

Note 5F: Royalties

Royalties – Australian Government	931	874
Royalties – Other	144	215
Total royalties paid	1,075	1,089

Note 6: Income tax expense – Competitive Neutrality

Note 6A: Competitive: Neutrality

Commonwealth Tax Equivalent: Income tax equivalent	(50)	40
State Tax Equivalent: Payroll tax equivalent	499	442
Other Income: Bank deposit interest equivalent	(573)	(613)
Net competitive neutrality expense	(124)	(131)

Separate from its production and sale of circulating coins, the Mint produces and sells numismatic and other collectible items on a 'for-profit' basis and is subject to the Australian Government's Competitive Neutrality Policy in relation to those activities. The above amounts have been calculated as being payable to the Australian Government in the form of company income and payroll taxes under the *Income Tax Assessment Acts* and the *ACT Payroll Tax Act 1987* had they applied. These amounts are payable by the Mint to the Official Public Account net of competitive neutrality interest income calculated on cash derived from those activities that has been deposited in the Official Public Account.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Note 6B: Major Components of Income Tax Expense

	2008	2007
	\$'000	\$'000
Income Statement		
<i>Current income tax</i>		
Current income tax charge	249	235
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	(299)	(195)
Income tax expense reported in the income statement	(50)	40
Statement of Changes in Equity		
Plant and equipment – revaluation	107	641
Income tax expense reported in equity	107	641

Note 6C: Reconciliation of Income Tax Expense

Accounting profit before tax	(169)	133
At the statutory tax rate of 30% (2007: 30%)	(50)	39
Expenditure not deductible for income tax purposes	-	1
Income tax expense reported in the income statement	(50)	40

Note 6D: Deferred Income Tax Balances

	Balance Sheet		Income Statement	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Deferred income tax at 30 June relates to the following:				
<i>Deferred income tax liabilities</i>				
Interest receivable	172	184	(12)	(10)
Plant and equipment – revaluation	500	641	(247)	-
Gross deferred income tax liability	672	825		
<i>Deferred income tax assets</i>				
Provisions for employee entitlements	719	702	(17)	(118)
Provisions for payroll tax	150	133	(17)	(49)
Provision for doubtful debts	4	-	(4)	-
Plant & equipment (impairment)	18	19	-	(19)
Other – superannuation accrual	4	2	(2)	-
Gross deferred tax assets	895	856		
<i>Deferred income tax charge</i>			(299)	(196)

ROYAL AUSTRALIAN MINT
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for the year ended 30 June 2008

Note 7: Financial Assets

	2008	2007
	\$'000	\$'000

Note 7A: Cash and cash equivalents

Special Account	18,142	16,438
Cash on hand	7	6
Total cash and cash equivalents	18,149	16,444

Note 7B: Trade and other receivables

Goods and services	1,082	226
Interest equivalent – Competitive Neutrality	573	613
Appropriations receivable:		
for capital injections	27,119	9,893
GST receivable from ATO	198	1,987
Other:		
Seigniorage receivable from OPA	8,115	-
Total receivables (gross)	37,087	12,719
Less impairment allowance:		
Goods and services	(12)	(6)
Total receivables (net)	37,075	12,713

Receivables are represented by:

Current	37,075	12,713
Non-current	-	-
Total receivables (net)	37,075	12,713

Receivables are aged as follows:

Not overdue	36,508	12,664
Overdue by:		
Less than 30 days	250	-
30 to 60 days	259	24
61 to 90 days	38	25
More than 90 days	32	6
Total receivables (gross)	37,087	12,719

The impairment allowance is aged as follows:

More than 90 days	(12)	(6)
Total allowance for doubtful debts	(12)	(6)

ROYAL AUSTRALIAN MINT
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Reconciliation of the impairment allowance:

Movements in relation to 2008	Goods and services	Total
	2008	2008
	\$'000	\$'000
Opening balance	(6)	(6)
Amounts written o	6	6
Amounts recovered and reversed	-	-
Increase/decrease recognised in net surplus	(12)	(12)
Closing balance	(12)	(12)

Movements in relation to 2007	Goods and services	Total
	2007	2007
	\$'000	\$'000
Opening balance	-	-
Amounts written o	-	-
Amounts recovered and reversed	-	-
Increase/decrease recognised in net surplus	(6)	(6)
Closing balance	(6)	(6)

Note 8: Non-Financial Assets

2008	2007
\$'000	\$'000

Note 8A: Leasehold improvements

Leasehold improvements		
— fair value	125	125
— accumulated amortisation	(88)	(1)
— work in progress, Mint refurbishment project	7,016	1,132
Total leasehold improvements	7,053	1,256
Total leasehold improvements (non-current)	7,053	1,256

No indicators of impairment were found for leasehold improvements.

Note 8B: Infrastructure, plant and equipment

Infrastructure, plant and equipment		
— gross carrying value (at fair value)	11,945	11,621
— accumulated depreciation	(2,107)	(47)
— work in progress	2,425	-
Total infrastructure, plant and equipment (non-current)	12,263	11,574

ROYAL AUSTRALIAN MINT
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for the year ended 30 June 2008

Leasehold improvements and plant and equipment are subject to revaluation. The carrying amount is included in the valuation figures on previous page.

All revaluations are conducted in accordance with the revaluation policy stated at Note 1.17. On 30 June 2008, an independent valuer, the Australian Valuation Office conducted the revaluations.

Revaluation increments of \$5,273 for plant and equipment (2007: \$3,184,982) were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet; there were no revaluation increments/decrements for leasehold improvements (2007: decrements of \$87,774 expensed).

No indicators of impairment were found for infrastructure, plant and equipment.

Note 8C: Intangibles	2008	2007
	\$'000	\$'000
Computer software at cost		
Externally acquired	2,279	2,251
Accumulated amortisation	(2,138)	(1,937)
Total intangibles (non-current)	141	314

No indicators of impairment were found for intangible assets.

Note 8D: Analysis of property, plant and equipment

TABLE A — Reconciliation of the opening and closing balances of property, plant and equipment (2007–08)

Item	Leasehold		Total Leasehold improvements	Other IP & E	Total
	improvements	improvements – Work in progress			
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007					
Gross book value	125	1,132	1,257	11,621	12,878
Accumulated depreciation/ amortisation and impairment	(1)	-	(1)	(47)	(48)
Net book value 1 July 2007	124	1,132	1,256	11,574	12,830
Additions:					
by purchase	-	5,884	5,884	3,078	8,962
Revaluations and impairments through equity	-	-	-	6	6
Reclassification	-	-	-	(280)	(280)
Depreciation/amortisation expense	(87)	-	(87)	(2,099)	(2,186)
Impairments recognised in the operating result	-	-	-	(9)	(9)
Disposals:					
Other disposals	-	-	-	(7)	(7)
Net book value 30 June 2008	37	7,016	7,053	12,263	19,316
Net book value 30 June 2008 as represented by:					
Gross book value	125	7,016	7,141	14,370	21,511
Accumulated depreciation/ amortisation and impairment	(88)	-	(88)	(2,107)	(2,195)
	37	7,016	7,053	12,263	19,316

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

TABLE B — Reconciliation of the opening and closing balances of property, plant and equipment (2006–07)

Item	Leasehold improvements \$'000	Leasehold improvements — Work in progress \$'000	Total Leasehold improvements \$'000	Other IP & E \$'000	Total \$'000
As at 1 July 2006					
Gross book value	185	583	768	9,057	9,825
Accumulated depreciation/ amortisation and impairment	(23)	-	(23)	(1,518)	(1,541)
Net book value 1 July 2006	162	583	745	7,539	8,284
Additions:					
by purchase	71	1,084	1,155	1,892	3,047
Revaluations and impairments through equity	-	-	-	3,185	3,185
Reclassification	(3)	-	(3)	10	7
Depreciation/amortisation expense	(18)	-	(18)	(910)	(928)
Impairments recognised in the operating result	(88)	(535)	(623)	(133)	(756)
Disposals					-
Other disposals	-	-	-	(9)	(9)
Net book value 30 June 2007	124	1,132	1,256	11,574	12,830
Net book value as of 30 June 2007 represented by:					
Gross book value	125	1,132	1,257	11,621	12,878
Accumulated depreciation/ amortisation and impairment	(1)	-	(1)	(47)	(48)
	124	1,132	1,256	11,574	12,830

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Note 8E: Intangibles

TABLE C — Reconciliation of the opening and closing balances of intangibles (2007–08)

Item	Computer Software Purchased \$'000
As at 1 July 2007	
Gross book value	2,251
Accumulated amortisation and impairment	(1,937)
Net book value 1 July 2008	314
Additions:	
by purchase or internally developed	43
Reclassifications	-
Amortisation	(216)
Impairments recognised in the operating result	-
Disposals:	
other disposals	-
Net book value 30 June 2008	141
Net book value as of 30 June 2008 represented by:	
Gross book value	2,279
Accumulated depreciation/amortisation and impairment	(2,138)
	141

TABLE D — Reconciliation of the opening and closing balances of intangibles (2006–07)

Item	Computer Software Purchased \$'000
As at 1 July 2006	
Gross book value	2,346
Accumulated amortisation and impairment	(1,773)
Net book value 1 July 2006	573
Additions:	
by purchase or internally developed	37
Reclassifications	(7)
Amortisation	(278)
Impairments recognised in the operating result	(11)
Net book value 30 June 2007	314
Net book value as of 30 June 2007 represented by:	
Gross book value	2,251
Accumulated depreciation/amortisation and impairment	(1,937)
	314

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Note 8F: Inventories

	Notes	2008 \$'000	2007 \$'000
Inventories held for sale			
Raw Materials			
Australian Circulating Coin		9,861	4,910
Australian Numismatic Coin		3,034	4,019
Other		3,883	4,435
Total Raw Materials		16,778	13,364
Work in progress			
Australian Circulating Coin		49	-
Australian Numismatic Coin		6,340	3,058
Other		93	65
Total Work in progress		6,482	3,123
Finished goods			
Australian Circulating Coin		18,766	41,692
Australian Numismatic Coin		2,097	1,848
Other		254	96
Total Finished goods		21,117	43,636
Total Inventory held for sale		44,377	60,123
Total inventories (current)		44,377	60,123

During 2007–08 \$54,673,892 of inventory held for sale was recognised as an expense (2006–07: \$35,564,693).

No items of inventory are recognised at fair value less cost to sell.

Note 8G: Deferred tax assets

Deferred income tax asset	6D	895	856
Total deferred tax assets		895	856

All deferred tax assets are non-current assets.

Note 8H: Other non- financial assets

Prepayments	1,532	49
Coin Collection	12,581	11,443
Total other non- financial assets	14,113	11,492

Prepayments are current assets, the coin collection is a non-current asset.

No indicators of impairment were found for other non- financial assets.

The coin collection includes donated coins free of cost. The collection was valued by an independent appraiser, the Australian Valuation Office at 30 June 2007. The coin collection is under the control of the Mint, and it is classed as a restricted asset because it is not considered to be trading stock.

ROYAL AUSTRALIAN MINT
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for the year ended 30 June 2008

Note 9: Payables

2008	2007
\$'000	\$'000

Note 9A: Suppliers

Trade creditors	2,833	861
Operating lease rentals	63	111
Total supplier payables	2,896	972

Supplier payables are represented by:

Current	2,896	909
Non-current	-	63
Total supplier payables	2,896	972

Settlement is usually made net 30 days.

Note 9B: Tax liabilities

Competitive Neutrality: State Tax Equivalent Payroll tax	499	442
Competitive Neutrality: Commonwealth Tax Equivalent Income tax	249	235
Total tax liabilities	748	677

All tax liabilities are current liabilities.

Note 9C: Deferred tax liabilities

Deferred tax liability	672	825
Total deferred tax liabilities	672	825

All deferred tax liabilities are non-current liabilities.

Note 9D: Other payables

Accrued Expenses	817	660
Seigniorage payable to OPA	-	43,097
Unearned income	34	246
Total other payables	851	44,003

All other payables are current liabilities.

ROYAL AUSTRALIAN MINT
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for the year ended 30 June 2008

Note 10: Provisions

2008	2007
\$'000	\$'000

Note 10: Employee provisions

Salaries and wages	115	71
Leave	3,504	3,276
Superannuation	20	12
Total employee provisions	3,639	3,359

Employee provisions are represented by:

Current	1,846	3,195
Non-current	1,793	164
Total employee provisions	3,639	3,359

The classification of current includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in one year: \$651,043 (2007: \$699,566); in excess of one year: \$2,987,764 (2007: \$2,576,891).

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 11: Cash flow reconciliation

	2008	2007
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Report cash and cash equivalents as per:		
Cash Flow Statement	18,149	16,444
Balance Sheet	18,149	16,444
Difference	-	-
Reconciliation of operating result to net cash from operating activities:		
Operating result	31,487	1,044
Depreciation / amortisation	2,402	1,206
Net write down of non- financial assets	9	767
Bad and doubtful debts	18	7
(Profit)/Loss on disposal of assets	2	5
Income tax expense recognised in equity	(107)	(641)
Coin collection revaluation recognised directly in equity	1,138	-
<i>Change in assets and liabilities resulting from operating activities</i>		
(Increase) / decrease in goods and services receivables	(856)	1,195
(Increase) / decrease in interest equivalent receivable	40	32
(Increase) / decrease in seigniorage receivable	(8,115)	-
(Increase) / decrease in GST receivable	1,789	(1,987)
(Increase) / decrease in inventories	15,746	(27,777)
(Increase) / decrease in prepayments	(2,621)	2
(Increase) / decrease in tax asset	(40)	(186)
Increase / (decrease) in employee provisions	280	296
Increase / (decrease) in supplier payables	1,972	359
Increase / (decrease) in GST payable	-	(420)
Increase / (decrease) in accrued and other expenses	157	(1,938)
Increase / (decrease) in unearned income	(212)	124
Increase / (decrease) in Seigniorage payable	(43,097)	41,555
Increase / (decrease) in deferred tax liabilities	(152)	631
Increase / (decrease) in lease liability	(48)	(34)
Increase / (decrease) in competitive neutrality payable	71	(1,810)
Net cash from / (used by) operating activities	(137)	12,430

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Note 12: Contingent Liabilities and Assets

Quantifiable Contingencies

As at 30 June 2008, the Mint had no quantifiable contingencies. (2007: \$0).

Unquantifiable Contingencies

At 30 June 2008, the Mint had no unquantifiable contingencies (2007: \$0).

Remote Contingencies

At 30 June 2008, the Mint has a remote contingent asset of \$1M relating to a supplier financial undertaking to ensure due and proper performance of the contract with the Mint (2007: \$0). The probability of the Mint invoking this guarantee is considered remote as the supplier is meeting its contractual obligations as and when they occur.

The Mint has no remote contingent liabilities as at 30 June 2008 (2007: \$0).

Note 13: Senior Executive Remuneration

2008 **2007**

The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:

\$190,000 to \$204,999	-	1
\$205,000 to \$219,999	1	-
\$220,000 to \$234,999	-	1
\$235,000 to \$249,999	1	-
Total	2	2

The aggregate amount of total remuneration of senior executives shown above.

456,528 424,586

The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.

Nil Nil

Note 14: Remuneration of Auditors

2008 2007

\$'000 \$'000

Financial statement audit services are provided free of charge to the Mint.

The fair value of the services provided was:

Audit Services – Australian National Audit Office	175	152
	175	152

No other services were provided by the Auditor-General.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Note 15: Financial Instruments

Note 15A: Categories of Financial Instruments

	2008	2007
	\$'000	\$'000
Financial Assets		
Loans and receivables		
Cash and cash equivalents	6,649	6,444
Goods and services receivables	1,082	226
	7,731	6,670
Carrying amount of financial assets	7,731	6,670
Financial Liabilities		
Other liabilities at amortised cost		
Payables – suppliers	2,896	972
Accrued expenses	817	660
	3,713	1,632
Carrying amount of financial liabilities	3,713	1,632

Note 15B: Net income and expense from financial assets

Loans and receivables		
Interest revenue	573	613
Impairment	18	7
Net gain/(loss) loans and receivables	591	620
Net gain/(loss) from financial assets	591	620

The net interest income from financial assets not at fair value from profit and loss is \$573,073 (2007: \$612,996)

Note 15C: Net income and expense from financial liabilities

Financial liabilities – at amortised cost		
Interest expense	-	-
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
Net gain/(loss) financial liabilities — at amortised cost	-	-

There is no net interest income/expense from financial liabilities not at fair value from profit and loss in the years ending 2008 and 2007.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Note 15D: Fair Value of Financial Instruments

The carrying value of the Mint's financial instruments as disclosed in the Balance Sheet equals their fair value as at balance date.

Note 15E: Credit risk

The Mint is exposed to minimal credit risk as receivables are cash and trade receivables.

The maximum exposure to credit risk is the risk that arises from a potential default of a debtor. This amount is equal to the total amount of trade receivables (2008: \$1,082,000 and 2007: \$226,000). The Mint has assessed the risk of default on payment and made an allocation of \$12,000 to an allowance for impairment of debts account in 2008 (2007: \$6,000).

The Mint manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition the Mint has policies and procedures that guide the application of employee debt recovery techniques.

The Mint trades only with recognised, creditworthy third parties and as such holds no collateral to mitigate against risk.

Credit quality of financial instruments not past due or individually determined as impaired.

	Not Past Due Not Impaired	Not Past Due Not Impaired	Past due Not impaired	Past due Not impaired	Past due and impaired	Past due and impaired
	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	6,649	6,444	-	-	-	-
Goods and services receivable	503	171	567	49	12	6
Total	7,152	6,615	567	49	12	6

Ageing of financial assets that are past due but not impaired for 2008

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Goods and services receivable	250	259	38	20	567
Total	250	259	38	20	567

Ageing of financial assets that are past due but not impaired for 2007

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Goods and services receivable	-	24	25	-	49
Total	-	24	25	-	49

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Ageing of financial assets that are past due and impaired for 2008

	0 to 30 days	31 to 60days	61 to 90days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Goods and services receivable	-	-	-	12	12
Total	-	-	-	12	12

Ageing of financial assets that are past due and impaired for 2007

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Goods and services receivable	-	-	-	6	6
Total	-	-	-	6	6

At 30 June 2008 goods and services receivable of \$12,000 have been individually assessed as impaired (2007: \$6,000). Collectibility of trade receivables is reviewed on an on-going basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment allowance is recognised when there is objective evidence that the Mint will not be able to collect the receivable. Financial difficulties of the debtor and default of payments are considered objective evidence of impairment.

Note 15F: Liquidity risk

The Mint's liabilities include, suppliers payable, seigniorage payable and competitive neutrality payable to the Government. The exposure to liquidity risk is based on the notion that the Mint will experience difficulty in meeting its obligations associated with financial liabilities. The risk of the Mint experiencing liquidity problems is highly unlikely due to appropriation funding for capital purchases and the provisions of the Memorandum of Understanding between the Mint and the Department of Treasury. In addition, the Mint has policies in place to ensure timely payments are made when due.

The Mint's exposure to liquidity is assessed as \$Nil (2007: \$Nil).

The following table illustrates the maturities for financial liabilities

2008

	On demand	within 1 year	1 to 5 years	> 5 years	Total
	2008	2008	2008	2008	2008
	\$'000	\$'000	\$'000	\$'000	\$'000
Payables – suppliers	2,896	-	-	-	2,896
Accrued expenses	817	-	-	-	817
Total	3,713	-	-	-	3,713

2007

	On demand	within 1 year	1 to 5 years	> 5 years	Total
	2007	2007	2007	2007	2007
	\$'000	\$'000	\$'000	\$'000	\$'000
Payables – suppliers	909	-	-	-	909
Accrued expenses	660	-	-	-	660
Total	1,569	-	-	-	1,569

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Note 15G: Market risk

Metal prices are determined by movements in the international metal market and fluctuations in the Australian dollar. As a consequence, the Mint's raw material inventory and cost of goods sold are affected by movements in these prices. The Mint actively manages this exposure to ensure that the risk are reduced to non-material levels by:

- specifying that contracts for the supply of precious metals be in Australian Dollars, thereby limiting the Mint's exposure to fluctuations in foreign currencies;
- scheduling the purchase of precious metals at times to avoid known global seasonal peaks, unless the purchase is unavoidable, in which case minimum quantities are purchased;
- requiring non-precious metal suppliers to set the metal price at the average settlement price quoted on the London Metal Exchange for the three months prior to delivery, thereby eliminating seasonal fluctuations in non-precious metal prices; and
- denominating non-precious metal contracts in Australian dollars at an agreed exchange rate at the time of order.

Note 15H: Assets Pledged/or held as collateral

The Mint has no assets pledged/held as collateral.

Note 16: Administered Reconciliation Table

	2008	2007
	\$'000	\$'000
Opening administered assets less administered liabilities as at 1 July	42,836	1,541
Plus: Administered income — Seigniorage	90,261	98,320
Less: Administered expenses	(20,000)	-
Transfers to OPA	(121,541)	(57,025)
Closing administered assets less administered liabilities as at 30 June	(8,444)	42,836

Note 17: Administered Commitments, Contingent Liabilities, Contingent Assets and Administered Investments

The Mint has no Administered commitments, contingent liabilities, contingent assets or administered investments as at reporting date (2007: Nil).

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Note 18: Appropriations

Table A — Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations

Particulars	Non-operating						Total	
	Equity		Loans		Previous Years' Outputs		Admin assets and liabilities	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	9,893	10	-	-	-	-	9,893	10
Appropriation Act:								
Appropriation Act (No.2) 2007-08	15,100	11,015	-	-	-	-	15,100	11,015
Appropriation Act (No.4) 2007-08	12,699	-	-	-	-	-	12,699	-
Administered Appropriation lapsed (Appropriation Act 7 & 8)	-	-	-	-	-	-	-	-
Reductions of appropriation (Appropriation Act section 11)	-	-	-	-	-	-	-	-
Advance to the Finance Minister (Appropriation Act section 12)	-	-	-	-	-	-	-	-
FMA Act:								
Refunds credited (FMA s30)	-	-	-	-	-	-	-	-
Appropriations to take account of recoverable GST (FMA s30A)	-	-	-	-	-	-	-	-
Adjustment of appropriations on change of entity function (FMA s32)	-	-	-	-	-	-	-	-
Total appropriations available for payments	37,692	11,025	-	-	-	-	37,692	11,025
Cash payments made during the year (GST inclusive)	-	-	-	-	-	-	-	-
Appropriations credited to Special Accounts (GST exclusive)	10,573	1,132	-	-	-	-	10,573	1,132
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Other Than Ordinary Annual Services Appropriations and as represented by:	27,119	9,893	-	-	-	-	27,119	9,893
Cash at bank and on hand	-	-	-	-	-	-	-	-
Appropriation receivable	27,119	9,893	-	-	-	-	27,119	9,893
Undrawn, unapplied administered appropriations	-	-	-	-	-	-	-	-
Total	27,119	9,893	-	-	-	-	27,119	9,893

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Note 19: Special Accounts

Minting and Coinage Special Account (Departmental)	2008	2007
	\$'000	\$'000
Legal Authority: <i>Financial Management and Accountability Act 1997; s20</i>		
Appropriation: <i>Financial Management and Accountability Act 1997; s21</i>		
Purpose:		
(a) Payments for goods and services and salaries, wages and all other expenses incurred for the production, supply, sale and distribution of coinage, medals, dies, tokens, plaques and other like items; and		
(b) repayment of capital funds, and payment of moneys in excess of requirements to the Official Public Account; and		
(c) To credit amounts to the Minting and Coinage Special Account.		
This account is non-interest bearing		
Balance carried from previous period	22,472	5,608
Appropriation for reporting period (Bill 2)	10,573	1,132
GST credits (FMA Act s30A)	6,702	8,223
Other receipts		
Goods to related entities	167,840	139,737
Services to related entities	130	177
Goods to external entities	24,140	36,036
Bu er Stock revenue - related entities	20,000	-
Total credits	251,857	190,913
Payments made to the Australian Government for Seigniorage and Royalties	(156,994)	(57,726)
GST paid to ATO	(8,384)	(8,127)
Payment made for competitive neutrality	(64)	(1,842)
Payments made to employees	(12,426)	(10,778)
Payments made to suppliers	(55,401)	(89,968)
Total debits	(233,269)	(168,441)
Balance carried to next period and represented by:	18,588	22,472
Cash — transferred to the Official Public Account	11,500	10,000
Cash — held by the Royal Australian Mint	6,649	6,444
Receivables — GST receivable (payable) from the ATO	198	1,987
Receivables — GST receivable from suppliers	340	4,062
Payables — GST payable from customers	(99)	(21)
Total balance carried to the next period	18,588	22,472

In the current year a \$20m additional receipt was credited to the Special Account (2007:\$Nil) for money retained from the Seigniorage payable to the Commonwealth to meet the costs of establishing a circulating coin bu er stock. This bu er stock was established to provide for contingencies and meet any future unexpected demand for circulating coin (refer Note 1.8). The retention of Seigniorage money for this purpose is provided for in the Memorandum of Understanding between the Mint and the Department of the Treasury e ective 1 January 2008. This receipt is within the purpose of the Special Account as the money was retained to meet the costs of establishing a circulating coin bu er stock, which forms part of the cost of 'producing, supplying, managing and operating' circulating coin.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Note 20: Compensation and Debt Relief

	2008 \$	2007 \$
Administered		
No 'Act of Grace' expenses were incurred during the reporting period.	Nil	Nil
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> .	Nil	Nil
No ex-gratia payments were provided for during the reporting period.	Nil	Nil
Departmental		
No 'Act of Grace' expenses were incurred during the reporting period.	Nil	Nil
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> .	Nil	Nil
No ex-gratia payments were provided for during the reporting period.	Nil	Nil
No payments were made under s73 of the <i>Public Service Act 1999</i> during the reporting period.	Nil	Nil

Note 21: Reporting of Outcomes

Note 21A: Net Cost of Outcome Delivery

	Outcome 1	
	2008 \$'000	2007 \$'000
Expenses		
Administered	20,000	-
Departmental	81,468	60,056
Total expenses	101,468	60,056
Costs recovered from provision of goods and services to the non government sector		
Administered	-	-
Departmental	(18,141)	(20,001)
Total costs recovered	(18,141)	(20,001)
Other external revenues		
Administered	(90,261)	(98,320)
Departmental	-	-
Sale of goods and services to related entities	(94,164)	(40,349)
Competitive Neutrality Interest	(573)	(613)
Other revenue	(27)	(177)
Total Departmental	(94,764)	(41,139)
Total other external revenues	(185,025)	(139,459)
Net cost/(contribution) of outcome	(101,698)	(99,404)

The Mint's outcome and output are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Note 21B: Major Classes of Departmental Revenues and Expenses by Output Groups and Outputs

Outcome 1	Output Group 1.1		Outcome 1 Total	
	Output 1.1.1			
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Departmental expenses				
Employees	13,041	11,698	13,041	11,698
Suppliers	64,919	45,284	64,919	45,284
Depreciation and amortisation	2,402	1,206	2,402	1,206
Write-down and impairment of assets	27	774	27	774
Losses from asset sales	4	5	4	5
Royalties	1,075	1,089	1,075	1,089
Total departmental expenses	81,468	60,056	81,468	60,056
Funded by:				
Goods and services revenue	(92,018)	(60,198)	(92,018)	(60,198)
Interest	(573)	(613)	(573)	(613)
Rental income	(130)	(177)	(130)	(177)
Sale of assets	(2)	-	(2)	-
Foreign exchange	(25)	-	(25)	-
Other Revenue — Bu er Stock	(20,000)	-	(20,000)	-
Net gains	(157)	(152)	(157)	(152)
Total departmental revenues	(112,905)	(61,140)	(112,905)	(61,140)

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

Note 21C: Major Classes of Administered Revenues and Expenses by Outcomes

	Outcome 1	
	2008	2007
	\$'000	\$'000
Administered Income		
Seigniorage	90,261	98,320
Total administered income	90,261	98,320
Administered Expenses		
Other expense — Bu er Stock	20,000	-
Total Administered Expenses	20,000	-

Outcome 1 is described in Note 1.1.

Section 6

APPENDICES



ORIGINAL CONSTRUCTION : EARLY DAYS OF THE ROYAL AUSTRALIAN MINT

APPENDIX B – CIRCULATING COIN PRODUCTION 2007–08

Country	Denomination	Design	Date of Coin	Alloy	Pieces (millions)
Australia	5c	Standard	2007	Cupro-Nickel	21.917
	10c	Standard	2007	Cupro-Nickel	16.983
	10c	Standard	2008	Cupro-Nickel	20.265
	20c	Standard	2007	Cupro-Nickel	5.751
	20c	Standard	2008	Cupro-Nickel	39.746
	50c	Standard	2007	Cupro-Nickel	18.025
	50c	Standard	2008	Cupro-Nickel	4.590
	\$1	Standard	2006	Aluminium Bronze	3.873
	\$1	APEC	2007	Aluminium Bronze	0.007
	\$1	Standard	2008	Aluminium Bronze	16.037
	\$1	Scout	2008	Aluminium Bronze	7.857
	\$2	Standard	2007	Aluminium Bronze	14.198
	\$2	Standard	2008	Aluminium Bronze	27.436
Total					196.685

APPENDIX C – OTHER PRODUCTS

	Customer	Pieces
Jewellery	Royal Australian Mint	2,960
Lapel badges	Corporate	1,328
Medallions	Academic Institutions	704
	Australian Government	6,364
	Corporate	3,877
	Royal Australian Mint	4,012
Medals	Corporate	1,506
Tokens	Corporate	32,308
	Royal Australian Mint	31,473
Montage	Royal Australian Mint	17
Total		84,549

APPENDIX D – NUMISMATIC RELEASE SUMMARY 2007–08 (PRODUCTS WITH LIMITED MINTAGE)

Country	Type	Date	Item code	Quantity Produced	Product Release Date	Set Mintage	Quantity Sold
Australia	\$1 frunc silver kangaroo in card	2008	801862	4598	Sep-07	20000	4543
	\$1 frunc silver gilt kangaroo in case	2007	801568	366	Sep-06	12500	882
	\$1 frunc silver gilt kangaroo in case	2008	801852	5463	Sep-07	12500	4868
	\$1 proof silver Sydney harbour bridge	2007	801742	1000	Feb-07	12500	1694
	\$1 proof silver coat of arms	2008	801864	8470	Jan-08	12500	7555
	\$1 proof silver year of the rat	2008	801592	5000	Oct-07	10000	4602
	\$1 proof silver subscription	2008	801764	6592	Feb-08	6592	6592
	\$10 proof gold year of the rat	2008	801594	2500	Oct-07	2500	1515
	\$10 proof gold kangaroo	2008	801859	1500	Sep-07	1500	1500
	\$10 proof gold NRL centenary	2008	801874	2001	Feb-08	3000	1383
	\$10 proof gold Scouts centenary	2008	801866	1500	Feb-08	1500	1500
	\$200 proof gold cockatoo	2006	801262	10	Jul-06	2500	17
	\$25 proof gold kangaroo at sunset	2007	802110	900	Nov-06	1000	900
	\$25 proof gold kangaroo at sunset	2008	802130	1000	Nov-07	1000	1000
	\$5 proof silver VIC state series	2006	800009	300	Sep-06	12500	404
	\$5 proof silver NSW state series	2006	800030	350	Sep-06	12500	405
	\$5 proof silver TAS state series	2006	801005	350	Sep-06	12500	381
	\$5 proof silver SA state series	2007	802002	101	Jul-07	12500	1979
	\$5 proof silver NT state series	2008	802088	2500	May-08	12500	1943
	\$5 proof silver Sydney harbour bridge	2007	801787	996	Feb-07	12500	1436

APPENDIX D – NUMISMATIC RELEASE SUMMARY 2007–08 (PRODUCTS WITH LIMITED MINTAGE)

Country	Type	Date	Item code	Quantity Produced	Product Release Date	Set Mintage	Quantity Sold
Australia ... Continued	\$5 proof silver surf life savers centenary	2007	801268	614	Feb-07	5000	622
	\$5 proof silver NRL centenary	2008	801876	5201	Feb-08	10000	3158
	\$5 proof silver Scouts centenary	2008	801868	5000	Feb-08	5000	5000
	\$5 proof silver International Polar Year Skua	2008	801588	4700	Feb-08	12500	4646
	\$5 proof gold bilby Little Dinkum series	2008	801699	4399	Mar-08	10000	1228
	\$5 proof silver koala Little Dinkum series	2008	801599	4000	Mar-08	10000	1291
	3 coin set gold Icons of Commonwealth	2008	801880	1951	Feb-08	2500	1213
	4 coin set masterpieces in silver	2007	801635	125	Nov-06	10000	752
	6 coin set proof silver	2007	801550	475	Mar-07	6500	1137
	6 coin set proof silver	2008	801890	2600	Feb-08	6000	1938
	6 coin set proof silver World Money Fair Berlin	2008	801893	525	Feb-08	1000	518
	6 coin set uncirculated World Money Fair Berlin	2008	802900	1500	Feb-08	1500	1500
New Zealand	\$1 proof silver kiwi	2004	800675	500	Jan-04	3000	500
	\$5 proof silver tuatara	2007	802091	41	Jan-07	4000	154
	\$5 brilliant uncirculated tuatara	2007	802101	475	Jan-07	3000	196
	6 coin set uncirculated tuatara	2007	802100	64	Jan-07	5000	384

APPENDIX E – PROOF AND SPECIAL COIN PRODUCTION 2007–08 (PRODUCTS WITH UNLIMITED MINTAGE)

Country	Type	Date	Quantity Produced
Australia	\$1 frunc cupro-nickel kangaroo in card	2007	557
	\$1 frunc cupro-nickel kangaroo in card	2008	5514
	\$1 frunc silver kangaroo in capsule	2008	1400
	\$1 frunc silver kangaroo in capsule	2009	5153
	\$1 frunc clown sh	2006	362
	\$1 frunc dolphin	2006	639
	\$1 frunc coral	2007	2500
	\$1 frunc sea horse	2007	24666
	\$1 frunc shark	2007	10061
	\$1 frunc star sh	2007	2500
	\$1 frunc koala	2008	20078
	\$1 frunc wombat	2008	20195
	\$1 proof silver year of the pig	2007	626
	\$1 uncirculated b	2007	13975
	\$1 uncirculated b privymark	2008	31713
	\$1 uncirculated b counterstamp	2008	4029
	\$1 uncirculated c mintmark	2007	55432
	\$1 uncirculated c mintmark	2008	104689
	\$1 uncirculated s	2007	18180
	\$1 uncirculated s privymark	2008	32529
	\$1 uncirculated s counterstamp	2008	15836
	\$1 uncirculated m	2007	21947
	\$1 uncirculated m privymark	2008	25202
	\$1 uncirculated year of the pig	2007	1600
	\$1 uncirculated year of the rat	2008	6000
	\$1 uncirculated International Polar Year	2007	4000
	\$1 uncirculated Australian peace keeping	2008	31028
	\$1 uncirculated AQIS centenary	2008	24146
	\$1 uncirculated Mary MacKillop	2008	4050
	\$1 uncirculated NRL centenary	2008	34302
	\$10 proof gold year of the pig	2007	521
	\$5 uncirculated Bradman birth centenary	2008	20104
	2 coin set proof Planet Earth	2008	11500

APPENDIX E – PROOF AND SPECIAL COIN PRODUCTION 2007–08 (PRODUCTS WITH UNLIMITED MINTAGE)

Country	Type	Date	Quantity Produced
Australia	2 coin set uncirculated Planet Earth	2008	16097
... Continued	50 cent uncirculated Royal Wedding anniversary	2007	60030
	50 cent uncirculated America's Cup anniversary	2008	10256
	50 cent uncirculated Scouts centenary	2008	49571
	6 coin set proof	2007	3327
	6 coin set proof	2008	23655
	6 coin set proof baby	2007	1415
	6 coin set proof baby	2008	12002
	6 coin set uncirculated	2007	7526
	6 coin set uncirculated	2008	42960
	6 coin set uncirculated baby	2007	4783
	6 coin set uncirculated	2008	30404
	6 coin set uncirculated wedding	2008	2452
Fiji	\$100 proof gold mouse	2008	312
	\$2 proof silver mouse	2008	5004
	\$20 proof gold mice	2008	1502
	\$20 proof gold mouse	2008	1502
	50 cent cupro-nickel	2008	10008
Australia	\$1 uncirculated standard design in blister	2007	37100
	\$1 uncirculated AQIS centenary in blister	2008	21600
	\$1 uncirculated NRL centenary in blister	2008	26109
	50 cent uncirculated standard design in blister	2008	6503
	50 cent uncirculated Scouts in blister	2008	33002

Notes

Section 7

Indices



ORIGINAL CONSTRUCTION : COMPLETED ADMINISTRATION BUILDING AT NIGHT

Abbreviation and Acronyms Index

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ANAO	Australian National Audit Office
APCA	Australian Payments Clearing Association
AWA	Australian Workplace Agreement
BCP	Business Continuity Plan
CEIs	Chief Executive's Instructions
CEO	Chief Executive Officer
CIO	Chief Information Officer
CMP	Capital Management Plan
CMPG	Capital Management Planning Group
COO	Chief Operating Officer
CPGs	Commonwealth Procurement Guidelines
CSO	Community Service Obligation
CSS	Commonwealth Superannuation Scheme
EEO	equal employment opportunity
ERP	Enterprise Resource Planning
ESL	English as a Second Language
FBT	fringe benefits tax
FCP	Fraud Control Plan
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FMOs	Finance Minister's Orders
GST	goods and service tax
ICT	Information and Communications Technology

MDC	Mint Directors Conference
MHWP	Materials Handling and Warehousing Project
MHWS	Materials Handling and Warehousing System
the Mint	Royal Australian Mint
MoU	Memorandum of Understanding
OH&S	occupational health and safety
OPA	Official Public Account
PDS	Performance Development System
PICSC	Production Inventory Control Steering Committee
PSS	Public Sector Superannuation Scheme
PSSap	Public Sector Superannuation Scheme accumulation plan
PVD	physical vapour deposition
QA	quality assurance
QMS	quality management system
RAM	Royal Australian Mint
RBA	Reserve Bank of Australia
TEMAN	Technical Meeting of Mints in ASEAN
W3C	World Wide Web Consortium



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