



Australian Government

Royal Australian Mint

ANNUAL REPORT 2009–10







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ISBN: 978-0-9804416-5-9

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Project Management and Design — Communications & Graphic Design,
Royal Australian Mint.

Typesetting — Jaana Smith.

Indexing — Libraries Alive! Pty Ltd.

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Australian Government

Royal Australian Mint

6 September 2010

The Hon Wayne Swan MP
Treasurer
Parliament House
Canberra ACT 2600

Dear Treasurer

I have the pleasure in presenting to you the Annual Report of the Royal Australian Mint for the year ended 30 June 2010. 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 dark ink, appearing to read 'Ross MacDiarmid', written over a light grey circular background.

Ross MacDiarmid
Chief Executive Officer





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Section 1

INTRODUCTION & OVERVIEW

CORPORATE PROFILE

VISION

MISSION

ONE MINT VALUES

THE MINT'S SERVICE CHARTER

RESOURCES FOR OUTCOMES

KEY PRIORITIES IN 2009–10

KEY OUTCOMES IN 2009–10

PROGRAM 1.1: ROYAL AUSTRALIAN MINT



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 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 256,000 visitors during 2009–10.

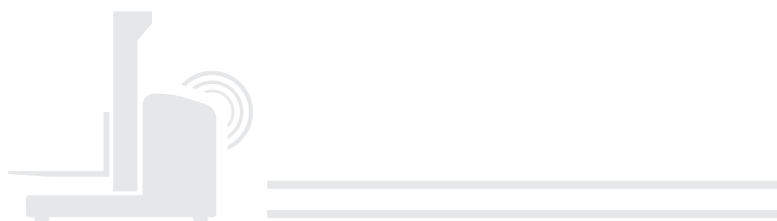
The Mint has an ongoing commitment to upholding its reputation as one of the leading producers of quality coins in the world and to achieving business excellence.

Vision

Excellence as a profitable world class Mint.

Mission

To meet the circulating coin and collector coin needs of Australia.



One Mint Values

Commitment

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

Integrity

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

Teamwork

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

Service

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

Innovation

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

Respect

*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*

Professionalism

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

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 5.00 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

Figure 1 Resources for Outcomes



The table below shows the total resourcing for the Mint's Outcome.

Outcome 1 — The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products.

Table 1 Resourcing for the Mint's Outcome

	Budget * 2009–10 \$'000 (a)	Actual Expenses 2009–10 \$'000 (b)	Variation \$'000 (a)-(b)
Program 1.1 — Royal Australian Mint			
Administered			
Special Accounts	63,582	53,234	10,348
Departmental			
Special Accounts	81,628	92,540	(10,912)
Expenses not requiring appropriation in the budget year	170	864	(694)
Total for Outcome 1	145,380	146,638	(1,258)
Departmental	63,582	53,234	10,348
Administered	81,798	93,404	(11,606)
Average staffing level (number)	195	178	17

* Full-year budget, including any subsequent adjustment made to the 2009–10 Budget

Decrease in Actual Average staffing level compared to Budget is due to staff departures which were not replaced during the year,

(b) Actual expenses — Section 5 Note 22

Key priorities in 2009–10

The Royal Australian Mint's 2009–10 Portfolio Budget Statements and internal planning processes identified the following key priorities for Outcome 1:

- produce cost efficient circulating coins for Australia
- produce appropriate circulating coins for foreign jurisdictions under commercial arrangements
- maintain an Australian circulating coin buffer stock
- provide advice to the Treasury and government on coin related issues
- develop and produce quality corporate products
- develop and produce high quality profitable numismatic products.

As the sole producer of Australian circulating coin and custodian of the National Coin Collection (NCC), the following activities are an adjunct to the key strategies outlined above:

- delivering an education program through the Mint's visitors centre
- promoting public understanding of the cultural and historical significance of coins
- maintaining the NCC.



Visitors in the observation gallery watching the Mint's robot Titan performing his blank tipping duties in the coin hall.

Key Outcomes in 2009–10

Outcome 1 — The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products.

Table 2 Royal Australian Mint Resource Statement 2009–10

	Actual Available Appropriations for 2009–10 (a)	Payments Made 2009–10 \$'000 (b)	Balance Remaining (a-b)
Other services¹			
Departmental non-operating			
Equity injections	175	175	-
Total	175	175	-
Total other services	175	175	
Special Accounts			
Opening balance	38,811		
Appropriation receipts	22,490		
Non-appropriation receipts to Special Accounts	172,645		
Less: appropriations drawn from equity injections and credited to the Special Account	(175)		
Payments made		(219,008)	
Closing Balance			14,938
Total Resourcing and Payments	233,946	(219,008)	

¹ Appropriation Bill (No.2) 2008–09 and Appropriation Bill (No.4) 2008–09

Special Accounts — Section 5 Note 20

Program 1.1: Royal Australian Mint

Program 1.1 is the Mint's sole program and thus the sole contributor to Outcome 1. Crucial to the provision of Outcome 1 is the requirement for the Mint to operate efficiently, as it is primarily a self-funded business operation, receiving government funding predominantly for capital projects only. In addition, the Mint is required to provide a return on investment to the Australian Government through remittance of seigniorage (that is, the difference between the sale of circulating coin and the cost of production) to the Official Public Account.

Performance Information

The Mint has the following key performance indicators:

- produce and deliver Australian circulating coins in a cost effective and timely manner
- foreign circulating coin sales meet or exceed cost of production
- at least 95 per cent of numismatic orders placed are produced and delivered within contracted delivery time
- all numismatic sales meet or exceed cost of production
- rotate the display of Australia's National Coin Collection on a regular basis
- maintain gallery and visitor centre to community standard
- ensure that school student visitor programs align with relevant school curricula
- increase in visitor numbers to the gallery and visitor centre compared to prior year's actual visitor numbers.

Analysis of Performance

Throughout 2009–10, circulating coin production levels were higher compared to the previous year to enable the Mint to meet circulating coin demand as well as achieve the required buffer stock levels as agreed with the Australian Government.

The Mint returned a lower seigniorage amount this financial year compared to budget due to decreased demand for circulating coin.

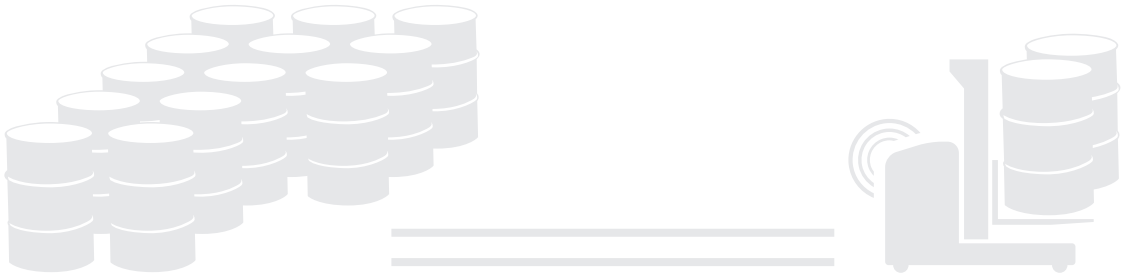
The Mint's numismatic business delivered a surplus this financial year. This is due to efficiencies attained in the production of numismatic coins as well as increased demand for corporate minting.

The Mint maintained a high standard of professional advice to the Treasury Portfolio Ministers and engaged appropriately with other agencies on matters relating to coinage and Mint operations. The Mint met all of its ministerial responsibilities including responding expeditiously to ministerial correspondence and providing information on its operations.

Visitor numbers to the gallery remained steady throughout the year with the new gallery open to visitors this financial year, as well as tourist and school children numbers remaining consistent from previous years.



Visitors viewing the display of rare and historical coins and artefacts of Australia's National Coin Collection at the Mint.



Section 2

CHIEF EXECUTIVE REPORT

CHIEF EXECUTIVE'S REVIEW

OUTLOOK FOR 2010–11

MANAGEMENT FRAMEWORK

ORGANISATION AT 30 JUNE 2010



Chief Executive's Review

Last year saw considerable success for the Mint, our transformation strategy being realised primarily through the successful completion of the refurbishment project, the rollout of a wide range of our Enterprise Resource Planning (ERP) initiatives and the full implementation of our Materials Handling and Warehousing System (MHWS).

At the same time we were developing and implementing Mint-specific strategies to mitigate risks surrounding the global financial downturn and its impact on the world and domestic collector coin markets. The challenges we faced were unique but our positive operating result and end of year sales figures provide testament to the way the Mint's Senior Management Team and Advisory Board jointly met these challenges.

We were grateful to receive funding to improve the education and visitor experience and in particular for school groups visiting the Mint. The cornerstone of this funding has provided for a dedicated education officer which will add to our ability to provide high class educational services.

Another pleasing result was a substantial increase in our overall visitation numbers for the year which has seen the Mint welcome in excess of 256,000 visitors, the previous year total being some 166,000 visitors. This is a particularly good result and one that highlights the success of the refurbishment project and the new and improved gallery and museum displays.

The Mint completed the implementation of its Integrated Business Information System (IBIS) during the year. This was the culmination of an ambitious project spanning over three years. The core driver of this project was to deliver an integrated suite of commercial software products, sharing a common set of data and enabling information flow between various Mint functions.

The project successfully delivered against key objectives to integrate business processes, improve business efficiency and improve operational responsiveness. The IBIS system now captures a significantly increased amount of information relating to our minting business and in doing so enables more accurate and timely information to support strategic business decision making.

One of the exciting by-products of the project was the noticeable increase in knowledge amongst Mint staff, with a greater understanding of end-to-end processes surrounding coin production as well as their own roles. As a result of this shared understanding we have found an increased willingness from staff to more actively engage and contribute to process improvement strategies for the Mint.

The Mint and broader minting community was deeply saddened by the untimely loss of our CEO, Mrs Janine Murphy, during the year. The loss of Janine was profound. Janine will always be remembered as the catalyst and inspiration for the transformation program the Mint has completed.

Janine's love of the Mint and her genuine affection for those that work in it will always be remembered.

Outlook for 2010–11

Leveraging off the significant investment that has been made in infrastructure and systems over the last two years the Mint is now well positioned to achieve its vision and at the same time identify and capture opportunities in both circulating and numismatic business.

In the first half of the year we will undertake a market research program to identify the extent to which those opportunities can be realised as well as implement a change program that will create a Mint that is truly world class.

While the economic environment is forecast to be better than it was in 2009–10 we will remain vigilant and ensure that we have the flexibility and capability to adapt to any possible external challenges. This will require us to work closely with partners, building on the multi-skilled workforce already in place and being very close to our customers.

As a result of the very sad loss of Janine Murphy, over the last twelve months a number of people have stepped up to provide the required leadership. Marlene McClelland — Chief Finance Officer, Stephen Delaney — Chief Information Officer and Graham Smith who acted as CEO prior to my appointment have done a wonderful job in placing the business in the robust state that it is now in. To those people and all of the staff who have contributed to the transformation program, many thanks.

One of the most impressive and encouraging features of my first few months at the Mint has been the extraordinary passion of the staff and their continuing desire to be part of a developing and growing business. We have many long term serving staff members who have made an extraordinary contribution to the Mint over the years and it is these people along with the many other employees, that when combined with the investment that has been made over the last three years, will ensure a very positive and productive future for the Royal Australian Mint.

Management Framework

As a prescribed agency the Mint operates under a Charter endorsed by the Secretary of the Treasury, Dr Ken Henry AC, and the Mint CEO, and reflects 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 coin 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.

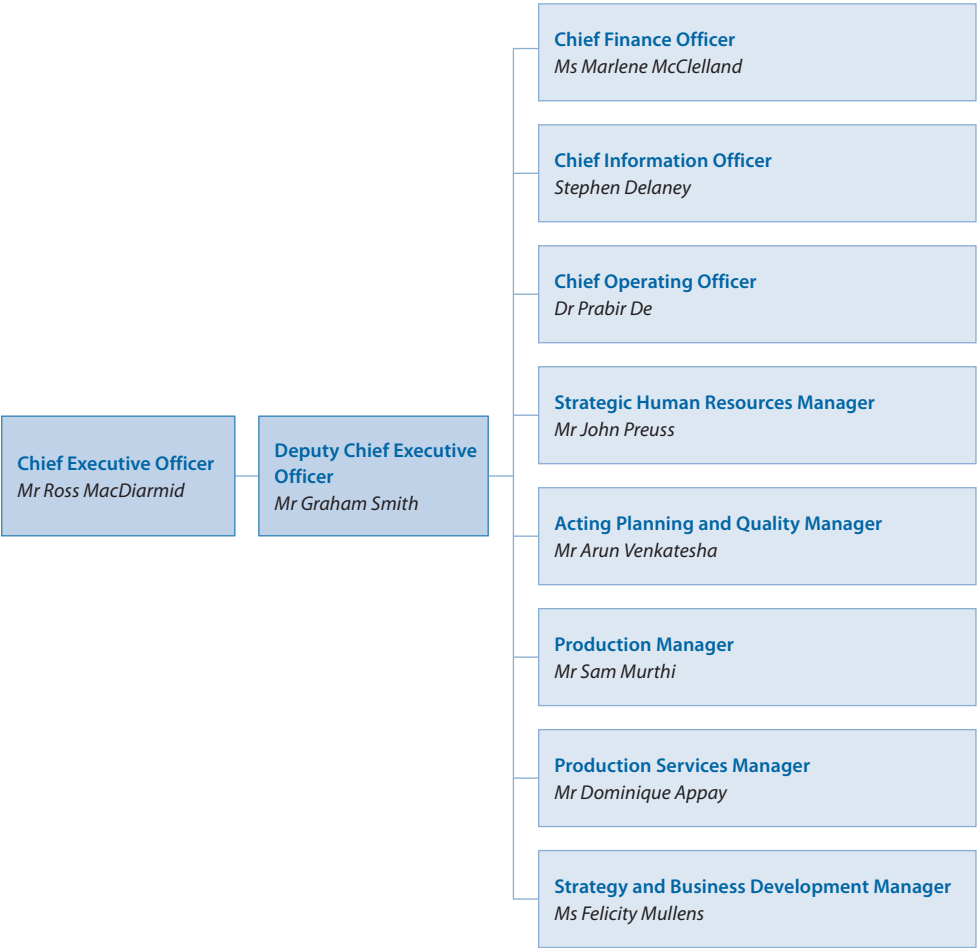
As at 30 June 2010 the Advisory Board comprised:

- Ms Deidre Gerathy, General Manager, Corporate Services Division, Treasury (Chair)
- Mr Michael Del Gigante, Managing Director, Defence Housing Authority
- Mr Geoff Miller, General Manager, Corporations and Financial Services Division, Treasury.

Organisation at 30 June 2010

Management of the Mint rests with the Senior Management Team. The team comprised the following members at 30 June 2010:

Figure 2 Organisation at 30 June 2010



Section 3

MANAGEMENT & ACCOUNTABILITY

INFORMATION MANAGEMENT AND TECHNOLOGY

- IT OPERATIONS
- BUSINESS SYSTEMS IMPROVEMENT
- INFORMATION MANAGEMENT
- COMMUNICATIONS AND DESIGN

MANAGEMENT OF HUMAN RESOURCES

- PERFORMANCE DEVELOPMENT SCHEME
- ROYAL AUSTRALIAN MINT CERTIFIED AGREEMENT
- WORKPLACE RELATIONS
- RECRUITMENT AND SUCCESSION PLANNING
- TRAINING
- OCCUPATIONAL HEALTH AND SAFETY
- STAFFING INFORMATION
- WORKPLACE DIVERSITY
- DISABILITY STRATEGY
- CHANGE MANAGEMENT

CHIEF OPERATING OFFICER

MINT DIRECTORS CONFERENCE

PLANNING AND QUALITY MANAGEMENT

- QUALITY MANAGEMENT
- PLANNING AND SCHEDULING

PRODUCTION SERVICES

- TOOLROOM
- RESEARCH AND DEVELOPMENT
- DESIGN AND ENGRAVING

OPERATIONS

- CIRCULATING COIN PRODUCTION
- COLLECTOR COIN PRODUCTION

MARKETING AND SALES

- COLLECTOR COIN PROGRAM
- CORPORATE AND CUSTOM MINTING
- MARKET RESEARCH

MUSEUM AND GALLERY

FINANCE

- PROCUREMENT
- EXEMPT CONTRACTS
- AUSTRALIAN NATIONAL AUDIT OFFICE ACCESS
- GRANT PROGRAMS
- CONSULTANCIES
- ASSETS MANAGEMENT

FRAUD CONTROL

SECURITY

FACILITIES MANAGEMENT

ECOLOGICALLY SUSTAINABLE DEVELOPMENT

- ENVIRONMENTAL MANAGEMENT
- ENERGY MANAGEMENT



Information Management and Technology

During the 2009–10 financial year the Information Management and Technology Branch was restructured to better align the services provided to the Mint, following the introduction of new systems during the year.

The Information Management and Technology Branch now includes IT Operations to support Mint computing systems, Business Systems Improvement to continue to deliver business process improvement, Records Management to administer and promote good record keeping practices and Communications and Design to manage corporate media and events, parliamentary liaison, graphic and web design services.

IT Operations

A new storage infrastructure solution was successfully implemented to provide a platform to host the new business systems. This solution utilises virtualisation, tiered storage, deduplication, data replication and failure technologies to provide a stable platform for all business information systems. This new solution offers improvements in information management and the ability to automatically apply information retention policies. It also offers an enhanced business continuity and disaster recovery capability with the introduction of technologies to minimise business impact and information loss.

A number of other activities were also completed, including:

- a rationalisation of printer and photocopier requirements allowing reductions in overall equipment and operating cost savings
- increased support of information technology used to control or operate factory equipment
- introduction of a SharePoint based corporate calendar accessible by all staff
- introduction of the Information Technology Infrastructure Library (ITIL) framework to facilitate improvements in service delivery and change management.

Business Systems Improvement

The Mint's IBIS project completed its main project phase during the 2009–10 financial year. IBIS contains numerous integrated software products, including Control 2007 Manufacturing Resource Planning System, CODA Financials, chris²¹ Human Resource Management Information System (HRMIS), Synchrony Customer Relationship Management (CRM), Advance Retail Point of Sale (POS) and Logility demand planning and forecasting. Logility, POS, chris²¹ and chris²¹'s Employee Self Service (ESS) were commissioned in November 2009, with the main Control 2007, CODA Financials and Synchrony products going live from February 2010.

For the collector coin product line, the business gains from the integrated system have included capturing actual cost measurements against the planned sales, production and material costs, data sharing of stock and inventory items to facilitate better decision making and automation of the quality assurance inspection process. For circulating coin production, business gains are seen in the better scheduling and therefore more efficient production of parts, coining tools and coins. CODA Financials has delivered automated seigniorage management to provide more accurate seigniorage reporting to Government and more efficient reconciliation of inventory, labour and materials.

The introduction of ESS has enabled the on-line requesting and approval of employee leave and higher duties allowance, and a facility for staff to view their own personnel and salary details, and payslips. The new HRMIS has enabled more efficient processing of pay variations by removing repetitive data entry tasks.

Information Management

TRIM electronic records management has been implemented across the Mint enabling all staff to electronically store, search and retrieve records.

The Mint has a number of non-standard record types such as coins, tooling and plasters and there has been significant progress towards developing a detailed understanding of all information sources across the Mint. The completion of a knowledge audit has allowed strategies to be developed for all information sources and the initiation of a project with National Archives of Australia to establish a Records Authority.

Communications and Design

A restructure in the Communications and Design Section saw web management and switchboard move into the team as the roles were then much more closely aligned. Having the switchboard in the Communications team allows for consistency in outgoing messages to the public with inquiries now being addressed in a more timely and accurate manner.

The Communications team focused on delivering high quality events to attract media and raise awareness amongst the public. Media coverage was extensive with several events and media releases receiving national and international coverage. The benchmark event of the year was the reopening of the Mint building after refurbishment in September 2009.

The Governor-General of Australia, Her Excellency Ms Quentin Bryce AC, officiated at the event where she took a tour through the facilities and met many of the Mint staff. With the new gallery space it has allowed the Communications team to be more creative in its delivery of events which has resulted in outside broadcasts, public talks and cocktail functions now being able to be held in the new building.

During the year the Communications team partnered with specific organisations to deliver a number of successful events. These included the Australia Zoo with the Inspirational Australians Steve Irwin coin, Royal Society of Victoria to promote the 150th anniversary of the Burke and Wills expedition and the Australian Army's Fromelles Project Group with the launch of the Lost Soldiers of Fromelles coin. The Lost Soldiers of Fromelles coin launch took place in the Mint's public gallery where a series of talks was given to interested members of the public about the Fromelles project.

The graphic designers share their time between producing packaging for collector coins and working on corporate jobs. A highlight of 2009–10 was the development of the Mint's first exhibition in its new gallery space titled Striking Art, Lasting Impressions, an exhibition showcasing 20 years of the work of world renowned Mint coin designer and sculptor Wojciech Pietranik. The Mint is committed to providing more exhibitions and displays like this for its visitors and this will remain a focus in 2010–11.



The Governor-General of Australia, Her Excellency Ms Quentin Bryce AC, officiating the reopening of the Mint building after refurbishment in September 2009.

Currently the Mint has two different websites, the Mint's main website and the eShop which is managed externally. One of the goals for website development in 2010–11 is to be able to manage all Mint content in-house. In 2009–10 we started to migrate a significant amount of content from the eShop website onto the main website. This work will continue into the new financial year.

Planned Branch Activities for 2010–11

The primary focus for the Information Management and Technology Branch in the year ahead is to continue developing IBIS to deliver additional operational and strategic business functionality. Activities include:

- upgrade of Kronos timekeeping solution and integration to chris²¹ HRMIS for flexitime and overtime management enabling more accurate and timely scheduling of leave, flex and overtime
- integration of the MHWS to IBIS to better track the movement of coins, blanks and scissel (wastage)
- integration of the Mint Shopfront POS to IBIS to provide real time inventory management and opportunities for increased sales
- redevelopment of Internet based web shop to take advantage of new web and e-commerce technologies
- improved die management, with bar-coding and tracking of dies to provide more visibility and traceability of the manufacturing and inspection process, in line with security policies
- enhanced system to assist with equipment maintenance, and management of hazardous materials
- finalise and implement a Records Authority
- continuous improvement to disaster recovery capabilities and Internet gateway infrastructure.

Major focuses for 2010–11 for the Communications and Design Section will be:

- development of a whole-of-Mint communications plan to bed down target markets and strategies for communicating key messages to them
- brand management strategy and development.



Management of Human Resources

The Human Resources (HR) Branch implemented a new Human Resources Management Information System (HRMIS) during the year and is now working to update the system of timekeeping for the Mint. The new HRMIS was successfully implemented and widely accepted by all staff and is providing high quality reports to Senior Management as well as a self-service option for reviewing pay details, entitlements and online leave applications for all staff.

Other projects throughout the year have included ongoing enhancements to the performance development scheme (PDS), policy development and improvement, developing and implementing health and safety management arrangements and increasing occupational health and safety (OHS) awareness and responsibility. Planning work was undertaken towards the 2010–11 rollout of an updated timekeeping system, OHS, learning and development, e-recruitment and performance management modules.

During the year there has been a focus on succession planning, dealing with an ageing workforce and the skills shortage of manufacturing workers in Canberra. Work has commenced on developing a Workforce Plan and this will continue in 2010–11.

As a result of feedback from the Mint's most recent staff survey the Senior Management Team and Mint Change Manager have been providing regular reports and information sessions to staff which has allowed for improved communication and understanding about workplace related issues.

Performance Development Scheme

With the implementation of the new HRMIS system HR is now able to progress identified changes to the PDS, including an online staff performance assessment module.

Revisions to the current scheme and processes are planned for the coming year to improve knowledge and understanding of scheme requirements.

Royal Australian Mint Certified Agreement

In line with agreed requirements under the Union Collective Agreement the Mint met all specified conditions and as a result all staff received a pay increase totalling 4 per cent on 22 August 2009.



Workplace Relations

The Mint continues to have a range of formal and informal consultative arrangements including the Mint Consultative Forum which meets regularly. The forum is chaired by the CEO and comprises management representatives, elected employee representatives and representatives of the Community and Public Sector Union, Electrical Trades Union and Australian Manufacturing Workers Union. The relationship with all unions is cooperative and inclusive.

The agreement commits to discussing workplace issues in a spirit of cooperation and trust, and ensuring employees receive information on workplace issues affecting them, including business progress and the impacts of new programs. The agreement also allows employees to contribute their views on these issues.

Recruitment and Succession Planning

A major focus for the Mint during the year was improving the recruitment process and succession planning. We commenced building a skills analysis database to aid in development of staff and have focused on critical “hard-to-fill” job groups in the Mint for staff development utilising on the job and specialised training and mentoring. There remains significant competition in remuneration outside the Mint that continues to have an effect on recruitment and retention of our staff.

Training

The Mint continues to invest in leadership and capability development through a range of training programs, both in-house and through external providers. Internal process training in 2009–10 included training on IBIS involving the Finance, Manufacturing and HR sections.

External training programs attended by staff in 2009–10 were courses on OHS; project management; financial management; basic, intermediate and advanced computer training; leadership; conflict resolution and development of professional writing skills. Internal training sessions on code of conduct and ethics and values served to enhance the Mint’s values system.

English as a Second Language (ESL) classes conducted by volunteer staff continue to encourage development of language skills for all employees. ESL staff attended external Basic English workshops which enhanced their English skills.



Occupational Health and Safety (OHS)

The Mint is committed to OHS through a 'safety first' approach to ensure the health, safety and wellbeing of employees, contractors and visitors. This 'safety first' approach is championed by the CEO through all levels of the organisation. The major focus of the year was hazard identification by the use of risk assessments and occupational hygiene surveys.

A part of the Mint's wellbeing program is the 'healthy lifestyle payment', which is a provision under the Certified Agreement and is an annual one-off payment towards positive lifestyle expenses such as quit smoking programs and health club memberships. A significant participation level increase of 32 per cent from the previous year's total was observed during the period. Additionally, the Mint maintains a health management program by providing a series of health assessments for employees, which includes reimbursement of spectacle-related expenses for employees who use screen based equipment, and free influenza vaccinations, in which a total of 91 staff members have participated.

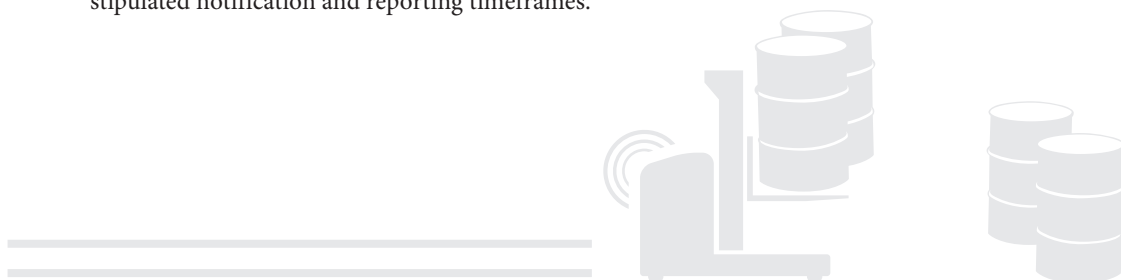
During the year, phase one of the occupational hygiene survey was conducted, which included identifying and risk assessing Mint-wide occupational hazards. Work is progressing on phase two of the occupational hygiene survey, which will involve conducting occupational hygiene surveys and prescribing biological medical requirements.

As part of health surveillance requirements, 113 audiometric tests were conducted on Mint employees.

The Mint is actively raising the profile of OHS by providing OHS training to staff members. This training includes first aid, health and safety representation, risk management and harassment officer training. Another mechanism the Mint has utilised to raise OHS awareness has been the publicising of its Health and Safety Management Arrangement to all employees, which were ratified during the year.

Incident management during the period has been conducted in a timely manner. Throughout the year a total of 52 incidents and 40 accidents were reported. Of these notifications, there were three accepted compensation claims and one Comcare investigation resulting in an improvement notice. The Mint fulfilled the improvement notice requirements within a twenty-four hour period. The lost time injury rate during this period was 6.11 weeks. The compensation premium for the Mint is \$98,177 including GST. As of 30 June 2010 the Mint had no outstanding notices.

Work has continued during the year with the project chris²¹, which will replace paper-based forms of incident notification and statutory reporting requirements with an online OHS information management system. This new system will enhance our ability to meet the stipulated notification and reporting timeframes.



Staffing Information

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

Table 3 The Mint operative and paid inoperative staff by classification and gender
(at 30 June 2010)

	Ongoing				Non-ongoing				Total
	Full Time		Part Time		Full Time		Part Time		
Classification	Male	Female	Male	Female	Male	Female	Male	Female	
Apprentice					1				1
APS1									0
APS2	12	19			2	5			38
APS3	10	7			1	2			20
APS4	22	8			2	1			33
APS5	22	6		1	1	1			31
APS6	13	6		1	1				21
EL1	10	4		1	1				16
EL2	5	1							6
SESB1	1	1							2
SESB2	1								1
SESB3									0
Total	96	52	0	3	9	9	0	0	169

Table 4 The Mint's operatives paid under the Certified Agreement and 24 1(d)s
(as at 30 June 2010)

	No. of Employees
Certified Agreement	167
SES	2
Total	169



Table 5 Salary Ranges for Certified Agreement and 24 1(d)s (as at 30 June 2010)

Classification	Minimum \$	Maximum \$
Apprentice	19375	37740
APS1	37483	40364
APS2	41974	45832
APS3	48174	51561
APS4	53428	46968
APS5	58521	63205
APS6	68543	74892
EL1	80929	93304
EL2	98444	111209
24 1(d)	114400	134659
SESB1	168609	195960
SESB2	206652	241878

Total for all SES remuneration was \$361,801, excluding superannuation allowances.

Workplace Diversity

The Mint has a diverse workforce. Forty three per cent of employees are from non English speaking backgrounds while 9 per cent were born overseas in countries where English is the first language.

The Mint is committed to ensuring a Workplace Diversity Program is available to all staff. All employees in identified groups have access to recruitment, training and promotion opportunities. The Mature Age Workforce Policy is in place to ensure our older workers continue to be supported in the workplace.

The Mint Collective Agreement ensures adequate leave conditions are in place for the balancing of work, family and other caring responsibilities of staff. Applications for part-time work are considered and flexible working hours are available to staff to aid in meeting personal commitments. Flexible working hours are available to all non SES employees of the Mint.

The Mint is committed to ensuring ESL training programs for staff aid in their development and recruitment opportunities.



Table 6 Equal Employment Opportunity (EEO) Target Groups

Classification	Female	Born Overseas	ESL	AATSI	Disability
Apprentice					
APS1					
APS2	24	28	26	1	1
APS3	9	16	15		
APS4	9	14	10		1
APS5	8	9	8		1
APS6	7	5	4		
EL1	5	10	7		
EL2	1	2	2		
SESB1	1	1	1		
SESB2					
Total	64	85	73	1	3

Disability Strategy

The Mint continues to support and encourage our disabled employees. The Mint has an ongoing relationship with disability support groups and bodies. The special needs of staff are addressed on an individual basis and adjustments to working arrangements and environment are made such as modifications to workstations, car parking access, utilisation of special IT software, hours of duty and specific job tasking.

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 recently refurbished building provides facilities that meet the Mint's obligations under the Act.



Change Management

Throughout the year the change management strategy concentrated on fostering the relationship between staff and the senior management group. Focusing on transparent processes, communication and teamwork, staff were provided with the opportunity to provide upward feedback through the use of focus groups and an all staff survey. These tools were effective in improving understanding at all levels. The effective completion of all Mint major projects has reduced the symptoms of change fatigue and permitted a return to normal business.

During the next year change management will be a key element of the Mint's project management training. The skills and lessons learned during the previous years of change will be captured in a formalised project management structure created under the Integrated Management Manual (IMM), and include a change management toolkit for project managers.



Mint staff celebrate the launch of IBIS in April 2010 — the culmination of a three year project.

Chief Operating Officer

The Mint maintained good working relationships with the Australian Payment Clearing Association and the commercial banks during the year. The three parties prepared background work for a coin supply agreement with commercial banks to replace the existing agreement with the Reserve Bank of Australia. Negotiation of the agreement is expected to be completed before the end of June 2011 with implementation by October 2011.

The Mint and commercial banks are starting to see the benefits of the national coin pool which was established last year. The national coin pool data is currently being used as a major coin forecasting tool.

As part of our well established staff exchange program the Mint hosted an engraving apprentice from the Royal Canadian Mint for three months. The exchange with the Royal Canadian Mint is now considered to be a best practice model in the minting industry in terms of learning, cooperating and fostering closer working relationships.

The Mint won a commendation award in the Canberra Division of the 2009 Excellence in Engineering Awards for its MHWS. This award was an endorsement of some of the innovative projects the Mint has undertaken to improve productivity and safety. A paper on the MHWS was published for the TEMAN Conference in Manila and attracted many enquiries from overseas mints.

The Chief Operating Officer chaired two Mint Directors Technical Committee meetings in Manila and Shanghai. Both meetings were attended by over 30 senior technical directors from mints and minting industries from over 15 nations. Their research work will be published in the Mint Directors Conference to be held in Canberra in September 2010.

Mint Directors Conference

In September 2010 the Mint will be hosting the XXVI Mint Directors Conference (MDC) in Canberra. Throughout the year the MDC 2010 Steering Committee, a secretariat team and a professional conference organiser have been working closely to develop the conference format and activities.

The MDC 2010 conference will bring together over 320 international delegates to Australia. Several Central Bank Governors from the Asia-Pacific region have registered their interest to attend this conference providing a further boost to the standing of the conference.

Planning and Quality Management

Quality Management

Quality services provided to Mint stakeholders are divided into two distinct areas: Quality Control (QC) providing inspection services and Quality Assurance (QA) managing the Mint's Quality Management System (QMS).

The QA team carried out internal audits of all Mint areas to ensure they complied with the requirements set out in the Mint's QMS. In addition the QA team visited the premises of suppliers to audit their QMS, making sure there was alignment with the Mint's own QMS.

During the year, the Quality Management Section faced the challenge of meeting the Mint's expectation for a seamless changeover from a paper based quality system into the new Enterprise Compliance Quality Management System (ECQMS). The new system enables the Mint to measure and quantify the performance of the QMS through statistical analysis.

This changeover was achieved through the dedicated efforts of all staff from the section.

Further to the implementation of ECQMS an additional challenge was to interface the quality system with Control Enterprise Resource Planning (ERP) system. The interface process is continuing through 2010–11.

Another notable development has been the integration of the Metrology team into the Quality Management Section. This has enhanced and enlarged the team's quality control role to incorporate the inspection of master tooling, press parts and other associated components.

The Mint was successful in retaining its ISO 9001 Quality Management Accreditation.

Initiatives commenced during the year included:

- targeted quality awareness training for all manufacturing staff
- purchase of new technologies such as a gloss meter to aid in the inspection process to eliminate subjectivity
- a draft wastage minimisation report prepared to identify areas of focus and strategies to address wastage across the Mint for all business processes
- active engagement in the IMM project review which will ultimately result in the updating of policies, procedures and work instructions.

Promoting a quality awareness culture across the organisation will be an important focus during 2010–11. Other projects will include:

- consolidation of ECQMS including interface with Control ERP system
- wastage reduction with participation from all staff
- reduction in process rejects in manufacturing
- training to develop a pool of highly skilled quality staff
- contributing to the completion of IMM to reflect new Mint processes
- development and completion of a die bar-coding system.

Planning and Scheduling

The Planning and Scheduling Section of the Mint translates marketing requirements to the Production Branch so that resources are matched to demands.

During 2009–10, the section's biggest challenge was meeting the Mint's expectation for a seamless changeover from the Streamline Manufacturing Resource Planning (MRP) system to the new Control ERP system as part of the IBIS project. Planning staff achieved the desired outcome by actively participating in their roles as champions and process owners for the IBIS project.

Another aspect of the successful implementation of IBIS was the integrated planning of Production and Production Services in the main ERP system, which included master tooling and Toolroom activities.

The next stage in improving outputs for the section will include the development and implementation of an interface of the MHWS and ERP, scheduled for the 2010–11 financial year.

During the financial year 2010–11 the Planning and Scheduling Section's main focus will be bedding down and maintaining the new Control ERP system to run the Mint's daily business activities. In addition to the business-as-usual activities the focus will be on using the additional capabilities of the system; testing and utilising enhancements for better managing the planning and scheduling function; and improving reporting capabilities for better Management Information System (MIS).

Other projects involving Planning and Scheduling for the coming year include:

- Master Production Schedule (MPS) implementation
- enhancements for additional capabilities such as capacity planning
- improved reporting tools from the ERP system
- integration of Manufacturing Execution System (MES) with Control
- developing Sales and Product Configurator (SPC)
- interface between Control and ECQMS
- die bar-coding



Production Services

Following the successful completion of the refurbishment program, the Production Services Branch's focus shifted to the development and implementation of IBIS. Workflow, scheduling and materials purchasing improvements are now beginning to deliver overall efficiency improvements. Continued integration of IBIS will be a key focus for 2010–11.

Toolroom

Toolroom staff actively addressed the issue of reducing operational risks by building a buffer stock of circulating coin dies equal to approximately three months, single shift production. Innovative improvements in die manufacturing, combined with longer die life from better surface coatings using the TEER system, contributed to achieving this result.

Significant investment has been made into CAD/CAM software upgrades to improve the efficiency of CNC machines programming and compatibility with 3D design software.

The Toolroom produced a total of 3332 dies comprising 2355 circulating coin dies and 977 numismatic dies and 127 coining collars to meet the demands of circulating and numismatic production for the year.

Research and Development

The investment of time and resources into IBIS development and implementation has resulted in the ability to improve advance planning strategies and to be able to respond to stakeholders' requests and ultimately deliver a better service with improved efficiency and effectiveness.

The Research and Development (R&D) Section developed and conducted trials on proof press tooling during the year. A prototype with improved strength was designed and is currently being manufactured by the Toolroom. This updated design provides the required strength and accuracy in centralising dies and collars on proof presses. The design also provides better ergonomics during tool setup, thus improving setup time, enhanced accuracy and better quality of coins produced.

Following R&D trials the Intercept Technology foam inserts were used in this year's proof coin set. The insert has a copper based corrosion inhibitor for longer tarnish protection of the proof coin set. This technology replaces lacquer based protection and greatly enhances OHS working conditions for operators.

Upgrades to hardware, the operating system and image processing has been completed on the automated circulating coin alignment machine to provide enhanced accuracy and reliability.

Design and development of master tooling, dies and collars for the production of scallop shaped coins for an overseas customer was successfully completed which enabled more efficient production of coins using lower tonnage and a high speed press.

R&D completed 250 technical drawings to support tooling and packaging manufacture during the course of the year.

Design and Engraving

The introduction and implementation of new technology, the WACOM tablet, complements our existing ArtCAM software and opens up opportunities for the Mint to use new tools alongside the traditional plaster sculpting method of modelling coins.

Coin designs and plasters were produced to support the manufacture of 132 master tools during the year.

Key activities in the coming year for the Production Services Branch will be:

- replacement of some conventional machinery with modern CNC controlled equipment
- identifying potential upgrades to existing machinery, and continuing research into improvements in product quality and manufacture
- circulating coin presses tooling upgrade
- increased focus on training in use of technologically related software like CAD modelling and CAM manufacture and ARTCAM 3D modelling
- volume production of new tooling for proof collector coin presses.



Striking Art, Lasting Impressions — an exhibition showcasing 20 years of the work of world renowned Mint coin designer and sculptor Wojciech Pietranik, held during January and February 2010.

Operations

Circulating Coin Production

This was the first year to experience full production since 2006 because of the refurbishment project and implementation of the MHWS which impacted on production outputs during this period. Following the installation of the MHWS last year, this year has been a time of consolidation and steady improvement. The Mint focused on the need to commission equipment and build stocks. Circulating Coin Production (CCP) took ownership of the MHWS at project completion, and it now forms part of its normal day-to-day operations.

Throughout the year the Production Branch's focus has gradually changed from commissioning of new equipment to enhancing and improving systems, processes and equipment. CCP staff embraced the challenges of improving systems with the end result being significant improvements in the timely delivery of blanks to presses and reliability of systems.

The team also progressively worked on improving the performance and reliability of the coin presses. This has been achieved because of a stable, experienced team, improved setup of the presses, improved delivery of blanks, new tooling and improvements to die life.

Die life has been extended by as much as threefold since last financial year. The TEER coating process implemented last year has provided a much harder die surface contributing to the life of the die. This new technology is now being used to its full potential and we have certainly seen the benefits in circulating coin production.

During the year three teams have been actively looking at noise reduction initiatives, resolving materials handling issues and specific press tooling improvement ideas. These groups will continue to be active in the coming year.

Four commemorative circulating coins were produced this year. They were:

- \$1 Aged Pension coin to commemorate the centenary of the aged pension
- 50c Australia Day coin to celebrate Australia Day
- \$1 Girl Guides coin to commemorate the centenary of Girl Guiding
- 20c Tax coin to commemorate 100 years of the Australian Tax Office.

The team has successfully completed two foreign orders for the Cook Islands, for \$1 and \$2 coins. This coin production presented its own special challenges as neither coin was round, one being triangular in shape and the other with scalloped edges.



The CCP's focus for next year is to:

- improve use of management information now available from the MES and Control
- integrate MES with Control for seamless scheduling
- improve tracking and scheduling of maintenance with better use of Mainpac
- improve tracking and security of dies with die bar-coding
- improve induction and training of all team members
- investigate options to further reduce noise load in the Circulating Coin Hall.

Collector Coin Production

Collector Coin Production has continued to improve following the finalisation of the commissioning and recommissioning of new and existing equipment post refurbishment.

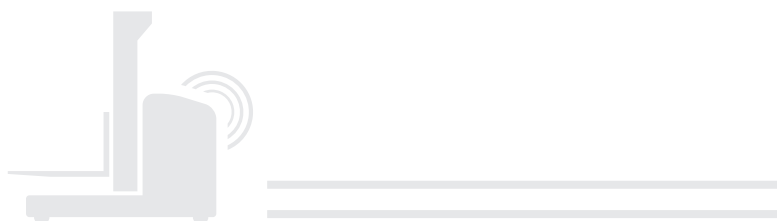
There has been a successful electrical upgrade to the controls on one of the collector coining presses with some significant benefits including increased safety features, readily available spare parts and the ability for integration into our manufacturing and management information centre.

With the implementation of TEER coating now fully trialled and bedded down, we are able to gradually phase out chrome plating resulting in a process that is safer for operators as well as being environmentally friendly. Process improvements to the laser frosting machine along with TEER coating process will considerably improve labour utilisation rates and result in improved die life.

Anti corrosion packaging has allowed us to cease the operation of our lacquer spraying process and replace it with a much safer and environmentally friendlier option of foam inserts.

A combination of improved internal communication and the implementation of the Control ERP system have resulted in a more reliable and sustainable flow of blanks and coins throughout the production process. Improved record keeping and the traceability of coining dies has also been evident.

Job rotation throughout the Production Branch has allowed staff the opportunity for more training to further their skills, which in turn offers more flexibility in high demand periods. During the coming year there will be many challenges for the team as we introduce die bar-coding, upgrade the safety of machinery and continue to review and improve wastage rates.



Automated Pickling Line

Preparation for the installation of a second mezzanine floor above the Automated Pickling Line (APL) in the Blank Preparation area commenced this year and will be completed by the end of August 2010. Following this installation maintenance tasks on the fume scrubbers will be safer and more readily accessible which will result in less production downtime. Modifications to the APL pickling tanks will reduce the volume by 50 per cent. This will result in significant cost savings on acid, heating and waste treatment.

Planned improvements to agitation processes will result in extended acid life, uniformity of solution temperature and composition with consequently greater consistency in quality.

Waste Water Treatment Plant

Trials of waste treatment methodology continued throughout the year with the aim to recycle approximately 90 per cent of our chemical rinse water using ion exchange technology. The use of this technology has the potential to save more than 200 kilolitres of water per week, while improving rinse water quality.

It is anticipated that concentrated chemical waste will be treated offsite at a purpose built facility, placing the Mint in the enviable position of achieving zero discharge from our chemical processes.

Electroplating Areas

The OHS issues associated with working in the gold and chromium electroplating areas have been significantly improved by means of double walled tanks, improved housekeeping practices and the installation of specialised storage cupboards.

A range of administrative practices have also been introduced to improve overall safety including introducing restricted access controls. A refocusing of protective clothing requirements and overall training of staff has also seen improvements in this area.



Marketing and Sales

During the year the Marketing and Sales Branch was responsible for:

- development, project management and promotion of the official numismatic program and Mint certified products
- development and project management of commemorative circulating designs
- delivery of retail, direct and wholesale sales of commemorative coins and other coin and souvenir related products
- corporate and custom minting business development and service delivery.

Collector Coin Program

The Mint designs, manufactures and markets Australian collector coins. The Mint collector coin program recognises a range of popular anniversaries, people and events on coins that are sold successfully in Australia and throughout the world. The program includes a mix of base metal and precious metal collector coins.

Product Development

Development of products for both the official numismatic program and circulating coinage has continued throughout this financial year. Our audience is represented broadly through all walks of life within the Australian community, and our focus has been to produce a suite of designs that appeal to all of our collectors. Major themes and ideas commemorated for this year have included the 40th anniversary of the moon landing on a pad printed coin, Centenary of the Aged Pension on a circulating coin and the 150th anniversary of the Burke and Wills Expedition on an uncirculated and proof set.

This year the team delivered a number of innovative coins including one specifically as part of the suite of products developed to acknowledge the International Year of Astronomy. This meteorite coin contained actual pieces of meteorite, held in place in the centre of the coin by a specially produced blister.

Sales and Service

The Mint managed its business well during the Global Financial Crisis (GFC) economic downturn. While sales did show an increase from the previous reporting year and the revenue budget was exceeded, sales are yet to return to pre GFC levels. Product forecasts were adjusted throughout the year to maintain the fine balance between stock on hand and economical production. Income was again supplemented by cross promotions with numismatic suppliers and by increasing the number of non numismatic items stocked by the sales channels. Improved use of geo-demographic surveys has aided in the placement of effective advertising and we are now showing a significant return on investment (ROI) on our advertising spend.

Direct and Retail Sales

The Direct Sales team comprising the Call Centre and Mint Coin Shop, has increased its sales revenue by 14 per cent and 57 per cent respectively. This result was achieved through strong coin themes, excellent customer service and effective advertising messages and placements. Revenue realised on collector coins improved as did revenue on coin related non numismatic product. We are continuing to explore cross promotional opportunities with other national attractions and suppliers.

The Mint Coin Shop sales continue to grow due to the increased visitor numbers since the completion of the refurbishment project which included the opening of the new Mint Coin Shop and visitor gallery. Each shop team member makes every effort to provide a memorable shopping experience for the visitor which in turn has contributed to the increase in shop sales.

The full range of webpage improvements is yet to be delivered so expected sales growth and productivity gains via this medium are yet to be fully realised. Phase two of this project, that includes online order processing, will deliver these improvements.

Wholesale

The revised Terms of Trade have now been fully implemented with all active dealers now trading under these new rules.

Sales through Australia Post and Australian dealers have not seen the same growth as the Direct Sales team with Australia Post sales dropping by 14 per cent over last year. As most of the collectors who purchase through post offices are self funded retirees, we know that they have been far more careful with how they use their disposable income. We are working with Australia Post to develop sales strategies to reverse this trend.

Sales to international dealers showed significant growth of 90 per cent, particularly in Europe, despite the continent still being impacted by the GFC. Attendance at international coin shows over the past few years is seen as the major contributor to this increase.

Corporate and Custom Minting

There has been a steady increase in corporate orders over the past year with the interest of overseas clients still growing. As a result of the ever increasing demand for Australian legal tender gold coins, partnerships have been formed with international distributors, resulting in several Australian legal tender coin programs being commissioned.

Medallion and token orders within the domestic market have remained steady with many customers reordering existing medallions as well as new medallions being commissioned.



Market Research

The consolidation of the Mint's Marketing Strategy during 2009–10 has led to further segmentation opportunities within the collector coin market. The Mint has utilised its market research knowledge to further target collector segments with selected product ranges including the Inspirational Australians series (aimed at those collectors with an interest in famous Australian individuals) and the Australia Remembers series (aimed at those collectors with a strong interest in both military and historical themes).

The Mint currently segments the coin collecting market into five sub-segments based on collectors' attitudes towards their hobby and subsequent buying behaviour. It is expected that with this knowledge the Mint will not only continue to market coins that have mass appeal to both local and international markets but also find important niche markets for its new releases aimed at serious, hobbyists and the gift buying markets.

Table 7 Advertising and Market Research

2009–10 expenditure for advertising and market research

Vendor	Purpose	Cost (\$) GST Exclusive
Union Offset	Mint Issue and promotional material	152,070
Adcorp	Media buying	228,112
Alpha Flight Magazine	Advertising numismatic products	26,750
Atomicon	Promotional material	4,410
ACP Magazines Ltd	Promotional material	8,960
Australian Numismatic and Dealers Association	Advertising numismatic products	28,058
National Capital Attractions	Advertising numismatic products	2,273
Loneragan Research Pty Ltd	Market research	15,000
		465,633



Museum and Gallery

Following completion of the Gallery refurbishment, there have been several new initiatives which have been funded by a specific budgeted appropriation. These initiatives included a public exhibition of coins and sculptures by world renowned Mint designer Wojciech Pietranik, an advertising campaign to relaunch the Mint following the completion of the refurbishment project and the extension of the “Explorer” tourist bus route to include the Mint.

The displays in the Observation Gallery have been reviewed and the contents of all of the “non-permanent” cabinets have been upgraded. In addition, a series of large displays of minting equipment has been installed along the centre of the Gallery. These provide additional points of interest and also help guide the visitors along the observation windows in a logical order. In addition, in the far end of the Gallery, a model of the blank manufacturing process has been installed overlooking the circulating coining hall and the proof blank preparation area. This model was donated by Poongsan Corporation in Korea. It completes the coin making process.

The environmental conditions of the National Coin Collection (NCC) have been monitored for relative humidity, temperature and ultraviolet light exposure. As a consequence, the air-conditioning in the NCC storage vault has been upgraded to ensure that the correct relative humidity and temperature are maintained. LED lights are being progressively installed in the display cabinets. These significantly reduce the ultraviolet exposure to the exhibits and have the added benefit of longer life and reduced energy consumption.

A computerised thermal imaging system that calculates visitor numbers was installed in January 2010. Visitation in the subsequent five months shows a 54 per cent increase over previous years with a total of 86,679 visitors between February and June 2010. The previous yearly total was 166,854 and thus it is estimated that the Mint welcomed a total of 256,000 visitors in the financial year 2009–10.

Progress has been made with the introduction of an education program. Resource material in the form of a booklet *Coins, Currency and Canberra* has been published and a copy will be given to each school group that books their visit online. In addition, an education officer will be appointed to develop a curriculum-related educational program for schools.

The NCC has been re-valued by the Australian Valuation Office. The value has increased from \$16.1 million to \$22.5 million, reflecting the current strong performance of collector coins on the secondary market.

A visitor satisfaction survey conducted during the year has shown that although 97 per cent of visitors were satisfied with the overall facilities and services there is a need for an audio commentary in the Observation Gallery explaining the production processes that are on view and for a more interactive experience. Accordingly, priority will be given in the 2010–11 financial year to the introduction of an audio commentary with new interactive displays planned for the 2011–12 financial year.

Finance

The Mint reported an after tax operating surplus of \$1.2 million for the financial year 2009–10. This healthy result is due to a 45 per cent increase in sales for the numismatic business compared to prior year. This outcome follows cost reduction measures put in place by the Mint to sustain its business into the future.

The Mint secured a three year contract for the manufacture and delivery of circulating coins for a foreign jurisdiction. The initial revenue from this contract was derived in 2009–10.

In 2009–10, the Mint produced 527 million pieces of Australian circulating coins — an increase of 83 per cent compared to the previous year. From 1 July 2009, the Australian circulating coin finished goods inventory is reported as an administered asset.

The Mint remitted \$96 million in seigniorage to the Commonwealth's Official Public Account for the financial year 2009–10.

The Mint's non-financial assets increased due to the completion of major projects that had commenced in earlier financial years. These include delivery of the major refurbishment of the building, Mint's IT systems and upgrade of plant and equipment brought about by the new MHWS.

Depreciation and amortisation expenses for the year increased by 86 per cent due to the roll-out of the projects referred to above.

The Mint is the custodian of Australia's National Coin Collection (NCC). The collection was independently re-valued in the financial year at \$22.5 million, an increase of 40 per cent over the previous year. The increase reflects the higher prices for precious metals, changes in investment patterns due to the recent GFC, and the demand for rare collection pieces at auction.

The Mint's internal controls and financial operations were audited by the Australian National Audit Office (ANAO). The outcome was that the Mint once again received an unqualified audit report for the 2009–10 financial statements as shown in Section 5.

The Commonwealth Certificate of Compliance requirements for 2009–10 have been successfully met by the Mint. A contributing factor to this result is the biannual compliance sign-off (i.e. period ending 31 December and 30 June) and continuous delivery of staff awareness sessions.

Procurement

The Mint is continuing to develop its internal policies and procedures for the procurement of goods and services, consistent with our Chief Executive's Instructions (CEIs) and the Commonwealth Procurement Guidelines. The CEIs on procurement reflect the principles and need for compliance with the Commonwealth policy for sourcing potential suppliers or entering into contracts. Details of procurement arrangements with a value of \$10,000 or more are published on AusTender (www.tenders.gov.au). These policies and practices focus on:

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

The Mint's purchasing activities are coordinated through the Contracts and Procurement team which advises on government procurement requirements. Its services include contract management advice, better practice guidance on all aspects of the procurement cycle, tender document preparation including evaluations, procurement and evaluation plans and the annual procurement plan.

During the 2009–10 financial year procurement has completed contracts for:

- precious metal coin blanks
- CNC wire cutter
- security guarding services.

A contract for cleaning services is expected to be completed in the 2010–11 financial year. It is anticipated that during the 2010–11 financial year tenders for the following are expected to be released:

- building support services
- printing and packaging
- industrial process machinery
- freight forwarders services.

The Contracts Management register will also be fully integrated with the new ERP system during the beginning of the 2010–11 financial year.



Exempt Contracts

The Mint has currently no contracts that are exempt from AusTender.

Australian National Audit Office Access

All Mint contracts are free of provisions limiting access by the Auditor-General.

Grant Programs

The Mint did not administer any discretionary or nondiscretionary grant programs for the 2009–10 financial year.

Consultancies

Consistent with the Commonwealth Procurement Guidelines 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
- 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 provide information or creative solutions to assist the Mint on managing their decision making. The most common reasons for engagement of consultancy services are:

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

The selection methods used for consultancies are categorised in column five of table 8.

During 2009–10, six new consultancy contracts valued at \$10,000 and over were entered into involving total expenditure of \$167,286. In addition, one ongoing consultancy contract valued at \$10,000 and over was active during the year involving total actual expenditure of \$158,400.

Information on expenditure on contracts and consultancies is also available on the AusTender website (www.tenders.gov.au).

Table 8 List of consultancies over \$10,000 in 2009–10

Consultant Name	Description	Contract Price	Selection Process ⁽¹⁾	Justification ⁽²⁾
Australian Health and Safety Services Pty Ltd	OHS advice	\$16,500	Direct Source	a & b
John Denyer	Production Systems Consultancy	\$75,000	Direct Source	a & b
Royal Dutch Mint / Koninkl	Advice on MDC Charter	\$18,256	Direct Source	a & b
SeGar Consulting Pty Ltd	Circulating Coin Agreement Benefit Review	\$22,000	Direct Source	a & b
Ernst & Young Pty Ltd	Review of Business Sustainability Plan	\$14,080	Direct Source	a & b
GHD Pty Ltd	Spot Cooling Solution for Circulating Coin Hall	\$21,450	Direct Source	b
WalterTurnbull	Internal Audit Services	\$158,400	Open Tender	c
Total consultancies over \$10,000		\$325,686		

(All prices are GST inclusive)

(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 website.

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.

Panel Arrangement: An arrangement under which a number of suppliers are usually selected through a single procurement process.

(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 and reports 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 stock take 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 2009–10, the Australian Valuation Office conducted a full 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 NCC. These assets have a total net value of \$75.6 million including \$0.025 million work in progress associated with upgrade of the IT system.

The NCC is under the control of the Mint and is classed as a restricted asset because it is not available to be sold or made available to a third party.

All assets are assessed for impairment at reporting date.



Fraud Control

The Mint continues to support, promote and comply with the requirements of the *Commonwealth Fraud Control Guidelines 2002* as regulated by the *Financial Management and Accountability Act 1997*.

As part of its ongoing commitment to fraud control and prevention the Mint regularly reviews newly implemented processes and structures and has updated its Fraud Control Plan accordingly. The Mint will undertake a comprehensive review of the Mint Fraud Control Plan during 2010–11.

In line with the Mint's commitment to raising fraud awareness, all Mint staff attended annual fraud, ethics and code of conduct training in August 2009. Awareness of fraud matters throughout the year has also been promoted through the use of emails, posters and bulletins. Feedback from Mint staff surveys indicates that awareness of fraud prevention is high but will need to be maintained through targeted awareness campaigns.

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 accordance with guidelines.

In 2009–10 there were no cases of fraud referred to the Australian Federal Police for investigation.

Security

The Mint Security team continues to address security risks that arise from changes to business practices. These changes include addressing ongoing security requirements for the MHWS. Security risk reviews have been conducted throughout the year on new or restructured business functions to address risk within the Mint Risk Management Framework.

The recently completed refurbishment project provided a significant upgrade to security systems at the Mint. A review of these systems was undertaken during the year to ensure that their delivery met with the original design intent of the Mint. As a result of the review some minor points highlighted have since been rectified.

The Mint continued to support good personnel security practices by conducting 123 security-checking actions on staff and contractors in 2009–10 in line with the requirements of the *Australian Government Protective Security Manual* (PSM).

The Mint participated in 'Ethics Awareness Week' in August 2009, supporting the launch of the Australian Government's Ethics Advisory Service. During the awareness week, several additional training sessions for staff were provided on topics of fraud, ethics, code of conduct and APS values. Security awareness at the Mint has also expanded to include tailored awareness programs for contract staff including security guarding and cleaning services. Additional security briefings on roles and responsibilities for new employees have also been developed through a comprehensive staff induction program.

The Mint continues to actively review its security procedures in consultation with the Mint Security Committee, Senior Managers and staff to ensure an appropriate level of security is maintained that supports the Mint's functions.



Facilities Management

The Royal Australian Mint has undergone a significant upgrade of its facilities during the refurbishment project, combining the operations of both the process and administrative buildings into one building. The final stages of the project, the delivery of the main staff amenities room and external civil and landscaping works, were delivered in the 2009–10 financial year. The Mint was officially reopened by the Governor-General of Australia Her Excellency Ms Quentin Bryce AC on 9 September 2009.

The project's architectural and engineering designers, GHD Pty Ltd, nominated the Mint Refurbishment Project for the Property Council of Australia Awards. While the project did not win a major award it was pleasing to see that it was being recognised through the nomination process.

A post occupancy review to confirm if the refurbishment project has fulfilled its objectives will be measured in the 2010–11 financial year once the project's Defect Liability Period (DLP) has expired and the National Australian Built Environment Rating System (NABERS) is operational. The review will include a building compliance audit and certification, an assessment of space utilisation efficiencies and an energy efficiency audit, as required by the Department of the Environment, Water, Heritage and the Arts.

Following the completion of the refurbishment project the Refurbishment Project team and the Facilities team have amalgamated. The combined team is focused on coordinating the project's DLP works and maintaining building services.

The Facilities Management Section has developed a life cycle maintenance framework to ensure all upgraded building services are maintained for at least 20 years. A detailed preventative maintenance plan is being developed which also meets the current requirement of the building lease. The Facilities Management Section has also been working closely with the Department of Finance and Deregulation (DoFD) in maintaining the fabric and structure of the building and its surrounding grounds.

The Facilities Management Section will maintain risk management and OHS standards by continuing to ensure Safe Work Method Statements, risk assessments and site inductions of external contractors performing work within the building are carried out to maintain a safe environment for all stakeholders.

The year ahead will see the Facilities Management Section have a major focus on efforts to improve environmental conditions within the Circulating Coin Hall and Toolroom.



Ecologically Sustainable Development

During the refurbishment project, improved environmental management practices were introduced and have been maintained since the project completion in 2009. The implementation of new operational procedures and processes focussing on specific strategies for energy supply, energy use and the delivery of goods and services have achieved cost savings and enhanced conservation strategies.

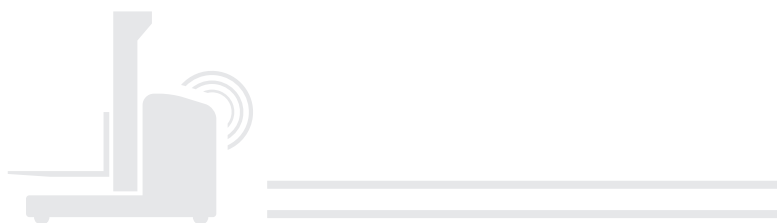
Environmental Management

In August 2009, towards the end of the refurbishment project, a pipe fault led to a trade waste leak which resulted in waste water treatment plant remediation works. Robson Environmental Pty Ltd conducted a soil contamination assessment in the immediate vicinity of the leak, which found those concentrations of heavy metals and other chemicals to be below the Environment Protection Agency (EPA) acceptable levels of a commercial or industrial site. The Mint and DoFD agreed that any level of contamination should be dealt with to ensure full compliance with EPA and OHS standards. Therefore the contaminated soil was removed as a future environmental precaution and the faulty pipe rectified. The relevant contractor accepted responsibility and carried out remediation work at their own cost.

Water consumption for the period was 9,983 kilolitres; an increase of 2.3 per cent over the previous period. However, it should be noted that this is largely the result of the reopening of operational areas after the completion of the refurbishment.

The Mint has continued to maintain its waste recycling program to include disposal procedures for classified, non-classified documents and packing materials. A waste management audit will occur in the 2010–11 financial year to reduce costs and improve waste output.

The Mint continues to encourage the shared subscription of publications and promotes the use of electronic communications as an alternative to paper and print.



Energy Management

The handover of the refurbished building was planned to coincide with the use of the newly installed Energy Monitoring System (EMS) through the upgraded Building Management System. However, due to calibration defects, the Mint is waiting on handover of the EMS with this expected to occur prior to the end of 2010.

The refurbishment project has improved energy efficiency. As an energy saving measure, the ductwork roof louvres are blanked off to prevent loss of conditioned air from the building and to prevent ingress of unconditioned air. Ductwork and fittings for heating and cooling are thermally insulated with insulation complying with AS/NZS 4859.1.

Energy efficient lighting components and systems are in place. The interior lighting system has been designed and installed to meet the energy consumption and operating conditions specified to achieve the NABERS rating. This includes lighting control systems to meet NABERS and Green Star requirements (4 star is applicable to only the office component).

Post-occupancy monitoring, building tuning and verification will be conducted for a period from the date of occupancy until the NABERS rating is achieved (period to be no less than 12 months) to ensure consistent operation of the building and optimise and improve energy consumption, building operation and occupant comfort.

Natural gas consumption was 7.4 million megajoules for the period and electricity consumption was 4.1 megawatts. This is an increase of approximately 44 per cent and 42 per cent respectively. The increase from the 2008–09 annual report is due to the completion of the refurbishment project and the production processes returning to normal operations.

The Mint has developed a life cycle preventative maintenance system to ensure all upgraded building services are maintained for at least 20 years. This will aid in the reduction of the consumption of energy; ensure the monitoring of all systems and the early identification of repair and maintenance issues. A new detailed preventative maintenance program will be developed in the coming year to ensure the safe and efficient operation of all building services.



The background of the page is a blue-tinted photograph of an industrial facility, likely a mint, showing complex machinery and structural elements. A dark blue horizontal band is positioned across the upper portion of the image, serving as a backdrop for the section title.

Section 4

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

RISK MANAGEMENT
INTERNAL AND EXTERNAL SCRUTINY
SIGNIFICANT DEVELOPMENTS IN EXTERNAL SCRUTINY
ETHICAL STANDARDS AND ACCOUNTABILITY
ORGANISATION OF THE MINT
ARRANGEMENTS FOR OUTSIDE PARTICIPATION
CATEGORIES OF DOCUMENTS HELD BY THE MINT
FREEDOM OF INFORMATION

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 team.

The Audit Committee is the other independent body that ensures accountability. As well as dealing with a range of other matters during the year the Committee reviews or endorses the Mint's risk and fraud control plans.

The Mint Senior Management Team 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 within which it operates to ensure alignment with corporate objectives including a stronger governance framework. A range of staff and contractor courses have been developed and held throughout the year to increase awareness and understanding of these requirements.

The Mint also participated in or attended a range of Australian Public Service Commission (APSC) or independent seminars or courses on governance related matters.

Risk Management

The Mint's Risk Management Framework continues to be used as a guiding principle 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 collector coins for Australia. These policies and procedures are consistent with our strategic directions and align with the Mint's CEIs.

The 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. The CEIs 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.
- Risk management and insurable risks are aligned through Comcover and Comcare.

The 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 five times during 2009–10. Its primary focus included reviewing the Mint's financial statements and a range of internal and external audit reports.

The 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 remaining Mint member positions were filled during the year by Mr Graham Smith, Acting CEO; Mr Michael Ellery, Manager, Facilities Management; and Mr John Preuss, Strategic Human Resources Manager.

The Mint utilised the services of independent internal auditors WalterTurnbull Pty Ltd to undertake the range of activities identified by the Mint in their internal audit plan. A range of specialist advice was also sought during the year on related topics.

The 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 finalised two audits during the 2009–10 program. A number of internal audit topics were held over until the 2010–11 financial year because of unforeseen impacts caused by the Mint's major projects delivery program including the refurbishment project and IBIS implementation. A number of project-related assurance reviews were however undertaken as part of these projects' governance frameworks.

The audits completed were:

- **coin blanks procurement process review** — The review provided assurance on the contracting procedures and protocols undertaken by the Mint associated with this high profile tender. The review confirmed that Mint procedures were compliant with Commonwealth standards and that a number of better practice principles were observed during the audit.
- **review of procurement/tendering and contract management practices** — The review has proven useful in that it has confirmed areas for improvement and refocused the Mint's efforts in improving management practices. The audit found that overall the Mint has established an appropriate framework for major procurement activities, with value for money being the focus.

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 'One Mint' and people values are very much aligned with the Australian Public Service values and are embedded in the Mint Certified Agreement and Performance Development Scheme. These values are also communicated and supported by members of the Mint Senior Management Team whenever an opportunity arises.

The Mint maintains ethical standards through a range of mechanisms including developing policies such as the Fraud Control Plan, 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. This year the Mint also actively participated in the Australian Public Service wide Ethics Awareness Week activities. Additionally, a security education and awareness program has been developed and continues to be enhanced, 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 is also reviewed with a view to improving the focus on 'One Mint', APS values and ethical standards.



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 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

Under subsection 8 (1) of the *Freedom of Information Act 1982*, the Mint must report on its activities. In 2009–10 the Mint did not receive any requests.

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 8.30 am and 5.00 pm on Monday to Friday (except on public holidays).



AGV efficiently going about its business transferring drums in the circulating coin production area.



The background of the page is a photograph of an industrial facility, likely a manufacturing plant. It features a large, complex structure with a prominent metal framework and a series of parallel metal beams. A large, curved metal pipe or duct is visible in the foreground, curving upwards and to the right. The entire scene is bathed in a strong blue light, creating a monochromatic effect. The blue light is most intense in the upper right and fades slightly towards the bottom left. The overall impression is one of a modern, industrial environment.



Section 5

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT
STATEMENT OF COMPREHENSIVE INCOME
BALANCE SHEET
CASH FLOW STATEMENT
STATEMENT OF CHANGES IN EQUITY
SCHEDULE OF ASSET ADDITIONS
SCHEDULE OF COMMITMENTS
SCHEDULE OF ADMINISTERED ITEMS
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer

Scope

I have audited the accompanying financial statements of the Royal Australian Mint for the year ended 30 June 2010, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Cash Flow Statement; Statement of Changes in Equity; Schedule of Asset Additions; Schedule of Commitments; 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. I have conducted my audit 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 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

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19 National Circuit BARTON ACT 2600
Phone (02) 6203 7300 Fax (02) 6203 7777

Independent Auditor's Report (*continued*)

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 2010 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Executive Director

Delegate of the Auditor-General

Canberra

7 September 2010

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2010 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the Financial Management and Accountability Act 1997, as amended.



Kosi MacDermid
Chief Executive Officer

6 September 2010



Marlene McClelland
Chief Financial Officer

6 September 2010

ROYAL AUSTRALIAN MINT
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
EXPENSES			
Employee benefits	3A	13,742	14,920
Supplier expenses	3B	73,905	64,165
Depreciation and amortisation	3C	3,579	1,919
Finance costs	3D	60	40
Write-down and impairment of assets	3E	875	2,095
Foreign exchange losses	3F	-	14
Losses from asset sales	3G	60	24
Royalties	3H	1,184	987
Total expenses		93,404	84,164
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	94,215	66,781
Interest	4B	580	522
Rental Income	4C	2	-
Total own-source revenue		94,797	67,303
Gains			
Foreign Exchange	4D	107	-
Other	4E	161	161
Total gains		268	161
Total own-source income		95,065	67,464
Net cost of services		1,661	(16,700)
Surplus before income tax on continuing operations		1,661	(16,700)
Income tax expense	5	505	(371)
Surplus after income tax on continuing operations		1,155	(16,329)
Surplus after income tax		1,155	(16,329)
Surplus attributable to the Australian Government		1,155	(16,329)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserves		5,939	3,615
Total other comprehensive income after income tax		5,939	3,615
Total comprehensive income		7,094	(12,714)
Total comprehensive income attributable to the Australian Government		7,094	(12,714)

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

ROYAL AUSTRALIAN MINT BALANCE SHEET

as at 30 June 2010

	Notes	2010 \$'000	2009 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	6A	16,948	38,137
Trade and other receivables	6B	15,182	13,023
Total financial assets		32,130	51,160
Non-Financial Assets			
Leasehold Improvements	7A	30,739	27,673
Property, plant and equipment	7B,C	41,762	36,121
Intangibles	7D,E	3,132	118
Inventories	7F	37,083	38,133
Deferred tax assets	7G	757	1,087
Other	7H	3,439	612
Total non-financial assets		116,912	103,744
Total Assets		149,042	154,904
LIABILITIES			
Payables			
Suppliers	8A	12,983	5,517
Deferred tax liabilities	8B	1,479	398
Tax liabilities	8C	700	247
Other payables	8D	4,935	20,949
Total payables		20,097	27,111
Interest Bearing Liabilities			
Leases	9	518	705
Total interest bearing liabilities		518	705
Provisions			
Employee provisions	10	4,127	4,563
Total provisions		4,127	4,563
Total Liabilities		24,742	32,379
Net Assets		124,299	122,525
EQUITY			
Parent Entity Interest			
Contributed equity		77,903	83,223
Reserves		44,507	38,568
Retained surplus		1,890	734
Total parent entity interest		124,299	122,525
Total Equity		124,299	122,525

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

ROYAL AUSTRALIAN MINT
CASH FLOW STATEMENT
for the period ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
OPERATING ACTIVITIES			
Cash received			
Face value – circulating coin		142,435	167,600
Goods and services		32,171	25,120
Seigniorage refund		15,000	-
Net GST received		11,064	-
Other cash received		2	1,408
Total cash received		200,672	194,128
Cash used			
Employees		13,832	13,811
Suppliers		96,308	68,364
Net competitive neutrality payments		-	175
Payments to Commonwealth – royalties		1,185	1,109
Payments to Commonwealth – seigniorage		109,856	85,898
Net GST paid		-	1,033
Finance Charges		60	40
Total cash used		221,241	170,430
Net cash from operating activities	12	(20,569)	23,698
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		10	60
Total cash received		10	60
Cash used			
Purchase of property, plant and equipment		8,120	30,378
Total cash used		8,120	30,378
Net used by investing activities		(8,110)	(30,318)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		7,490	26,608
Total cash received		7,490	26,608
Net cash used by financing activities		7,490	26,608
Net increase in cash held		(21,189)	19,988
Cash and cash equivalents at the beginning of the reporting period		38,137	18,149
Cash and cash equivalents at the end of the reporting period	6A	16,948	38,137

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

ROYAL AUSTRALIAN MINT
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2010

	Retained earnings		Asset revaluation reserve		Buffer Stock Reserves		Contributed equity/capital		Total equity	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance										
Balance carried forward from previous period	734	17,063	18,568	14,953	20,000	20,000	83,223	73,244	122,525	125,260
Adjusted opening balance	734	17,063	18,568	14,953	20,000	20,000	83,223	73,244	122,525	125,260
Comprehensive income										
Other comprehensive income – Changes in asset revaluation reserves	-	-	7,045	3,520	-	-	-	-	7,045	3,520
Tax effect on revaluation	-	-	(1,106)	95	-	-	-	-	(1,106)	95
Surplus for the period	1,155	(16,329)							1,155	(16,329)
Total comprehensive income	1,155	(16,329)	5,939	3,615	-	-	-	-	7,094	(12,714)
of which:										
Attributable to the Australian Government	1,155	(16,329)	5,939	3,615	-	-	-	-	7,094	(12,714)
Transactions with owners										
Distribution to owners										
Restructuring (Note 11A)	-	-	-	-	-	-	(5,495)	-	(5,495)	-
Contributions by owners										
Appropriation (equity injection)	-	-	-	-	-	-	175	9,979	175	9,979
Restructuring	-	-	-	-	-	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-	-	(5,320)	9,979	(5,320)	9,979
Transfers between equity components	-	-	-	-	-	-	-	-	-	-
Closing balance as at 30 June	1,890	734	24,507	18,568	20,000	20,000	77,903	83,223	124,299	122,525
Closing balance attributable to the Australian Government	1,890	734	24,507	18,568	20,000	20,000	77,903	83,223	124,299	122,525

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

ROYAL AUSTRALIAN MINT
SCHEDULE OF ASSET ADDITIONS
for the period ended 30 June 2010

The following non-financial non-current assets were added in 2009–10:

	Leasehold Improvements	Heritage & cultural	Other property, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
By purchase – appropriation equity	175	-	-	-	175
By purchase – special account	3,411	-	2,728	1,806	7,945
By finance lease	-	-	106	-	106
By transfer at no cost	-	107	-	-	107
Total additions	3,586	107	2,834	1,806	8,333

**Additions recognised in 2009–10
– to be funded in future years**

By finance lease – future years	-	-	(109)	-	(109)
Total additions funded in future years	-	-	(109)	-	(109)
Total asset additions	3,586	107	2,726	1,806	8,225

The following non-financial non-current assets were added in 2008–09:

	Leasehold Improvements	Heritage & cultural	Other property, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
By purchase – appropriation equity	9,979	-	-	-	9,979
By purchase – special account	10,680	-	8,746	43	19,469
By finance lease	-	-	930	-	930
By transfer at no cost	-	-	-	-	-
Total additions	20,659	-	9,676	43	30,378

**Additional recognised in
2008–09 – to be funded in future
years**

By finance lease – future years	-	-	(705)	-	(705)
Total additions funded in future years	-	-	(705)	-	(705)
Total asset additions	20,659	-	8,971	43	29,673

ROYAL AUSTRALIAN MINT SCHEDULE OF COMMITMENTS

as at 30 June

	2010 \$'000	2009 \$'000
BY TYPE		
Commitments receivable		
Operating lease	(4)	-
GST recoverable on commitments	(7,116)	(9,549)
Total commitments receivable	(7,119)	(9,549)
Capital commitments		
Infrastructure, plant and equipment ¹	-	2,433
Total capital commitments	-	2,433
Other commitments		
Operating leases ²	55,108	90,654
Other commitments ³	23,216	13,431
Total other commitments	78,324	104,085
Net commitments by type	71,205	96,969
BY MATURITY		
Commitments receivable		
One year or less	(2,293)	(2,537)
From one to five years	(843)	(2,561)
Over five years	(3,983)	(4,451)
Total capital commitments	(7,119)	(9,549)
Commitments payable		
Capital commitments		
One year or less	-	2,433
From one to five years	-	-
Over five years	-	-
Total capital commitments	-	2,433
Operating lease commitments		
One year or less	2,153	13,553
From one to five years	9,144	28,138
Over five years	43,811	48,963
Total operating lease commitments	55,108	90,654
Operating lease commitments		
One year or less	23,069	13,399
From one to five years	147	32
Over five years	-	-
Total operating lease commitments	23,216	13,431
Net commitments by maturity	71,205	96,969

NB: Commitments are GST inclusive where relevant.

ROYAL AUSTRALIAN MINT SCHEDULE OF COMMITMENTS

as at 30 June 2010

Footnote — relates to previous page

1. Plant and equipment commitments are contracts for purchases of information technology and production related equipment.
2. Operating leases included are effectively non-cancellable.
3. Other commitments comprise amounts payable under agreements in respect of which the recipient is yet to provide the goods or perform the services required.

Nature of lease/General description of leasing arrangement

Leases for office accommodation

The Mint is awaiting finalisation of the new lease with the Department of Finance and Deregulation.

The expected term of the new lease is 20 years, with lease payments 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 printers and 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. (2009: 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.)

ROYAL AUSTRALIAN MINT SCHEDULE OF ADMINISTERED ITEMS

	Notes	2010 \$'000	2009 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT			
<i>for the period ended 30 June 2010</i>			
Revenue			
Non-taxation revenue			
Other Revenue – Seigniorage	17	142,435	114,005
Total non-taxation revenue		142,435	114,005
Total revenues administered on behalf of Government		142,435	114,005
Total income administered on behalf of Government		142,435	114,005
Expenses administered on behalf of Government			
<i>for the period ended 30 June 2010</i>			
Other Expenses	17	53,234	-
Total expenses administered on behalf of Government		53,234	-

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

ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT			
<i>as at 30 June 2010</i>			
Financial assets			
Receivables – Seigniorage		-	19,664
Total financial assets		-	19,664
Non-financial assets			
Inventory		28,934	-
Total non-financial assets		28,934	-
Total assets administered on behalf of Government		28,934	19,664
Liabilities administered on behalf of Government			
<i>as at 30 June 2010</i>			
Payables			
Other Payables – Seigniorage		10,615	-
Total payables		10,615	-
Total liabilities administered on behalf of Government		10,615	-

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

ROYAL AUSTRALIAN MINT SCHEDULE OF ADMINISTERED ITEMS

	Notes	2010 \$'000	2009 \$'000
ADMINISTERED CASH FLOWS			
<i>for the period ended 30 June 2010</i>			
OPERATING ACTIVITIES			
Cash received			
Other – Seigniorage	17	(111,041)	(85,897)
Total cash received		(111,041)	(85,897)
Net Decrease in Cash Held		(111,041)	(85,897)
Cash and cash equivalents at the beginning of the reporting period			
		-	-
Cash from Official Public Account for:			
— Special accounts		15,000	-
		15,000	-
Cash to Official Public Account for:			
— Special accounts – Seigniorage	17	96,041	85,897
		96,041	85,897
Cash and cash equivalents at the end of the reporting period		-	-
This schedule should be read in conjunction with the accompanying notes.			

ADMINISTERED CONTINGENCIES

as at 30 June 2010

The Royal Australian Mint does not have any Administered Contingencies in the current or preceding reporting periods.

ASSET ADDITIONS

as at 30 June 2010

The Royal Australian Mint has no asset additions in either the current or the immediately preceding reporting periods.

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of Mint

The Royal Australian Mint (the Mint) is an Australian Government prescribed agency under the *Financial Management and Accountability Act 1997*. The objective of the Mint is to produce and distribute circulating coins, collector coins and minted like products to meet the demands of the Australian economy, collectors and foreign countries. The Mint's collector coin and minted non-coin business is a commercial activity within Government-set parameters.

The Mint is structured to meet one outcome:

- Outcome 1: The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products.

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.

The continued existence of the Mint in its present form and with its present program is dependent on Government policy and continuing appropriation by Parliament for the Mint's administration and program.

1.2 Basis of Preparation of the Financial Statements

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are general purpose financial statements.

The Financial Statements have been prepared in accordance with:

1. Finance Minister's Orders (or FMO) for reporting periods ending on or after 1 July 2009; and
2. Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Unless an alternative treatment is specifically required by an accounting standard or the FMO, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity 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 unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income 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

In the process of applying the accounting policies listed in this note, the Mint has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of the National Coin Collection and Infrastructure, Plant & Equipment has been taken to be the market value of similar properties as determined by an independent valuer. Due to the nature of these items, they may in fact realise more or less in the market.

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 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. Of the new standards, amendments to standards and interpretations issued prior to the signing of the statement by the Chief Executive and Chief Financial Officers that are applicable to the current period, none have had and are not expected to have a future financial impact on the Mint.

Future Australian Accounting Standard Requirements

Of the new standards, amendments to standards and interpretations issued prior to the signing of the statement by the Chief Executive and Chief Financial Officers that are applicable to future periods, none are expected to have a future financial impact on the Mint.

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).

Revenue from Government

Amounts appropriated for departmental outputs for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Mint 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.

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

Other Types of Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the Mint retains no managerial involvement or effective control over the goods;
- the revenue and transaction 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 impairment allowance account. Collectability of debts is reviewed as at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

ROYAL AUSTRALIAN MINT
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for the year ended 30 June 2010

Interest revenue is recognised by 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 associated selling and distribution expenses and 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 1.22).

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 2009–10 is \$96.04m (2008–09: \$114.0m).

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.

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

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).

Sale of Assets

Gains from disposal of 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 transferred to another Australian Government agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other Distributions to Owners

The FMO require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period 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.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

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.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, 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 FMO 43.2 using the shorthand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Mint recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Staff 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 Australian Government. 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 current 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.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.9 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 rewards incidental to ownership of leased 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 asset 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 principal 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.

1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

1.11 Cash

Cash and cash equivalents includes cash on hand, cash held with outsiders, demand deposits in bank accounts 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.

1.12 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 that are recognised 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;
- are a part of an identified portfolio of financial instruments that the Mint manages together and has a recent actual pattern of short-term profit-taking; or
- are derivatives that are 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.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in 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 and loss for the period.

Where a reliable fair value cannot 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 group 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'. 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 end of each reporting period.

- *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 statement of comprehensive income.
- *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 statement of comprehensive income.
- *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.

1.13 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 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).

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent 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 asset or liability 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 disclosed when settlement is greater than remote.

1.15 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

1.16 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 income 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.

1.17 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 \$5,000 (2008–09: \$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. This is particularly relevant to ‘makegood’ provisions in property leases taken up by the Mint where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Mint’s leasehold improvements with a corresponding provision for the ‘makegood’ recognised.

Revaluations

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

Asset Class	Fair value measured at
Leasehold Improvements	Depreciated Replacement Cost
Infrastructure, Plant and Equipment	Market Selling Price
Heritage and Cultural	Market Selling Price

Following initial recognition at cost, property plant and equipment are carried at fair value less subsequent 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 in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit 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 assets 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.

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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:

	2010	2009
Leasehold Improvements	Life of Lease	Life of Lease
Office Equipment	2–5 years	2–5 years
Factory Machinery	10–20 years	10–20 years
Heritage and Cultural	Indefinite Life	Indefinite Life

Due to the nature and the existence of a long term preservation policy which ensures that the service potential of the National Coin Collection is maintained for an indefinite period, the heritage and cultural assets are considered to have indefinite useful lives, and are not depreciated.

Impairment

All assets were assessed for impairment at 30 June 2010. 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 Mint were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.18 Intangibles

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Mint's software are 2 to 5 years (2008–09: 2 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2010.

1.19 Inventories

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

Inventories held for distribution are valued at cost, adjusted for 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; and
- finished goods and work-in-progress — cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

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

1.20 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
- for receivables and payables.

Competitive Neutrality

The Mint sells collector coins and minted non-coin products on a for-profit basis. Under Competitive Neutrality arrangements, the Mint is required to make Australian Income Tax and ACT Payroll 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 rate.

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.

1.21 Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

1.22 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities 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 the Official Public Account

Revenue collected by Mint for use by the Government rather than the Mint 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 and from the OPA are adjustments to the administered cash held by the Mint on behalf of the Government and reported as such in the statement of cash flows in the schedule of administered items and in the administered reconciliation table in Note 21.

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 revenue relates to Seigniorage (refer to Note 1.5).

Note 2: Events After the Reporting Period

No events occurred after the reporting period which have a material impact on the financial statements.

ROYAL AUSTRALIAN MINT
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for the year ended 30 June 2010

Note 3: Expenses

	2010 \$'000	2009 \$'000
Note 3A: Employee Benefits		
Wages and salaries	10,878	11,100
Superannuation:		
Defined contribution plans	914	1,357
Defined benefit plans	857	452
Leave and other entitlements	828	1,764
Separation and redundancies	12	-
Payroll tax (competitive neutrality)	253	247
Total employee benefits	13,742	14,920

Note 3B: Suppliers

Goods and services

Cost of Goods Sold	62,601	52,896
Administration & Management	3,354	3,034
Selling & Distribution	3,005	3,023
Facilities Service & Maintenance	2,823	4,077
Other	100	142
Total goods and services	71,883	63,172

Goods and services are made up of:

Provision of goods – related entities	85	100
Provision of goods – external parties	64,789	55,074
Rendering of services – related entities	1,662	2,565
Rendering of services – external parties	5,346	5,433
Total goods and services	71,883	63,172

Other supplier expenses

Operating lease rentals – related entities:		
Minimum lease payments	1,928	917
Workers compensation expenses	94	76
Total other supplier expenses	2,022	993
Total supplier expenses	73,905	64,165

Note 3C: Depreciation and Amortisation

Depreciation:

Property, plant and equipment	2,179	1,758
Leasehold Improvement	780	37
Total depreciation	2,959	1,795

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

	2010	2009
	\$'000	\$'000
Amortisation:		
Assets held under finance leases	93	58
Intangibles:		
Computer Software	527	66
Total amortisation	620	124
Total depreciation and amortisation	3,579	1,919

The Mint has equipment under finance lease arrangements worth \$1,035,670 (2009: \$929,636). Depreciation expense for the finance leases are included in the line "Property, plant and equipment" above.

	2010	2009
	\$'000	\$'000
Note 3D: Finance Costs		
Finance leases	60	40
Total finance costs	60	40

Note 3E: Write-Down and Impairment of Assets

Inventory	864	2,068
Asset write-downs and impairments from:		
Impairment on financial instruments	2	6
Impairment of infrastructure, plant and equipment	9	21
Impairment on intangible assets	-	-
Total write-down and impairment of assets	875	2,095

Note 3F: Foreign Exchange

Non-Speculative	-	14
Total foreign exchange gains	-	14

Note 3G: Losses from Asset sales

Infrastructure, plant and equipment:		
Proceeds from sale	(10)	(62)
Carrying value of assets sold	67	84
Selling expense	3	2
Total losses from assets sales	60	24

Note 3H: Royalties Paid

Royalties – Australian Government	1,077	934
Royalties – Other	107	53
Total	1,184	987

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 4: Income

	2010	2009
	\$'000	\$'000
REVENUE		
Note 4A: Sale of Goods and Rendering of Services		
Goods		
Australian Circulating Coin Sales	69,603	48,764
Australian Numismatic Coin Sales	24,127	16,609
Foreign Circulating Coin Sales	99	-
Other Sales Non Coin Product	386	1,408
	94,215	66,781
Provision of goods – related entities	69,714	48,764
Provision of goods – external parties	24,501	18,017
Total sale of goods and rendering of services	94,215	66,781
Note 4B: Interest		
Competitive Neutrality interest equivalent	580	522
Total interest	580	522
Note 4C: Rental Income		
Rental	2	-
Total interest	2	-
GAINS		
Note 4D: Foreign Exchange		
Non-Speculative	107	-
Total foreign exchange gains	107	-
Note 4E: Other Gains		
Resources received free of charge	161	161
Total other gains	161	161

ROYAL AUSTRALIAN MINT
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Note 5: Income Tax Expense (Competitive Neutrality)

Separate from its production and sale of circulating coins, the Mint produces and sells numismatic and other collectable 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/receivable by the Mint to/from 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.

	2010	2009
	\$'000	\$'000
Income tax expense		
Major components of income tax expense for the year ended 30 June		
Statement of Comprehensive Income		
<i>Current income tax</i>		
Current income tax charge	685	(484)
<i>Deferred income tax</i>		
Relating to origination and reversal of timing differences	(180)	114
Income tax expense reported in the Statement of Comprehensive Income	505	(371)
Statement of Changes in Equity		
Plant and Equipment – revaluation	1,106	(95)
Income tax expense reported in equity	1,106	(95)
<i>A reconciliation of income tax applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Mint's effective income tax rate for the year ended 30 June 2010 and 2009 is as follows:</i>		
Accounting profit before tax	1,681	(1,236)
At the statutory income tax rate of 30% (2009: 30%)	504	(371)
Add tax on expenditure not deductible for income tax purposes	1	-
Income tax expense reported in the Statement of Comprehensive Income	505	(371)

ROYAL AUSTRALIAN MINT
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for the year ended 30 June 2010

	Balance Sheet		Statement of Comprehensive Income	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Deferred income tax at 30 June relates to the following				
Deferred income tax at 30 June relates to the following:				
<i>Deferred income tax liabilities</i>				
Interest receivable	331	157	174	(15)
Plant and Equipment – revaluation	1,148	241	(199)	(164)
Gross deferred income tax liabilities – Note 8B	1,479	398		
<i>Deferred income tax assets</i>				
Provision for employee entitlements	582	509	(73)	211
Provision for payroll tax	150	74	(76)	75
Provision for doubtful debts	-	-	-	4
Plant and equipment (impairment)	18	18	-	-
Other – superannuation accrual	7	2	(6)	2
Income tax losses	-	484		
Gross deferred income tax assets – Note 7G	757	1,087		
Deferred income tax charge			(180)	113

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 6: Financial Assets

	2010 \$'000	2009 \$'000
Note 6A: Cash and Cash Equivalents		
Special Accounts	16,940	38,130
Cash on hand or on deposit	8	7
Total cash and cash equivalents	16,948	38,137

Note 6B: Trade and Other Receivables

Good and Services:

Goods and services – related entities	110	473
Goods and services – external parties	1,611	864
Total receivables for goods and services	1,721	1,337

Appropriations receivable:

For capital injections	3,175	10,490
Total appropriations receivable	3,175	10,490

Other receivables:

GST receivable from the Australian Taxation Office	-	674
Interest equivalent Neutrality	1,102	522
Seigniorage receivable from the OPA	9,184	-
Total other receivables	10,286	1,196
Total trade and other receivables (gross)	15,182	13,023

Less impairment allowance account:

Goods and services	-	-
Total impairment allowance account	-	-
Total trade and other receivables (net)	15,182	13,023

Receivables are expected to be recovered in:

No more than 12 months	15,182	13,023
More than 12 months	-	-
Total trade and other receivables (net)	15,182	13,023

Receivables are aged as follows:

Not overdue	13,951	12,429
Overdue by:		
0 to 30 days	212	175
31 to 60 days	196	180
61 to 90 days	384	84
More than 90 days	439	155
Total receivables (gross)	15,182	13,023

ROYAL AUSTRALIAN MINT
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	2010	2009
	\$'000	\$'000
The impairment allowance account is aged as follows:		
Overdue by:		
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	-
Total impairment allowance account	-	-

Reconciliation of the Impairment Allowance Account:

Movements in relation to 2010

	Goods and services \$'000	Total \$'000
Opening balance	-	-
Amounts recovered and reversed	-	-
Closing balance	-	-

Movements in relation to 2009

	Goods and services \$'000	Total \$'000
Opening balance	(12)	(12)
Amounts written off	12	12
Closing balance	-	-

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 7: Non-Financial Assets

	2010	2009
	\$'000	\$'000
Note 7A: Leasehold Improvements		
Leasehold improvements:		
Fair value	30,739	82
Accumulated depreciation	-	(82)
Work in progress	-	27,673
Total leasehold improvements	30,739	27,673
Total land and buildings	30,739	27,673

No indicators of impairment were found for land and buildings.

Note 7B: Infrastructure, Plant and Equipment

Heritage and cultural:		
National Coin Collection	22,461	16,101
Total heritage and cultural	22,461	16,101

The national coin collection includes coins initially donated at no cost to the Mint.

The collection was valued by an independent appraiser, the Australian Valuation Office at 30 June 2010. Revaluation increments were recognised directly in equity \$6.253 million (2008–09: \$3.52 million). The coin collection is under the control of the Mint, and it is classed as a restricted asset because it is not available to be sold or made available to a third party.

Infrastructure, plant and equipment:		
Fair value	19,450	13,447
Accumulated depreciation	(174)	(3,787)
Work in progress	25	10,360
Total other property, plant and equipment	19,301	20,020
Total property, plant and equipment	41,762	36,121

All Infrastructure, plant and equipment assets were subject to revaluation. The carrying amount is included in the valuation figures above. All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2010, an independent valuer conducted the revaluations. There was a revaluation increment of \$260,049 for leasehold improvements (2009: No increment/decrement) and a revaluation increment for plant and equipment of \$868,194 (2009: no increment/decrement).

No indicators of impairment were found for property, plant and equipment (2009: Nil).

No property, plant or equipment is expected to be sold or disposed of within the next 12 months.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 7C: Reconciliation of the Opening and Closing Balances of Property, Property, Plant and Equipment (2009–10)

	Leasehold Improvements \$'000	Leasehold Improvements – work in progress \$'000	Total Leasehold Improvements \$'000	Heritage and cultural \$'000	Other property, plant & equipment \$'000	Total \$'000
As at 1 July 2009						
Gross book value	82	27,673	27,755	16,101	23,807	67,663
Accumulated depreciation and impairment	(82)	-	(82)	-	(3,787)	(3,869)
Net book value 1 July 2009	-	27,673	27,673	16,101	20,020	63,794
Additions:						
By purchase	3,586	-	3,586	-	2,728	6,314
By finance lease	-	-	-	-	106	106
At cost	-	-	-	107	-	107
Revaluations and impairments recognised in other comprehensive income	260	-	260	6,253	563	7,077
Impairments recognised in the operating result	-	-	-	-	(9)	(9)
Transfer of Assets	27,673	(27,673)	-	-	(1,807)	(1,807)
Depreciation expense	(780)	-	(780)	-	(2,273)	(3,053)
Disposals:						
Other	-	-	-	-	(27)	(27)
Net book value 30 June 2010	30,739	-	30,739	22,461	19,301	72,502
Net book value as of 30 June 2010 represented by:						
Gross book value	30,739	-	30,739	22,461	19,476	72,676
Accumulated depreciation	-	-	-	-	(174)	(174)
	30,739	-	30,739	22,461	19,302	72,502

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 7C (continued): Reconciliation of the Opening and Closing Balances of Property, Property, Plant and Equipment (2008–09)

	Leasehold Improvements \$'000	Leasehold Improvements – work in progress \$'000	Total Leasehold Improvements \$'000	Heritage and cultural \$'000	Other property, plant & equipment \$'000	Total \$'000
As at 1 July 2008						
Gross book value	125	7,016	7,141	12,581	14,370	34,092
Accumulated depreciation and impairment	(88)	-	(88)	-	(2,107)	(2,195)
Net book value 1 July 2008	37	7,016	7,053	12,581	12,263	31,897
Additions:						
By purchase	-	20,659	20,659	-	8,746	29,405
By finance lease	-	-	-	-	930	930
Revaluations and impairments recognised in other comprehensive income	-	-	-	3,520	-	3,520
Impairments recognised in the operating result	-	(2)	(2)	-	(19)	(21)
Depreciation expense	(37)	-	(37)	-	(1,816)	(1,853)
Disposals:						
Other	-	-	-	-	(84)	(84)
Net book value 30 June 2009	-	27,673	27,673	16,101	20,020	63,794
Net book value as of 30 June 2009 represented by:						
Gross book value	82	27,673	27,755	16,101	23,807	67,663
Accumulated depreciation	(82)	-	(82)	-	(3,787)	(3,869)
	-	27,673	27,673	16,101	20,020	63,794

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

	2010 \$'000	2009 \$'000
Note 7D: Intangibles		
Computer software:		
Purchased	5,832	2,322
Accumulated amortisation	(2,700)	(2,204)
Total computer software (net)	3,132	118
Total intangibles	3,132	118

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

Note 7E: Reconciliation of the Opening and Closing Balances of Intangibles (2009–10)

	Computer software purchased \$'000	Total \$'000
As at 1 July 2009		
Gross book value	2,322	2,322
Accumulated amortisation and impairment	(2,204)	(2,204)
Net book value 1 July 2009	118	118
Additions:		
By purchase	1,806	1,806
Impairments recognised in Other Comprehensive Income	(32)	(32)
Transfer of Assets	1,807	1,807
Amortisation	(527)	(527)
Disposals:		
Other	(40)	(40)
Net book value 30 June 2010	3,132	3,132
Net book value as of 30 June 2010 represented by:		
Gross book value	5,832	5,832
Accumulated amortisation and impairment	(2,700)	(2,700)
	3,132	3,132

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 7E (continued): Reconciliation of the Opening and Closing Balances of Intangibles (2008–09)

	Computer software purchased \$'000	Total \$'000
As at 1 July 2008		
Gross book value	2,279	2,279
Accumulated amortisation and impairment	(2,138)	(2,138)
Net book value 1 July 2008	141	141
Additions:		
By purchase	43	43
Impairments recognised in the operating result	-	-
Amortisation	(66)	(66)
Disposals:		
Other	-	-
Net book value 30 June 2009	118	118

Net book value as of 30 June 2009 represented by:

Gross book value	2,322	2,322
Accumulated amortisation and impairment	(2,204)	(2,204)
	118	118
	2010 \$'000	2009 \$'000

Note 7F: Inventories

Inventories held for sale:

Raw materials

Australian Circulating Coin	18,662	18,237
Australian Numismatic Coin	5,731	4,971
Foreign Circulating Coin	72	-
Other	5,507	4,998
	29,972	28,206

Work in progress

Australian Circulating Coin	2,066	-
Australian Numismatic Coin	1,777	1,803
Foreign Circulating Coin	5	-
Other	-	110
	3,848	1,913

Finished goods

Australian Circulating Coin	-	5,496
Australian Numismatic Coin	1,910	2,260
Foreign Circulating Coin	43	-
Other	1,310	258
	3,263	8,014

Total inventories held for sale

Total inventories

37,083	38,133
37,083	38,133

During 2009–10, \$63,465,128 of inventory held for sale was recognised as an expense (2008–09: \$52,896,373).

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

All inventory is expected to be sold or distributed in the next 12 months.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2010	2009
	\$'000	\$'000
Note 7G: Deferred Tax Assets		
Deferred tax assets	757	1,087
Total deferred tax assets	757	1,087

Note 7H: Other Non-Financial Assets

Prepayments	3,439	612
Total other non-financial assets	3,439	612

Total other non-financial assets – are expected to be recovered in:

No more than 12 months	3,439	612
Total other non-financial assets	3,439	612

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

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 8: Payables

	2010 \$'000	2009 \$'000
Note 8A: Suppliers		
Trade creditors and accruals	12,983	5,516
Operating lease rentals	-	1
Total supplier payables	12,983	5,517

Supplier payables expected to be settled within 12 months:

Related entities	84	25
External parties	12,899	5,492
Total	12,983	5,517

Supplier payables expected to be settled in greater than 12 months:

Related entities	-	-
External parties	-	-
Total	-	-
Total supplier payables	12,983	5,517

Settlement is usually made within 30 days.

Note 8B: Deferred tax liabilities

Deferred tax liability	1,479	398
Total deferred tax liabilities	1,479	398

Note 8C: Tax Liabilities (Competitive Neutrality)

Competitive Neutrality: State Tax Equivalent Payroll tax	500	247
Competitive Neutrality: Commonwealth Tax Equivalent Income tax	200	-
Total supplier payables	700	247

Note 8D: Other Payables

Salaries and wages	246	185
Superannuation	33	-
Seigniorage payable to the OPA	-	19,911
Unearned income	1,199	537
GST payable to ATO	2,010	-
Other	1,447	316
Total other payables	4,935	20,949

Total other payables are expected to be settled in:

No more than 12 months	4,935	20,949
More than 12 months	-	-
Total other payables	4,935	20,949

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 9: Interest Bearing Liabilities

	2010	2009
	\$'000	\$'000
Finance lease	518	705
Total finance leases	518	705
Payable:		
Within one year:		
Minimum lease payments	396	353
Deduct: future finance charges	(35)	(58)
In one to five years:		
Minimum lease payments	164	441
Deduct: future finance charges	(7)	(31)
Finance leases recognised on the balance sheet	518	705

Finance leases exist for a TEER Coating machine and two forklifts. The lease for the TEER Coating Machine is non-cancellable with a fixed term of 33 months and a residual amount of \$88,201.65 excluding GST. The average interest rate implicit in the lease is 9.8%. The forklifts are non-cancellable with fixed terms of 36 months; no residual value and implicit interest rate of 8.91%. The leased assets secure the lease liabilities. The Mint guarantees the residual value of the assets leased. There are no contingent rentals.

Note 10: Provisions

	2010	2009
	\$'000	\$'000
Leave	4,127	4,563
Other	-	-
Total employee provisions	4,127	4,563
Employee provisions are expected to be settled in:		
No more than 12 months	3,622	4,095
More than 12 months	505	468
Total employee provisions	4,127	4,563

ROYAL AUSTRALIAN MINT
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Note 11: Restructuring

Note 11A: Departmental Restructuring

As a result of a restructuring of administrative arrangements, the Mint transferred responsibility for circulating coins finished goods to the Commonwealth on 1 July 2009.

No restructures were made in 2008–09.

In respect of the circulating coin finished goods function relinquished by the Mint, the following assets and liabilities were transferred to the Commonwealth for no consideration and recognised as Administered assets and liabilities at fair value on 1 July 2009:

	2010 \$'000
Royal Australian Mint – Departmental	
Assets relinquished	
Inventory – Circulating Coin Finished Goods	(5,495)
Total assets relinquished	<u>(5,495)</u>
Net assets relinquished	<u>(5,495)</u>

Note 11B: Administered Restructuring

As a result of a restructuring of administrative arrangements, the Commonwealth assumed responsibility for circulating coins finished goods functions on 1 July 2009.

No restructures were made in 2008–09.

In respect of the circulating coin finished goods function assumed by the Commonwealth, the following assets and liabilities were transferred from the Mint for no consideration and recognised at fair value on 1 July 2009:

	2010 \$'000
Royal Australian Mint – Administered	
Assets recognised	
Inventory – Circulating Coin Finished Goods	5,495
Total assets recognised	<u>5,495</u>
Net assets recognised	<u>5,495</u>

ROYAL AUSTRALIAN MINT
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for the year ended 30 June 2010

Note 12: Cash Flow Reconciliation

	2010 \$'000	2009 \$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash flow statement	16,948	38,137
Balance sheet	16,948	38,137
Difference	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	1,661	(16,700)
Less income tax expense	(505)	371
Adjustments for non-cash items		
Depreciation / amortisation	3,579	1,919
Net write down of non-financial assets	873	21
Bad and Doubtful Debts	2	6
Gain on disposal of assets	60	24
Changes in assets / liabilities		
Income tax expense recognised in equity	(1,106)	95
Coin collection revaluation recognised directly in equity	-	3,520
Assets recognised directly in lease liability	(106)	-
(Increase) / decrease in net receivables	(387)	(273)
(Increase) / decrease in interest equivalent receivable	(580)	51
(Increase) / decrease in Seigniorage receivable	(9,184)	8,115
(Increase) / decrease in GST receivable	2,684	(476)
(Increase) / decrease in inventories	(5,416)	6,244
(Increase) / decrease in prepayments	(2,827)	(2,600)
Increase / (decrease) in tax asset	330	(192)
Increase / (decrease) in employee provisions	(343)	1,059
Increase / (decrease) in supplier payables	7,466	2,621
Increase / (decrease) in accrued expenses	1,131	(451)
Increase / (decrease) in unearned revenue	662	503
Increase / (decrease) in seigniorage payable	(19,911)	19,911
Increase / (decrease) in deferred tax liabilities	1,081	(274)
Increase / (decrease) in lease liability	(186)	705
Increase / (decrease) in competitive neutrality payments payable	453	(501)
Net cash from operating activities	(20,569)	23,698

Note 13: Contingent Liabilities and Assets

Quantifiable Contingencies

The Mint has no contingent liabilities as at 30 June 2010 (2009: Nil).

The Mint also has no contingent assets as at 30 June 2010 (2009: Nil).

Unquantifiable Contingencies

The Mint has no unquantifiable contingent liabilities at 30 June 2010 (2009: one).

The Mint reported one unquantifiable contingent liability as at 30 June 2009 in relation to a claim for damages arising from delays in the completion of the building refurbishment project. This claim for damages was subsequently resolved during the financial year and the Mint's liability was extinguished in December 2009.

Significant Remote Contingencies

The Mint has no significant remote contingent liabilities at 30 June 2010 (2009: \$1.3m).

The Mint reported a remote contingent asset of \$1.3 million relating to a financial undertaking by a supplier to ensure due and proper performance of its contract with the Mint. This guarantee has been returned as the contract has been performed according to the requirements of the guarantee and therefore this contingency no longer exists.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 14: Senior Executive Remuneration

Note 14A: Actual Remuneration Paid to Senior Executives

	2010	2009
Executive Remuneration		
The number of senior executives who received:		
less than \$145,000*	-	-
\$235,000 to \$249,999	1	1
\$250,000 to \$264,999	-	-
\$265,000 to \$279,999	-	1
Total	1	2

* SES are excluded if they were acting or had part-year service only.

Total expense recognised in relation to Senior Executive employment

	\$	\$
Short-term employee benefits:		
Salary (including annual leave taken)	174,399	387,737
Changes in annual leave provisions	22,930	59,238
Total Short-term employee benefits	197,329	446,975
Superannuation (post-employment benefits)	39,462	90,919
Total	236,791	537,894

During the year the RAM did not pay any termination benefits to senior executives (2009: Nil).

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 14B: Salary Packages for Senior Executives as at 30 June

Average annualised remuneration packages for substantive Senior Executives

	As at 30 June 2010			As at 30 June 2009		
	No. SES	Base salary (including annual leave)	Total remuneration package ¹	No. SES	Base salary (including annual leave)	Total remuneration package ¹
Total remuneration*:						
\$220,000 to \$234,999	1	195,960	233,567	-	-	-
\$235,000 to \$249,999	-	-	-	2	200,633	235,944
\$250,000 to \$264,999	1	223,864	254,202	-	-	-
Total	2			2		

* Excluding acting arrangements and part-year service.

Notes

1. Non-Salary elements available to Senior Executives include:
 - (a) Agreed base salary (including annual leave)
 - (b) Superannuation

Major differences between Note 14A and 14B

Note 14A discloses senior executive remuneration based upon:

- (a) Actual salary paid during the year
- (b) Movement in annual leave and long service leave provisions (including revaluations of provisions)
- (c) Superannuation (post-employment benefits).

These amounts may differ to the remuneration package disclosed in Note 14B depending upon: the amount of leave taken during the year; part-year service; periods of leave without pay; acting arrangements; changes to base salary, salary for superannuation purposes and allowances during the year; and revaluations of employee provisions.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 15: Remuneration of Auditors

2010	2009
\$'000	\$'000

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

The fair value of the services provided was:

Audit Services – Australian National Audit Office	161	161
	161	161

No other services were provided by the auditors of the financial statements.

Note 16: Financial Instruments

2010	2009
\$'000	\$'000

Note 16A: Categories of Financial Instruments

Financial Assets

Loans and receivables:

Cash and cash equivalents	16,940	8,137
Trade receivables	1,721	1,337

Total	18,661	9,474
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Carrying amount of financial assets	18,661	9,474
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Financial Liabilities

At amortised cost:

Trade creditors	12,983	5,517
Unearned Income	1,199	537
Finance leases	518	705

Total	14,700	6,758
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Carrying amount of financial liabilities	14,700	6,758
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Note 16B: Net Income and Expense from Financial Assets

Loans and receivables

Impairment	2	6
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Net gain loans and receivables	2	6
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Net gain from financial assets	2	6
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Note 16C: Net Income and Expense from Financial Liabilities

Financial liabilities – at amortised cost

Foreign Exchange Gain/(Loss)	107	(14)
Amortisation	(93)	(58)
Interest expense	(60)	(40)

Net gain/(loss) financial liabilities – at amortised cost	(153)	(98)
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Net gain/(loss) from financial liabilities	(153)	(98)
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The total interest expense from financial liabilities not at fair value through profit or loss is \$60,004 (2009: \$39,607).

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 16D: 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. All financial instruments held by the Mint are classified as level 1 assets or liabilities being valued at quoted prices in an active market. There have been no movements in the financial instruments hierarchy between years.

Note 16E: Financial Instruments Reclassified

The Mint had no financial instruments reclassified in either 2010 or 2009.

Note 16F: 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 (2010: \$1,720,000 and 2009: \$1,337,000). The Mint has assessed the risk of default on payment at 30 June as nil and made no allocation to an allowance for impairment of debts account in 2010 (2009: Nil).

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 nor impaired 2010 \$'000	Not past due nor impaired 2009 \$'000	Past due or impaired 2010 \$'000	Past due or impaired 2009 \$'000
Loans and receivables				
Cash and cash equivalents	16,940	8,137	-	-
Trade receivables	490	743	1,231	594
Total	17,430	8,880	1,231	594

Ageing of financial assets that were past due but not impaired for 2010

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables					
Trade receivables	212	196	384	439	1,231
Total	212	196	384	439	1,231

Ageing of financial assets that were past due but not impaired for 2009

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables					
Trade receivables	175	180	84	155	594
Total	175	180	84	155	594

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 16G: Liquidity Risk

The Mint's liabilities are Suppliers payables, Finance Lease instalments payable, Seigniorage payable to government and competitive neutrality payments to Government. The exposure to liquidity risk is based on the notion that the Mint will encounter difficulty in meeting its obligations associated with financial liabilities.

This 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, which provide for the Mint to retain its cost of production from the face value of coins at the time of production and quarterly payment of Seigniorage payable. In addition, the Mint has policies in place to ensure timely payments are made when due. Accordingly, the Mint's exposure to liquidity is assessed as \$Nil (2009: \$Nil).

Maturities for non-derivative financial liabilities 2010

	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	Total \$'000
Other Liabilities				
Trade creditors	12,983	-	-	12,983
Unearned Income	1,199	-	-	1,199
Finance leases	361	126	32	518
Total	14,543	126	32	14,700

Maturities for non-derivative financial liabilities 2009

	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	Total \$'000
Other Liabilities				
Trade creditors	5,517	-	-	5,517
Unearned Income	537	-	-	537
Finance leases	295	324	86	705
Total	6,349	324	86	6,759

The Mint has no derivative financial liabilities in both the current and prior year.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 16H: Market Risk

Sensitivity analysis of the risk that the Mint is exposed to for 2010

The Mint's raw material inventory and cost of goods sold can be affected by movements in metal prices, which in turn are determined by fluctuations in both metal markets and the Australian dollar. However, the Mint actively manages this exposure to ensure that the risk are reduced to non-material levels by:

- denominating all contracts for the supply of precious metals in Australian Dollars, thereby limiting the Mint's exposure to fluctuations in precious metal prices purely to the less volatile metal component of the precious metal price;
- consciously scheduling the purchase of precious metals to avoid known global seasonal peak precious metal periods, 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 set at the time of order.

Interest Rate Risk

The only interest-bearing items on the balance sheet are the 'Finance leases'. All items bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.

Note 16I: Assets Pledged/or Held as Collateral

The Mint has no assets pledged/held as collateral.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 17: Administered Reconciliation Table

	Note	2010 \$'000	2009 \$'000
Opening administered assets less administered liabilities as at 1 July		19,664	(8,444)
Adjusted opening administered assets less administered liabilities			
Plus: Administered income		142,435	114,005
Less: Administered expenses (non CAC)		(53,234)	-
Administered transfers to/from Australian Government:			
Transfers to OPA		(111,041)	(85,897)
Refunds of overpayment of Seigniorage		15,000	-
Restructuring	11	5,496	-
Administered revaluations taken to reserves		-	-
Closing administered assets less administered liabilities as at 30 June		18,320	19,664

Note 18: Notes to the Schedule of Administered Items

The Mint has no Administered commitments, contingent liabilities or contingent assets as at reporting date (2009: Nil).

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 19: Appropriations

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

	Non- operating						Admin assets and liabilities			
	Equity			Loans			Previous years' outputs			
	2010	2009	2010	2010	2009	2010	2010	2009	2010	2009
Particulars	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period (Appropriation Acts)	10,490	27,119	-	-	-	-	-	-	10,490	27,119
Appropriation Act:										
Appropriation Act (No. 2, 4&6) 2009–2010 as passed	175	9,979	-	-	-	-	-	-	175	9,979
Appropriations reduced (Appropriation Act sections 12, 13&14)	-	-	-	-	-	-	-	-	-	-
FMA Act:										
Repayments to the Commonwealth (FMA Act section 30)	-	-	-	-	-	-	-	-	-	-
Total appropriations available for payments	10,665	37,098	-	-	-	-	-	-	10,665	37,098
Cash payments made during the year (GST inclusive)	-	-	-	-	-	-	-	-	-	-
Appropriation credited to special accounts (GST exclusive)	(7,490)	(26,608)	-	-	-	-	-	-	(7,490)	(26,608)
Balance of authority to draw cash from the consolidated revenue fund for other than ordinary annual services appropriations and as represented by:										
	3,175	10,490	-	-	-	-	-	-	3,175	10,490
Departmental appropriation receivable	3,175	10,490	-	-	-	-	-	-	3,175	10,490
Undrawn, unexpired administered appropriations	-	-	-	-	-	-	-	-	-	-
Total as at 30 June	3,175	10,490	-	-	-	-	-	-	3,175	10,490

1. The amounts in this line item are calculated on an accrual basis to the extent that an expense may have been incurred that includes GST but has not been paid by year end.

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 20: Special Accounts

	2010	2009
	\$'000	\$'000

Minting and Coinage Special Account (Departmental)

Establishing Instrument: *Financial Management and Accountability Act 1997; s20*

Appropriation: *Financial Management and Accountability Act 1997; s20*

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 brought forward from previous period	38,811	18,588
Appropriation for reporting period	7,490	26,608
Seigniorage refund	15,000	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	19,065	7,620
Other Receipts		
Goods to related entities	142,435	167,600
Goods to external entities	30,210	27,891
Total credits to account	253,010	248,307
Payments to the Australian Government for Seigniorage and Royalties	(111,777)	(87,682)
GST paid to the ATO	(7,282)	(8,281)
Payment made for competitive neutrality	-	(175)
Payments made to employees	(13,832)	(13,811)
Payments made to suppliers	(105,181)	(99,547)
Total decrease	(238,072)	(209,496)
Balance carried to next period (excluding investment balances) and represented by:	14,938	38,811
Cash – held in the Official Public Account	11,000	30,000
Cash – held by the Royal Australian Mint	5,948	8,137
Receivables – GST receivable (payable) from the ATO	(2,010)	674
Total balance carried to the next period	14,938	38,811

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 21: Compensation and Debt Relief

	2010 \$	2009 \$
Departmental		
No 'Act of Grace' expenses were incurred during the reporting period (2009: No expenses).	-	-
No above expenses were paid on a periodic basis (2009: No above expenses were paid on a periodic basis).	-	-
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> (2009: No waiver made).	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2009: No payments made).	-	-
No ex-gratia payments were provided for during the reporting period (2009: No payments made).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999</i> (PS Act) during the reporting period. (2009: No payments made).	-	-
Administered		
No 'Act of Grace' expenses were incurred during the reporting period (2009: No expenses).	-	-
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> . (2009: No waivers).	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2009: No payments made)	-	-
No ex-gratia payments were provided for during the reporting period. (2008: No payments).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999</i> (PS Act) during the reporting period. (2009: No payments made)	-	-

ROYAL AUSTRALIAN MINT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Note 22: Reporting of Outcomes

Note 22A: Net Cost of Outcome Delivery

The Mint has a single Outcome and Output which are described in Note 1.1.

	Outcome 1		Total	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Expenses				
Administered	53,234	-	53,234	-
Departmental	93,404	84,164	93,404	84,164
Total	146,638	84,164	146,638	84,164
Income from non-government sector				
Administered				
Activities subject to cost recovery	-	-	-	-
Total administered	-	-	-	-
Departmental				
Activities subject to cost recovery	24,609	18,017	24,609	18,017
Competitive Neutrality Interest	580	522	580	522
Goods and services income from related entities	69,875	48,925	69,875	48,925
Total departmental	95,064	67,465	95,064	67,465
Total	95,064	67,465	95,064	67,465
Other own-source income				
Administered	142,435	114,005	142,435	114,005
Departmental	-	-	-	-
Total	142,435	114,005	142,435	114,005
Net cost of outcome delivery	(90,861)	(97,306)	(90,861)	(97,306)

*This table includes income from activities subject to competitive neutrality. The following competitive neutrality payments were made in relation to those activities:

	2010	2009
	\$'000	\$'000
Competitive Neutrality Expenses		
Commonwealth tax equivalent*	505	(371)
Total competitive neutrality expenses	505	(371)

* The amount of Commonwealth tax equivalent payable on the taxable profit for the period is \$200,416 as at 30 June 2010. This differs to the Commonwealth tax equivalent amount disclosed above due to timing differences recognised in accordance with AASB 112 *Income Taxes*.

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Section 6

APPENDICES

APPENDICES

APPENDIX A

— COIN PURCHASES FROM MINT 2009–10

APPENDIX B

— CIRCULATING COIN PRODUCTION 2009–10

APPENDIX C

— OTHER PRODUCTS 2009–10

APPENDIX D

— NUMISMATIC RELEASE SUMMARY 2009–10

APPENDIX A – COIN PURCHASES FROM MINT 2009–10

Year	\$2 \$'000	\$1 \$'000	50c \$'000	20c \$'000	10c \$'000	5c \$'000	2c \$'000	1c \$'000	Total \$'000
1965–75	0	0	55,372	61,795	30,476	23,740	18,662	11,716	201,761
1975–85	0	268,019	154,890	96,944	42,132	36,489	21,462	12,626	632,562
1985–95	477,096	120,585	19,683	5,479	30,163	39,467	8,660	6,828	707,961
1995–05	412,000	233,894	114,091	82,610	55,400	63,710	-	-	961,705
2005–06	73,400	30,800	23,880	18,400	12,160	10,880	-	-	169,520
2006–07	65,800	28,898	15,840	12,680	9,600	6,920	-	-	139,738
2007–08	85,200	40,900	15,040	13,820	7,940	4,940	-	-	167,840
2008–09	91,000	31,150	15,520	16,200	7,505	6,225	-	-	167,600
2009–10	72,400	27,150	14,240	15,015	7,820	5,810	-	-	142,435
Total	1,276,896	781,396	428,556	322,943	203,196	198,181	48,784	31,170	3,291,122

APPENDIX B – CIRCULATING COIN PRODUCTION 2009–10

Country	Denomination	Design	Date of Coin	Alloy	Pieces (million)
Australia	5c	Standard	2008	Cupro Nickel	120.022
	5c	Standard	2009	Cupro Nickel	52.478
	10c	Standard	2008	Cupro Nickel	53.165
	10c	Standard	2009	Cupro Nickel	25.235
	10c	Standard	2010	Cupro Nickel	20.000
	20c	Standard	2008	Cupro Nickel	26.650
	20c	Standard	2009	Cupro Nickel	49.563
	20c	Standard	2010	Cupro Nickel	27.775
	20c	ATO	2010	Cupro Nickel	8.904
	50c	Standard	2008	Cupro Nickel	10.403
	50c	Standard	2009	Cupro Nickel	19.031
	50c	Standard	2010	Cupro Nickel	12.464
	50c	Australia Day	2010	Cupro Nickel	11.452
	\$1	Standard	2009	Aluminium Bronze	16.578
	\$1	Aged Pension	2009	Aluminium Bronze	10.158
	\$1	Standard	2010	Aluminium Bronze	3.900
	\$1	Girl Guiding	2010	Aluminium Bronze	8.325
	\$2	Standard	2009	Aluminium Bronze	58.601
Total					534.704
Cook Islands	\$1		2010		0.300
	\$2		2010		0.113
Total					0.413

APPENDIX C – OTHER PRODUCTS 2009–10

	Customer	Pieces
Jewellery	Corporate	0
	Royal Australian Mint	447
Lapel badges	Corporate	286
	Royal Australian Mint	0
Medallions	Corporate	6,778
	Royal Australian Mint	1,341
Tokens	Corporate	6,058
	Royal Australian Mint	19,412
Montages	Corporate	0
	Royal Australian Mint	225
Total		34,547

APPENDIX D – NUMISMATIC RELEASE SUMMARY 2009–10

Country	Type	Date	Item Code	Qty Produced	Mintage
Australia	\$25 gold kangaroo outback 3 coin set	2010	510003	494	500
	\$5 proof silver VIC state series	2006	800009	100	12,500
	\$5 proof silver NSW state series	2006	800030	50	12,500
	\$5 proof silver TAS state series	2006	801005	80	12,500
	\$5 proof silver QLD state series	2009	801375	300	12,500
	\$5 proof silver meteorite	2009	801373	5,100	10,000
	\$1 Australian Artist series 3 coin set	2009	801376	3,001	10,000
	\$5 proof gold platypus Little Dinkum series	2009	801882	382	10,000
	\$5 proof gold frilled neck lizard Little Dinkum series	2009	801892	271	10,000
	\$1 franc silver kangaroo in card	2009	801921	300	20,000
	6 coin set masterpieces in silver Aviation	2008	801944	320	3,000
	2 coin set masterpieces in silver Aviation	2008	801953	400	7,000
	2 coin set masterpieces in silver Aviation	2009	801975	1,490	7,000
	2 coin set masterpieces in silver Aviation in shipper	2009	801976	2,500	3,000
	\$1 franc silver in capsule	2010	801986	5,293	10,000
	\$1 proof silver kangaroo	2010	801991	5,999	20,000
	\$10 proof gold kangaroo	2010	801993	1,500	1,500
	\$5 proof silver NT state series	2008	802088	50	12,500
	\$5 proof gold cockatoo Little Dinkums series	2010	802150	1,302	10,000
	\$5 proof gold Tas devil	2010	802152	1,300	10,000
	6 coin set proof silver	2009	802155	240	6,000
	\$25 proof gold kangaroo at sunset	2010	802176	1,000	1,000
	\$5 proof silver International Polar Year Aurora Australis	2009	802180	2,704	12,500
	6 coin set proof silver	2010	802281	1,600	6,000
	\$10 proof gold year of the ox	2009	802338	200	2,500
	50 cent proof gold Australia Day	2010	802356	6,200	10,000
	\$10 proof gold year of the tiger	2010	802374	1,760	2,500
	\$5 proof Australia Post bicentenary	2009	802514	7,502	7,200

APPENDIX D – NUMISMATIC RELEASE SUMMARY 2009–10

Country	Type	Date	Item Code	Qty Produced	Mintage
Australia ... continued	\$1 proof silver australian coinage centenary	2010	802640	8,026	12,500
	\$1 rolled aged pension	2009	802906	7,950	10,000
	50 cent rolled Australia Day	2010	802909	10,020	10,000
	\$1 rolled girl guiding centenary	2010	802956	7,499	10,000
	6 coin set proof gold	2010	803400	450	500
	\$1 proof silver p privymark ANDA	2010	803472	2,000	2000
	\$1 proof silver b privymark ANDA	2010	803474	2,000	2000
	\$1 proof silver m privy mark ANDA	2010	803476	2,000	2000
	\$1 proof silver s privy mark ANDA	2010	803478	2,000	2000
	6 coin set proof	2010	803380	17,813	no more than 50,000
	2 coin set proof Burke and Wills	2010	803383	9,576	no more than 50,000
	6 coin set uncirculated	2010	802970	41,909	no more than 100,000
	2 coin set uncirculated Burke and Wills	2010	802972	40,000	no more than 40,000
	\$1 proof silver subscription	2009	801974	5,894	made to order
	20 cent uncirculated Australian Service Nurses	2009	801381	5,445	unlimited
	\$1 uncirculated Mint reopening counterstamp	2009	801475	6,500	unlimited
	50 cent uncirculated scouts centenary	2008	801870	3,000	unlimited
	\$1 uncirculated s privy mark	2009	801935	2,200	unlimited
	\$1 uncirculated m privy mark	2009	801937	3,090	unlimited
	\$1 uncirculated b privy mark	2009	801939	5,164	unlimited
	\$1 uncirculated c mintmark	2009	801943	11,500	unlimited
	\$1 uncirculated Steve Irwin	2009	801947	15,056	unlimited
	50 cent moon landing	2009	801981	43,149	unlimited
	\$1 frunc silver kangaroo in card	2010	801987	8,050	unlimited
	\$1 frunc corporate pack koala and wallaby	2008	801995	2,142	unlimited
	6 coin set uncirculated wedding	2009	802310	525	unlimited
	\$1 uncirculated c mint reopening	2009	802319	23,758	unlimited

APPENDIX D – NUMISMATIC RELEASE SUMMARY 2009–10

Country	Type	Date	Item Code	Qty Produced	Mintage
Australia ... continued	\$1 uncirculated year of the ox	2009	802334	200	unlimited
	6 coin set uncirculated baby	2009	802369	4,868	unlimited
	6 coin set uncirculated astronomy	2009	802370	2,034	unlimited
	6 coin set proof wedding	2010	802390	2,393	unlimited
	\$1 uncirculated year of the tiger	2010	802374	21,643	unlimited
	\$1 frunc koala land series	2008	802452	1,400	unlimited
	\$1 frunc wombat land series	2008	802454	1,700	unlimited
	\$1 frunc echidna land series	2008	802456	1,300	unlimited
	\$1 frunc rock wallaby land series	2008	802458	300	unlimited
	\$1 frunc bilby land series	2009	802460	500	unlimited
	\$1 frunc frilled neck lizard	2009	802465	2,690	unlimited
	6 coin set uncirculated baby	2010	802971	24,119	unlimited
	6 coin set proof astronomy	2009	803300	3,255	unlimited
	6 coin set proof baby	2009	803309	2,340	unlimited
	6 coin set proof baby	2010	803381	8,702	unlimited
	\$1 uncirculated Fred Hollows	2010	803416	19,920	unlimited
	20 cent uncirculated Fromelles	2010	803451	31,050	unlimited
	4 coin set uncirculated	2010	803457	27,300	unlimited
	\$1 uncirculated 'C' blister clamshell	2010	803425	25,100	unlimited
	20 cent ATO in blister	2010	803479	15,000	unlimited
Australia (Corporate)	\$1 brilliant uncirculated silver F12 in capsule	2009	801962	1,025	7,000
	\$1 proof silver F12 in capsule	2009	801963	510	4,000
	\$1 proof silver tiger in capsule	2010	802174	10,650	30,000
	\$10 proof gold tiger in capsule	2010	802185	4,950	10,000
	\$25 proof gold tiger	2010	802399	1,000	3,800
	\$1 girl guiding in blister	2010	803480	23,000	unlimited
	20 cent uncirculated Fromelles blister clamshell	2010	803482	26,150	unlimited

APPENDIX D – NUMISMATIC RELEASE SUMMARY 2009–10

Country	Type	Date	Item Code	Qty Produced	Mintage
Australia (Corporate) ... continued	\$1 brilliant uncirculated F15 silver kangaroo at sunset	2010	803495	2,500	7,000
	\$1 brilliant uncirculated F15 silver in capsule	2010	803497	1,500	1,500
	\$1 proof silver kangaroo at sunset	2010	803499	3,500	5,000
Fiji	\$1 proof silver dragon design 1 in capsule	2009	802986	105	9,999
	\$1 proof silver dragon design 2 in capsule	2009	802988	1,029	9,999
	\$1 proof silver dragon design 3 in capsule	2009	802990	1,031	9,999
	\$1 proof silver dragon design 4 in capsule	2009	802992	1,039	9,999
	\$1 proof silver dragon design 5 in capsule	2009	802994	1,049	9,999
	\$1 proof silver dragon design 6 in capsule	2009	802996	1,021	9,999
	\$1 proof silver dragon design 7 in capsule	2009	802998	1,096	9,999
	\$1 proof silver dragon design 8 in capsule	2009	803001	1,325	9,999
	\$1 proof silver dragon design 9 in capsule	2009	803004	1,014	9,999
	\$2 proof tiger	2010	802589	4,200	5,000
	50 cent brilliant uncirculated tiger	2010	802593	6,414	6,000
	\$20 proof tiger design 1	2010	802595	1,200	1,500
	\$20 proof tiger design 2	2010	802597	1,200	1,500
	\$100 proof tiger	2010	802599	494	500
Cook Island	\$5 proof CI jade cabbage	2005	802051	230	5,000
NZ	6 coin set proof	2009	802422	1,484	1,500



Section 7

INDICES

INDICES

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Glossary

ArtCAM software

A computer program used to produce three dimensional (3D) models of coin designs.

buffer stock

Coins made and stored for managing fluctuating demand.

business continuity plan

A logistical plan for how an organisation will recover or restore partially or completely interrupted critical functions within a predetermined time after a disaster or extended disruption.

CAD/CAM software

Computer Aided Design/Computer Aided Manufacture software for automating the manufacture of tool making machinery.

chris²¹

An integrated human resource and payroll application for managing payroll, award interpretation, training, OHS, professional development, recruitment, reporting and workflow.

circulating coins

Coins that are in public circulation.

CNC machines

Computer Numerical Control machines driven by CAD/CAM software to produce tooling for coin presses.

CODA financials

A suite of financial management software used by the Mint.

coinage

Refers to coins collectively.

coin blank

A piece of metal which has been cut to the required shape but yet to be struck into a coin.

coin dealer

Collects and sells coins.

coin die

A hardened metal tool, the face of which carries an engraved design or mirror image of the design that is to be impressed on one side of the blank.

coining collar

A retaining ring which holds the coin blank in place while the coining press is in operation. The collar forms the required edge of the coin, i.e. plain, milled, serrated, interrupted or scalloped.

collector coin program

Schedule of coin releases for the year.

Control 2007

Web-based Enterprise Resource Planning (ERP) software that simplifies manufacturing, financial and regulatory processes for complex manufacturers by streamlining and integrating all key business function. This software allows the understanding and alignment of all business processes and then provides capability to use them operationally through process management.

deduplication

A method of reducing storage needs by eliminating redundant data from a server.

denomination

The stated face value on a coin or banknote.

direct sourcing

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

employee self service (ESS)

A generic term used to mean any web-based system which allows employees to view and update their own personnel records and view their leave and pay details.

enterprise resource planning (ERP) system

Manages and coordinates all of the resources, information and functions of a business from a shared data source.

enterprise compliance and quality management system (ECQMS)

A fully integrated suite of solutions that resolve issues quickly and prevent recurrence, ensuring compliance with industry and regulatory requirements.

FedLink

Government security system set up to enable secure electronic mail at the in-confidence level within other Government departments.

frosted uncirculated coin

Coins, particularly proof, may be issued with certain parts of the design slightly dulled. This is accomplished by sandblasting a portion of the design on the die.

human resource management information system (HRMIS)

A computerised solution for the management of human resources and payroll data and accounting functions within payroll. The Mint's HRMIS is called chris²¹.

information technology infrastructure library (ITIL) framework

A set of best practice guidelines for IT Service management.

integrated business information system (IBIS)

Numerous software products that link and operate using a single integrated system.

Integrated management manual (IMM)

Sets out the principles and procedures by which the Mint conducts its strategic and day-to-day business activities.

intercept technology

Corrosion inhibiting substances incorporated into coin set packaging.

ISO 9001 Quality Management Accreditation

International standard for providing assurance about the ability to satisfy quality requirements and to enhance customer satisfaction in supplier-customer relationships.

Kronos

The name of the application that the Mint uses to manage and record employee time transactions e.g. clock-on and clock-off times.

legal tender

Currency which is payment for an amount equal to that denoted on the face of currency.

limited mintage

Maximum number of coins being made.

Logility demand planning and forecasting tool

A software tool that assists in the planning and forecasting of the quantity of a product or service that consumers will purchase.

Mainpac

A computer program used to schedule machine servicing and maintenance tasks.

manufacturing execution system (MES)

Integrated manufacturing system used by the Mint to control materials handling automation. Also referred to as materials handling and warehousing system.

master production schedule (MPS)

Translates a business plan into a comprehensive product manufacturing schedule that covers what is to be assembled or made, when, with what materials acquired, and the cash required.

materials handling and warehousing system (MHWS)

Custom engineered system which handles movement, storage, control and protection of materials, goods and products throughout the process of manufacturing, distribution, consumption and disposal.

mature age workforce policy

Measures to support mature age staff who wish to remain in the workforce.

mintage

Number of coins made.

Mint Directors Conference

Biannual conference where minting industry representatives from around the world gather to discuss and exchange information on all monetary matters and related legal, economic, technical and numismatic issues.

minting

Making coins.

Mint Issue

Royal Australian Mint's quarterly catalogue featuring new numismatic products.

national coin collection

The Royal Australian Mint collection of coins and coin related material that is significant to Australia's numismatic history.

numismatic

The science, study or collecting of coins, tokens, medals, paper money, orders, decorations or similar objects.

numismatic products

Collectible products including coins, medallions, tokens, jewellery etc.

obverse

The side of the coin which is the major side, usually carrying the portrait. The 'Heads' side of the coin.

'One Mint'

Cultural and personnel change management policy initiative with the Mint.

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.

performance development scheme (PDS)

Regular feedback between team member and supervisor to discuss workplace issues and assist in identifying areas where development is needed and how to meet those needs.

plaster

Used in the manufacture of master tooling. It is the original model of a design and is approximately four times the actual size of the coin or medal.

proof coin

A carefully struck coin using special dies with either a mirror-like or matt finish. These coins are especially struck and the term is not used to describe a well-preserved circulating coin. Proof is a method of manufacture, not a condition or grade.

quality assurance

Ensures the compliance with the requirements set out in the Mint's Quality Management System, which is accredited to international quality management standard ISO 9001, including team visit to the premises of suppliers to audit the company's quality systems align with the Mint QMS.

quality control

Ensures that all coinage blanks, coinage dies, coins and packaging materials that enter or leave the Mint meet the required technical specifications and are of an acceptable quality standard.

quality management system (QMS)

A documented management system to manage the processes to continually improve the effectiveness and efficiency of its performance and meet or exceed quality expectations.

recommission

To update and put back in service.

reverse

The opposite side to the obverse. Also known as the “Tails” side of the coin.

sales and product configurator (SPC)

A software program that builds a product and provides indicative costing which can be used for quoting purposes.

seigniorage

The difference between the face value of a coin and the cost of producing, distributing and retiring it from circulation.

select tender

A procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders.

SharePoint

Microsoft software which can be used to host websites that access shared workspaces, information stores and documents.

‘Streamline’ manufacturing resource planning

A software package used by the Mint over the past few years for the effective planning of all resources needed for manufacturing.

strike a coin

To press a coin.

Synchrony

Customer interaction management and customer relationship management software delivered via a web browser-based system aimed at improving customer experiences.

TEER coating

Metallic deposition system for preventing wear on coining die faces.

tiered storage

Data stored according to its intended use. For example, data intended for restoration in the event of data loss or corruption is stored locally, for fast recovery.

uncirculated coin

The description of a coin which has not been in circulation. It may however, suffer from minor production faults such as insignificant rim marks or other slight imperfections.

unlimited mintage

No limit on number of coins being made.

virtualisation

The creation of a virtual (rather than physical) version of a server.

WACOM tablet

Pressure sensitive stylus and mat system for drawing 3D models in ArtCAM.

web content accessibility guidelines (W3C)

Guidelines on making content accessible, primarily for disabled users.

wholesale terms of trade

Terms and conditions which coin dealers must abide to if they wish to be a Mint accredited dealer.

workplace diversity program

Program which formalises the Mint's commitment to ensuring employees in identified groups have fair access to recruitment, training and promotion opportunities.



Abbreviations and Acronyms

AASB	Australian Accounting Standards Board
ANAO	Australian National Audit Office
AWA	Australian Workplace Agreement
CCP	Circulating Coin Production
CEIs	Chief Executive's Instructions
CEO	Chief Executive Officer
CSS	Commonwealth Superannuation Scheme
DLP	Defect Liability Period
DoFD	Department of Finance and Deregulation
ECQMS	Enterprise Compliance and Quality Management System
EEO	equal employment opportunity
EMS	Energy Monitoring System
EPA	Environment Protection Agency
ERP	Enterprise Resource Planning
ESL	English as a Second Language
ESS	employee self service
FBT	Fringe Benefits Tax
FCP	Fraud Control Plan
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FMO	Finance Minister's Orders
GFC	global financial crisis
GST	Goods and Services Tax
HR	human resources
HRMIS	Human Resources Management Information System
IBIS	Integrated Business Information System

IMM	Integrated Management Manual
ISO	Short form name, in all languages, of the International Organization for Standardization
IT	information technology
ITIL	Information Technology Infrastructure Library
MDC	Mint Directors Conference
MES	Manufacturing Execution System
MHWS	Materials Handling and Warehousing System
the Mint	Royal Australian Mint
MIS	Management Information System
MPS	Master Production Schedule
MRP	‘Streamline’ Manufacturing Resource Planning
NABERS	National Australian Built Environment Rating System
NCC	National Coin Collection
OHS	occupational health and safety
OPA	Official Public Account
PDS	Performance Development System
POS	point of sale
PS Act	<i>Public Service Act 1999</i>
PSM	<i>Australian Government Protective Security Manual</i>
PSS	Public Sector Superannuation Scheme
PSSap	Public Sector Superannuation Scheme accumulation plan
QA	quality assurance
QC	quality control
QMS	Quality Management System
R&D	research and development
RBA	Reserve Bank of Australia
ROI	return on investment
SPC	Sales and Product Configurator
TRIM	Total Records and Information Management (document and records management software)
W3C	World Wide Web Consortium

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