



Australian Government

Royal Australian Mint

ROYAL AUSTRALIAN MINT

# ANNUAL REPORT

2010-11





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The year '2010-11' is rendered in a large, bold, black sans-serif font. The '0' in '20' is replaced by a circular inset image showing a group of people in formal attire. The '0' in '10' is replaced by a circular inset image showing a close-up of a coin or medal.

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A circular inset image showing a group of people in business attire, possibly at a formal event or meeting, with one person in the foreground looking down at something.

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Australian Government

Royal Australian Mint

16 September 2011

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 2011. 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

Ross MacDiarmid  
Chief Executive Officer

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# SECTION 1

INTRODUCTION & OVERVIEW



# 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. In 2010-11 the Mint also commenced circulating coin production for other countries.

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 207,000 visitors during 2010-11.

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 products.

**Table 1 - Resourcing for the Mint's Outcome**

	Budget *	Actual Expenses	Variation
	2010-11	2010-11	
	\$'000	\$'000	\$'000
	(a)	(b)	(a)-(b)
<b>Program 1.1 - Royal Australian Mint</b>			
Administered			
Special Accounts	54,066	74,327	(20,261)
Departmental			
Special Accounts	89,941	89,418	523
<b>Total for Outcome 1</b>	<b>144,007</b>	<b>163,745</b>	<b>(19,738)</b>
Departmental	89,941	89,418	523
Administered	54,066	74,327	(20,261)
<b>Average staffing level (number)</b>	<b>195</b>	<b>178</b>	<b>17</b>

\* Full-year budget, including any subsequent adjustment made to the 2010-11 Budget

Increased Administered expenses are due to higher than expected costs per piece sold based on denominations sold during the year.

Average staffing level is lower than budget as staff vacancies have not been filled during the year.

(b) Actual expenses - Section 5 Note 23



## Key priorities in 2010–11

The Mint's 2010-11 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.



*The Mint Coin Shop busy with visitors.*

## Key outcomes in 2010–11

**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 products.

**Table 2 - Royal Australian Mint Resource Statement 2010–11**

	Actual Available Appropriations	Payments Made 2010-11 \$'000	Balance Remaining for 2010-11
	(a)	(b)	(a-b)
<b>Other services<sup>1</sup></b>			
<b>Departmental non-operating</b>			
Equity injections	-	-	-
<b>Total</b>	-	-	-
<b>Total other services</b>	-	-	
<b>Special Accounts</b>			
Opening balance	15,340		
Appropriation receipts	19,198		
Non-appropriation receipts to Special Accounts	138,941		
Less: appropriations drawn from equity injections and credited to the Special Account	-		
Payments made		(167,348)	
Closing Balance			6,131
<b>Total Resourcing and Payments</b>	173,480	(167,348)	

<sup>1</sup> Appropriation Bill (No.2) 2010-11 and Appropriation Bill (No.4) 2010-11

Special Accounts - Section 5 Note 21

## 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 the NCC 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

During 2010-11, circulating coin production levels were maintained to ensure the Mint met the circulating coin demand of banks in addition to retaining the 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.

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 remain strong and the introduction of new gallery guides providing free school, group and public tours has contributed greatly to the positive feedback and returning visitors.





# SECTION 2

CHIEF EXECUTIVE'S REVIEW

# Chief Executive's Review

Building on the investment made in the previous years in plant and equipment as well as systems and processes, the Mint, in the last twelve months, has continued a program of capability development that has now positioned the Mint as a world class minting operation.

This has been validated by many of the world's Mint Directors who visited the Mint after attending the very successful Mint Directors Conference (MDC) held in Canberra in September 2010, when over 290 people attended from over 45 organisations. They were extremely impressed by the level of automation of the Circulating Coining Hall and with the investment that had been made in plant and equipment plus layout of the entire facility.

To leverage our hosting of this biannual event we also invited members of the Pacific Islands Central Banks to MDC of which gave them the opportunity to inspect the Mint. The indirect result of their visit has been the signing of a number of Memoranda of Understanding (MOUs) and agreements that have set the basis of working cooperatively on coinage reform programs, supply agreements and the provision of other coinage related services and advice.

With the creation of the new International Business Development Section the ability to convert circulating coin business opportunities in Pacific Islands and near region countries as well as growing our international numismatic and custom minting businesses has been significantly enhanced.

A major initiative by the Mint, in response to the change of relationship from the Mint 'supplying' the Reserve Bank of Australia to now directly supplying the commercial banks with circulating coin, has been the creation of a joint project to improve the efficiency in the entire supply chain from order

receipt to coin utilisation. This project will deliver savings to the banks and the Mint over the next three years and be a major focus of attention for the Mint.

To enhance the experience of the visitors to the Mint we have introduced visitor guides, the result of which has been the receipt of very positive visitor and student feedback.

To help deliver the outcomes from a strategic planning session that was held in February 2010, in which it was clear that the Mint has potential to grow the business and significantly improve efficiency and to take advantage of skills and experiences, there has been a restructure of the senior and middle management teams.

## Outlook for 2011–12

While the global and domestic economic outlook for 2012-13 is a little uncertain, the Mint is confident that with the initiatives that have been implemented and with the additional investment required in further capability development the Mint will have another successful but challenging year.

The Mint for the first time will hold its annual launch in Melbourne to coincide with a first time Mint travelling exhibition and a 'release' of its entire twelve month product program.

Expectations are high and indications are positive that our more active representation in the international market will deliver increased profitable revenue, and with the introduction of new and innovative products, the Mint will be well placed to take advantage of its strong brand and positive recognition.

One of the challenges in this industry is in growing the market and with a range of new brand related marketing programs and products planned over the next three years the Mint will take up the opportunity to lead the growth of the Australian market.



Active and performance based management of our staff to ensure they are as productive and as engaged as possible will be a focus of attention for the managers in the Mint. The rapid improvement of the Mint's OHS record is an indication of the commitment we have to the safety of our people and this along with the introduction of a wellbeing program will help to ensure a motivated team.

To all of our dedicated staff, stakeholders who regularly interact with the Mint, suppliers and importantly to our customers, thank you for your support, we look forward to making 2012 an even better year for all.

## Management Framework

As a prescribed agency the Mint operates under a Charter endorsed by the Secretary of the Treasury, Dr Martin Parkinson PSM, 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 minted products for Australia. The Mint Advisory Board provides strategic advice and reviews the Mint's performance against key indicators and strategies in the Mint's Strategic and Business Plans.

As at 30 June 2011 the Advisory Board comprised:

- Mr Steve French, Group General Manager, Corporate Services Group, Treasury (Chair)
- Mr Michael Del Gigante, Managing Director, Defence Housing Authority
- Mr James Chisholm, General Manager, Corporations and Capital Markets Division, Treasury.

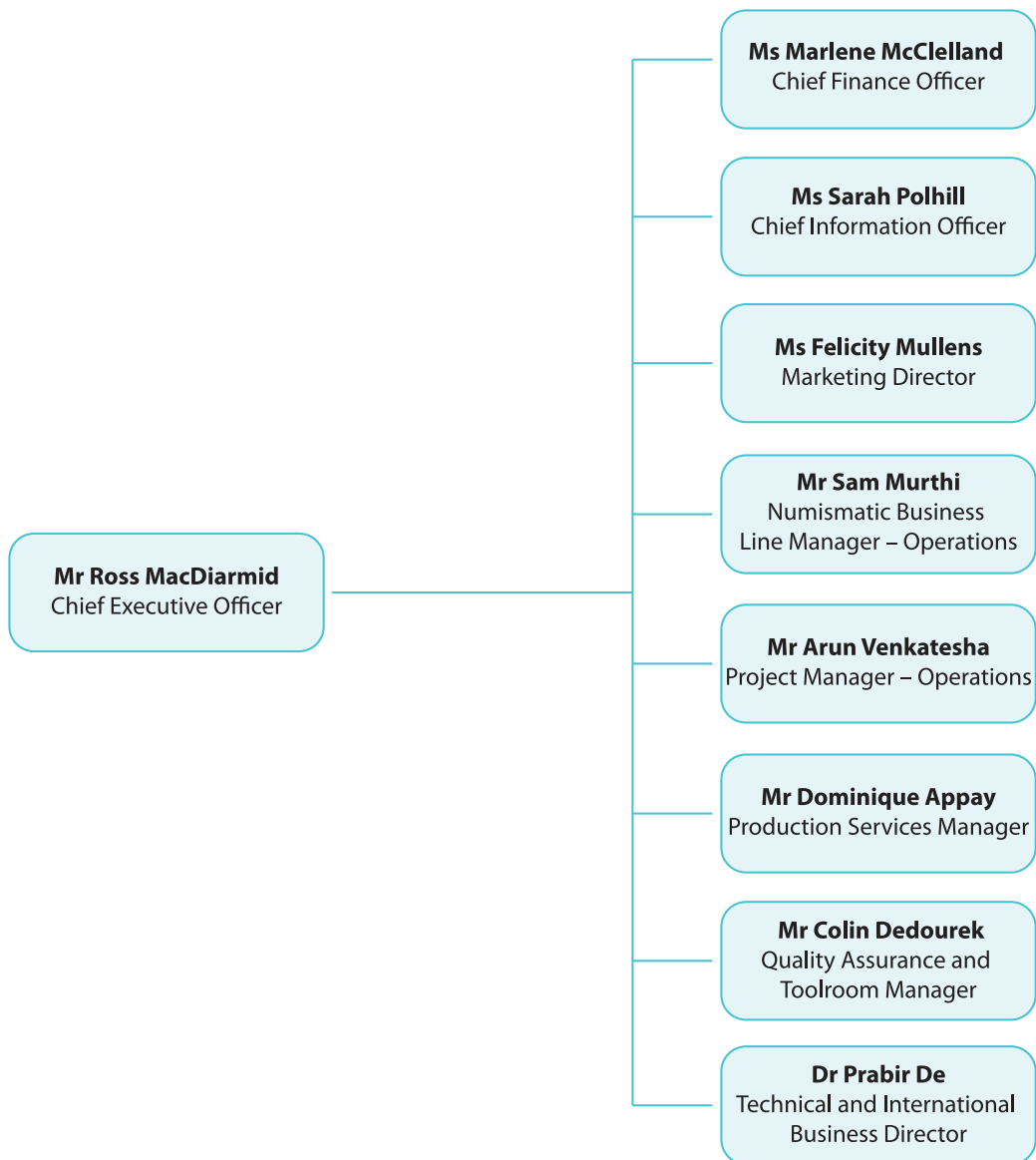
## Organisation at 30 June 2011

Management of the Mint rests with the Senior Management Team. The team comprised the following members at 30 June 2011:



*Delegates from the MDC 2010 conference visit the Royal Australian Mint.*

Figure 2 - Organisation at 30 June 2011







# SECTION 3

## MANAGEMENT & ACCOUNTABILITY



## Circulating Coin Production

The Mint's core business of circulating coin production is now at a state of readiness for meeting coin demand following the commissioning of all elements of the Materials Handling and Warehousing System (MHWS). In 2010–11 the Circulating Coin Production Team focused on identifying and implementing measures that addressed continuous improvement in the production processes.

During 2010-11, and whilst returning to the business-as-usual activities of producing circulating coins, the team also concentrated on stabilising and fine-tuning the systems to better utilise the new production facility's capacity and capability to meet high volume requirements. Transparency of production costs and better understanding of respective roles and responsibilities have been enablers that have facilitated the base lining of the Mint's current capabilities and capacities.

To commemorate significant events in Australia in 2010-11 the following commemorative circulating coins were produced:

- 20 cent coin to commemorate the centenary of International Women's Day
- 20 cent coin to celebrate the marriage of Prince William and Miss Catherine Middleton
- \$1 coin to mark the 2011 Commonwealth Heads of Government Meeting being held in Perth, Australia in October
- 20 cent coin to acknowledge the tenth anniversary of the International Year of Volunteers.

The Mint is also currently producing new circulating coins for Samoa. These include 10 sene, 20 sene, 50 sene, 1 tala and the new scalloped-shaped 2 tala coin.

To maintain product security and transparency, the team will continue to integrate the manufacturing execution system (MES) with Control to facilitate seamless production scheduling and product monitoring. The Mint now leverages the capabilities of the Mainpac system to ensure that the circulating coin production equipment and machinery are being fully maintained.

The new circulating coin supply chain agreement under negotiation with commercial banks will lead to more accurate forecast data and assist circulating coin production scheduling into the future.

## Collector Coin Production

As a result of the growing market demand for precious metal coins with larger diameters, the Collector Coin Production Team undertook thorough research to begin the process to procure a higher tonnage press that will meet these requirements.

To ensure the current presses still meet quality standards, the team continued to improve the capabilities of the presses on the production floor throughout 2010-11. Five presses received upgrades to the electrical controls with the remaining five presses to be upgraded throughout the later half of 2011.

There are a number of projects planned for 2011-12 which include procuring:

- new equipment for protective coating of collector coins and medallions
- new equipment that will introduce a new technology to apply colour printing on coins
- a new loader for vacuum furnaces that complies with Australian standards.

## Electroplating Areas

The electroplating area is currently under the control of a qualified chemist and as a result, there has been a significant reduction in selectively gold plated rejects. The quantity of work has justified the purchase of a second electroplating unit and intensive training has seen operators deliver continual improvement to processes in this area.

Occupational Health and Safety (OHS) issues have been closely monitored with frequent workplace inspections and risk assessments ensuring the safety of all personnel. Gas detection equipment is currently being installed in the electroplating and blank preparation areas to provide early warning of hazardous gases.

## Automated Pickling Line

The installation of the second mezzanine floor has been successfully completed and sealed and the existing concrete mezzanine has also been resealed. Safe access to the fume scrubbers is assured with significant savings in labour during servicing.

Modifications to the plant are now complete with program changes, tank volume reductions and improved agitation, giving uniform chemical treatment to silver, cupro/nickel and aluminium bronze.

Chemical control is currently under investigation with the assistance of the Australian National University (ANU) which will improve the pickling process and reduce costs.

Alkaline dosing to the fume scrubbers has been installed and has significantly reduced acid tainted fumes from being expelled into the atmosphere. Exhaust fume monitoring and recording will be installed in 2011-12 to comply with Environment Protection Agency (EPA) regulations.

## Waste Water Treatment Plant

The first phase of the Ion Exchange (IX) technology was introduced at the end of 2010 and has been operating faultlessly using city water for conversion to high purity Deionised Water (DI) for rinses in the Plating and Blank Preparation area. Unlike Reverse Osmosis (RO) there is no waste stream. The replacement of RO water treatment process with IX has improved water quality along with reduced operating costs and a decrease in the Mint's water consumption from 2009-10.

The final phase of this project, using recycled rinse water in lieu of city water, will be introduced during the later half of 2011 where all rinse water will be recycled and acid waste will be treated offsite by a licensed waste treatment company.

The capacity of the IX plant is greater than the old RO system it replaced and will be well suited to the requirements of the Automated Pickling Line.

## Planning and Scheduling

The Planning and Scheduling Section of the Mint translates marketing and custom minting requirements to the manufacturing branches so that resources are matched to meet demands.

During 2010-11 the section's main focus was on the continual refining and maintaining of the new Enterprise Resource Planning (ERP) system. The section has developed and enhanced the capabilities of capacity planning within Control and has been a strong contributor in the commencement of the Sales Product Configurator (SPC) project.

The section has started to identify opportunities for continuous improvement in the reporting functionalities and this activity will continue into 2011-12. In addition to this, the section will continue

to provide the Mint with efficient, reliable and timely production capacity and activity plans that enable the organisation to function with confidence and increasing certainty.

Other projects involving the section for the coming year include:

- implementation of the SPC project
- develop and implement Control system automations for die rework orders
- develop and contribute to the numismatic business review.

## Production Services

Key activities in 2011-12 for the branch will be:

- collection management software upgrade for the NCC
- resourcing of the coin design and sculpting function with an additional world class designer/sculptor
- validation of the expected outcomes of Mainpac and the SPC program
- completion of research required to technically prove the competence of the proposed machinery acquisitions against the Mint's stringent requirements.

## Research and Development

The Research & Development (R&D) Team has invested time on the SPC project, providing technical information and support to the project by developing product data and process parameters.

The R&D team released the second generation proof coin tooling prototype into coin production on a long term trial which has improved coin accuracy as

anticipated with increases in strength and longevity. The design offers ergonomic tool setup, reduced setup time, enhanced accuracy and better quality of coins.

A major effort to improve the pad printing of collector coins using existing equipment has achieved a dramatic increase in printing quality. This equipment is now producing a high quality coloured coin product.

Design and development of die and press tooling for the new coins for Samoa have resulted in a coin range of plated steel round coins as well as two shaped solid alloy coins.

## Design and Engraving

The past year has seen the production of new coins for Samoa, including coin designs and master tools for three round and two shaped coins using traditional and modern sculpting and manufacturing methods. Succession planning has been a key activity with the retirement of a long term coin sculptor. Supporting activities have been required to fill the gap including outsourcing of coin designs, plaster carving and a joint coin design project with a local tertiary educational facility for 46 potential coin designs.

Coin designs and plasters were produced to support the manufacture of 182 master tools during the year. Improvements have been made in the CNC engraving area with consequent reduction in rejected tools being made.

Progress was made identifying potential replacement machinery for master tool production and inspection.

## Maintenance

Mainpac was implemented for the development of improved scheduling and recording of planned and adhoc repairs to production equipment. Data systems are being installed in the proof coin presses for the operation of these machines and the collection of machine data to aid the efficiency of the production process and machine utilisation.

# Tooling & Quality

The recently formed Tooling and Quality Branch, made up of Toolroom, Quality and Die Polishing Services, has been structured to reflect the physical workflow within the organisation and enable effective management of the work areas to deliver improved product delivery, customer service, process refinement and reporting.

Goals for 2011-12 include a reduction in tooling manufacturing costs, tighter inventory control, efficiency driven process reviews and increased satisfaction for customers and staff.

## Toolroom

During 2010, a review of the methodology applied to the planning and scheduling of die and tooling manufacture was completed. The outcome was a transfer of responsibility to the Planning and Scheduling Section which has provided a demand driven scheduling system that exactly mirrors overall business demands and targets. A significant improvement in delivery times and a reduction in waste have been achieved.

The branch delivered 3052 coining dies this year, comprising 1166 circulating coin dies, 1886 numismatic dies and 180 coining collars. Although the total quantity is similar to previous years, the circulating/collector coin distribution has significantly changed to reflect the reduced circulating coin production and the increased number of collector coin products being produced.

In support of the Production Services Branch 182 master tools have been rough machined, hardened and ground.

Implementation of significantly improved OHS systems to meet the harmonisation of OHS laws that come into force in January 2012 has been a major focus for the past year and will continue to

be a major focus for the coming years. As a result of the completion of the machine guarding project for Toolroom equipment, the Mint is delivering improved safety for employees using conventional machinery.

A second revision of prototype tooling for use in proof presses was manufactured after trial results from the initial design highlighted opportunities for improvement. Upon completion of this trial, the objectives are to manufacture and replace all existing tooling to reduce future tooling maintenance costs, facilitate faster die changes, reduce tooling wear rates and coin rejection rates and simplify tooling inventory for overall reduced costs.

The training and development of fitting and machining apprentices remains a priority. One fourth year apprentice graduated and one third year apprentice has been recruited.

The installation and commissioning of two items of capital equipment within the branch included a new CNC wire cut machine and a surface grinder. Both of these investments were replacements of existing worn or outdated machinery however, they have also provided increased capability through new technology which has led to a reduction in downtime.

In the coming year, a new 4-axis milling machine will be installed and commissioned enabling improved 3D machining capability and will provide reduced tooling manufacture costs through improved efficiencies. Additionally, a CNC machining centre will be introduced to polish die cones.

## Die Polishing Services

The Die Polishing Section has delivered 4875 dies over the past 12 months, made up of 3357 new dies and 1518 refurbished dies, to meet the coining requirement of the circulating and collector coin business.



The movement of the TEER physical vapour deposition coating system into the Toolroom has been completed and improvements in coating quality and performance have been achieved since this move.

Research and development into a pre-coating cleaning and post-coating polishing is underway. Results are expected to reveal opportunities for improvement in coating performance.

## Quality Management

The Integration Management Manual (IMM) is the apex document of the Mint's Quality Management System (QMS). Phase one of the review of the IMM and the roll out of the interactive IMM webpage on the Mint's intranet has been completed. The new webpage design allows the hierarchy of documents to be linked making the interaction and dependencies to be more easily understood by staff members. On completion of phase two the webpage will offer centralised access to all QMS documents allowing staff members quick and easy access to procedures and work instructions which previously were fragmented and not accessible in one location.

The integration of the Metrology Laboratory into the Quality Assurance (QA) Team has widened the scope of services that QA can offer to internal customers. The pooling of resources has enabled the introduction of accurate, objective measurements to Quality Control (QC) activities and a more central approach to the inspection of components used to produce coins. This included the additional service of final inspection of tooling manufactured by the tooling section. Cross functional skill sharing between team members has built a more robust team with team members able to cover functions during periods of absence of others, which is important in such a small and diverse team.

Quality control of products within the Mint moved in a new direction during the year. The responsibility for the quality of finished goods produced by the Circulating Coin and the Numismatic Business

Line teams, as well as all in process inspections, has been transferred to the management and staff of these manufacturing teams, rather than residing with the QA team. During the coming year, with the assistance of the QA team, these teams will be developing QC plans outlining what checks they will perform, at what stage of production they are carried out and the frequency of the checks. QA will monitor the performance of the manufacturing teams against these plans to ensure the quality of final product produced is of the required standard.

The focus for 2011-12 will be the modernisation of quality and metrology capabilities and further wastage reduction. This will be achieved by:

- capital investment; in particular optical profiling technologies and updated coordinated measuring technologies
- revision of all internal processes to identify inefficiencies, leading onto process streamlining to minimise/eliminate the identified inefficiencies.

## Corporate and Custom Minting

Medallion and token orders within the domestic market have remained strong with a large number of customers returning to the Mint to reorder existing medallions as well as new products being commissioned throughout the year.

One notable order was that of 250,000 tokens, commissioned by a Victorian newspaper as a free gift with purchase of their weekend newspaper to commemorate the Royal Wedding.

There has also been strong interest in Australian legal tender coin programs within the international market, particularly in China, a market which will be more closely researched in 2011-12.

# International Business Development

The Mint established a new International Business Development (IBD) Section under the Technical and International Branch. The objective of this section is to explore international business opportunities to utilise spare capacity and provide a greater return to the Australian Government.

Within three months of its establishment, the section secured a long term contract with the Government of Samoa. Under the contract, the old Samoan coins were to be replaced with smaller and lighter coins each with a new design. Also, the 2 tala notes were to be replaced by a uniquely designed 2 tala coin. The new coins are scheduled for release in late September 2011.

The section is also currently working on a number of projects to deliver similar programs to other countries.

The volume of international business is expected to increase from \$2.5 million this financial year to \$10 million in the next financial year.

To address the increased volume the staffing level of the section has been increased.

## Mint Directors Conference

The Mint hosted the successful XXVI Mint Directors Conference (MDC 2010) in late September and early October 2010. About 290 international delegates and 60 partners attended the seven day program which began with two parallel conference sessions in Canberra and finished with a post conference tour in Cairns.

A total of 33 high quality papers were presented in the conference which addressed highly relevant topics. The conference also consisted of a coin competition, packaging competition and a trade show.

MDC 2010 was well received and well regarded by all attendees and the Mint has received a high level of recognition for not only its delivery of MDC 2010 but also for the Mint's professionalism and demonstration of innovative skills and knowledge of the minting industry.

MDC 2010 assisted the Mint to forge a special relationship with its South Pacific neighbouring countries. The Mint now not only manufactures coins for some of these countries, it also provides technical advice on coin related issues.

## Sales and Service

Since bouncing back from the global financial crisis, sales at the Mint have continued to grow. The revenue for 2010-11 was 6 per cent greater than 2009-10 and the Mint recorded its largest annual sales since 2006.

With the changing economic environment and popularity of various themes being very difficult to predict, regular changes to the sales and production forecast were required throughout 2010-11 to maintain the fine balance between stock on hand and economical production.

Income was again supplemented by cross promotions with collector coin 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 continue to show significant returns on investment (ROI) from our advertising.

## Direct and Retail Sales

Direct Sales has increased its sales revenue by 6 per cent on the back of good growth last year. This result was achieved through strong coin themes, excellent customer service, effective advertising messages and placements. Revenue realised on collector coins improved as did revenue on coin-related, non-numismatic products. The Mint is continuing to explore cross promotional opportunities with other national tourist attractions and suppliers.

The Mint Coin Shop sales have not shown the expected growth, dropping by 7 per cent after a promising start to the year. Sales from last year did receive a boost from the initial opening and other local attractions holding major exhibitions contributed to increased visitor numbers. The Mint has been unable to match the sales this year without these type of supporting events. The Mint expects sales to bounce back due to increased visitor numbers to Canberra and improved local and national promotional activities now that the Mint has a tourism, education and community events team. A new shop manager has brought a fresh approach to the Mint Coin Shop and will be working to continue to improve the customer experience and increase the revenue in retail sales.

The previous webpage improvements have not delivered the anticipated improvements in sales and customer convenience. A new direction has been taken to ensure all of the required improvements will be achieved. While still in the development stage, the new web portal is looking very promising.

## Wholesale

The terms of trade for wholesale have now been active for 12 months with all dealers now trading under these new rules. The review of dealer credit limits and product pricing levels has been completed with all dealers being notified of their new levels.

Sales through Australian dealers have bounced back from a poor performance in 2009-10 and shown growth of 36 per cent and 7.5 per cent respectively. This growth has been achieved by working closely with the dealer network to ensure they have all the information they need to effectively run their businesses. The wholesale liaison manager has undertaken more visits to dealers' premises and been a regular attendee of the Australasian Numismatic Dealer's Association (ANDA) coin shows throughout Australia.

As the Australian dollar has been quite strong, international dealer sales have recorded a substantial drop of 54 per cent under sales recorded in 2009-10. International dealer sales will now be looked after by the International Business Development Section to further pursue the international market.

## Marketing

During the year the structure of the Marketing Branch was revised and as a result the branch is now responsible for:

- product development, project management and promotion of the official numismatic program and various brands and certified products of the Mint
- development and project management of commemorative circulating coin design releases
- graphic design and web management
- corporate communications, ministerial liaison, media and public relations management
- market research and legal advice
- direct marketing and advertising
- community engagement and event coordination
- education programming and services, exhibitions, museum and gallery development and operations; and tourism promotion.



## Official Numismatic Program

### Overview

During 2010-11 the Mint commenced the challenge of bringing forward all products by 12 months to release the entire numismatic (collector coin) program planned for 2012 earlier than ever before and all at once.

The 2012 product calendar, currently in development, will consist of coins in varying specifications, finishes and themes commemorating significant historic events in the performing arts, military, scientific exploration, sports and royalty including:

- 50th anniversary of the Australian Ballet
- 70th anniversary of the Bombing of Australia
- centenary of the Australian Antarctic Expedition
- 100th Australian Open Men's Champion
- Diamond Jubilee of the accession of Her Majesty Queen Elizabeth II.

The branch also carried out the development and release of fifty-five 2010 and 2011 products. Consideration is taken in the development of the calendar each year to ensure that there is a balance between base metal and precious metal.

Notable themes for the year include the 60th anniversary of the National Service, 150th anniversary of the running of the Melbourne Cup and The Ashes Series, of which the coin tested the Mint's technical capabilities due to its minimalistic cricket ball design.

The year also saw the completion of the Masterpieces in Silver - Aviation coins, Blinky Bill themed baby sets and 6 coin year sets in its current format.

### Program Highlight

The wedding of the Duke and Duchess of Cambridge, Prince William and Miss Catherine Middleton was one of the major highlights of 2010-11. As the occasion was to be celebrated by many, the Mint's official Royal Wedding product range was developed to reflect the interest of the broader population and not just that of the traditional coin collector.

The occasion was commemorated by a prestigious selectively gold plated silver set, two base metal uncirculated coins and also a circulating coin. The commemorative circulating coin served not only as a souvenir of the event but also as an opportunity to remind non collectors of the age-old hobby of coin collecting.

## Communications

In the first half of 2010-11, the Communications Team was heavily involved in the success of the Mint Directors Conference contributing to event management as well as VIP, ministerial and media liaison.

In January 2011 the Communications, Media and Design Section was moved back into the branch to better align marketing communications and to strengthen internal client relationships.

Throughout the year the Mint also partnered with a number of organisations to promote products. This resulted in media and community events with the Fred Hollows Foundation, Victoria Racing Club (VRC), National Servicemen's Association, Cricket Australia, Australian Government's Office for Women, Port Arthur Historic Site Management Authority and the Central Bank of Samoa.

## Graphic Design and Website Management

The Mint's websites are still managed externally however in 2011-12 the Mint will see a new Mint eShop which will be completely maintained internally. The external website will continue to be housed externally with plans to move in-house soon.

In 2011-12 the Mint's intranet will be upgraded to SharePoint 2010 which will involve migrating all of existing content onto the new content management system as well as fix ongoing bugs.

## Community Engagement and Events

The Mint held a number of community events throughout the year, including the launch of the Mint's 2011 annual year sets in November 2010 at a breakfast launch at Exhibition Park in Canberra to coincide with the Canberra ANDA Coin Show.

In the afternoon of 31 December 2010 the Mint had approximately 100 keen collectors vying to draw the lucky ticket and make the last coin of the year on the Gallery Press. Following from that, at the opening time on 1 January 2011 the Mint had a line-up of over 100 people, some of whom had camped overnight to be the first in the world to make Australia's first coin for 2011.

On 29 April 2011 the Mint held our first ever coin swap in Circular Quay to celebrate the Royal Wedding of Prince William and Miss Catherine Middleton. Members of the public could swap a standard 20 cent circulating coin for a new Royal Wedding 20 cent commemorative circulating coin. The very next day the Mint had 1000 Royal Wedding coins to swap at the Mint in Canberra and by 10 am there were over 200 people lined up to swap their coins. The Mint achieved record numbers attending this event and by 1.30 pm all of the coins had been swapped.

The Mint attended a number of coin shows both domestically and internationally during 2010-11. For the domestic coin shows in 2010, the Mint released a 'show special' which was a \$1 silver proof coin celebrating 100 years of Australian coinage with a privy mark for the state in which the show was held.

In 2011 the Mint had two 'show specials'. The first special was a \$1 silver frosted uncirculated Capital Bridges series coin featuring a bridge from the state the show was held in. The second special was a counterstamped \$1 aluminium bronze uncirculated coin featuring a replica design of the Ram's Head which appeared on the shilling back in the 1930s.

**Table 3 - Coin shows attended by the Mint**

### Domestic coin shows:

**2010:** July – Melbourne, August – Sydney, November – Canberra

**2011:** February – Perth, May – Brisbane

### Major international coin shows:

**2010:** August - The World's Fair of Money in Boston, October - The International Coin Exposition in Beijing

**2011:** February – The Berlin World Money Fair

*No special coins were released at these international fairs.*

## Market Research and Legal Advice

During 2010-11 no significant market research projects were undertaken. However preparation for major studies planned for upcoming years was the focus as well as purchasing online survey tools to equip the Mint in gathering insight in 2011-12.

The Market Research Team did however conduct numerous focus groups with collectors and industry groups to gain feedback to contribute to the development of the products and improvements to services.

Next year the team will focus heavily on:

- understanding the Mint's brand and look at any needs for brand diversification and repositioning
- product testing and consumer acceptance studies.

Recruitment of a legal adviser was a focus for the first half of 2011 as well as transitioning services for currency determination, legislative drafting and publishing and contract advice.

## Direct Marketing and Advertising

During 2010-11 the Mint promoted all of the new coin releases as part of the official annual numismatic program. In 2010-11 two major events were celebrated across Australia, the 150th anniversary of the running of the Melbourne Cup in 2010 as well as the Royal Engagement and later in 2011, the Royal Wedding.

Both of these significant events required a more intensive, targeted and structured marketing campaign. Direct marketing programs were undertaken to fully engage with the community and

especially those outside of the Mint's normal coin collecting database with a clear message to introduce coin collecting to a new audience.

The Mint did not undertake any specific advertising campaigns however Adcorp Australia Limited was engaged for media placement.

All advertising and market research expenditure is detailed in Table 4 (see opposite page).

## Museum and Gallery

The long term public exhibition in the Mint Gallery has been supported by various temporary exhibitions this year.

Following the successful MDC 2010, a temporary display titled 'The World In Your Pocket' was on show from October 2010 until January 2011. The display featured coins from many of the countries that were represented at MDC 2010 and proved very popular, even gaining some media interest.



*The public lining up outside the Mint for the Royal Wedding coin swap.*

To celebrate the Royal Wedding, the Mint showcased a range of the royal products that have been released over the years and some very exclusive one-offs that have been held in the NCC.

Currently the Mint is developing a travelling exhibition of mis-strikes to accompany the 2012 product launch in Melbourne. After the launch this exhibition will return to the Gallery as a short term display.

The branch ensures the Gallery meets the needs of our visitors and promotes the messages of the Mint. Mint staff across the board have been involved in

the success of the Gallery by offering suggestions for ongoing improvements. Resulting from these suggestions a reinvented coin dome, a popular feature missed by the public will be welcomed back and other suggestions are being followed up. The staff input will also contribute to a thorough review of the messages and gallery visitor experience as part of an audit which will be undertaken in 2011-12.

A total of 207,906 visitors came to the Mint this year. This shows a drop in the extrapolated visitation based on the figures for February to June 2010 that

**Table 4 - Advertising and Market Research 2010-11**

Vendor	Purpose	Cost (\$) GST Exclusive
Canberra AM Radio Pty Ltd	Radio Advertising for November 2010 Product Launch	2,000
Goulburn Radio Pty Ltd	Radio Advertising for November 2010 Product Launch	1,540
Adcorp Australia Limited	Media Booking Services & Advertisement Placement for numismatic products and Tourism & Gallery	157,278
Hardie Grant Publications	Tourism & Gallery Advertising	9,303
National Capital Attractions Association	Tourism & Gallery Advertising	273
Australia Post	Advertising numismatic products	5,000
Taisei Coin Corporation	Advertising numismatic products	1,577
Victoria Racing Club	Advertising numismatic products	12,000
Avant Card	Advertising numismatic products	10,703
Australian Numismatic Dealers Association Inc.	Advertising numismatic products	480
ACP Publications	Advertising numismatic products	6,000
ACT Cricket	Advertising numismatic products	1,551
Dept. Human Services	Advertising numismatic products	2,200
Qld Return Services League	Advertising numismatic products	2,070
Alpha Flight Services	Advertising numismatic products	4,125
Active Education	Tourism & Gallery advertising	1,094
National Capital Educational Tourism	Tourism & Gallery advertising	1,320
Lear Marketing	Tourism & Gallery Advertising	1,400
<b>Total</b>		<b>219,914</b>

were provided in the previous year. However once local factors are taken into account such as the Masterpieces of Paris ‘blockbuster’ at the National Gallery of Australia which occurred during that period, as well as carry over interest after the Mint’s reopening in October 2009, visitation statistics for 2010-11 remain strong. When compared with visitation for the year 2009-10 a healthy increase of nearly 25 per cent remains.

Continuing on with the care of the NCC, the Mint has now approved a collection management database system to be purchased and implemented. As well as providing sound management of the collection, this system can also enable limited public access via the internet.

Collection valuation continues in an annual cycle for the full collection, supported by a four year rolling valuation policy of reviewing of all the collection items. The value of the NCC has remained nearly static from the previous year, at \$22.9 million. The reason for the small increase is mainly due to the market having plateaued.

The need for a strategy for the collection has been identified to improve the care and accountability of this major asset of the Australian people. Such an approach will also assist in accessibility to the collection and be promoted through the Gallery exhibition program.

## Tourism

The major focus of tourism development in 2010-11 has been in the area of education tourism. The Mint has been an active member of the National Capital Attractions Authority and the National Capital Educational Tourism Project (NCETP) throughout 2010-11.

In 2010 the NCETP commissioned the University of Canberra (UC) to conduct research into the size and effect of school excursions to the National Capital.

Such surveys have been conducted biennially since 1999. This research showed the Mint’s average rating was 4.45 and achieved the largest increase in satisfaction for any attraction in the Australian Capital Territory.

The new Tourism Experience and Engagement Team Leader has been appointed and commenced on the 29 June 2011. Through this position the Mint looks forward to greater visibility and participation to explore and develop the potential for partnership programs and promotions which is the focus of tourism development in 2011-12.

## Education

2010-11 saw the introduction of an education program at the Mint. An Education Officer was appointed in August 2010 and two part-time guides were appointed in January 2011. In February 2011 the Mint began delivering guided tours to visiting school groups and the general public.

In the first half of 2011 every school that booked a visit to the Mint was given a one hour guided tour which included a 15 minute theatrette presentation, guided tour and explanation of the factory observation windows and NCC display as well as the opportunity to participate in the Mint’s ‘make your own coin’ experience. The Mint welcomed 217 schools (9473 students) during 2010-11 representing every state and territory.

At the conclusion of the tour, teachers are asked to complete an evaluation of the tour. Of the 136 evaluations received during 2010-11, 114 (84%) rated the tour as excellent, 21 (15%) rated it as good, 1 said the tour was average and not one said the tour was poor. Many teachers who had visited the Mint in previous years commented that the provision of guided tours is a “great improvement”.

In March 2011 a range of curriculum-related educational resources was uploaded onto the Mint's website. The resources include fact sheets, classroom activities and puzzles. Feedback from teachers indicates the resources are very useful and popular.

# Information Management and Technology

## IT Operations

Modernisation of the desktop and laptop devices has been the primary area of focus for the Mint's Information Technology (IT) Operations Team. With a significant change over the year for Mint staff to move from Windows XP to Windows 7 with Office 2010, training in the new operating system was rolled out to all Mint staff. The implementation of Windows 7 has meant that the Mint was able to benefit from interface improvements, simplified document sharing and enhanced security.

The team will continue to improve delivery of services in 2011-12 to internal clients by creating a more sustainable Information and Communication Technology (ICT) environment, improving the Mint's green ICT profile, and infrastructure development while maintaining and improving capability.

## Business Systems Improvement

The Mint's Integrated Business Information System (IBIS) has been operational since February 2010. The 2010-11 financial year has seen the bedding down of IBIS and the commencement of enhancements to the system and work processes to address new and complex business needs. In addition, as the Mint has become more familiar with IBIS and its capabilities, more system enhancement

initiatives have been completed to streamline business processes and to automate more repetitive non value adding tasks.

This financial year there has been a focus on business systems improvement. The year's business gains have been in small scale changes to IBIS to achieve process efficiencies and easier, faster reporting. Other business gains have been achieved through the delivery of Mainpac and the integration of the Kronos Workforce Timekeeper system.

Late 2010 saw the go-live of the Kronos system and its integration to CHRIS21 for time recording and management of flexitime and overtime. This has enabled staff and managers to proactively track worked and scheduled time and future planned leave in a realtime, workflowed environment.

The upgrade of Mainpac was completed in June 2011 and has delivered a solution to better manage assets and equipment maintenance and the management of hazardous materials.

The focus for the year ahead is to deliver on operational and strategic business needs. They include:

- Post Implementation Review of the IBIS Project
- redesign of web sales to take advantage of new web and e-commerce technologies
- implementation and integration of the SPC solution that provides responsive, accurate and consistent costing and commercial information
- upgrade of NCC software to enhance the accessibility to the data for gallery development and valuations
- upgrade and module addition to CHRIS21 for performance management to support the improved performance appraisal process.



## Information Management

The Mint's first Records Authority was finalised in September 2010 and celebrated with a ceremony attended by Ross Gibbs, the Director-General of the National Archives of Australia (NAA).

The primary focus for the Records Management Section in the year ahead will be the implementation of the Records Authority ensuring valuable records are retained by the NAA. This will involve a sentencing project to be undertaken by the Mint Records Management Section.

The first twelve months of electronic recordkeeping through the Mint's recordkeeping system, TRIM, has given all staff increased access to, and the ability to retrieve, information crucial to the productivity of the Mint.

## Finance

The Mint reported an after tax operating surplus of \$0.492 million for the 2010-11. This outcome was achieved despite difficult economic circumstances which saw a decline in sales for the collector coin business compared to the prior year.

In 2010-11, the Mint produced 250.2 million pieces of Australian circulating coins. The Mint remitted \$59.7 million in seigniorage to the Commonwealth's Official Public Account.

The Mint continues to administer the Australian circulating coins finished goods inventory on behalf of the Commonwealth. From the Administered inventory, the Mint sold 275.1 million pieces with face value of \$114.6 million to the commercial banks.

This financial year also saw the first full impact of depreciation on the assets delivered from earlier financial years. As a result, the Mint's fixed assets have decreased. The total inventory for the year

has declined by 26 per cent, largely due to more effective management of the Mint's raw material procurement process.

The Mint is the custodian of the NCC. The collection was independently revalued in 2010-11 at \$22.9 million, an increase of 2 per cent over the previous year. The increase reflects the valuation conducted by an independent appraiser, A Byrne Coins as at 30 June 2011.

The Mint's internal controls and financial operations were audited by the Australian National Audit Office. The outcome was that the Mint once again received an unqualified audit report for the 2010-11 financial statements as shown in Section 5.

The Commonwealth Certificate of Compliance requirements for 2010-11 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's procurement framework reflects the core principle governing Australian Government procurement – value for money. Procurement of goods and services are 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](http://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 Purchasing Section 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 2010-11 financial year procurement has completed contracts for:

- cleaning services
- CNC milling centre
- CNC milling machine
- secure storage
- circulating coin blanks
- various maintenance agreements.

During the 2011-12 financial year tenders for the following are expected to be released:

- airconditioning maintenance
- landscaping services
- printing of Mint Issue product catalogue
- internal audit services
- industrial process machinery
- waste services.

The contracts management register has now been implemented and is accessible by all managers who have the responsibility for managing contracts.

## Exempt Contracts

The Mint currently has the following contracts exempt from AusTender in accordance with the Commonwealth Procurement Guidelines clause 2.4(e) "purchases of property or services for resale or of property or services used in the production of goods for resale". These are:

- freight services
- printing and packaging
- precious metals
- circulating coin blanks.

## 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 non discretionary grant programs in the 2010-11 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



**Table 5 - List of consultancies over \$10,000 in 2010-11**

Consultant Name	Description	Contract Price	Selection Process <sup>(1)</sup>	Justification <sup>(2)</sup>
Desmond Joyce & Associates	Risk Assessment Framework Review	\$16,500	Direct Source	a & b
Hays Group Pty Ltd	Advice on staffing requirements	\$19,800	Direct Source	a & b
PricewaterhouseCoopers	Internal Audit Services	\$123,948	Direct Source	a, b & c
PricewaterhouseCoopers	Supply Chain Review	\$179,152	Direct Source	a & b
Treasures of OZ	Draft of Strategic Plan	\$10,000	Direct Source	a & b
Trustee for the Level 5 Lean	Process Engineering advice	\$11,000	Direct Source	a, b & c
Work Logic	Staffing Advice	\$11,000	Direct Source	a, b & c
<b>Total consultancies over \$10,000</b>		<b>\$371,400</b>		

(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 shortlist of competent suppliers.

**Direct Source:** 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.

creative solutions to assist the Mint in 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 four of Table 5 (see opposite page).

During 2010-11, seven new consultancy contracts valued at \$10,000 and over were entered into involving total expenditure of \$371,400. In addition, one ongoing consultancy contract valued at \$10,000 and over was active during the year involving total actual expenditure of \$6,600.

Annual reports must include information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website ([www.tenders.gov.au](http://www.tenders.gov.au)).

## 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 stocktake to ensure accuracy of records. The Mint's asset revaluation strategy, applied with sufficient frequency, ensures correctness of the carrying fair value amount at reporting date.

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 \$72.3 million including \$0.473 million work in progress associated with continuous improvement programs being undertaken across in the Mint.

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. As part of the Mint's revaluation strategy, an independent valuer was engaged to provide a fair value of the NCC as at 30 June 2011.

All assets are assessed for impairment at reporting date.

## Management of Human Resources

The Human Resources Branch implemented a new timekeeping system called Kronos during the year, which has been widely accepted by all staff. The introduction of this new technology has enabled the interfacing of the payroll system CHRIS21 and Kronos. The monitoring of attendance, management of overtime and the ability to schedule work patterns has now been delegated to line supervisors and Senior Managers. Senior Managers now have greater accountability to manage staff attendance patterns and overtime, for their respective branches.

Other projects throughout the year have included a review and update of the Performance Development Scheme (PDS), to address concerns raised by staff in the recent staff survey. The Branch has also been working on a plan to implement learning and development and performance management modules and make them available via the Human Resources Information Management System (HRMIS).

During the year there has been a continued focus on succession planning, dealing with an ageing workforce and the skills shortage. Work continues on the development of a Workforce Plan to address these issues.

## Performance Development Scheme

An internally designed short staff survey was undertaken to determine staff satisfaction with the Mint as a workplace and to gauge their understanding of required processes and practices.

A major contributor to the overall result was the perceived ineffectiveness of the PDS. With work already commencing on revising the forms and educating managers on assessment requirements, the survey results confirmed the organisation's direction and commitment to change. Development work is continuing towards implementing an online system for assessment.

During the year the work level standards were revised and individual capabilities aligned to the Australian Public Service Commission's (APSC) integrated leadership system, ensuring relevance to the Mint's production environment.

In 2011–12 all staff job descriptions and work plans will be reviewed to ensure relevance and currency; to align with corporate goals; and to guide staff in the achievement of business outcomes.

The Mint's approach to performance management is to provide managers and employees with regular opportunities to discuss, review and plan for performance and ensure the linkages with business outcomes are maintained through clear understanding of work requirements, delivery timeframes and the setting of key performance indicators.

## Enterprise Agreement

The current Mint Enterprise Agreement expired on 30 June 2011 in line with government policy to rationalise all Nominal Expiry Dates (NED) across the Australian Public Service (APS). In January 2011 agencies were informed that the bargaining framework was modified to allow for agencies to

commence good faith bargaining with a new NED of 30 June 2014. The modifications in the bargaining framework addressed consistency of some terms and conditions and APS salary rates below the fifth percentile. The Mint will commence bargaining in early July. It is anticipated that staff will be asked to vote on the new agreement by mid-September 2011.

## 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, the Electrical Trades Union and the Australian Manufacturing Workers Union. The relationship with unions continues to be cooperative and inclusive.

The new agreement reaffirms the Mint's commitment to discuss workplace issues in a spirit of cooperation and trust, and ensuring employees receive information on workplace issues affecting them, including business progression and the impacts of new programs. The agreement also allows employees to contribute their views on these issues.

## Recruitment and Succession Planning

Recruitment focuses on attracting and retaining staff with the skills and capabilities required in meeting the strategic objectives of the Mint. Each position advertised is evaluated according to the Mint's new work level standards to ensure job descriptions are current and relevant.

The Mint's commitment to addressing skill shortages in manufacturing was evident in its recruitment of two mechanical trade apprentices and one electrical apprentice.

As a further commitment to ensure that we promote and attract future graduates to the Mint, during the year a partnership was formed with the Research School of Engineering at the ANU to select and place two students to complete a Mint sponsored project as part of their final year of study. The students' key learning objectives were to acquire project management and system integration skills and work with component manufacturers, experienced engineers and customers. Two mechanical engineering students successfully completed their agreed projects with excellent feedback from the ANU. Further to this, a chemical engineering student has been selected from the school to take up an internship in mid-July. Each student spent six months at the Mint.

## Training

Several Mint staff successfully completed diplomas in Government, Project Management and Frontline Management as a continued investment in leadership

and capability development. A range of training programs, both in-house and through external providers, were held for Mint staff.

Among the external training programs attended by staff in 2010-11 were courses on OHS; project management; financial management; basic, intermediate and advanced computer training; leadership; conflict resolution, development of professional writing skills, and communication. Internal training sessions were held on ethics, leadership, performance management and local systems.

English as a Second Language (ESL) classes conducted by volunteer staff continue to encourage development of language skills for all employees.

## Staffing Information

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



Mint staff celebrating Multicultural Day with a self-catered multicultural lunch.

**Table 6 - The Mint operative and paid inoperative staff by classification and gender (as at 30 June 2011)**

	Ongoing				Non-ongoing				
	Full Time		Part Time		Full Time		Part Time		
Classification	Male	Female	Male	Female	Male	Female	Male	Female	Total
Apprentice					2				2
APS 1					2			1	3
APS 2	16	25				2		2	45
APS 3	12	6	1	1		2	1	1	24
APS 4	28	5				2	1	1	37
APS 5	20	9		1	3	1			34
APS 6	13	4		2		1			20
EL1	11	9		1	1				22
EL2	3	2							5
SESB1									0
SESB2					1				1
SESB3									0
Total	103	60	1	5	9	8	2	5	193

**Table 7 - The Mint's operatives paid under the Agency Enterprise Agreement and 24 1 (d)s (as at 30 June 2011)**

	No of Employees
Certified Agreement	192
SES	1

**Table 8 - Salary ranges for Enterprise Agreement and 24 1 (d)s (as at 30 June 2011)**

Classification	Minimum \$	Maximum \$
Apprentice	19,908	38,778
APS 1	38,514	41,474
APS 2	43,128	47,092
APS 3	49,499	52,979
APS 4	54,897	58,535
APS 5	60,130	64,943
APS 6	70,428	76,952
EL 1	83,155	95,870
EL 2	101,151	114,267
24 1(d)	117,546	158,000
SES B1	173,667	201,839
SES B2	212,852	249,134

Total for all SES remuneration was \$307,610 excluding superannuation allowances.

**Table 9 - Equal Employment Opportunity (EEO) Target Groups**

Classification	Female	Born Overseas	ESL	AATSI	Disability
Apprentice					
APS 1	1				
APS 2	29	30	31	1	1
APS 3	10	12	12		
APS 4	8	16	12		2
APS 5	11	9	9		
APS 6	7	9	8		
EL 1	10	8	5		1
EL 2	2	3	2		
SES B1					
SES B2					
<b>Total</b>	<b>78</b>	<b>87</b>	<b>79</b>	<b>1</b>	<b>4</b>

## Workplace Diversity

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

The Mint has embraced the cultural diversity of our staff by embedding a social occasion at lunchtime twice a year where staff are able to showcase countries' culinary specialties to share with their colleagues.

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 Mint's workforce currently comprises 54 per cent of staff over the age of fifty. The Mint is committed to ensuring our aging workforce continues to be supported in the workplace and we recognise the importance of successfully planning for the transition of critical roles.

The Mint Enterprise 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 to aid in their development and recruitment opportunities.

## Changes to disability reporting in annual reports

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007-08, reporting on the employer role was transferred to the APSC's State of the Service Report and the APS Statistical Bulletin. These reports are available at [www.apsc.gov.au](http://www.apsc.gov.au) From 2010-11, departments and agencies are no longer required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy which sets out a ten year national policy framework for improving life for Australians with disability, their families and carers. A high level report to track progress for people with disability at a national

level will be produced by the Standing Council on Community, Housing and Disability Services to the Council of Australian Governments and will be available at [www.fahcsia.gov.au](http://www.fahcsia.gov.au) The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on disability matters in its regular How Australia is Faring report and, if appropriate, in strategic change indicators in agency Annual Reports. More detail on social inclusion matters can be found at [www.socialinclusion.gov.au](http://www.socialinclusion.gov.au)

## Occupational Health and Safety

The Mint is committed to health and safety through a 'safety first' approach to ensure the health, safety and wellbeing of staff, contractors and visitors. This 'safety first' approach is championed by the CEO through all levels of the organisation. Throughout the year the Mint has undertaken numerous initiatives to demonstrate this commitment towards staff health, safety and wellbeing.

### Wellbeing Initiatives

A part of the Mint's wellbeing program is the 'healthy lifestyle payment', which is a provision under the Enterprise Agreement and is an annual one-off payment towards positive lifestyle expenses such as quit smoking programs and health club memberships. The level of staff participation has dramatically increased to 160 employees from the previous year's total of 78. Additionally, staff undertaking the free influenza vaccination program had increased to 96 employees from the previous year's total of 91. For 2011-12, the Mint will improve upon the current program with the inclusion of voluntary weekly yoga and stretch exercise sessions, personal health checks and non-work related awareness presentations during lunch time.

### Health and Safety Initiatives

The Mint has consolidated its progress in raising the profile of health and safety by providing 326 OHS training sessions and the distribution and fortnightly rotation of safety-related media. The training provided includes but is not limited to occupational and mental health first aid; workplace harassment officer training courses and awareness sessions regarding chemicals, biomechanics, noise, plant and equipment; and monthly OHS inductions. Additionally, the Mint is investigating options of implementing an electronic noticeboard system to streamline communication delivery.

During the year, the occupational hygiene survey program for noise, light quality, airborne heavy metal particulates and chemical exposure was completed and identified exposure limits for airborne heavy metal particulates and chemical exposure were well below exposure standards. The Mint will continue to validate these results by conducting annual occupational hygiene surveys. Additionally, to assist in the identification of hazards, a workplace inspection program was implemented, which includes CEO walks, Facilities Management and OHS Team infrastructure walks, section supervisor area inspections, random OHS Team inspections and informal Comcare site visits.

As part of the Mint's health surveillance requirements, 16 follow-up audiometric tests, 23 pre-employment and 11 eye health checks were conducted. Work is progressing to include biological and drug and alcohol screening as a part of the health surveillance requirements for 2011-12.

In preparation for harmonisation of OHS legislative framework, the Mint has been progressively redeveloping its OHS management system (OHSMS). Changes to the OHSMS have already produced positive outcomes towards the cultivation of a healthy reporting and risk management culture, which is demonstrated by:



- increased proactive hazard reporting incidence rate per 100 workers from 2.63 in 2009-10 to 15.78 in 2010-11
- reduction in first aid incidence rate per 100 workers from 15.79 in 2009-10 to 14.74 in 2010-11
- increased notifiable incidence rate per 100 workers from 1.05 in 2009-10 to 4.74 in 2010-11
- reduction in accepted workers' compensation claims incidence rate per 100 workers from 6.84 in 2009 to 2.63 in 2010.

Throughout the year a number of minor OHS projects were undertaken to improve occupational health and safety. Some of these projects include:

- installation of a gas detection system to provide an early warning system for chemical exposure
- installation of plant maintenance scheduling software to better manage preventative maintenance
- replacement of fixed workstations with electronic adjustable workstations
- procurement of an electronic pallet stacker for product packing activities
- recommissioning of plant to minimise biomechanical injuries associated with product packing activities.

In 2009-10, it was reported that CHRIS21 would replace paper-based forms of incident reporting, however this was not pursued, as the project was just limited to incident reporting. Work has since resumed to modernise and centralise incident reporting, hazard management and risk management for whole of business activities, such as security and OHS by use of information technology based systems.

## Health and Safety Incidents

During 2010-11, the Mint had reported nine Comcare notifiable incidents, and one Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) notifiable incident. For a detailed analysis of

statutory notification refer to the below tables. As of 30 June 2011, the Mint received zero Comcare statutory enforcements; however an investigation was conducted in response to a notifiable incident, which resulted in no further action. In regards to the ARPANSA notifiable incident, the Mint has currently received zero statutory enforcements; however ARPANSA's investigation has commenced in response to the Mint's internal incident investigation.

**Table 10 - Reported incidents under OHS Act 1991**

Comcare notifiable incident	2008-09	2009-10	2010-11
Deaths	0	0	0
Dangerous occurrences	2	2	9
Serious personal injury	1	0	0
Incapacity	0	0	0
Total	3	2	9
Incidence rate (per 100 workers)	1.58	1.05	4.74

**Table 11 - Reported incidents under ARPANSA Act 1998**

ARPANSA notifiable incident	2007-08	2008-09	2009-10	2010-11
Number of reports	0	0	0	1*
Incidence rate (per 100 workers)	0.00	0.00	0.00	0.53

\* Incident occurred in 2008-09 but was not reported to the Mint until 2010-11.

## Fraud Control

The Mint continues to support, promote and comply with the requirements of the Commonwealth *Fraud Control Guidelines 2002* and the newly implemented Commonwealth *Fraud Control Guidelines 2011* as regulated by the *Financial Management and Accountability Regulations 1997*.

As part of its ongoing commitment to fraud control, prevention and detection the Mint regularly reviews newly implemented processes and structures and updates its Fraud Control Plan accordingly. The Mint has undertaken, through an external service provider, a comprehensive Fraud Risk Assessment and has updated its Fraud Control Plan to appropriately manage any identified risks.

In line with the Mint's commitment to raising fraud awareness, all Mint staff attended annual fraud, ethics and code of conduct training in September 2010. Awareness of fraud matters throughout the year has also been promoted through the use of emails, posters and bulletins. A survey of staff will be undertaken early 2011-12 to identify any deficiencies in fraud awareness and target specific programs to raise awareness of these deficiencies through the annual fraud, ethics and APS Code of Conduct training in 2011.

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 2010-11, there were no cases of fraud referred to the Australian Federal Police for investigation.

## Security

The Mint security function continues to address security risks that arise from changes to business practices. A comprehensive site risk review was undertaken by the Australian Federal Police in October 2010 and the Mint Security Plan updated to include recommended changes. Further security risk assessments are performed on an as required basis throughout the year on new or restructured business functions to address risk within the Mint Risk Management Framework.

This year has seen major changes to Australian Government protective security policy with the implementation of the *Protective Security Policy Framework (PSPF)* and associated protocols and guidelines. The PSPF is in transition and will fully supersede the requirements of the *Australian Government Protective Security Manual (PSM)* by the end of December 2011. The Mint is aligning to the requirements of the PSPF as relevant protocols and guidelines are released.

The major part of these changes to Australian Government is the security clearance process. Previously clearances were processed via individual agencies either in-house or outsourced. Clearances are now centralised and processed through the Australian Government Security Vetting Agency (AGSVA). The Mint has aligned itself to this new policy in line with Government requirements.

The Mint continued to support good personnel security practices by conducting 118 security-checking actions on staff and contractors in 2010-11 in line with the requirements of the PSM and PSPF and agency specific risk assessments.

The Mint held an ethics and awareness week in September 2010. During the awareness week, several training sessions and briefings for staff were provided on topics of fraud, ethical standards, code of conduct and APS values.

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

## Facilities Management

Finalisation of the Defects Liability Period (DLP) occurred on 30 September 2010 signalling a change in control of all aspects of building and services maintenance from the project to direct responsibility of the Facilities Management (FM) section.

A previously developed life cycle maintenance framework was implemented from this date forward and strategic preventative maintenance programs implemented with specialist contractors to meet the Mint's obligations under the lease agreement for the next 20 year term.

Although the DLP expired at the end of September 2010, a number of latent defects remained that were documented and forwarded to Department of Finance and Deregulation (DoFD) project group for action by the original project managers, St Hillier's. The significance of the defects identified in the fire safety systems within the building led to the instigation of an independent fire audit commissioned by DoFD to review the entire installation. Many of the identified items have since been rectified and a final review is scheduled to take place in the first quarter of the new financial year.

In line with the requirements of the Department of Sustainability, Environment, Water, Population and Communities *Australian Government ICT Sustainability Plan 2010-2015*, the Mint has continued to introduce measures to reduce energy consumption and drive environmental performance and sustainability improvements across all sectors

of business operations. One such measure is the implementation of an Energy Management System (EMS) that provides real time monitoring and trending of energy use throughout the building via an intricate network of energy meters. The system was installed and commissioned as part of the refurbishment project and has been recording valuable energy data used to track consumption across specific areas of plant and equipment. The system has an equally important role in providing accurate data for the purpose of verifying the 4.5 star National Australian Built Environment Rating System (NABERS) rating of office accommodation within the Mint.

With the finalisation of the refurbishment project completed, a number of significant projects not delivered under the refurbishment were undertaken and delivered by the FM section.

In order to remove the heat generated by the coin presses in the circulating coin hall of the Mint, the Local Extraction and Ventilation (LEV) system was designed and installed to extract heat from within each of the thirteen coin presses via an intricate array of flexible and rigid ductwork, and expel this hot air out of the building. In keeping with environmental best practices, the expelled air is filtered to remove any metal contaminants prior to release into the atmosphere.

An area above the automated pickling line required a significant upgrade to the floor surface within a bunded area of plant, and a full replacement of the light-duty plastic ceiling. A fully engineered and load rated mezzanine floor was installed to allow service access to the plant and equipment in the bunded area, and the floor was fully refinished with an acid proof membrane. The project was successfully installed and completed with no impact on production in this area.

In the coming year, the section will continue to focus on improving environmental conditions within the building with a number of projects currently in

various stages of development and implementation. The installation of an adiabatic cooling system for the circulating coin hall will assist in maintaining temperature conditions during peak summer periods to a level more in line with OHS guidelines, and in turn maintaining productivity. A similar project is under review for air conditioning for the Toolroom. Both projects are scheduled for completion before the summer period of 2011-12.

## Ecologically Sustainable Development

Environmental management practices continued to play a dominant role in reducing the Mint's carbon footprint and providing a more efficient use of energy through operational procedures and processes utilising both the EMS and Building Management System (BMS) installed under the refurbishment project.

Both systems underwent performance testing and fine tuning to refine operations and ensure that recorded data was accurate and reportable. This is managed and maintained by the FM Section and data is evaluated on a monthly basis to maximise efficiencies and address any anomalies.

### Environmental Management

The Waste Water Treatment Plant's primary function is to decontaminate effluent generated by production prior to discharge to the sewerage system. Although this system works well it has been identified that environmental impact and energy savings can be realised by recycling trade waste water back into the manufacturing process.

Research into areas consuming the majority of town water pinpointed that plating, annealing and 'pickling' processes were consuming up to 50 per cent of the daily water consumption within the building and once neutralised and treated, discharged to the sewerage system. A RO process system has been proposed to separate contaminants from waste water, dispose of contaminants in an environmentally friendly manner and recycle recovered water.

This system has been successfully trialled and tested on a small scale and is currently under design review for a full scale roll out, with the intention to eliminate the need for a separate waste water treatment plant. Work is expected to be completed by the end of the year. This will have a notable impact in reducing water consumption within the building.

Other environmental management measures included the installation of an automated air compressor waste water/oil separation system to remove oil from compressors, allowing the resulting waste water to be safely disposed through the sewerage system.

### Energy Management

Energy management continues to play an important role in how the Mint functions as a production facility. Throughout the latter part of 2010 and first half of 2011, adjustments and tuning of the EMS, BMS and Automated Lighting Control System (ALCS) continued to provide optimum control of plant and equipment.

Scheduled plant start and stop times were optimised to ensure equipment was not running unnecessarily but still maintaining comfort conditions within design parameters.

All sub-meters associated with the EMS were verified and full NABERS reporting commenced in October 2010.

Building natural gas consumption was 7,743,603 megajoules for the reporting period with the previous year's figures verified at 7,904,571 megajoules, indicating a decrease in consumption of 2 per cent. Some of these savings have been the result of tighter scheduled operating hours of the building heating system as well as a milder than expected winter of 2010.

Energy consumption will continue to be monitored to ensure that reductions in consumption will continue.

## Social Club

In 2010-11 the Mint introduced a staff-endorsed social club which was created by the staff for the staff.

The Social Club is responsible for fundraising for the staff end of year celebration and has held a number of social staff events to contribute towards the funds. The Club has held barbecues to celebrate St Patrick's Day and the end of the financial year, international food days, monthly happy hours and raffles and chocolate sales for the sole purpose of fundraising.



*Mint Staff celebrating Australia Day with a breakfast BBQ.*





# SECTION 4

## CORPORATE GOVERNANCE



# 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. Among dealing with a range of other matters during the year the Committee also reviews or endorses the Mint's Risk and Fraud control plans.

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

The Mint continues to monitor the committee structures which it operates within to ensure alignment with corporate objectives including a stronger governance framework. A 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 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 Australian National Audit Office (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 2010–11. 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, then Acting Mint CEO; Mr Stephen Delaney, then Chief Information Officer and Mr John Preuss, then Human Resources and Strategic Manager.

The Mint utilised the services of independent internal auditors PricewaterhouseCoopers to undertake the range of activity 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. 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 commenced five audits during the 2010–11 program.

These audits were:

- **review of standard costing model** – The review of the standard costing model (SCM) focused on the accuracy of the standard costs that were applied to the business using the model for the 2010-11 financial year. The results highlighted compliance with the SCM policy and procedures and identified an element relating to best practice standards where improved accuracy may be applied.
- **Financial Management Information System Controls Review (CODA)** – This internal audit assessed whether controls and processes

surrounding CODA were operating effectively and were appropriate for meeting the Mint's financial reporting requirements. This report confirmed that the controls and processes in place are working appropriately for the Mint's reporting standards.

- **Business continuity planning review** – This review examined whether the Mint's current business continuity plan arrangements are adequate to support the continuity of critical business processes. This report identified areas where improvements are required and has assisted in directing future work in the Mint's improvement of its Business Continuity Plan.
- **MDC 2010 service provider financial transactions review** – The scope of the audit included reviewing activities and financial transactions processed by the service provider in their professional conference organiser role over the two year period of involvement. In addition, the audit reviewed the control framework established by the Mint to ensure that MDC revenue was collected and correctly accounted for. This report assisted with the Mint's acquittal of funds for the MDC and provided an opportunity for the Mint to obtain lessons learnt for the hosting of these events in the future.
- **review of the NCC** – This audit reviewed the asset management control framework relating to the NCC, including strategies, policies and procedures. This covered the Mint's compliance with the requirements of the Finance Minister Orders (FMOs) because of its classification as a Heritage and Cultural Asset and assessing whether the control framework established for the management of the National Coin Collection is adequate and consistent with better practice principles. This assessment of the NCC confirmed that the Mint complies with the FMOs and better practice principles.

## 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 APS values and are embedded in the Mint Agency Agreement and PDS. 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, the CEIs, IT acceptable use policies and contractor and consultant guidelines.

The Mint continues to provide mandatory fraud and ethics awareness training courses during the year to all staff and contractors to supplement the existing framework. The Security team have continued their education and awareness program with signage highlighting these matters. Staff inductions are also held regularly to brief new starters.

## Organisation of the Mint

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

## Arrangements for outside participation

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

## Categories of documents held by the Mint

The Mint holds a wide range of correspondence, analysis and policy advice by Mint officers, including comments on cabinet submissions and drafts of these and other documents. The Mint stores correspondence to and from Treasury ministers on matters falling within the Mint's portfolio responsibilities.

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

## Freedom of Information

Under subsection 8 (1) of the Freedom of Information Act 1982, the Mint must report on its activities. From 1 July 2010 to 30 April 2011 inclusive 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:

Chief Executive Officer  
Royal Australian Mint  
Denison Street  
DEAKIN ACT 2600  
Attention: Freedom of Information Coordinator

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

From 1 May 2011 agencies subject to the Freedom of Information Act 1982 (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirements to publish a section 8 statement in an annual report. An agency plan showing what information is published in accordance with the IPS requirements is accessible from the Mint's website.





# SECTION 5

## FINANCIAL STATEMENTS







### INDEPENDENT AUDITOR'S REPORT

#### To the Assistant Treasurer

I have audited the accompanying financial statements of the Royal Australian Mint for the year ended 30 June 2011, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Asset Additions; Schedule of Administered Items and Notes to and Forming Part of the Financial Statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

#### *The Chief Executive's Responsibility for the Financial Statements*

The Chief Executive of the Royal Australian Mint is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I 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 about 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Royal Australian Mint's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief

GPO Box 367 CANBERRA ACT 2601  
19 National Circuit BARTON ACT  
Phone (02) 6203 7300 Fax (02) 6203 7777

## Independent Auditor's Report (continued)

Executive of the Royal Australian Mint, 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 my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

### *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 2011 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



John Jones

Executive Director

Delegate of the Auditor-General

Canberra

16 September 2011



**STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2011 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.



Ross MacDiarmid  
Chief Executive Officer

16 September 2011



Marlene McClelland  
Chief Financial Officer

16 September 2011

## ROYAL AUSTRALIAN MINT STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>EXPENSES</b>			
Employee benefits	3A	14,712	13,742
Supplier expenses	3B	66,753	73,904
Depreciation and amortisation	3C	4,776	3,579
Finance costs	3D	33	60
Write-down and impairment of assets	3E	2,116	875
Foreign exchange losses	3F	74	-
Losses from asset sales	3G	-	60
Royalties	3H	1,291	1,184
<b>Total expenses</b>		<b>89,755</b>	<b>93,404</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	88,681	94,215
Other Revenue	4B	1,352	-
Interest	4C	368	580
Rental Income	4D	5	2
<b>Total own-source revenue</b>		<b>90,406</b>	<b>94,797</b>
<b>Gains</b>			
Gain from asset sales	4E	12	-
Foreign Exchange	4F	-	107
Other	4G	161	161
<b>Total gains</b>		<b>173</b>	<b>268</b>
<b>Total own-source income</b>		<b>90,579</b>	<b>95,065</b>
<b>Net cost of services</b>		<b>824</b>	<b>1,661</b>
<b>Surplus before income tax on continuing operations</b>		<b>824</b>	<b>1,661</b>
Income tax expense	5	332	505
<b>Surplus after income tax on continuing operations</b>		<b>492</b>	<b>1,156</b>
<b>Surplus after income tax</b>		<b>492</b>	<b>1,156</b>
<b>Surplus attributable to the Australian Government</b>		<b>492</b>	<b>1,156</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation reserves		1,252	5,939
<b>Total other comprehensive income after income tax</b>		<b>1,252</b>	<b>5,939</b>
<b>Total comprehensive income</b>		<b>1,744</b>	<b>7,095</b>
<b>Total comprehensive income attributable to the Australian Government</b>		<b>1,744</b>	<b>7,095</b>

## ROYAL AUSTRALIAN MINT BALANCE SHEET

as at 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	6A	5,014	16,948
Trade and other receivables	6B	30,384	15,182
<b>Total financial assets</b>		<b>35,398</b>	<b>32,130</b>
<b>Non-Financial Assets</b>			
Leasehold Improvements	7A	29,407	30,739
Property, plant and equipment	7B,C	40,770	41,762
Intangibles	7D,E	2,133	3,132
Inventories	7F	25,652	37,083
Deferred tax assets	7G	325	757
Other	7H	3,439	3,439
<b>Total non-financial assets</b>		<b>101,726</b>	<b>116,912</b>
<b>Total Assets</b>		<b>137,124</b>	<b>149,042</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	8A	4,290	14,071
Deferred tax liabilities	8B	477	1,479
Tax liabilities	8C	336	700
Other payables	8D	2,168	3,847
<b>Total payables</b>		<b>7,271</b>	<b>20,097</b>
<b>Interest Bearing Liabilities</b>			
Leases	9	71	518
<b>Total interest bearing liabilities</b>		<b>71</b>	<b>518</b>
<b>Provisions</b>			
Employee provisions	10	4,361	4,127
<b>Total provisions</b>		<b>4,361</b>	<b>4,127</b>
<b>Total Liabilities</b>		<b>11,703</b>	<b>24,742</b>
<b>Net Assets</b>		<b>125,421</b>	<b>124,300</b>
<b>EQUITY</b>			
<b>Parent Entity Interest</b>			
Contributed equity		77,903	77,903
Reserves		45,753	44,507
Retained surplus		1,765	1,890
<b>Total parent entity interest</b>		<b>125,421</b>	<b>124,300</b>
<b>Total Equity</b>		<b>125,421</b>	<b>124,300</b>

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

## ROYAL AUSTRALIAN MINT CASH FLOW STATEMENT

for the period ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Face value - circulating coin		114,610	142,435
Goods and services		37,285	32,171
Seigniorage refund		18,000	15,000
Net GST received		-	11,064
Other cash received		5	2
<b>Total cash received</b>		<b>169,900</b>	<b>200,672</b>
<b>Cash used</b>			
Employees		14,048	13,832
Suppliers		87,674	96,308
Payments to Commonwealth - royalties		1,224	1,185
Payments to Commonwealth - Seigniorage		76,480	109,856
Net GST paid		2,547	-
Finance Charges		36	60
<b>Total cash used</b>		<b>182,009</b>	<b>221,241</b>
<b>Net cash from operating activities</b>	12	<b>(12,109)</b>	<b>(20,569)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		3	10
<b>Total cash received</b>		<b>3</b>	<b>10</b>
<b>Cash used</b>			
Purchase of property, plant and equipment		1,027	8,120
<b>Total cash used</b>		<b>1,027</b>	<b>8,120</b>
<b>Net used by investing activities</b>		<b>(1,024)</b>	<b>(8,110)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		1,198	7,490
<b>Total cash received</b>		<b>1,198</b>	<b>7,490</b>
<b>Net cash used by financing activities</b>		<b>1,198</b>	<b>7,490</b>
<b>Net increase / (decrease) in cash held</b>		<b>(11,934)</b>	<b>(21,189)</b>
Cash and cash equivalents at the beginning of the reporting period		16,948	38,137
<b>Cash and cash equivalents at the end of the reporting period</b>	6A	<b>5,014</b>	<b>16,948</b>

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 2011

	Retained earnings		Asset revaluation reserve		Buffer Stock Reserves		Contributed equity/capital		Total equity	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>										
Balance carried forward from previous period	1,890	734	24,507	18,568	20,000	20,000	77,903	83,223	124,300	122,525
Prior year adjustments	(617)	-	(6)	-	-	-	-	-	(623)	-
<b>Adjusted opening balance</b>	<b>1,273</b>	<b>734</b>	<b>24,501</b>	<b>18,568</b>	<b>20,000</b>	<b>20,000</b>	<b>77,903</b>	<b>83,223</b>	<b>123,677</b>	<b>122,525</b>
<b>Comprehensive income</b>										
Other comprehensive income - Changes in asset revaluation reserves	-	-	350	7,045	-	-	-	-	350	7,045
Tax effect on revaluation	-	-	902	(1,106)	-	-	-	-	902	(1,106)
Surplus for the period	492	1,156							492	1,156
<b>Total comprehensive income</b>	<b>492</b>	<b>1,156</b>	<b>1,252</b>	<b>5,939</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,744</b>	<b>7,095</b>
of which:										
Attributable to the Australian Government	492	1,156	1,252	5,939	-	-	-	-	1,744	7,095
<b>Transactions with owners</b>										
<b>Distribution to owners</b>										
Restructuring (Note 11A)	-	-	-	-	-	-	-	(5,495)	-	(5,495)
<b>Contributions by owners</b>										
Appropriation (equity injection)	-	-	-	-	-	-	-	175	-	175
Restructuring	-	-	-	-	-	-	-	-	-	-
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,320)</b>	<b>-</b>	<b>(5,320)</b>
<b>Transfers between equity components</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance as at 30 June</b>	<b>1,765</b>	<b>1,890</b>	<b>25,753</b>	<b>24,507</b>	<b>20,000</b>	<b>20,000</b>	<b>77,903</b>	<b>77,903</b>	<b>125,421</b>	<b>124,300</b>
<b>Closing balance attributable to the Australian Government</b>	<b>1,765</b>	<b>1,890</b>	<b>25,753</b>	<b>24,507</b>	<b>20,000</b>	<b>20,000</b>	<b>77,903</b>	<b>77,903</b>	<b>125,421</b>	<b>124,300</b>

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 2011

The following non-financial non-current assets were added in 2010-11:

	Leasehold Improvements	Heritage & cultural	Other property, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
By purchase - appropriation equity injection	-	-	-	-	-
By purchase - special account	209	-	610	210	1,029
By finance lease	-	-	-	-	-
By transfer at no cost	-	167	-	-	167
<b>Total additions</b>	<b>209</b>	<b>167</b>	<b>610</b>	<b>210</b>	<b>1,196</b>

Additions recognised in 2010-11 – to be funded in future years

By finance lease - future years	-	-	-	-	-
<b>Total additions funded in future years</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total asset additions</b>	<b>209</b>	<b>167</b>	<b>610</b>	<b>210</b>	<b>1,196</b>

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
<b>Total additions</b>	<b>3,586</b>	<b>107</b>	<b>2,834</b>	<b>1,806</b>	<b>8,333</b>

Additional recognised in 2009-10 – to be funded in future years

By finance lease - future years	-	-	(109)	-	(109)
<b>Total additions funded in future years</b>	<b>-</b>	<b>-</b>	<b>(109)</b>	<b>-</b>	<b>(109)</b>
<b>Total asset additions</b>	<b>3,586</b>	<b>107</b>	<b>2,725</b>	<b>1,806</b>	<b>8,224</b>

## ROYAL AUSTRALIAN MINT SCHEDULE OF COMMITMENTS

as at 30 June 2011

	2011 \$'000	2010 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Operating Commitment Receivable	( 3,566)	(4)
GST recoverable on commitments	( 5,350)	(7,116)
<b>Total commitments receivable</b>	<b>(8,916)</b>	<b>(7,120)</b>
<b>Capital commitments</b>		
Property, plant and equipment <sup>1</sup>	541	-
<b>Total capital commitments</b>	<b>541</b>	<b>-</b>
<b>Other commitments</b>		
Operating leases <sup>2</sup>	53,128	55,108
Other commitments <sup>3</sup>	10,408	23,216
<b>Total other commitments</b>	<b>63,536</b>	<b>78,324</b>
<b>Net commitments by type</b>	<b>55,161</b>	<b>71,204</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
One year or less	( 4,095)	(2,293)
From one to five years	( 1,062)	(843)
Over five years	( 3,760)	(3,983)
<b>Total capital commitments</b>	<b>(8,917)</b>	<b>(7,119)</b>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
One year or less	541	-
From one to five years	-	-
Over five years	-	-
<b>Total capital commitments</b>	<b>541</b>	<b>-</b>
<b>Operating lease commitments</b>		
One year or less	2,283	2,153
From one to five years	9,490	9,144
Over five years	41,355	43,811
<b>Total operating lease commitments</b>	<b>53,128</b>	<b>55,108</b>
<b>Other commitments</b>		
One year or less	8,214	23,069
From one to five years	2,194	147
Over five years	-	-
<b>Total other commitments</b>	<b>10,408</b>	<b>23,216</b>
<b>Net commitments by maturity</b>	<b>55,160</b>	<b>71,205</b>

NB: Commitments are GST inclusive where relevant.



## ROYAL AUSTRALIAN MINT SCHEDULE OF COMMITMENTS

as at 30 June 2011

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. (2010: 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.)

## ROYAL AUSTRALIAN MINT SCHEDULE OF ADMINISTERED ITEMS

	Notes	2011 \$'000	2010 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b> <i>for the period ended 30 June 2011</i>			
<b>Revenue</b>			
<b>Non-taxation revenue</b>			
Other Revenue - Seigniorage	17	114,610	142,435
<b>Total non-taxation revenue</b>		114,610	142,435
<b>Total revenues administered on behalf of Government</b>		114,610	142,435
<b>Total income administered on behalf of Government</b>		114,610	142,435
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b> <i>for the period ended 30 June 2011</i>			
Other Expenses	17	74,327	53,234
<b>Total expenses administered on behalf of Government</b>		74,327	53,234

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

### **ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT** *as at 30 June 2011*

<b>Financial assets</b>			
Receivables - Seigniorage		-	-
<b>Total financial assets</b>		-	-
<b>Non-financial assets</b>			
Inventory		27,305	28,934
<b>Total non-financial assets</b>		27,305	28,934
<b>Total assets administered on behalf of Government</b>		27,305	28,934

### **LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT** *as at 30 June 2011*

<b>Payables</b>			
Other Payables - Seigniorage		28,408	10,615
<b>Total payables</b>		28,408	10,615
<b>Total liabilities administered on behalf of Government</b>		28,408	10,615

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

## ROYAL AUSTRALIAN MINT SCHEDULE OF ADMINISTERED ITEMS

	Notes	2011 \$'000	2010 \$'000
<b>ADMINISTERED CASH FLOWS</b> <i>for the period ended 30 June 2011</i>			
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Other - Seigniorage	17	(77,705)	(111,041)
<b>Total cash received</b>		<b>(77,705)</b>	<b>(111,041)</b>
<b>Net cash used by operating activities</b>		<b>(77,705)</b>	<b>(111,041)</b>
<b>Net Decrease in Cash Held</b>		<b>(77,705)</b>	<b>(111,041)</b>
Cash and cash equivalents at the beginning of the reporting period		-	-
Cash from Official Public Account for:			
-Special accounts		<b>18,000</b>	15,000
		<b>18,000</b>	<b>15,000</b>
Cash to Official Public Account for:			
- Special accounts - Seigniorage	17	<b>59,705</b>	96,041
		<b>59,705</b>	<b>96,041</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>-</b>	<b>-</b>
This schedule should be read in conjunction with the accompanying notes.			

### ADMINISTERED CONTINGENCIES

*as at 30 June 2011*

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

### ASSET ADDITIONS

*as at 30 June 2011*

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 the 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 2010; 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 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

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

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 Property, 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 Commercial Banks.

## ROYAL AUSTRALIAN MINT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

### *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 the reporting period. Allowances are made when collectability of the debt is no longer probable.

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.

## ROYAL AUSTRALIAN MINT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

### *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 banks 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 2010-11 is \$59.705m (2009-10: \$96.04m).

## 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.

## ROYAL AUSTRALIAN MINT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

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.

## ROYAL AUSTRALIAN MINT

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

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.

## ROYAL AUSTRALIAN MINT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

### *Held-to-Maturity Investments*

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

### *Loans and Receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. 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 the 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 (2009-10: \$5,000), 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).

## ROYAL AUSTRALIAN MINT

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

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 'make good' provisions in property leases taken up by the Mint where there exists an obligation to restore the property to its original condition. If applicable, these costs are included in the value of the Mint's leasehold improvements with a corresponding provision for the 'make good' 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
Property, 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.

#### Heritage and Cultural Assets

The Mint holds the National Coin Collection which comprises coins and associated minting products. These have an aggregated fair value of \$22,984,107 (2010: \$22,461,000). The Coin Collection is subject to revaluation by independent valuers to ensure that they remain at a fair value. The Mint has classified them as heritage and cultural assets as they are primarily used for purposes that relate to their cultural significance. The Mint has adopted appropriate curatorial and preservation policies for the Collection and the items are deemed to have indefinite useful lives and hence are not depreciated. The Mint's curatorial and preservation policies are publicly available at [http://www.ramint.gov.au/about/policies/national\\_coin.cfm](http://www.ramint.gov.au/about/policies/national_coin.cfm)

## ROYAL AUSTRALIAN MINT

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

#### 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.

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:

Asset Class	2011	2010
Leasehold improvements	<b>Life of lease</b>	Life of lease
Office Equipment	<b>2–5 years</b>	2–5 years
Factory Machinery	<b>10–20 years</b>	10–20 years
Heritage and Cultural	<b>Indefinite life</b>	Indefinite life

#### Impairment

All assets were assessed for impairment at 30 June 2011. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

#### 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 (2009-10: 2 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2011.



**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

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### **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.

## ROYAL AUSTRALIAN MINT

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

#### 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 the 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 17.

#### *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.

## Note 3: Expenses

### NOTE 3A: EMPLOYEE BENEFITS

	2011 \$'000	2010 \$'000
Wages and salaries	11,032	10,878
Superannuation:		
Defined contribution plans	686	914
Defined benefit plans	1,227	857
Leave and other entitlements	1,420	828
Separation and redundancies	11	12
Payroll tax (competitive neutrality)	336	253
<b>Total employee benefits</b>	<b>14,712</b>	<b>13,742</b>

### NOTE 3B: SUPPLIERS

#### Goods and services

Cost of Goods Sold	52,453	62,601
Administration & Management	4,062	3,353
Selling & Distribution	2,591	3,005
Facilities Service & Maintenance	2,519	2,823
Conference Expenses	1,291	-
Other	114	100
<b>Total goods and services</b>	<b>63,030</b>	<b>71,882</b>

Goods and services are made up of:

Provision of goods – related entities	69	85
Provision of goods – external parties	54,638	64,789
Rendering of services – related entities	785	1,662
Rendering of services – external parties	7,538	5,346
<b>Total goods and services</b>	<b>63,030</b>	<b>71,882</b>

#### Other supplier expenses

Operating lease rentals – related entities:

Minimum lease payments	3,609	1,928
Workers compensation expenses	114	94
<b>Total other supplier expenses</b>	<b>3,723</b>	<b>2,022</b>
<b>Total supplier expenses</b>	<b>66,753</b>	<b>73,904</b>

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

	2011	2010
	\$'000	\$'000

**NOTE 3C: DEPRECIATION AND AMORTISATION**

Depreciation:

Property, plant and equipment	1,891	2,179
Leasehold Improvement	1,541	780

<b>Total depreciation</b>	<b>3,432</b>	<b>2,959</b>
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Amortisation:

Assets held under finance leases	121	93
Intangibles:		
Computer Software	1,223	527

<b>Total amortisation</b>	<b>1,344</b>	<b>620</b>
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<b>Total depreciation and amortisation</b>	<b>4,776</b>	<b>3,579</b>
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The Mint has equipment under finance lease arrangements worth \$106,034 (2010: \$1,035,670).

**NOTE 3D: FINANCE COSTS**

Finance leases	33	60
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<b>Total finance costs</b>	<b>33</b>	<b>60</b>
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**NOTE 3E: WRITE-DOWN AND IMPAIRMENT OF ASSETS**

Inventory	2,115	864
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Asset write-downs and impairments from:

Impairment on financial instruments	1	2
Impairment of property, plant and equipment	-	9
Impairment on intangible assets	-	-

<b>Total write-down and impairment of assets</b>	<b>2,116</b>	<b>875</b>
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**NOTE 3F: FOREIGN EXCHANGE**

Non-Speculative	74	-
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<b>Total foreign exchange losses</b>	<b>74</b>	<b>-</b>
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**NOTE 3G: LOSSES FROM ASSET SALES**

Property, plant and equipment:

Proceeds from sale	-	(10)
Carrying value of assets sold	-	67
Selling expense	-	3

<b>Total losses from assets sales</b>	<b>-</b>	<b>60</b>
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**NOTE 3H: ROYALTIES PAID**

Royalties - Australian Government	1,113	1,077
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Royalties - Other	178	107
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<b>Total Royalties</b>	<b>1,291</b>	<b>1,184</b>
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**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

## Note 4: Income

	2011	2010
<b>REVENUE</b>	<b>\$'000</b>	<b>\$'000</b>

### NOTE 4A: SALE OF GOODS AND RENDERING OF SERVICES

#### Goods

Australian Circulating Coin Sales	66,131	69,603
Australian Numismatic Coin Sales	21,385	24,127
Foreign Circulating Coin Sales	99	99
Other Sales Non Coin Product	1,066	386
	<b>88,681</b>	<b>94,215</b>

Provision of goods - related entities	66,377	69,714
Provision of goods - external parties	22,304	24,501
<b>Total sale of goods and rendering of services</b>	<b>88,681</b>	<b>94,215</b>

### NOTE 4B: CONFERENCE REVENUE

#### MDC 2010 Conference

	1,352	-
<b>Total Conference Revenue</b>	<b>1,352</b>	<b>-</b>

### NOTE 4C: INTEREST

#### Competitive Neutrality interest equivalent

	368	580
<b>Total interest</b>	<b>368</b>	<b>580</b>

### NOTE 4D: RENTAL INCOME

#### Rental

	5	2
<b>Total Rental</b>	<b>5</b>	<b>2</b>

## GAINS

### NOTE 4E: SALE OF ASSETS

#### Property, plant and equipment:

Proceeds from sale	12	-
Carrying value of assets sold	-	-
Selling expense	-	-
<b>Net gain from sale of assets</b>	<b>12</b>	<b>-</b>

### NOTE 4F: FOREIGN EXCHANGE

#### Non-Speculative

	-	107
<b>Total foreign exchange gains</b>	<b>-</b>	<b>107</b>

### NOTE 4G: OTHER GAINS

#### Resources received free of charge

	161	161
<b>Total other gains</b>	<b>161</b>	<b>161</b>

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2011

## 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.

**2011**      2010  
**\$'000**      \$'000

### INCOME TAX EXPENSE

Major components of income tax expense for the year ended 30 June

#### Statement of Comprehensive Income

##### Current income tax

Current income tax charge	<b>( 108)</b>	685
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##### Deferred income tax

Relating to origination and reversal of timing differences	<b>238</b>	( 180)
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Relating to change in allocation rate in contestable activities from prior years	<b>202</b>	0
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<b>Income tax expense reported in the Statement of Comprehensive Income</b>	<b>332</b>	505
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#### Statement of Changes in Equity

Plant and Equipment - revaluation	<b>( 902)</b>	1,106
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<b>Income tax expense reported in equity</b>	<b>( 902)</b>	1,106
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*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 2011 and 2010 is as follows:*

Accounting profit before tax	<b>902</b>	1,681
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At the statutory income tax rate of 30% (2010: 30%)	<b>271</b>	504
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Add tax on expenditure not deductible for income tax purposes	<b>61</b>	1
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<b>Income tax expense reported in the Statement of Comprehensive Income</b>	<b>332</b>	505
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**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

	Balance Sheet		Statement of Comprehensive Income	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
<b>DEFERRED INCOME TAX AT 30 JUNE RELATES TO THE FOLLOWING</b>				
Deferred income tax at 30 June relates to the following:				
<i>Deferred income tax liabilities</i>				
Interest receivable	231	331	100	174
Plant and Equipment - revaluation	246	1,148	-	( 199)
<b>Gross deferred income tax liabilities - Note 8B</b>	<b>477</b>	<b>1,479</b>		
<i>Deferred income tax assets</i>				
Provision for employee entitlements	294	582	( 447)	( 73)
Provision for payroll tax	101	150	( 90)	( 76)
Plant and equipment (impairment)	18	18	-	-
Other - superannuation accrual	6	7	( 3)	( 6)
Income tax losses	108	-		
Change in rate of contestable activities	( 202)	-		
<b>Gross deferred income tax assets - Note 7G</b>	<b>325</b>	<b>757</b>		
<b>Deferred income tax charge</b>			<b>( 440)</b>	<b>( 180)</b>



**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

## Note 6: Financial Assets

	2011	2010
	\$'000	\$'000

### NOTE 6A: CASH AND CASH EQUIVALENTS

Special Accounts	5,004	16,940
Cash on hand or on deposit	10	8
<b>Total cash and cash equivalents</b>	<b>5,014</b>	<b>16,948</b>

### NOTE 6B: TRADE AND OTHER RECEIVABLES

#### Good and Services:

Goods and services - related entities	112	110
Goods and services - external parties	1,055	1,611
<b>Total receivables for goods and services</b>	<b>1,167</b>	<b>1,721</b>

#### Appropriations receivable:

For capital injections	1,977	3,175
<b>Total appropriations receivable</b>	<b>1,977</b>	<b>3,175</b>

#### Other receivables:

GST receivable from the Australian Taxation Office	718	-
Interest Equivalent Neutrality	769	1,102
Seigniorage receivable from the OPA	25,753	9,184
<b>Total other receivables</b>	<b>27,240</b>	<b>10,286</b>
<b>Total trade and other receivables (gross)</b>	<b>30,384</b>	<b>15,182</b>

Less impairment allowance account:

Goods and services	-	-
<b>Total impairment allowance account</b>	<b>-</b>	<b>-</b>
<b>Total trade and other receivables (net)</b>	<b>30,384</b>	<b>15,182</b>

Receivables are expected to be recovered in:

No more than 12 months	30,316	15,182
More than 12 months	68	-
<b>Total trade and other receivables (net)</b>	<b>30,384</b>	<b>15,182</b>

Receivables are aged as follows:

Not overdue	29,515	13,951
Overdue by:		
0 to 30 days	264	212
31 to 60 days	414	196
61 to 90 days	113	384
More than 90 days	78	439
<b>Total receivables (gross)</b>	<b>30,384</b>	<b>15,182</b>

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

## Note 7: Non-Financial Assets

	2011 \$'000	2010 \$'000
<b>NOTE 7A: LEASEHOLD IMPROVEMENTS</b>		
Leasehold improvements:		
Fair value	30,800	30,739
Accumulated depreciation	(1,541)	-
Work in progress	148	-
<b>Total leasehold improvements</b>	<b>29,407</b>	<b>30,739</b>
<b>Total land and buildings</b>	<b>29,407</b>	<b>30,739</b>

No indicators of impairment were found for land and buildings.

### NOTE 7B: PROPERTY, PLANT AND EQUIPMENT

Heritage and cultural:		
National Coin Collection	22,984	22,461
<b>Total heritage and cultural</b>	<b>22,984</b>	<b>22,461</b>

The National Coin Collection includes coins initially donated at no cost to the Mint.

The collection was valued by an independent appraiser, A Byrne Coins as at 30 June 2011. Revaluation increments were recognised directly in equity \$0.356 million (2009-10: \$6.253 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.

Property, plant and equipment:		
Fair value	19,887	19,450
Accumulated depreciation	(2,191)	(174)
Work in progress	90	25
<b>Total other property, plant and equipment</b>	<b>17,786</b>	<b>19,301</b>
<b>Total property, plant and equipment</b>	<b>40,770</b>	<b>41,762</b>

No valuation was undertaken as at 30 June 2011. All revaluations were conducted in accordance with the revaluation policy stated at Note 1.

Property, plant and equipment assets were subjected to a revaluation on 30 June 2010 by an independent valuer (Australian Valuation Office) with an increment of \$260,049 for leasehold improvements and a revaluation increment for plant and equipment of increment of \$868,194.

No indicators of impairment were found for property, plant and equipment (2010: Nil).

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

**NOTE 7C: RECONCILIATION OF THE OPENING AND CLOSING BALANCES OF PROPERTY, PLANT AND EQUIPMENT (2010-11)**

	Leasehold Improvements	Leasehold Improvements - work in progress	Total Leasehold Improvements	Heritage and cultural	Other property, plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2010</b>						
Gross book value	30,739	-	30,739	22,461	19,475	72,675
Accumulated depreciation and impairment	-	-	-	-	(174)	(174)
<b>Net book value 1 July 2010</b>	<b>30,739</b>	<b>-</b>	<b>30,739</b>	<b>22,461</b>	<b>19,301</b>	<b>72,501</b>
Additions:						
By purchase	61	148	209	-	610	819
By finance lease	-	-	-	-	-	-
At cost	-	-	-	167	-	167
Revaluation recognised in Other Comprehensive Income	-	-	-	356	7	363
Impairments recognised in the operating result	-	-	-	-	-	-
Reversal of impairments recognised in the operating result	-	-	-	-	-	-
Transfer of Assets	-	-	-	-	(25)	(25)
Depreciation expense	(1,541)	-	(1,541)	-	(2,012)	(3,553)
Disposals:						
Other	-	-	-	-	(5)	(5)
Other movements	-	-	-	-	(88)	(88)
<b>Net book value 30 June 2011</b>	<b>29,259</b>	<b>148</b>	<b>29,407</b>	<b>22,984</b>	<b>17,786</b>	<b>70,177</b>
<b>Net book value as of 30 June 2011 represented by:</b>						
Gross book value	30,800	148	30,948	22,984	19,977	73,909
Accumulated depreciation	(1,541)	-	(1,541)	-	(2,191)	(3,732)
	<b>29,259</b>	<b>148</b>	<b>29,407</b>	<b>22,984</b>	<b>17,786</b>	<b>70,177</b>

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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**NOTE 7C (continued): RECONCILIATION OF THE OPENING AND CLOSING BALANCES OF PROPERTY, PLANT AND EQUIPMENT (2009-10)**

	Leasehold Improvements	Leasehold Improvements - work in progress	Total Leasehold Improvements	Heritage and cultural	Other property, plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2009</b>						
Gross book value	82	27,673	27,755	16,101	23,807	67,663
Accumulated depreciation and impairment	(82)	-	(82)	-	(3,787)	(3,869)
Accumulated impairment losses	-	-	-	-	-	-
<b>Net book value 1 July 2009</b>	-	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
Revaluation recognised in Other Comprehensive Income	260	-	260	6,253	563	7,077
Impairments recognised in the operating result	-	-	-	-	(9)	(9)
Reversal of impairments recognised in the operating result	-	-	-	-	-	-
Transfer of Assets	27,673	(27,673)	-	-	(1,807)	(1,807)
Depreciation expense	(780)	-	(780)	-	(2,273)	(3,054)
Disposals:						
Other	-	-	-	-	(27)	(27)
<b>Net book value 30 June 2010</b>	30,739	-	30,739	22,461	19,301	72,501
<b>Net book value as of 30 June 2010 represented by:</b>						
Gross book value	30,739	-	30,739	22,461	19,475	72,675
Accumulated depreciation	-	-	-	-	(174)	(174)
	30,739	-	30,739	22,461	19,301	72,501

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

	2011	2010
	\$'000	\$'000

**NOTE 7D: INTANGIBLES**

Computer software:

Purchased	5,821	5,832
Accumulated amortisation	(3,923)	(2,700)
Work in Progress	235	-

**Total computer software (net)**

2,133	3,132
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**Total intangibles**

2,133	3,132
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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 (2010-11)**

	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2010</b>		
Gross book value	5,832	5,832
Accumulated amortisation and impairment	(2,700)	(2,700)
<b>Net book value 1 July 2010</b>	<b>3,132</b>	<b>3,132</b>
Additions:		
By purchase	210	210
Revaluation recognised in Other Comprehensive Income	(11)	(11)
Transfer of Assets	25	25
Amortisation	(1,223)	(1,223)
Disposals:		
Other	-	-
<b>Net book value 30 June 2011</b>	<b>2,133</b>	<b>2,133</b>
<b>Net book value as of 30 June 2011 represented by:</b>		
Gross book value	6,056	6,056
Accumulated amortisation and impairment	(3,923)	(3,923)
	<b>2,133</b>	<b>2,133</b>
<b>As at 1 July 2009</b>		
Gross book value	2,322	2,322
Accumulated amortisation and impairment	(2,204)	(2,204)
<b>Net book value 1 July 2009</b>	<b>118</b>	<b>118</b>
Additions:		
By purchase	1,806	1,806
Revaluation recognised in Other Comprehensive Income	(32)	(32)
Transfer of Assets	1,807	1,807
Amortisation	(527)	(527)
Disposals:		
Other	(40)	(40)
<b>Net book value 30 June 2010</b>	<b>3,132</b>	<b>3,132</b>
<b>Net book value as of 30 June 2010 represented by:</b>		
Gross book value	5,832	5,832
Accumulated amortisation and impairment	(2,700)	(2,700)
	<b>3,132</b>	<b>3,132</b>

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

	2011 \$'000	2010 \$'000
<b>NOTE 7F: INVENTORIES</b>		
Inventories held for sale:		
Raw materials		
Australian Circulating Coin	11,381	18,662
Australian Numismatic Coin	930	5,731
Foreign Circulating Coin	765	72
Other	6,645	5,507
	<b>19,721</b>	<b>29,972</b>
Work in progress		
Australian Circulating Coin	161	2,066
Australian Numismatic Coin	-	1,777
Foreign Circulating Coin	359	5
Other	516	-
	<b>1,036</b>	<b>3,848</b>
Finished goods		
Australian Numismatic Coin	3,984	1,910
Foreign Circulating Coin	54	43
Other	857	1,310
	<b>4,895</b>	<b>3,263</b>
<b>Total inventories held for sale</b>	<b>25,652</b>	<b>37,083</b>
<b>Total inventories</b>	<b>25,652</b>	<b>37,083</b>

During 2010-11, \$54,568,436 of inventory held for sale was recognised as an expense (2009-10: \$63,465,128).

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.

**NOTE 7G: DEFERRED TAX ASSETS**

Deferred tax assets	325	757
<b>Total deferred tax assets</b>	<b>325</b>	<b>757</b>

**NOTE 7H: OTHER NON-FINANCIAL ASSETS**

Prepayments	3,439	3,439
<b>Total other non-financial assets</b>	<b>3,439</b>	<b>3,439</b>
Total other non-financial assets - are expected to be recovered in:		
No more than 12 months	3,439	3,439
<b>Total other non-financial assets</b>	<b>3,439</b>	<b>3,439</b>

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 2011*

## Note 8: Payables

	2011	2010
	\$'000	\$'000

### NOTE 8A: SUPPLIERS

Trade creditors and accruals	305	12,983
Operating lease rentals	3,985	1,088
<b>Total supplier payables</b>	<b>4,290</b>	<b>14,071</b>

Supplier payables expected to be settled within 12 months:

Related entities	3,985	1,172
External parties	305	12,899
<b>Total</b>	<b>4,290</b>	<b>14,071</b>

### Total supplier payables

<b>4,290</b>	<b>14,071</b>
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Settlement is usually made within 30 days. All supplier payables are expected to be settled within 12 months.

### NOTE 8B: DEFERRED TAX LIABILITIES

Deferred tax liability	477	1,479
<b>Total deferred tax liabilities</b>	<b>477</b>	<b>1,479</b>

### NOTE 8C: TAX LIABILITIES (COMPETITIVE NEUTRALITY)

Competitive Neutrality: State Tax Equivalent Payroll tax	336	500
Competitive Neutrality: Commonwealth Tax Equivalent Income tax	-	200
<b>Total supplier payables</b>	<b>336</b>	<b>700</b>

### NOTE 8D: OTHER PAYABLES

Salaries and wages	327	246
Superannuation	46	33
Unearned income	1,067	1,199
GST payable to ATO	-	2,010
Other	728	359
<b>Total other payables</b>	<b>2,168</b>	<b>3,847</b>

All other payables are expected to be settled within 12 months.



## Note 9: Interest Bearing Liabilities

	2011 \$'000	2010 \$'000
Finance lease	71	518
<b>Total finance leases</b>	<b>71</b>	<b>518</b>
Payable:		
Within one year:		
Minimum lease payments	44	396
Deduct: future finance charges	(4)	(35)
In one to five years:		
Minimum lease payments	32	164
Deduct: future finance charges	(1)	(7)
<b>Finance leases recognised on the balance sheet</b>	<b>71</b>	<b>518</b>

Finance leases exist for two forklifts. The leases are non-cancellable with fixed terms of 36 months; no residual value and have an average implicit interest rate of 8.85%. 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

	2011 \$'000	2010 \$'000
<b>NOTE 10: EMPLOYEE PROVISIONS</b>		
Leave	4,361	4,127
Other	-	-
<b>Total employee provisions</b>	<b>4,361</b>	<b>4,127</b>
Employee provisions are expected to be settled in:		
No more than 12 months	1,422	1,352
More than 12 months	2,939	2,775
<b>Total employee provisions</b>	<b>4,361</b>	<b>4,127</b>

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

## Note 11: Restructuring

### NOTE 11A: DEPARTMENTAL RESTRUCTURING

No restructures were made in 2010-11.

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.

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:

	2011 \$'000	2010 \$'000
<b>Royal Australian Mint - Departmental</b>		
Assets relinquished		
Inventory - Circulating Coin Finished Goods	-	(5,495)
Total assets relinquished	-	(5,495)
<b>Net assets relinquished</b>	-	(5,495)

### NOTE 11B: ADMINISTERED RESTRUCTURING

No restructures were made in 2010-11.

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

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:

	2011 \$'000	2010 \$'000
<b>Royal Australian Mint - Administered</b>		
Assets recognised		
Inventory - Circulating Coin Finished Goods	-	5,495
Total assets recognised	-	5,495
<b>Net assets recognised</b>	-	5,495

## Note 12: Cash Flow Reconciliation

	2011 \$'000	2010 \$'000
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	5,014	16,948
Balance sheet	5,014	16,948
<b>Difference</b>	-	-
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	824	1,661
Less income tax expense	(332)	(505)
<b>Adjustments for non-cash items</b>		
Depreciation / amortisation	4,776	3,579
Net write down of non-financial assets	2,115	873
Bad and Doubtful Debts	1	2
Loss / (Gain) on disposal of assets	(12)	60
Adjustment due to prior year transactions	(617)	-
<b>Changes in assets / liabilities</b>		
Income tax expense recognised in equity	902	(1,106)
Assets recognised directly in lease liability	-	(106)
(Increase) / decrease in net receivables	554	(387)
(Increase) / decrease in interest equivalent receivable	333	(580)
(Increase) / decrease in Seigniorage receivable	(16,568)	(9,184)
(Increase) / decrease in GST receivable	(2,728)	2,684
(Increase) / decrease in inventories	9,149	(5,416)
(Increase) / decrease in prepayments	-	(2,827)
(Increase) / decrease in tax asset	432	330
Increase / (decrease) in employee provisions	329	(343)
Increase / (decrease) in supplier payables	(9,780)	7,466
Increase / (decrease) in accrued expenses	369	1,131
Increase / (decrease) in unearned revenue	(132)	662
Increase / (decrease) in Seigniorage payable	-	(19,911)
Increase / (decrease) in deferred tax liabilities	(1,002)	1,081
Increase / (decrease) in lease liability	(358)	(186)
Increase / (decrease) in competitive neutrality payments payable	(364)	453
<b>Net cash from operating activities</b>	<b>(12,109)</b>	<b>(20,569)</b>

## **Note 13: Contingent Liabilities and Assets**

### **Quantifiable Contingencies**

The Mint has no contingent liabilities as at 30 June 2011 (2010: Nil).

The Mint also has no contingent assets as at 30 June 2011 (2010: Nil).

### **Unquantifiable Contingencies**

The Mint had no unquantifiable contingent assets at 30 June 2011 (2010: Nil).

The Mint is currently in negotiations with the Department of Finance and Deregulation in relation to the leasing of the current Mint premises. Within the terms of the lease agreement, there are clauses for make good of the premises on termination of the lease in addition to annual fixed increases to the rental fee. Until the lease agreement is finalised, the Mint cannot identify the quantum of these amounts which may be imposed.

### **Significant Remote Contingencies**

The Mint has no significant remote contingent assets at 30 June 2011 (2010: none).

The Mint has no significant remote contingent liabilities at 30 June 2011 (2010: none).

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

## Note 14: Senior Executive Remuneration

### NOTE 14A: SENIOR EXECUTIVE REMUNERATION EXPENSE FOR THE REPORTING PERIOD

	2011 \$	2010 \$
Short-term employee benefits:		
Salary	217,460	174,399
Annual leave accrued	24,560	7,776
Total Short-term employee benefits	242,020	182,175
Post-employment benefits:		
Superannuation	30,338	39,462
Total post-employment benefits	30,338	39,462
Other long-term benefits:		
Long-service leave	3,383	15,155
Total other long-term benefits	3,383	15,155
<b>Total</b>	<b>275,741</b>	<b>236,792</b>

**Notes:**

1. Note 14A was prepared on an accrual basis (so the performance bonus expenses disclosed above differ from the cash 'Bonus paid' in Note 14B).
2. Note 14A excludes acting arrangements and part-year service where remuneration expensed was less than \$150,000.

# ROYAL AUSTRALIAN MINT

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

### NOTE 14B: AVERAGE ANNUAL REMUNERATION PACKAGES AND BONUS PAID FOR SUBSTANTIVE SENIOR EXECUTIVES AS AT THE END OF THE REPORTING PERIOD

	As at 30 June 2011					As at 30 June 2010				
	No. SES	Base salary	Allowances	Total remuneration package <sup>1</sup>	Bonus paid	No. SES	Base salary	Allowances	Total remuneration package <sup>1</sup>	Bonus paid
Total remuneration:										
\$180,000 to \$209,999	-	-	-	-	-	1	195,960	-	195,960	-
\$210,000 to \$239,999	1		-	223,864	-	1	223,864	-	223,864	-
		223,864								
Total	1					2				

#### Notes:

1. This table reports on substantive senior executives who are employed by the entity as at the end of the reporting period. Fixed elements are based on the employment agreement of each individual - each row represents an average annualised figure (based on headcount) for the individuals in that remuneration package band (i.e. the 'Total' column).

#### Variable Elements:

Variable elements are not included in the 'Fixed Elements and Bonus Paid' table above. The following variable elements are available as part of senior executives' remuneration package:

(a) On average, senior executives are entitled to the following leave entitlements:

- Annual Leave (AL): entitled to 20 days (2010: 20 days) each full year worked (pro-rata for part-time SES);
- Personal Leave (PL): entitled to 15 days (2010: 20 days) or part-time equivalent; and
- Long Service Leave (LSL): in accordance with *Long Service Leave (Commonwealth Employees) Act 1976*

(b) Senior executives are members of one of the following superannuation funds:

- Private Superannuation Fund - employer contributions were equivalent to the PSSap contributions required of 15.4%. 2010: senior executives contributed to either a Private Superannuation Fund (employer contributions of 15.4%) or the Commonwealth Superannuation Scheme (CSS). The CSS is closed to new members with employer contributions of 19.3% (with a 2% productivity component). More information on CSS can be found at <http://www.css.gov.au>

(c) Various salary sacrifice arrangements are available to senior executives including super, motor vehicle and expense payment fringe benefits.

#### NOTE 14C: OTHER HIGHLY PAID STAFF

During the reporting period, there were no employees (2010: nil) whose salary plus performance bonus were \$150,000 or more. These employees did not have a role as senior executive, and are therefore not disclosed as senior executives in Note 14A and Note 14B.

### Note 15: Remuneration of Auditors

	2011 \$'000	2010 \$'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
	<b>161</b>	<b>161</b>

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

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

## Note 16: Financial Instruments

	2011	2010
	\$'000	\$'000

### NOTE 16A: CATEGORIES OF FINANCIAL INSTRUMENTS

#### Financial Assets

Loans and receivables:

Cash and cash equivalents	5,014	16,940
Trade receivables	1,167	1,721

<b>Total</b>	<b>6,181</b>	<b>18,661</b>
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<b>Carrying amount of financial assets</b>	<b>6,181</b>	<b>18,661</b>
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#### Financial Liabilities

At amortised cost:

Trade creditors	4,290	14,071
Unearned Income	1,067	1,199
Finance leases	71	518

<b>Total</b>	<b>5,428</b>	<b>15,788</b>
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<b>Carrying amount of financial liabilities</b>	<b>5,428</b>	<b>15,788</b>
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### NOTE 16B: NET INCOME AND EXPENSE FROM FINANCIAL ASSETS

#### Loans and receivables

Impairment	1	2
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<b>Net gain loans and receivables</b>	<b>1</b>	<b>2</b>
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<b>Net gain from financial assets</b>	<b>1</b>	<b>2</b>
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### NOTE 16C: NET INCOME AND EXPENSE FROM FINANCIAL LIABILITIES

#### Financial liabilities - at amortised cost

Foreign Exchange Gain/(Loss)	(74)	107
Amortisation	(121)	(93)
Interest expense	(33)	(60)

<b>Net gain/(loss) financial liabilities - at amortised cost</b>	<b>(228)</b>	<b>(46)</b>
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<b>Net gain/(loss) from financial liabilities</b>	<b>(228)</b>	<b>(46)</b>
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The total interest expense from financial liabilities not at fair value through profit or loss is \$32,507 (2010: \$60,004).

### 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 2011 or 2010.

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

**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 (2011: \$1,167,000 and 2010: \$1,721,000). 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 2011 (2010: 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**

	<b>Not past due nor impaired</b>	Not past due nor impaired	<b>Past due or impaired</b>	Past due or impaired
	<b>2011</b>	2010	<b>2011</b>	2010
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Loans and receivables				
Cash and cash equivalents	<b>5,014</b>	16,940	-	-
Trade receivables	<b>298</b>	490	<b>869</b>	1,231
<b>Total</b>	<b>5,312</b>	17,430	<b>869</b>	1,231

**Ageing of financial assets that were past due but not impaired for 2011**

	<b>0 to 30 days</b>	<b>31 to 60 days</b>	<b>61 to 90 days</b>	<b>90+ days</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Loans and receivables					
Trade receivables	<b>264</b>	<b>414</b>	<b>113</b>	<b>78</b>	<b>869</b>
<b>Total</b>	<b>264</b>	<b>414</b>	<b>113</b>	<b>78</b>	<b>869</b>

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

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



# ROYAL AUSTRALIAN MINT

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

### NOTE 16G: LIQUIDITY RISK

The Mint's liabilities are Suppliers payable, 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 (2010: \$Nil).

#### Maturities for non-derivative financial liabilities 2011

	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	Total \$'000
<b>Other Liabilities</b>				
Trade creditors	4,290	-	-	4,290
Unearned Income	1,067	-	-	1,067
Finance leases	40	31	-	71
<b>Total</b>	<b>5,397</b>	<b>31</b>	<b>-</b>	<b>5,428</b>

#### Maturities for non-derivative financial liabilities 2010

	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	Total \$'000
<b>Other Liabilities</b>				
Trade creditors	14,071	-	-	14,071
Unearned Income	1,199	-	-	1,199
Finance leases	362	125	32	519
<b>Total</b>	<b>15,632</b>	<b>125</b>	<b>32</b>	<b>15,789</b>

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 2011

#### NOTE 16H: MARKET RISK

##### Sensitivity analysis of the risk to which the Mint is exposed

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 risks 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.

### Note 17: Administered Reconciliation Table

	Note	2011 \$'000	2010 \$'000
<b>Opening administered assets less administered liabilities as at 1 July</b>		<b>18,320</b>	19,664
<b>Adjusted opening administered assets less administered liabilities</b>			
Plus: Administered income		<b>114,610</b>	142,435
Less: Administered expenses (non CAC)		<b>(74,327)</b>	(53,234)
Administered transfers to/from Australian Government:			
Transfers to OPA		<b>(77,705)</b>	(111,041)
Refunds of overpayment of Seigniorage		<b>18,000</b>	15,000
Restructuring	11	-	5,496
Administered revaluations taken to reserves		-	-
<b>Closing administered assets less administered liabilities as at 30 June</b>		<b>(1,102)</b>	18,320

### Note 18: Notes to the Schedule of Administered Items

The Mint has no Administered commitments, contingent liabilities or contingent assets as at reporting date (2010: Nil).

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

## Note 19: Administered Financial Instruments

**2011**      2010  
**\$'000**      \$'000

### NOTE 19A: CATEGORIES OF FINANCIAL INSTRUMENTS

#### Financial Liabilities

At amortised cost:

Seigniorage Payable

**28,408**      10,615

#### Total

**28,408**      10,615

#### Carrying amount of financial liabilities

**28,408**      10,615

### NOTE 19B: NET INCOME AND EXPENSE FROM FINANCIAL LIABILITIES

The Mint did not receive any income or expense from Administered financial liabilities.

### NOTE 19C: 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 19D: FINANCIAL INSTRUMENTS RECLASSIFIED

The Mint had no financial instruments reclassified in either 2011 or 2010.

### NOTE 19E: CREDIT RISK

The Mint is exposed to minimal credit risk as the Seigniorage receivable held in the Administered accounts relates to amounts owed by the Mint's departmental accounts under the provisions of the Memorandum of Understanding between the Mint and the Department of Treasury. For 2011 and 2010 years, there was no Seigniorage receivable being recognised by the Mint.

### NOTE 19F: LIQUIDITY RISK

The Mint's exposure to liquidity risk in the Administered financial statements is highly unlikely as amounts are payable to the Mint's departmental accounts only. These amounts are payable only when called upon under the provisions of the Memorandum of Understanding between the Mint and the Department of Treasury.

#### Maturities for non-derivative financial liabilities 2011

	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	Total \$'000
<b>Other Liabilities</b>				
Seigniorage Payable	<b>28,408</b>	-	-	<b>28,408</b>
<b>Total</b>	<b>28,408</b>	-	-	<b>28,408</b>

#### Maturities for non-derivative financial liabilities 2010

	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	Total \$'000
<b>Other Liabilities</b>				
Seigniorage Payable	10,615	-	-	10,615
<b>Total</b>	10,615	-	-	10,615

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

### NOTE 19G: MARKET RISK

The Mint holds no Administered assets or liabilities which are subject to Market risks.

### NOTE 19H: ASSETS PLEDGED/ HELD AS COLLATERAL

The Mint has no Administered assets pledged/held as collateral.

## Note 20: Appropriations

TABLE A: ANNUAL APPROPRIATIONS ('RECOVERABLE GST EXCLUSIVE')

	2011 Appropriations							Appropriation applied in 2011 (current and prior years)	Variance (a)
	Appropriation Act		FMA Act						
	Annual Appropriation \$'000	Appropriations reduced \$'000	AFM \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000	Total appropriation \$'000		
DEPARTMENTAL									
Ordinary annual services	-	-	-	-	-	-	-	-	-
Other services	-	-	-	-	-	-	-	1,198	(1,198)
Equity	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	1,198	(1,198)
Departmental									

**Notes:**

(a) Variance between Appropriation for the year and the expenditure is due to outstanding Appropriations Receivable received in the previous years in relation to the capital projects being completed.

2010 Appropriations									
Appropriation Act					FMA Act			Appropriation applied in 2010 (current and prior years)	Variance (a)
Annual Appropriation	Appropriations reduced	AFM	Section 14 (Act No. 1)	Section 30	Section 31	Section 32	Total appropriation		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DEPARTMENTAL									
Ordinary annual services	-	-	-	-	-	-	-	-	-
Other services	175	-	-	-	-	-	175	7,490	(7,315)
Equity	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Previous years' outputs	-	-	-	-	-	-	-	-	-
Total	175	-	-	-	-	-	175	7,490	(7,315)
Departmental									

**Notes:**

(a) Variance between Appropriation for the year and the expenditure is due to outstanding Appropriations Receivable received in the previous years in relation to capital projects being completed.

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2011

## Note 20: Appropriations (continued)

**TABLE B: UNSPENT DEPARTMENTAL ANNUAL APPROPRIATIONS ('RECOVERABLE GST EXCLUSIVE')**

<b>Authority</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation Act No. 4 (Non Operating Equity) 2007-08	<b>1,977</b>	3,175
	-	-
<b>Total</b>	<b>1,977</b>	3,175

## Note 21: Special Accounts

<b>Minting and Coinage Special Account (Departmental)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Establishing Instrument: <i>Financial Management and Accountability Act 1997; s20</i>		
Appropriation: <i>Financial Management and Accountability Act 1997; s20</i>		
Purpose:		
(a) payments for goods and services and salaries, wages and all other expenses incurred for the production, supply, sale and distribution of coinage, medals, dies, tokens, plaques and other like items; and		
(b) repayment of capital funds, and payment of moneys in excess of requirements to the Official Public Account; and		
(c) to credit amounts to the Minting and Coinage Special Account.		
This account is non-interest bearing.		
Balance brought forward from previous period	<b>15,340</b>	38,137
Appropriation for reporting period	<b>1,198</b>	7,490
Seigniorage refund	<b>18,000</b>	15,000
Other Receipts		
Goods to related entities	<b>114,610</b>	142,435
Goods to external entities	<b>24,331</b>	24,900
<b>Total increase</b>	<b>158,139</b>	189,825
<b>Available for payments</b>	<b>173,479</b>	227,962
Payments to the Australian Government for Seigniorage and Royalties	<b>(70,824)</b>	(102,951)
Payment made for competitive neutrality	-	-
Payments made to employees	<b>(14,048)</b>	(13,832)
Payments made to suppliers	<b>(82,476)</b>	(95,839)
<b>Total decrease</b>	<b>(167,348)</b>	(212,622)
<b>Balance carried to next period (excluding investment balances)</b>	<b>6,131</b>	15,340

## Note 22: Compensation and Debt Relief

	2011 \$	2010 \$
<b>Departmental</b>		
No 'Act of Grace' expenses were incurred during the reporting period (2010: No expenses).	-	-
No above expenses were paid on a periodic basis (2010: 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> (2010: No waiver made).	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2010: No payments made).	-	-
No ex-gratia payments were provided for during the reporting period (2010: 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. (2010: No payments made).	-	-
<b>Administered</b>		
No 'Act of Grace' expenses were incurred during the reporting period (2010: 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> . (2010: No waivers).	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2010: No payments made)	-	-
No ex-gratia payments were provided for during the reporting period. (2010: 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. (2010: No payments made)	-	-

**ROYAL AUSTRALIAN MINT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2011*

## Note 23: Reporting of Outcomes

### NOTE 23A: NET COST OF OUTCOME DELIVERY

The Mint has a single Outcome which is described in Note 1.1.

	<b>Outcome 1</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Expenses</b>				
Administered	<b>74,327</b>	53,234	<b>74,327</b>	53,234
Departmental	<b>89,419</b>	93,152	<b>89,419</b>	93,152
<b>Total</b>	<b>163,746</b>	146,385	<b>163,746</b>	146,385
<b>Income from non-government sector</b>				
Administered				
Activities subject to cost recovery	-	-	-	-
<b>Total administered</b>	-	-	-	-
Departmental				
Activities subject to cost recovery	<b>23,673</b>	24,610	<b>23,673</b>	24,610
Competitive Neutrality Interest	<b>368</b>	580	<b>368</b>	580
Goods and services income from related entities	<b>66,538</b>	69,875	<b>66,538</b>	69,875
<b>Total departmental</b>	<b>90,579</b>	95,065	<b>90,579</b>	95,065
<b>Total</b>	<b>90,579</b>	95,065	<b>90,579</b>	95,065
<b>Other own-source income</b>				
Administered	<b>114,610</b>	142,435	<b>114,610</b>	142,435
Departmental	-	-	-	-
<b>Total</b>	<b>114,610</b>	142,435	<b>114,610</b>	142,435
<b>Net cost of outcome delivery</b>	<b>(41,443)</b>	(91,115)	<b>(41,443)</b>	(91,115)

This table includes income from activities subject to competitive neutrality. The following competitive neutrality expenses were incurred in relation to those activities:

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>COMPETITIVE NEUTRALITY EXPENSES</b>		
Commonwealth tax equivalent*	<b>332</b>	505
State payroll tax equivalent	<b>336</b>	253
<b>Total competitive neutrality expenses</b>	<b>668</b>	758

\* The amount of Commonwealth tax equivalent applicable to the taxable profit for the period is \$108,432 receivable as at 30 June 2011 (2010: \$200,416). 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



## APPENDIX A – COIN PURCHASES FROM THE MINT 2010-11

Year	\$2	\$1	50c	20c	10c	5c	2c	1c	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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
2010-11	62,200	20,300	10,355	11,845	5,440	4,470	-	-	114,610
<b>Total</b>	<b>1,339,096</b>	<b>801,696</b>	<b>438,911</b>	<b>334,788</b>	<b>208,636</b>	<b>202,651</b>	<b>48,784</b>	<b>31,170</b>	<b>3,405,732</b>

## APPENDIX B – CIRCULATING COIN PRODUCTION 2010-11

Country	Denomination	Design	Date of Coin	Alloy	Pieces (million)
Australia	5c	Standard	2009	Cupro Nickel	31.489
	5c	Standard	2010	Cupro Nickel	55.757
	10c	Standard	2008	Cupro Nickel	0.007
	10c	Standard	2010	Cupro Nickel	57.293
	20c	Standard	2010	Cupro Nickel	32.002
	20c	ATO	2010	Cupro Nickel	2.671
	20c	International Womens Day	2011	Cupro Nickel	6.723
	20c	Royal Wedding	2011	Cupro Nickel	10.025
	20c	Volunteers	2011	Cupro Nickel	1.500
	50c	Standard	2010	Cupro Nickel	9.727
	50c	Standard	2011	Cupro Nickel	3.960
	\$1	Standard	2010	Aluminium Bronze	7.250
	\$1	Girl Guiding	2010	Aluminium Bronze	4.260
	\$1	CHOGM 2011	2011	Aluminium Bronze	6.200
	\$2	Standard	2009	Aluminium Bronze	7.034
	\$2	Standard	2010	Aluminium Bronze	19.779
<b>Total</b>					<b>255.677</b>
Cook Islands	\$1		2010		0.024
	\$2		2010		0.200
<b>Total</b>					<b>0.224</b>

## APPENDIX C - OTHER PRODUCTS 2010-11

Item	Customer	Pieces
Jewellery	Corporate	0
	Royal Australian Mint	300
Lapel badges	Corporate	194
	Royal Australian Mint	0
Medallions	Corporate	1624
	Royal Australian Mint	18,815
Tokens	Corporate	337,928
	Royal Australian Mint	47,764
Montages	Corporate	0
	Royal Australian Mint	400
Other	Corporate	3780
	Royal Australian Mint	0
<b>Total</b>		<b>410,805</b>

## APPENDIX D - COLLECTOR COIN RELEASE SUMMARY 2010-11

Country	Type	Date	Item Code	Qty Produced	Mintage
Australia	6 coin set proof	2011	210006	15,198	no more than 50,000
	6 coin set proof baby	2011	210007	8800	unlimited
	6 coin set proof wedding	2011	210008	2250	unlimited
	\$25 proof gold kangaroo at sunset	2011	210010	1000	1000
	2 coin set proof australian wool	2011	210013	10,500	no more than 25,000
	\$1 proof silver mintmark	2011	210015	9000	12,500
	\$10 proof gold mintmark	2011	210017	2500	2500
	\$1 proof silver mintmark anda	2010	210019	2000	2000
	6 coin set gold convict heritage	2011	210026	1200	3000
	2 coin set gold convict heritage release 2 in shipper	2011	210027	1200	3000
	2 coin set gold convict heritage release 3 in shipper	2011	210028	1200	3000
	6 coin set proof fine silver	2011	210037	1842	6000
	\$1 proof silver kangaroo at sunset	2011	210039	4900	5000
	2 coin set proof fine silver	2011	210042	2500	6000
	\$1 proof silver subscription	2011	210054	2948	made to order
	50 cent proof silver royal engagement	2010	210057	7475	10,000
	50 cent proof silver royal wedding in shipper	2011	210060	7477	10,000
	6 coin set uncirculated	2011	310006	37,383	no more than 100,000
	6 coin set uncirculated baby	2011	310007	24,000	unlimited
	2 coin set uncirculated australian wool	2011	310011	30,002	no more than 40,000
	20 cent uncirculated ashes	2011	310013	27,296	unlimited
	4 coin set uncirculated csbm	2011	310022	24,996	unlimited
	\$1 uncirculated counterstamp anda	2010	310025	4970	unlimited
	20 cent uncirculated war historians	2011	310030	26,002	unlimited
	\$1 frunc capital bridges perth	2011	310032	2000	2000
	\$1 frunc capital bridges brisbane	2011	310034	1999	2000
	\$1 frunc capital bridges melbourne	2011	310036	1995	2000
	\$1 uncirculated p counterstamp	2011	310050	5100	unlimited
	\$1 frunc rosella air series	2011	310053	20,002	unlimited
	\$1 frunc cockatoo air series	2011	310056	10,589	unlimited
	\$1 frunc kookaburra air series	2011	310062	20,002	unlimited
	\$1 frunc kingfisher air series	2011	310065	10,002	unlimited
	50 cent uncirculated royal engagement	2010	310070	49,820	unlimited
	50 cent uncirculated royal wedding	2011	310072	50,002	unlimited
	\$1 uncirculated dame joan sutherland	2011	310074	995	unlimited
	\$1 uncirculated b counterstamp	2011	310082	5000	unlimited
	\$1 uncirculated m counterstamp	2011	310084	3500	unlimited
	\$1 uncirculated census	2011	310086	3000	unlimited
	20 cent rolled royal wedding	2011	410014	15,000	unlimited
	20 cent rolled international women's day	2011	410017	7500	unlimited
	20 cent rolled volunteers	2011	410023	5000	unlimited

## APPENDIX D - COLLECTOR COIN RELEASE SUMMARY 2010-11

Country	Type	Date	Item Code	Qty Produced	Mintage
Australia continued	\$25 gold kangaroo outback 3 coin set	2010	510003	6	500
	\$5 proof silver vic state series	2006	800009	112	12,500
	\$5 proof silver tas state series	2006	801005	111	12,500
	\$5 proof silver qld state series	2009	801375	100	12,500
	\$1 uncirculated s privy mark	2009	801935	6000	unlimited
	\$1 uncirculated m privy mark	2009	801937	3000	unlimited
	\$1 uncirculated b privy mark	2009	801939	3700	unlimited
	\$1 uncirculated c mintmark	2009	801943	2400	unlimited
	2 coin set masterpieces in silver aviation	2009	801975	100	10,000
	2 coin set masterpieces in silver aviation	2010	801977	1300	10,000
	2 coin set masterpieces in silver aviation in shipper	2010	801978	2200	10,000
	50 cent uncirculated moon landing	2009	801981	1549	unlimited
	\$1 proof silver kangaroo series	2010	801991	451	20,000
	\$5 proof silver sa state series	2007	802002	50	12,500
	6 coin set proof	2009	802155	6	6000
	6 coin set proof	2010	802281	440	6000
	\$10 proof gold year of the tiger	2010	802374	67	2500
	6 coin set proof wedding	2010	802390	100	unlimited
	\$1 uncirculated year of the tiger	2010	802398	2272	unlimited
	\$1 proof silver australian coinage centenary	2010	802640	1020	12,500
	50 cent rolled australia day	2010	802909	1120	10,000
	6 coin set uncirculated	2010	802970	6580	no more than 100,000
	6 coin set uncirculated baby	2010	802971	9012	unlimited
	6 coin set proof	2010	803380	500	no more than 50,000
	6 coin set proof baby	2010	803381	1300	unlimited
	2 coin set proof burke and wills	2010	803383	419	no more than 50,000
	\$1 proof silver subscription	2010	803409	4975	made to order
	\$1 proof silver kangaroo at sunset	2010	803412	5000	5000
	50 cent uncirculated 60th national service	2011	803414	44,360	unlimited
	\$1 uncirculated fred hollows	2010	803416	9729	unlimited
	50 cent uncirculated melbourne cup	2010	803420	49,785	unlimited
	2 coin set proof silver melbourne cup	2010	803423	5000	5000
	20 cent rolled ato	2010	803424	7500	unlimited
	20 cent uncirculated fromelles	2010	803451	6798	unlimited
	4 coin set uncirculated	2010	803457	3690	unlimited
	\$1 frunc silver kangaroo series	2011	803460	10,803	unlimited
	\$1 proof silver kangaroo series	2011	803463	5000	20,000
	\$10 proof gold kangaroo series	2011	803465	1500	1500
	\$1 uncirculated year of the rabbit	2011	803467	20,000	unlimited
	\$10 proof gold year of the rabbit	2011	803469	1800	2500
	4 coin set uncirculated HADP	2010	803483	20,001	unlimited
	\$1 proof silver year of the tiger	2010	809101	3900	10,000
	\$1 proof silver year of the rabbit	2011	809103	4950	10,000

## APPENDIX D - COLLECTOR COIN RELEASE SUMMARY 2010-11

Country	Type	Date	Item Code	Qty Produced	Mintage
Australia (corporate)	20 cent uncirculated ashes in blister	2011	310027	20,000	unlimited
	6 coin set uncirculated berlin wmf	2011	310028	1500	1500
	20 cent royal wedding coin swap	2011	410024	7738	unlimited
	\$1 proof silver F15 kangaroo at sunset	2011	510020	3000	5000
	\$1 brilliant uncirculated silver F15 kangaroo at sunset in capsule	2011	510022	4000	7000
	50 cent uncirculated royal wedding in clamshell	2011	510071	26,350	unlimited
	\$1 uncirculated year of the tiger in blister	2010	801462	3200	unlimited
	\$10 proof gold year of the tiger in capsule	2010	801463	56	2500
	\$1 uncirculated steve irwin in blister	2009	801946	325	unlimited
	\$1 frunc silver kangaroo series in capsule	2010	801986	1216	unlimited
	\$1 uncirculated c mintmark blister clamshell	2010	803425	500	unlimited
	50 cent uncirculated melbourne cup in blister clamshell	2010	803439	26,000	unlimited
	\$1 proof silver kangaroo series in capsule	2011	803462	5572	20,000
	\$1 frunc kangaroo series in capsule taperlock	2011	803481	11,323	unlimited
	6 coin set uncirculated boston overprint	2010	803492	2500	2500
	50 cent uncirculated 60th national service in blister clamshell	2011	803493	23,700	unlimited
	20 cent ato	2010	803494	29,500	unlimited
	\$1 brilliant uncirculated silver FAB 15 in capsule	2010	803497	1650	5000
Fiji	50 cent uncirculated rabbit	2011	510005	6037	6000
	\$2 proof rabbit	2011	510007	4202	4000
	\$20 proof rabbit design 1	2011	510009	1195	1200
	\$20 proof rabbit design 2	2011	510011	1195	1200
	\$100 proof rabbit	2011	510013	495	500

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The background of the page is a grayscale photograph of an industrial facility. In the upper portion, a large cylindrical tank is visible with a pipe extending from its top. Below this, a teal-colored horizontal banner spans the width of the page. The lower portion of the page shows more industrial equipment, including what appears to be a control panel with many buttons and a series of vertical pipes or columns. At the very bottom, there is a decorative pattern of overlapping white and light gray circles of various sizes.

# SECTION 7

INDICES

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# Glossary

## ArtCAM software

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

## audiometric

A type of test to determine a subject's hearing levels.

## biomechanic

The study of the mechanical laws relating to the movement or structure of living organisms.

## buffer stock

Coins stored for managing fluctuating demand.

## bunded

An area designed to contain a spill, generally sealed with a coating to ensure that the spill being contained cannot penetrate the surface.

## 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.

## Chief Executive's Instructions

These instructions establish the Mint's financial administrative framework as required under the *Financial Management and Accountability Act 1997* (FMA Act).

## 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

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.

### deionised water

Deionized water is a type of purified water with mineral ions (salts) removed.

### 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.

### electroplating

The build-up of a metal coating onto an object by putting a negative charge on it and putting it into a solution which contains a metal salt.

### 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.

### 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.

### 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.

### ion exchange

Ion exchange is an exchange of ions between two electrolytes or between an electrolyte solution and a complex.

### **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. Also referred to as manufacturing execution system.

### **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.

### occupational hygiene survey

Scientific valid measurements to determine worker exposure levels of varying hazards, such as noise and chemicals.

### occupational healthy and safety management system (OHSMS)

A frame work that allows an organisation to consistently identify and control its health and safety risks, reduce the potential for safety occurrences, help achieve compliance with health and safety legislation and continually improve its performance.

### 'One Mint'

Cultural and personnel change management policy initiative within 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.

### press

A machine that performs the coin striking process.

### 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.

### reverse osmosis

Reverse osmosis is a membrane technical filtration method that removes many types of large molecules and ions from solutions by applying pressure to the solution when it is on one side of a selective membrane.

### sales 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.

**sentencing**

Sentencing is the process of using a Records Authority or General Disposal Authority to decide whether to retain, destroy or transfer a record.

**SharePoint**

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

**standard cost model**

This model used by the Mint identifies and allocates direct and indirect collector and circulating coin production costs. There are a number of legislative and government policy directions that surround the use of the Standard Cost Model, including Australian Accounting Standards.

**‘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.

**supply chain**

Represents the movement of materials as they flow from their source to the end customer. It is made up of the people, activities, information and resources involved in moving a product from the supplier to the customer.

**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.

**TRIM**

An electronic document and records management system.

**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.

**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

*Financial Management and Accountability Act 1997*

## FMOs

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**

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**

*Public Service Act 1999*

**PSM**

*Australian Government Protective Security Manual*

**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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