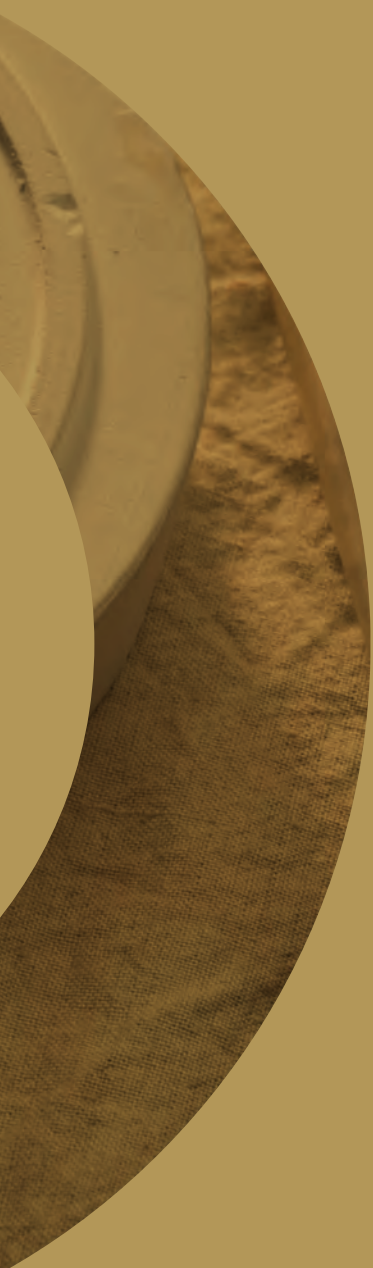




ROYAL AUSTRALIAN MINT

# Annual Report 2017/18





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16 October 2018



Australian Government  
Royal Australian Mint



Senator the Hon Zed Seselja  
Assistant Minister for Treasury and Finance  
Senate  
Parliament House  
Canberra ACT 2600

Dear Minister

I have the pleasure in presenting to you the Annual Report of the Royal Australian Mint for the year ended 30 June 2018. The report has been prepared in accordance with the specific requirements of section 17AD of the *Public Governance, Performance and Accountability Rule 2014*.

Section 46 of the *Public Governance, Performance and Accountability Act 2013* requires the accountable authority of an agency to prepare and provide a copy of the Report to the responsible Minister for presentation to the Parliament.

As provided in subsection 70(2) of the *Public Service Act 1999*, 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 faithfully,

Ross MacDiarmid  
Chief Executive Officer

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# 1. Introduction and Overview

## Introduction

The Royal Australian Mint (the Mint) is Australia's national mint and sole producer of circulating coins for Australia. The Mint is also the custodian of Australia's National Coin Collection. It is a listed entity under the *Public Governance, Performance and Accountability Act 2013* and operates within the Treasury portfolio.

The Mint was officially opened in Canberra in 1965. Its first tasks were to produce distinctively Australian coinage and facilitate a smooth changeover from British imperial pounds, shillings and pence to Australia's own decimal dollars and cents. Both tasks were successfully accomplished and Australia's decimal coins were introduced in 1966.

Today, the Mint also produces circulating coins for other countries and, on an ongoing basis, manufactures a vast array of collector coins, investor products, medals, medallions and tokens for domestic and international clients.

As the custodian of the National Coin Collection, the Mint is uniquely responsible for collecting and preserving a representative record of Australian coinage for future generations. In recognition of its heritage value and special place in the nation's history, the Mint building is listed as a Commonwealth Heritage site. The Mint is a major tourism attraction in Canberra and plays a role in educating local and international visitors on the history of Australian coinage as well as how coins are produced in a contemporary manufacturing environment.

## Corporate Profile

### Vision

Excellence as a profitable world class Mint.

### Mission

To meet the circulating and collector coin needs of Australia and selected international markets.

## Strategic Intent

In accordance with the Mint's current Strategic Plan, key strategies for 2017–18 include:

- leveraging developed in-house capability to produce innovative circulating and numismatic products
- identifying other opportunities to fill the seigniorage gap caused by decline in the demand for circulating coin
- continuing to utilise Lean as the driver of efficiency improvements, reduced costs and improved effectiveness
- delivering in full and on time to all customers
- maintaining an outstanding record for workplace health, safety and environmental conditions
- continuing to recognise the importance of staff
- continuing to build brand recognition.

Acknowledging the trend in Australia towards falling demand for circulating coins, the Mint seeks to ensure sustainable use of its assets by reducing overall business costs at the same time as creating new sources of value-add revenue. Measures include extending its supply chain by negotiating new contracts with commercial banks and reducing production costs by minimising waste and increasing production efficiencies.

Wherever opportunities present, the Mint will seek to expand its network of clients. In the commercial business, the Mint intends to continue to grow market share in domestic and international numismatic markets and to progressively and strategically offer investor products and related services. A constant priority is to build brand recognition and provide value-for-money solutions through continued focus on product innovation and quality.

Other measures include entering into joint venture arrangements with international mints on selected coin programs and seeking to supply innovative and award-winning numismatic products to corporate and other contract customers.







The Mint values and continues to deepen its relationships with the Pacific Islands and neighbouring countries to whom the Mint supplies circulating and numismatic coin products and services.

The Mint will leverage its successful education and tourism program to increase the Mint's coin collector base.

## Service Charter

The Mint's Customer Service Charter is an expression of the standards the Mint seeks to maintain in its interactions with customers and members of the public. It can be found at [www.ramint.gov.au/customer-service-charter](http://www.ramint.gov.au/customer-service-charter).

## Leadership Values

The Mint upholds the Australian Public Service (APS) values as set out in the *Public Service Act 1999*. In addition to the APS values, the Mint places particular focus on leadership values. These include: empowering staff; delivering on commitments; recognising performance; creating solutions; and ensuring a measure to manage approach.

## Leadership Values

### We Will

- empower our staff
- deliver on commitments
- create solutions
- measure to manage

### We Will Be

- open and honest
- trusting and trusted
- people with integrity
- accountable for our actions
- respectful
- active listeners and not talk over others
- non-judgemental
- aware and accommodating of others roles and responsibilities
- disciplined
- evidence-based decision makers
- encouraging and developing







## 2. Chief Executive's Review

In the context of continued global uncertainty and a move to a less cash (coin) society, the Mint had another successful year.

The circulating coin business achieved \$85.5 million in revenue and returned seigniorage to Government of \$52.0 million. While this return is down on the previous year, it is still a strong result that represents a 60.8 per cent net return on revenue.

During the year, the circulating coin supply chain experienced disruptions from carrier and bank relationship realignment. The disruptions settled down by year's end. It is expected that the demand in 2018–19 will establish a base reflecting a combination of actual retail business and consumer demand.

A research program was conducted with Colmar Brunton in July 2018 to better understand what transactional behavioural changes are likely to occur in the next five years and the impact they will have on the demand for currency, in particular coins. This will help the Mint to confidently forecast demand for coins over the next three years, from what is expected will be a more solid base in 2018–19.

The commercial business – now a combination of international circulating coins, domestic and international numismatic products, custom minting, medals and medallions, investment and corporate products, together with secure storage services – achieved sales of \$83.7 million, up 14 per cent on the previous year. Earnings before interest and tax (EBIT) was a record \$19.8 million, an increase of \$14.7 million over the prior year.

The combination of circulating and commercial business achieved a Return on Net Assets (RONA) of 42.5 per cent. This is down on 2016–17 and reflects an increase in inventory as the Mint builds for normal seasonal demand for circulating coin and a major numismatic program to be released in early August 2018.

In 2015, the Mint set a direction within its Strategic Plan 2016–2020 to fill what is recognised as a 'seigniorage gap' – decline in seigniorage return to the Government as a result of diminishing demand for circulating coins. The combined result for 2017–18 achieved that outcome with the overall return to Government being almost identical to that in 2016–17.

Visitor numbers to the Mint were consistent with the previous year and represented an excellent result. The average spend by visitor was up by 5 per cent which meant an increase in shop revenue of \$180 000 for 2017–18. The Mint's visitor satisfaction rating came in at a pleasing 85 per cent. The effort of the Education and Visitor Services Team was again recognised at the Canberra and Region Tourism Awards with an award for Visitor Experience and a commendation for Cultural Tourism.

The Mint was successful in winning an ACT and Region Export award for the fifth year in a row as well as four international coin and packaging awards.

In 2017–18, the Mint saw the first full year of implementation of the Better Business Project, a Manufacturing Resource Planning (MRP) system based on the Epicor software solution. While adjusting to this major systems change was a challenge and may continue to be so for a few more months, Mint staff have by and large embraced the changes and are now close to business as usual.

The Mint adopted the positioning phrase, *We will complete the foundation on which to build* designed to focus staff attention on the need to complete programs and projects to provide the base on which the Mint will create a sustainable future. While some progress has been made and a number of key performance indicators (KPIs) achieved, the Mint collectively recognises that it has more to do. One of the initiatives implemented under this positioning was to encourage innovative ideas across the organisation. The process resulted in the Mint committing to four programs. Of these, two were researched and placed on hold, one was completed and the fourth will be implemented in 2018–19.

During 2017–18 the Mint said farewell to a number of long-serving employees including:

- Kerry Daniel – Museum Officer (38 years)
- Prabir De – Director Business Development (30 years)
- Winnie Turco – Human Resources Manager (11 years)
- Miguel Guzman – Maintenance Supervisor (39 years)
- Ian Hutchinson – Museum Manager (38 years)
- Bruce Webber – Project Leader (39 years)
- Michelle Nakamura – Marketing Manager (9 years)



The Royal Australian Mint team thanks these staff members who made an outstanding contribution to the Mint and whose dedication and commitment was greatly appreciated.

On behalf of the Senior Management Team and the Advisory Board I wish to say a very big thank you to our committed and dedicated staff who have not been afraid to take calculated risks and who have continued to embrace change.

To the Advisory Board and the Audit Committee, and in particular the respective Chairs and the Treasury Team, thank you for your advice and wise counsel.

Finally to my colleagues in the Senior Management Team and my wonderful Executive Assistant, thank you for your support and willingness to provide constructive advice in a year that was at times challenging, but hopefully as satisfying for you as it was for me.

## Outlook for 2018–19

The outlook for the next financial year will be a continuation of the challenging environment experienced in the last three years. With ongoing global uncertainty, discretionary income in Australia being constrained by low wages growth, and increasing spare capacity in both the numismatic and circulating coin markets, the Mint will focus on creating a platform on which it can optimise seigniorage as well as grow its commercial business.

Over the next 12 months, under the banner of *Completing the foundation on which to build* and to ensure optimal performance of the business in 2019–20 and beyond, the Mint will focus on three programs:

- building a sustainable culture of innovation
- accelerating and enhancing Lean implementation
- prioritising data requirements to reinforce the ability to measure to manage.

Lead responsibilities have been allocated to Senior Managers who will collectively ensure the effective coordination and implementation of the programs.

Other key and related initiatives include:

- completion of the integration of the Quality, Environment and Safety System into a single and simplified Management System
- development of an investment product flagship program
- growing the Mint's presence in selected markets
- completion of the Anzac program
- implementation of an innovative customer attraction program
- further investments in automation
- implementation of a formalised stakeholder relationship management program
- investment in some replacement capability
- tendering for supply of key raw materials
- ongoing investments in the education and development of staff to improve capability and performance.

These programs have been built into the budget for the next year, with plans to achieve 'circulating' coin revenue of \$76 million and seigniorage of \$54.7 million. This target is down on 2017–18 revenue, with the level of decline to be validated in the first half of 2018–19, as supply against the normal seasonal demand is met.

Commercial revenue is conservatively forecast to also be down to \$75 million with an EBIT of around \$11.5 million.

When combined, the two business streams will deliver a return to Government of approximately \$65 million, a little higher than the target set in the planning process for the 2016 – 2020 Strategic Plan.

With investments in new capability, a very focused approach to driving the three key programs described above, and the ongoing commitment of engaged, enthusiastic and dedicated staff, the Mint is confident it will deliver on its budget targets. It will also progress towards the goal of *Completing the foundation on which to build*, thereby delivering on its strategic plan objective of filling the seigniorage gap.



# Report on Performance

FIGURE 1: OUTCOME AND PROGRAM STRUCTURE

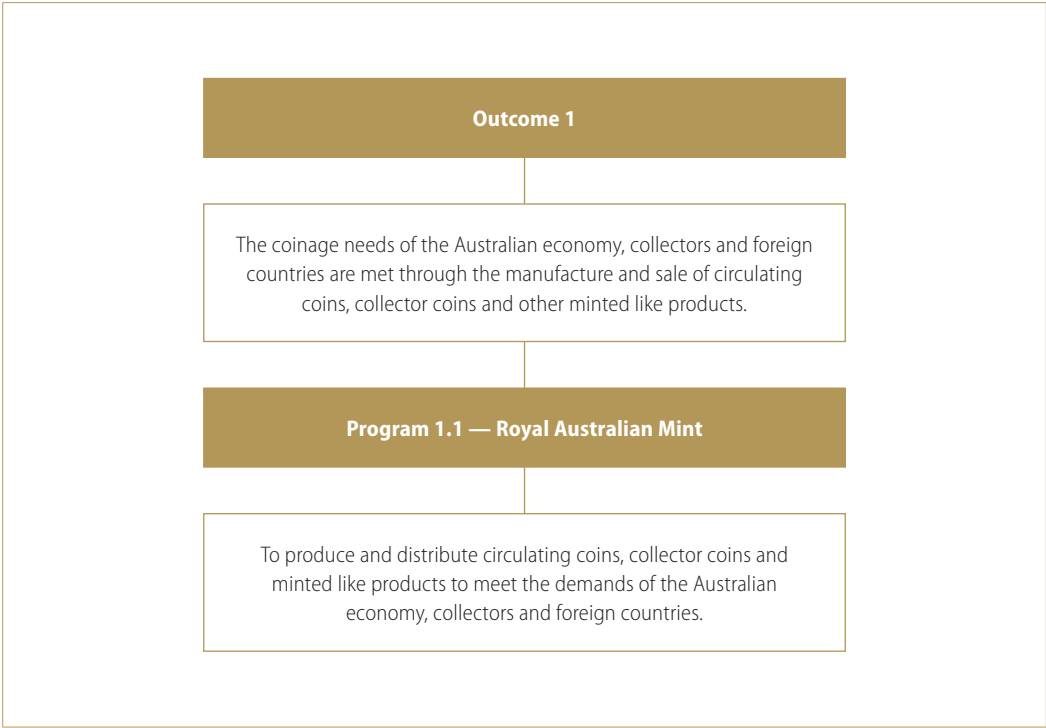


TABLE 1: RESOURCING FOR THE MINT’S OUTCOME

	Budget 2017–18 \$'000 (a)	Actual expenses 2017–18 \$'000 (b)	Variation \$'000 (a-b)
Program 1.1 – Royal Australian Mint			
Administered			
Special Accounts	27 342	40 226	12 884
Departmental			
Special Accounts	89 300	101 336	12 036
Total for Outcome 1	116 642	141 562	24 920
Average staffing level (number)	232	248	16



**TABLE 2: ROYAL AUSTRALIAN MINT RESOURCE STATEMENT 2017–18**

	Actual available appropriations for 2017–18 (a)	Payments made 2017–18 \$'000 (b)	Balance remaining (a-b)
Departmental			
Special Accounts*			
Opening balance	38 115		
Non-appropriation receipts to Special Accounts	181 890		
Payment made		174 933	
Closing balance			45 072
<b>Total</b>	<b>220 005</b>	<b>174 933</b>	<b>45 072</b>

\* Special Accounts – Financial Statements Note 3.1

## Key Priorities in 2017–18

The Mint's 2017–18 Portfolio Budget Statements and internal planning processes identified the following key priorities for Outcome 1:

- Production, maintenance and sales to meet demand for:
  - Australian circulating coins
  - foreign country circulating coins
  - numismatic products
  - other custom minted products.
- Maintenance of Australia's National Coin Collection
- Tourism and education services to public and school groups at the Mint and through the outreach program, to cities and regions around Australia:
  - maintain the Mint's visitor gallery, including building and surrounds
  - rollout educational program to school students who visit the Mint
  - increase public understanding about the cultural and historical significance of coins.

## Key Outcome in 2017–18

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.

## Program 1.1: Royal Australian Mint

Program 1.1 is the Mint's sole program and the sole contributor to Outcome 1. Crucial to the provision of Outcome 1 is the requirement for the Mint to operate efficiently. The Mint 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's key performance indicators (KPIs) for 2017–18 are:

- produce and deliver Australian circulating coins in a cost effective and timely manner
- ensure numismatic sales meet or exceed cost of production
- ensure foreign circulating coin sales meet or exceed cost of production
- produce and deliver numismatic orders placed within agreed delivery times
- rotate the display of Australia's National Coin Collection on a regular basis
- maintain visitor satisfaction rating
- increase visitor numbers compared to prior year.



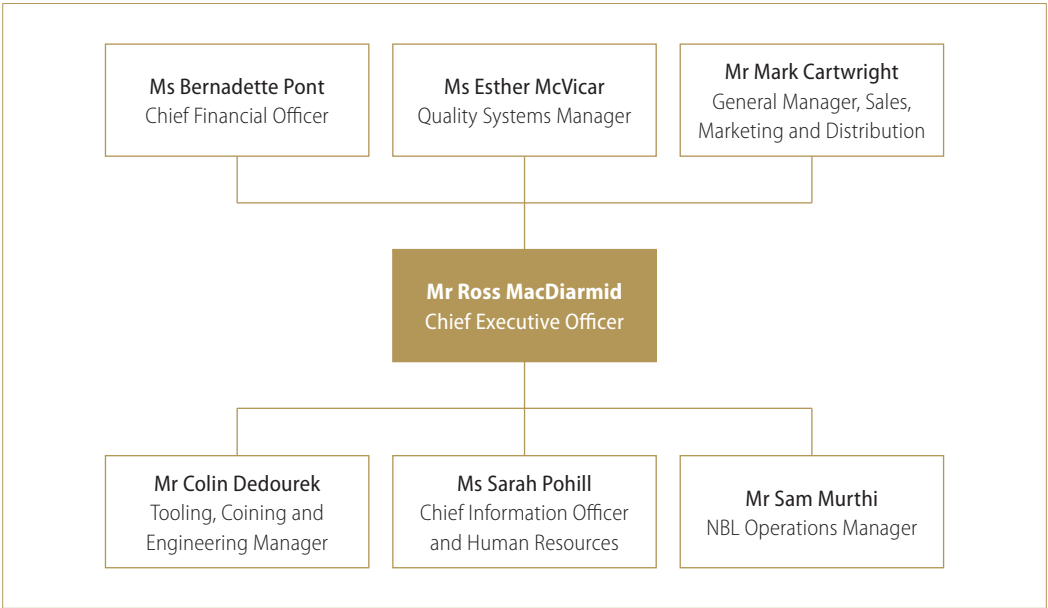
## Royal Australian Mint Organisational Chart

Management of the Mint rests with the members of the Senior Management Team, who are each responsible for a branch (see Figures 2 and 3).

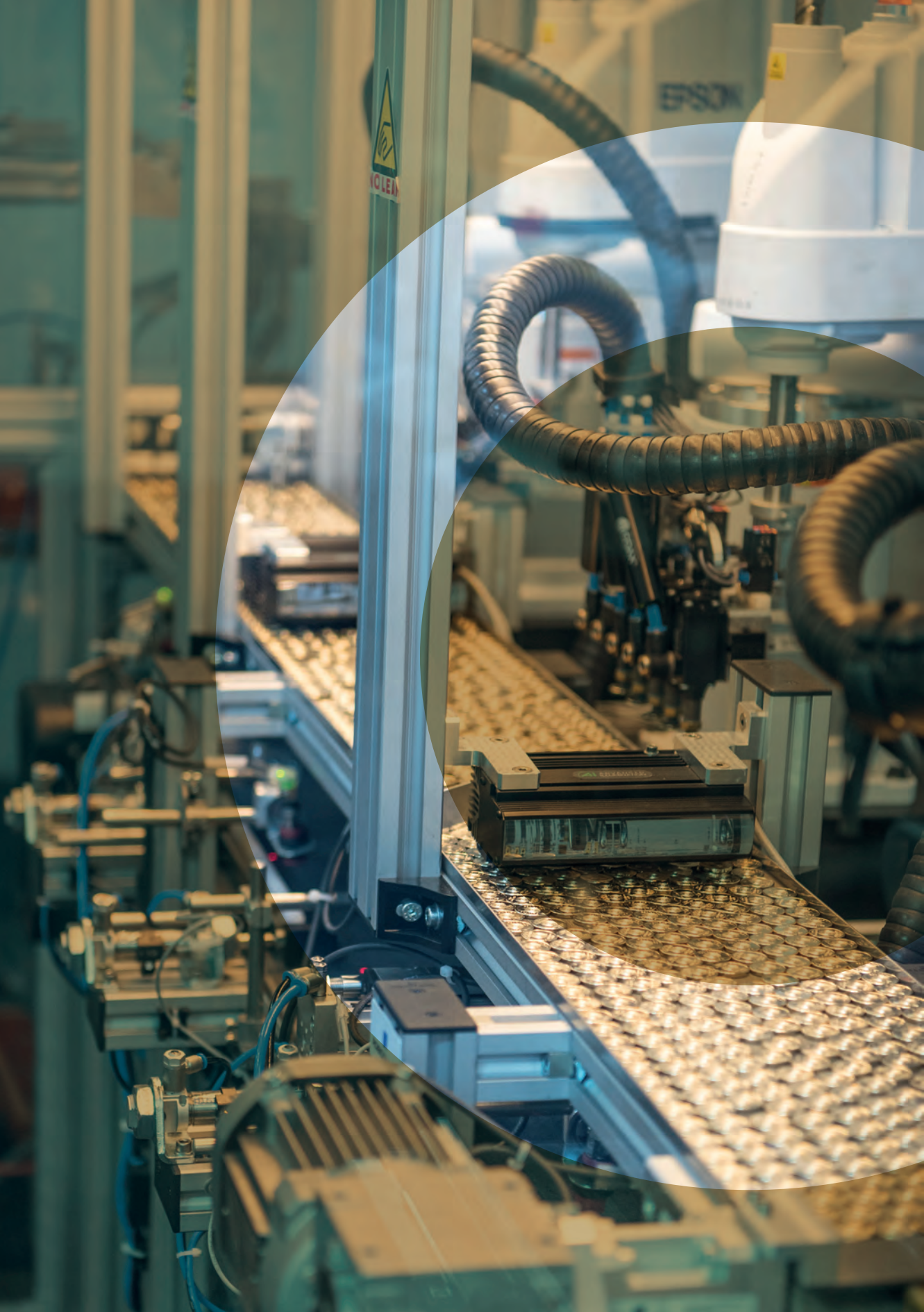
FIGURE 2: ROYAL AUSTRALIAN MINT ORGANISATIONAL CHART AS AT 30 JUNE 2018



FIGURE 3: SENIOR MANAGEMENT TEAM AS AT 30 JUNE 2018









# 3. Highlights and Achievements

## Coin Programs

### Circulating Coins – Australia

Circulating coin sales dropped by 14 per cent in 2017–18. However, there was a small increase in demand for the 5 cent and 20 cent denominations. The Mint's \$2 colour coin programs remain popular and coloured circulating coin production is running close to capacity.

During the year, control software was updated to ensure the security and sustainability of the Mint's automated circulating coin production systems, delivering greater reliability and longevity.

Lean methodologies empowering staff to initiate improvements were well received and contributed to a number of process improvements in circulating coin production.

### Circulating Coins – Other Countries

More than 31 million circulating coins were produced for other countries in 2017–18, a similar volume to 2016–17.

The Mint again worked closely with the Central Banks of Tonga, Papua New Guinea, Samoa and Timor-Leste to top up some coin denominations. The Cook Islands, the Solomon Islands and Vanuatu had adequate stock in 2017–18.

Two new coins were produced this year, one for Timor-Leste and the other for the Solomon Islands.

In September 2017, Timor-Leste launched the country's highest denomination circulating coin – the bi-metallic 200 centavos. Designed by the Mint in conjunction with the Central Bank of Timor-Leste, the design evoked Timorese culture and the country's decades-long struggle for independence. The 200 centavos coin replaced US \$5 banknotes previously in circulation in Timor-Leste.

In late 2017, the Mint worked closely with the Central Bank of the Solomon Islands to produce a coloured \$2 circulating coin to commemorate the 40th anniversary of the Solomon Islands' independence on 7 July 2018. This is the second coloured circulating coin the Mint has produced for Pacific Island clients after the award-winning 50 toea circulating coin produced for the Bank of Papua New Guinea in 2015.

## Collectible Coins

In 2017–18, the Mint increased its range of new coin products and use of innovative packaging as it sought to further improve on sales from 2016–17. A total of 125 legal tender collectible coins and coin sets were produced in 2017–18.

To promote awareness of collector coins and increase the collector base, a number of products were developed in partnership with large corporations. The corporate partners' extensive distribution channels enabled the Mint to access large sections of the Australian population it had not previously reached.

During the year, the Mint worked closely with relevant subject specialists to develop quintessentially Australian stories told through new coin products. This was to ensure accuracy of details and to make the stories as stimulating as possible. The specialists included those from the Australian War Memorial, Gold Coast 2018 Commonwealth Games Corporation, Ford Australia, Department of Social Services, Department of Veterans' Affairs, National Library of Australia and the Australian National University.

A highlight during the year was the release of the final *\$1 100 Years of Anzac – The Spirit Lives Circulating Coin*. The Mint issued five of these coins over the 2014–18 Anzac Centenary period as part of the nation's commemoration of 100 years since Australia's involvement in the First World War. The coins also honoured Australian servicemen and women who served and fought in all wars, conflicts and peace operations over the past century.

The Mint supplied 1000 silver proof coins to the Bank of Papua New Guinea in November 2017 to commemorate the 2017 Rugby League World Cup. Port Moresby was the venue for several of the competition games in a country where rugby is a national passion. The coins were very well received with strong sales recorded.



# Awards and Commendations

The Mint won seven awards in 2017–18 (Table 3).

**TABLE 3: AWARDS WON BY THE ROYAL AUSTRALIAN MINT 2017–18**

Awards and Commendations	Category	Type
Winner	Most Beautiful Gold Coin	2018 Mint Directors Conference, Seoul
Winner	Most Creative/Innovative and Unique Packaging	2018 Mint Directors Conference, Seoul
Winner	Marketers' Choice	2018 Mint Directors Conference, Seoul
Winner	Best Silver Coin	2018 World Money Fair, Berlin
Winner	Visitor Experience	2017 Canberra Region Tourism Awards
Winner	Exporting Government Solutions	2017 ACT Export Awards
Commendation	Cultural Tourism	2017 Canberra Region Tourism Awards



*Planetary Coins 2017 10-Coin Collection*



## Other Coin Highlights for 2017–18:

### 30th Anniversary of the \$2 Coin

Celebrating the 30th anniversary of the first Australian \$2 coins, this commemorative suite includes a 12-coin uncirculated set and a three-coin proof set. Both products were highly favoured by the numismatic community and the proof set sold out on the first day of release.

### Anzac Centenary

In 2017–18, the final year of the nation's official four-year Anzac Centenary commemoration, the Mint released a number of sets celebrating Remembrance Day, ANZAC Day and the Armistice Centenary. These included 2018 6-coin proof and uncirculated Year Sets, 2018 gold and silver Year Sets and a suite of gold and silver coins.

### Ford Heritage Collection

Following on the success of the *2016 Holden Heritage Collection*, a special collection commemorating the Ford era in Australia was developed in 2017. The series celebrated 92 years of Ford manufacturing in Australia and featured 11 much-loved Australian Ford models.

### Gold Coast 2018 Commonwealth Games

Leading up to and during the XXI Commonwealth Games on the Gold Coast, the Mint developed and released 12 coins and coin sets. Coin themes included the Queen's Baton Relay, the Games' mascot Borobi and the Games' trinity of values: humanity, destiny and equality. A pop-up retail stand at the Games produced unique counterstamped coins available on-site only.

### International Day of People with Disability

The release of this commemorative 20 cent coin coincided with the 25th anniversary of the International Day of People with Disability. These coins were developed in conjunction with the Department of Social Services and 2017 Disability Patron Dylan Alcott.

### Commemorating War Battles

Commemorative coins were released for significant anniversaries of other battles in which Australian troops fought. A silver proof coin and a \$1 uncirculated coin were produced for the Centenary of the Battle of Beersheba (Charge of the Light Horsemen), and an uncirculated 50 cent coin was produced for the 50th anniversary of the Battles of Coral and Balmoral in 1968.

## Planetary Coins 10-Coin Collection

This world-first product featured 10 coloured coins comprising the eight planets in the Solar System, the dwarf planet Pluto and the Sun. Housed in an engaging and informative pop-up book, this coin set won two awards at the 2018 Mint Directors Conference in the Most Creative/Innovative and Unique Packaging and Marketers Choice categories.

### Possum Magic

Following on from the highly successful Rio 2016 Olympic coins distributed through Woolworths Group Limited's retail network, the Mint released its second Woolworths-distributed products in August 2017. Three coloured \$2 Possum Magic coins were produced based on characters from the beloved Australian children's books by Mem Fox and illustrated by Julie Vivas. The Mint also released a *2017 Possum Magic Coin Collection* featuring a 1 cent coin, specially designed for the program by illustrator Julie Vivas.

## Rascals and Ratbags – Australia's Convict Era

The 2018 annual Mintmark Suite of products commemorated the 80 years of Australia's convict era. Its release coincided with the 230th anniversary of the arrival of the First Fleet and the 150th anniversary of the arrival of the last convicts on the Hougoumont. The product suite included coins from the Visitors' Gallery press, and proof and privy mark coins, as well as a range of counter stamp coins taken on tour during the 2018 *Rascals and Ratbags Roadshow*.

### Terrestrial Domed Coin Series

Following the success of the *Celestial Gold Dome Series* produced in 2016–17, the Mint released the first coin in the *2018 Terrestrial Gold Domed Series*. The coin's design is based on a spectacular 18th century map titled 'A New and Accurate Map of the World'. Featuring details of Captain Cook's tracks and his discoveries, this coin won the Most Beautiful Gold Commemorative Coin Award at the 2018 Mint Directors Conference.



## Custom and Corporate Minting

Demand for custom minted and corporate products continued the strong trend set in 2016–17.

There were two notable achievements in 2017–18.

Sale of investment products to major customer PAMP SA in Switzerland increased by 10 per cent, while the coins minted for Woolworths Limited were considered a revenue and community engagement success.

### New Zealand Post

Over the past five years, the Mint has produced commemorative coins for New Zealand Post to mark the Centenary of the First World War. The 2018 release was the fifth and final in the New Zealand Post series.

### PAMP SA

There were 18 570 investment coins custom-minted for PAMP S.A. in 2018. These coins consisted of two investment products, one with a Lunar Year of the Dog design and one with a kangaroo design. The sizes ranged from 1/20 oz to 1 kg.

### Woolworths Group Limited

The Mint's partnership with Woolworths Limited built on the success of 2016–17 programs. Coins and coin sets were sold through Woolworths supermarkets and through the Mint's own sales channels.

The second coin program was the Commonwealth Games Coin Program. In April 2018, Woolworths distributed around 8 million coloured \$2 coins celebrating the Gold Coast 2018 Commonwealth Games. The program was supported by a collectible coin set featuring the \$2 coloured coins and four specially designed \$1 coins.

In July 2017, Woolworths distributed around 6 million coloured \$2 coins commemorating the 30th anniversary of the classic Australian children's book *Possum Magic*. The coin program was supported by a collectible coin set featuring the \$2 coloured coins and four specially designed \$1 coins, including a new 1 cent coin designed by the book's illustrator Julie Vivas.





## Medals and Medallions

The Mint was the official manufacturer of medals for the Gold Coast 2018 Commonwealth Games held in April 2018. As a result, revenue from the sale of medals and medallions increased by 81.1 per cent from the previous year.

Throughout 2017–18, the Mint factory worked tirelessly to manufacture Commonwealth Games winners' medals comprising:

- 525 gold plated medals for First Place
- 525 silver plated medals for Second Place
- 550 bronze medals for Third Place.

In addition, 10 900 bronze antique commemorative Games medallions and a large number of tokens were produced.

### Foreign Effigy Program

Now in its third year, the foreign effigy program provides a service to international clients by facilitating the manufacture of coins on the legal tender of some Pacific Island countries.

In 2017–18, 24 programs were facilitated for clients in Switzerland, Czechoslovakia and China.

## Partnerships and Licensed Programs

### Australian Olympic Team

The Mint continued its support of the Australian Olympic Team through the release of two special coins to commemorate Olympians' participation in the 2018 Olympic Winter Games in Pyeongchang.

### Australia Zoo

The Mint's successful partnership with Australia Zoo continued into its sixth year. The original collaboration on the *Australian Saltwater Crocodile Series* was extended in 2017 to feature more residents of Australia Zoo. To date, two special residents – Archie the Dingo and Ravi the Red Panda – have had their distinctive features captured on silver proof coins.

### City of Sydney

The Mint's partnership with the City of Sydney entered its fifth year with the release of the 2018 Sydney New Year's Eve (SNYE) fireworks coin.

### EMK

The Mint continued its strong relationship with EMK during 2017–18. Two successful coin programs were completed.

*The Earth and Beyond Series* commenced with the release of the Earth coin in April 2018. In a world first, the Earth coin featured the planet Earth colour-printed on the convex surface of the coin. The coin was well received and sold out within a week of its release.

The second release in the *Australia Zoo Series* featuring Ravi the Red Panda, was produced in partnership with EMK.

### Australian Ford Classic Collection

Australian classic Ford cars featured in a 12-coin collection showcasing Australia's favourite Ford models. An agreement with the Ford Motor Company provided access to valuable intellectual property to create an authentic commemorative collection.

### Gold Coast 2018 Commonwealth Games

The Mint was a proud sponsor and licensor of the Gold Coast 2018 Commonwealth Games. An extensive coin program was released to celebrate this significant sporting event, including a specially minted \$1 coloured coin featuring Borobi, the official Games mascot.

### World Money Fair (WMF)

The Mint collaborated with World Money Fair (WMF) to release a suite of four official products at the Berlin World Money Fair in February 2018. The products ranged from an uncirculated coin set to a high-relief silver proof coin, with all product packaging featuring the official WMF logo. The pairing of Australia's distinctive \$1 Mob of Roos coin with a privy mark of Berlin's famous Brandenburg Gate was particularly popular. All four products sold out at the Fair.



## International Engagement

### **ANA World's Fair of Money, Denver, August 2017**

This event was held in Denver, Colorado in August 2017. It provided an opportunity for the Mint to maintain its profile as Australia's national mint and to explore new opportunities in the United States market. Mint representatives met with key international distributors to build, strengthen or reinvigorate relationships.

### **Pacific Coinage Seminar, September 2017**

From 20 to 22 September 2017, the Mint hosted a major coinage seminar 'Your Coinage System: Issues and Opportunities into 2020'. Twenty representatives from the Central Banks or Finance ministries of the Cook Islands, Fiji, Papua New Guinea, Samoa, the Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu attended. The seminar covered coinage opportunities, forecasting and supply chain management. It also identified global coinage and payment trends with implications for the countries that attended.

### **Asian Coinage Seminar, October 2017**

On 8 October 2017, a similar minting seminar was held in Kuala Lumpur, Malaysia. Focusing on Asian countries, the Asian Coinage seminar was attended by 17 representatives from the Central Banks or national mints of Brunei, India, Malaysia, Nepal, the Philippines, Thailand and the United Kingdom.

### **Beijing International Coin Show (BICE), Beijing, November 2017**

The Mint attended the 2017 Beijing coin show with a strong Technical and Sales Team. The team focused on developing and expanding relationships in the Chinese and broader Asian markets. The Mint also partnered with an authorised Australian distributor with a booth at the show. This enabled the Mint to sell its products, improve awareness of the Royal Australian Mint brand, gauge Asian market acceptance of Australian-themed coins, and gain first-hand understanding of Asian coin collector preferences.

## Mint Directors Conference

The Mint attended the 30th Mint Director Conference in April 2018 and was successful in winning a number of awards (page 12).

After 12 years as Chairman of the Technical Committee of MDC and in recognition of his broader service to the minting industry, Dr Prabir De was appropriately recognised and received a standing ovation.

### **World Money Fair, Berlin, February 2018**

Each year, the Berlin WMF is the first major coin show on the international minting industry calendar. Attendance at WMF has become a must for most mints due to the valuable business advantage it brings. In 2018, the Mint attended with a large booth showcasing its newest and most innovative products, including products developed with event organisers WMF GmbH. All products sold out at WMF.

## Domestic Engagement

### **30th Anniversary of the \$2 coin**

The \$2 coin's 30th birthday was celebrated with a media event in the Mint's factory on 20 June 2018, looking back at the designs and themes released over three decades. More than 40 positive media stories were published, celebrating the long history of the \$2 coin and reaching a potential audience of close to 2 million people.

### **Battles of Coral and Balmoral**

The Mint partnered with the Department of Veterans' Affairs to launch the *2018 50 cent Uncirculated Coin* commemorating the 50th anniversary of the Battles of Coral and Balmoral. The event was a national commemoration attended by two descendants of each serviceman killed in the battle and included a Mint pop-up store where guests could purchase the coin.



## Gold Coast 2018 Commonwealth Games

As an Official Supporter and Supplier of the Games' medals, the Mint organised several community engagement events in connection with the Gold Coast 2018 Commonwealth Games:

- The Commonwealth Games medals were displayed at the Mint's booth at the Games venue.
- Former Commonwealth Games gold medal winner Robert de Castella was invited to share his memories, and gold medallist Cameron Crombie was invited to visit the Mint post-Games to meet staff who worked on the production of the medals.
- Every Australian athlete competing in the Commonwealth Games was given a complimentary collectable coin commemorating the event.

## Last and First Coin of the Year

The annual Last Coin and First Coin of the Year events in 2017–18 saw some format changes. Certificates were awarded on New Year's Eve for the last 10 coins of the year instead of the last coin. The next day, collectors started queuing from 6am to enter the Mint on 1 January. The honour of minting the first coin of the year was not given to the first person in the queue. Rather, the first 100 persons in the queue received a ticket each. One ticket was drawn and the ticket holder given the opportunity to mint the first coin of the year. Customer feedback was supportive of the changes to both events as being fairer and less of a health and safety hazard.

## Outreach Program

The Mint's Outreach program contributes over \$700 000 in revenue annually. The Roadshow and Outreach Events Team had an extensive program of engagements over the year:

- 2017–18 started with the completion of the Trans-Australia Rail Crossing Roadshow across Victoria, New South Wales and South Australia, where the Mint's 'Trans-Australia Rail Crossing' and other coin products were brought to a large number of regional towns.
- Following the release of the *Ford Australian Classic Collection*, the team reached out to collectors at the All Ford Day in Queanbeyan in October 2017 and the annual Summernats event in Canberra in January 2018.
- In April 2018, the world came to the Gold Coast for the Commonwealth Games. As an Official Supporter, the Mint had a strong presence at the Games, ensuring the public were able to view the medals manufactured by the Mint, purchase collectible coins in gold or silver, and purchase a special counterstamp coin featuring Borobi, the Commonwealth Games' mascot.
- From May 2018 the Outreach Team took the Rascals and Ratbags products suite, the C Mintmark and other coin products across the country. Victoria, Tasmania and New South Wales were covered before 2017–18 ended, with the tour continuing to other parts of the country into 2018–19.

## Remembrance Day – 31 October 2017

The Mint held a media event at the Pool of Reflection at the Anzac Memorial in Hyde Park, Sydney, to commemorate the 99th anniversary of the Armistice that ended the First World War. Minister for Small Business The Hon. Michael McCormack MP, the Mint's Chief Executive Officer Ross MacDiarmid and two members of the Returned Services League of the New South Wales Corps of Guard unveiled a new circulating \$2 coin marking this significant milestone in Australian military history.

## Sir John Monash

The Mint produced two commemorative coins honouring General Sir John Monash's legacy as a scholar, engineer, soldier and nation builder. General Monash's story and achievements were unveiled at a coin launch at Monash University in Melbourne on 4 April 2018.



IMPORTANT  
GRINDING WHEELS  
MUST BE CAPABLE OF  
3200 RPM OR OVER



065.770





# 4. Sales and Services

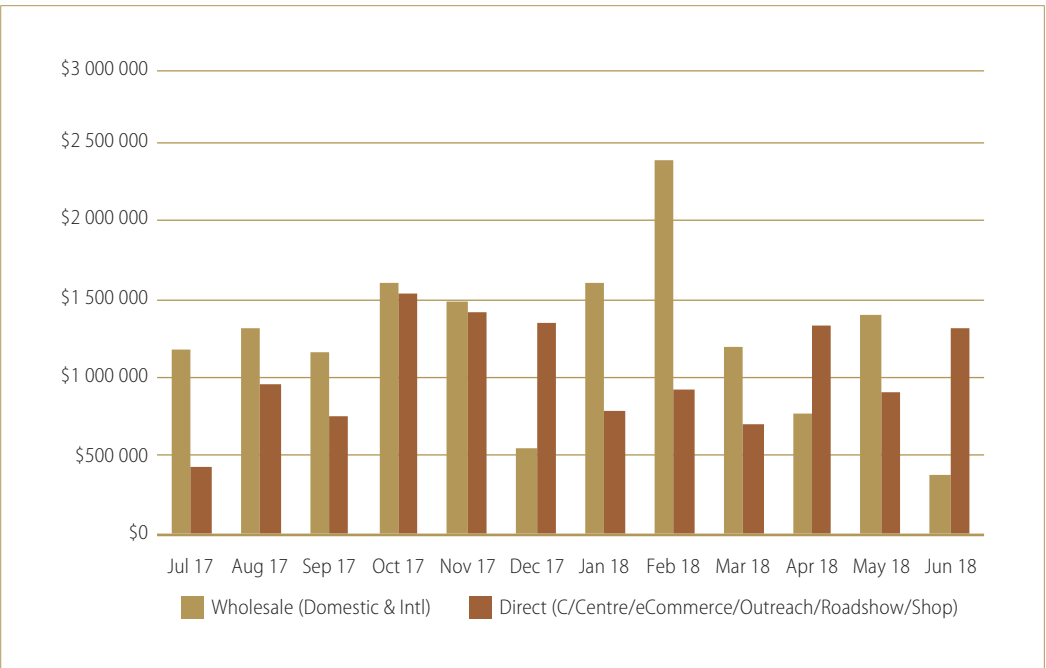
## Sales

In 2017–18, demand for collector coin products continued the trend seen in 2016–17. The projected sales target of \$27.4 million for 2017–18 was met due to a combination of strong themes, a high level of client service and the release of new products that broadened the collector base.

Wholesale sales were the strongest channel (\$15.4 million). Retail and direct sales (\$12.4 million) also performed well and together these categories increased by 14 per cent year-on-year.

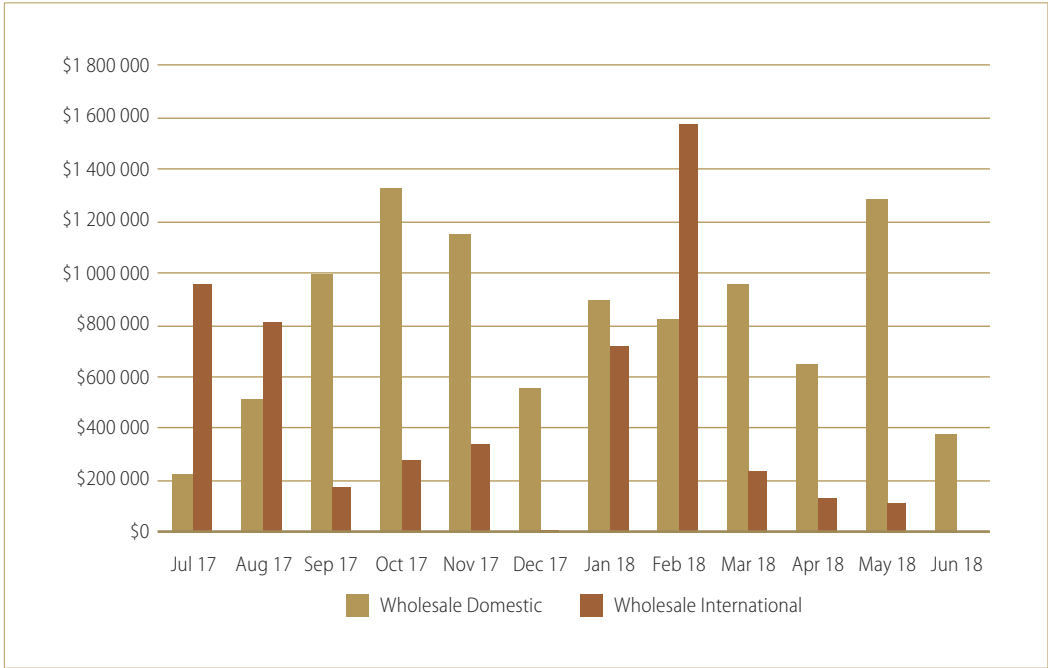
The number of new customers registering on the Mint's direct sales channel increased to 30 000 new customers registered in 2017–18, either through the Mint's online shop (eShop) or the Contact Centre (previously the Call Centre). This represents an increase of 7 per cent over the previous year.

**FIGURE 4: REVENUE BY WHOLESALE AND DIRECT SALES CHANNELS 2017–18**

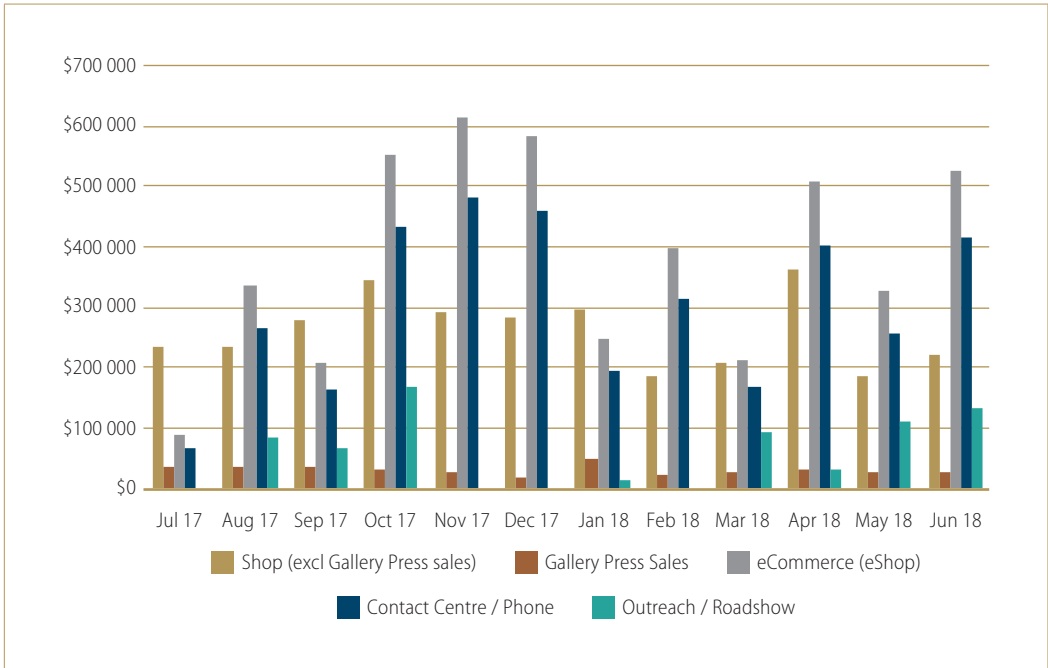




**FIGURE 5: REVENUE FROM DOMESTIC AND INTERNATIONAL WHOLESALE 2017-18**



**FIGURE 6: REVENUE FROM DIRECT SALES 2017-18**





## Wholesale Sales

The Wholesale team generated strong growth across all channels, resulting in 19 per cent growth compared to 2016–17. This growth can be attributed to strong international support for Mint products, innovative coin themes, small mintages increasing demand and targeted marketing. Regular communication and strong customer relationships were also contributing factors.

### Domestic Wholesale

Domestic wholesale revenue was maintained, largely due to the Mint's partnership with Woolworths Group Limited, which resulted in a significant broadening of the Mint's collector base and sales in excess of \$9.7 million.

Strong sales were aided by new domestic distribution channels provided by Matevents, giving the Mint a retail presence at the Gold Coast 2018 Commonwealth Games. A new agreement with newsXpress – a franchised network with more than 245 retail stores across Australia – also contributed to sales results.

New processes undertaken by the Sales Team throughout 2017–18 improved sales management and documentation. This included refinement of the 'Distributor List' and the introduction of new discount bands for distribution channels. Concurrently, the Wholesale Team met with distributors throughout Australia to build relationships and discuss industry matters.

### International Wholesale

Despite a subdued international market, international wholesale revenue (\$4.7 million) exceeded 2017–18 targets by 16 per cent. Contributing factors included strong demand for Australian themed products and closer, more focused relationships with 26 international distributors. Relationships in international wholesale were also aided by the appointment of a Europe-based International Sales Manager.

Highlights for 2017–18 included the sell-out of several gold and silver domed products. Moving forward, the International Wholesale Team will focus on developing international numismatic and custom products while intensifying both old and new distributor relationships.

## Retail

### Mint Shop

The Mint's retail shop contributed strong revenue results throughout 2017–18, particularly during school holidays in the ACT and NSW. Overall, transactions were down slightly (by 6 per cent), while the average transaction value increased by 11 per cent due to customers purchasing higher value items.

When the Possum Magic and Anzac coins were released, the Mint Shop offered *Possum Magic* and Anzac-themed books for sale. These complementary items proved very popular with visitors. More complementary sales items are planned for 2018–19, together with corporate merchandise such as premium stationery and travel mugs. Plans are also underway to improve the presentation and layout of the Mint Shop.

### Gallery Press

Revenue from the Gallery Press (where visitors can mint their own \$1 coins) increased by 9 per cent in 2017–18. This growth can be attributed to an increase in school visitation and the availability of five separate 2018 'C' Mintmark '*Rascals and Ratbags*' coins available exclusively at the Gallery Press.

### eShop

Australian and international customers contributed \$4.6 million or more than 52 per cent of total retail revenue. This was a 51 per cent increase over the eShop revenue of 2016–17 (\$3.6 million). This trend is expected to increase in line with the global popularity of online purchases. The Mint expects to further improve the design and performance of its online sales platform in the coming year.

### Contact Centre

The Contact Centre increased revenue intake by focusing on telephone, email and mail order sales. Sales exceeded \$3.5 million, representing a 5 per cent increase over the previous year. More than 4000 mail orders were processed and 22 000 customer calls were made.

The two Contact Centre highlights of 2017–18 included the sellout of 10 000 2017 *Ford Australia Classic Collection Sets* within three days and almost 2000 sets of the 2018 \$2 Three Coin Proof Set which sold out within the same day as release.



FIGURE 7: NUMBER OF NEW CUSTOMERS 2016-17 AND 2017-18

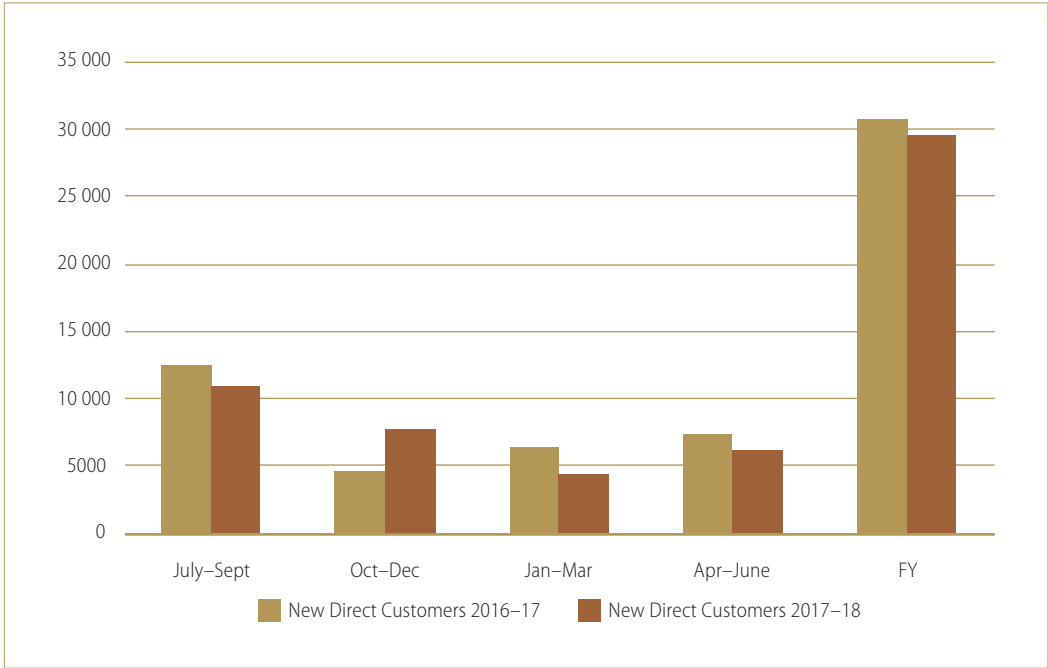
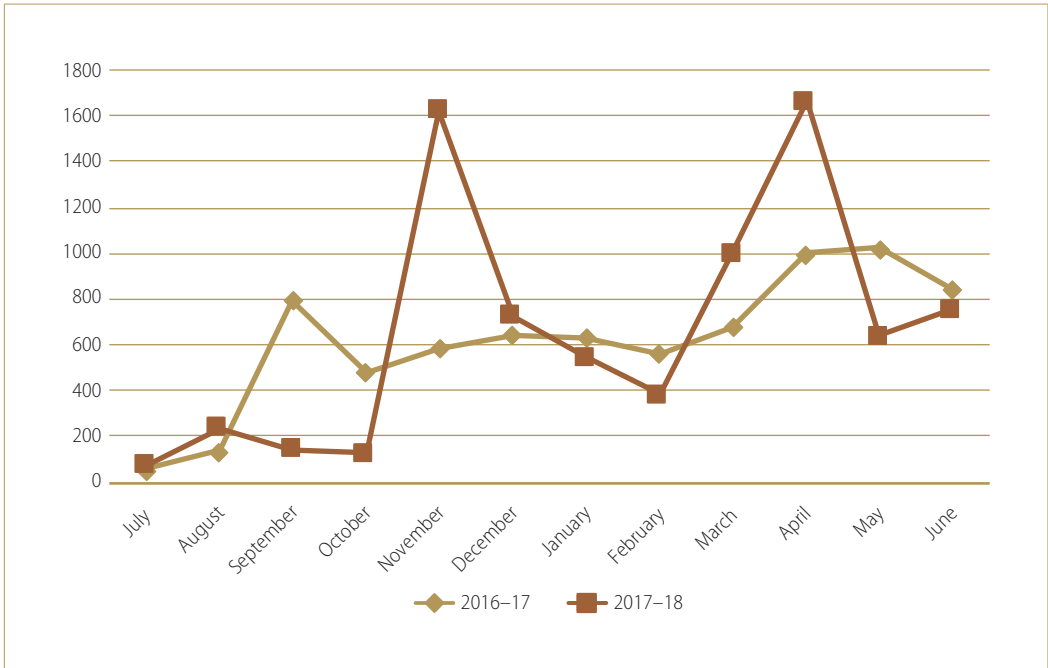


FIGURE 8: NEW LEGENDS MEMBERS 2016-17 AND 2017-18





## Legends Loyalty Program

The Legends Loyalty Program continues to support and reward regular Mint customers for purchases. In 2017–18, more than 1400 customers received \$50 vouchers and approximately 100 customers received \$250 vouchers. A total of 7904 new members joined the Legends program over the year, taking the total number of Legends members to 46 497.

In 2017–18, the Mint held two Legends ballots, the first to purchase the *Rascals and Ratbags Coin Set* and the second to purchase a *2018 Kangaroo at Sunset Gold Proof Coin*. The ballots resulted in an influx of new members as entry was only accessible to Legends members.

The Mint intends to reinvigorate the Legends Loyalty Program in 2018–19, with increased communication and advice regarding timing of rewards and the potential issue of membership cards.

## Education and Visitor Services

Education and Visitor Services deliver a range of services to the general public and organised groups. These services include public tours, school tours, special group tours, public programs, outreach programs, online learning resources, collection management and exhibitions.

### Visitor Services

The Mint welcomed 326 047 visitors to its facility in Canberra in 2017–18, consistent with the numbers from the previous year. The range of programs increased to include new outreach education and regular family and adult programs. Outreach education was delivered to 358 primary school students in Tasmania as part of the annual roadshow tour, resulting in a total engagement of 326 405 visitors.

### Public Tours

The daily public tours proved ever-popular. There were 887 public tours conducted in 2017–18 for an estimated 25 773 visitors, a 9.4 per cent increase on 2016–17.

### Public Programs

In 2017–18 saw a range of new public programs designed to engage with new and existing audiences of all ages and abilities was introduced:

### Mini-Minties

This new pre-school aged program was launched in May 2018. It is delivered once a month for children aged 4 to 6 years accompanied by a parent or guardian. The program educates pre-school aged children about money, the history of money, and promotes an interest in coin collecting in a fun and creative environment. New coin themes are delivered through craft creation, storytelling, gallery exploration and performances.

### School Holiday Activities

A colouring competition was held for young visitors during the December 2017 and January 2018 school holidays. A *2017 Planetary 10-Coin Collection* was offered as the prize. The young competition winner indicated that he had been inspired by the coin the Mint produced for the 20th anniversary of the International Space Station 1998–2018.

### Enlighten – Coin Design Master Classes

During Enlighten 2018, the Mint offered a series of Coin Design Master Classes to those interested in an authentic coin modelling and sculpting experience. The participants learned about traditional plaster and modern 3D coin modelling techniques and had a hands-on experience casting their own personal coin plaster. The very popular classes were hosted by the Mint's coin designers.

### Public Lecture Series

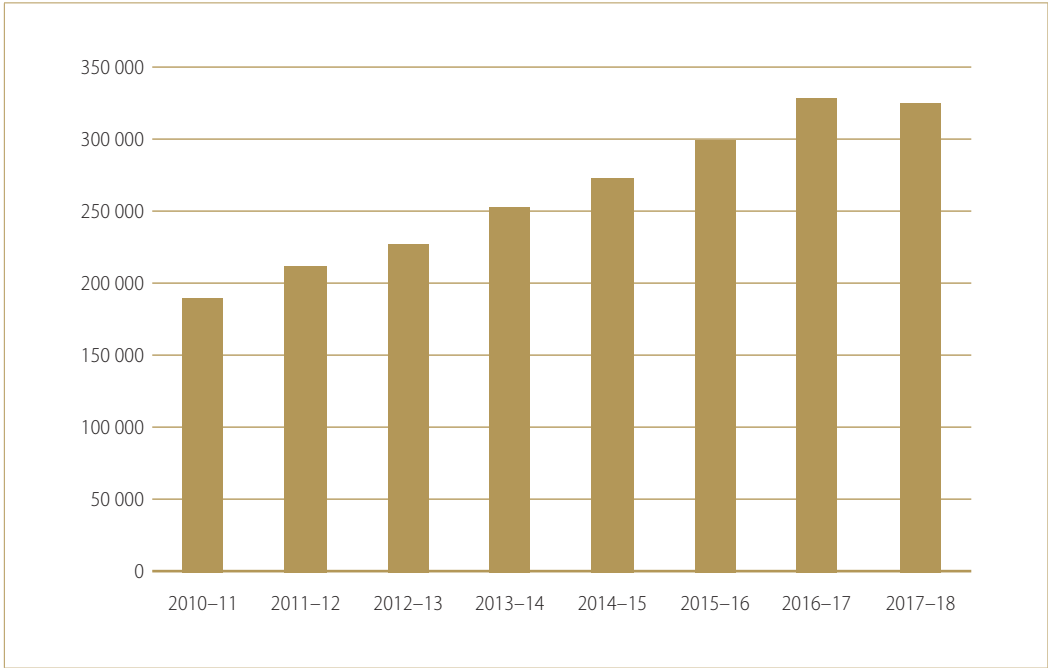
A public lecture series represented a new forum for learning more about the Mint's exhibitions and coin collection. In the Mint's first joint venture with the National Gallery of Australia, a curator's talk was held during the display of the Gallery's *Silver and Gold: Unique Australian Objects (1830 – 1910)* exhibition in March 2018.

### The Heraldry and Genealogy Society of Canberra

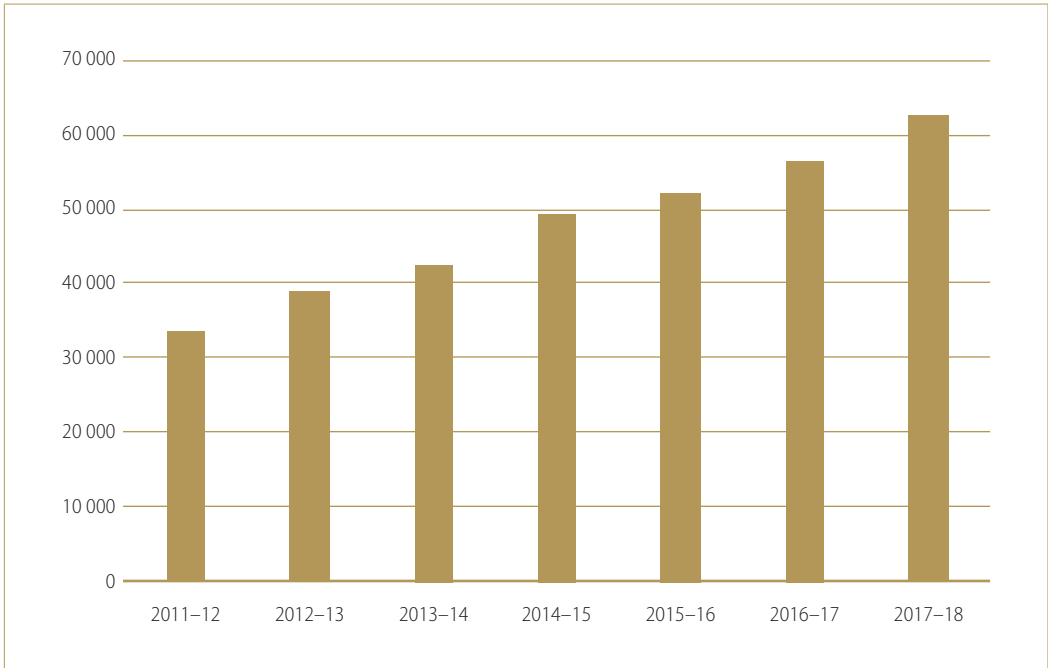
In early 2018, the Mint conducted a special after-hours tour for the Canberra Heraldry and Genealogy Society's Convict Special Interest Group. The Group was interested in learning more about the concept behind the designs of the *2018 Rascals and Ratbags Mintmark Suite*.



**FIGURE 9: VISITOR NUMBERS 2010-11 TO 2017-18**



**FIGURE 10: NUMBER OF STUDENTS PARTICIPATING IN TOURS 2011-12 TO 2017-18**





## Floriade

During the four weeks of Canberra's Floriade Festival in September and October 2017, Mint staff attended to stations around the Visitors' Gallery, speaking to visitors about the exhibits. A Touch Trolley, containing items that help to tell the story of coin production, provided a hands-on experience for both children and adults. The children's colouring area was converted into an Education Room for craft activities including coin rubbings, colouring in and fun with craft activities.

## Exhibitions

The 2017–18 exhibits featured the 2018 Mintmark Suite, showcased the Mint's medal designs, highlighted production talents and featured significant collaborations with other major cultural institutions.

### Rascals and Ratbags Exhibition

In 2018, to mark 150 years since the last convict ship arrived in Australia, the Mint paid homage to the hundreds of thousands of convicts forced to migrate to Australia. Eight characters were chosen to feature on a suite of coins and an exhibition was developed to tell their stories.

The Rascals and Ratbags exhibition opened in April 2018 featuring items loaned from the National Museum of Australia, the National Library of Australia, the Gubbi Gubbi Keeping Place in Noosa and items drawn from the Mint's own National Coin Collection. The exhibition will be on display until December 2018.

### Silver and Gold: Unique Australian Objects 1850 – 1910

From December 2017 to April 2018, the Mint collaborated with the National Gallery of Australia on a 113 day travelling exhibition – *Silver and Gold: Unique Australian Objects 1850 – 1910*.

The exhibition featured more than 60 rare 19th and early 20th century Australian silver and gold works including the 1888 Centennial Cup. The theme was 'celebration', with each work marking significant personal, professional or community achievements or milestones, along with wealth and artistic accomplishments.

## Gold Coast 2018 Commonwealth Games Medals on Display

The gold, silver and bronze medals the Mint produced for the Gold Coast 2018 Commonwealth Games were displayed in the Mint's foyer from 26 March to 11 May 2018. The medals were designed by Delvene Cockatoo-Collins, a Nunukul, Ngugi and Goenpul woman of Quandamooka Country.

## Treasures of the National Coin Collection

In May 2017, the Mint put the *Treasures of the National Coin Collection* on show as a permanent display in the Visitors' Gallery. The exhibition features some of the rarest, most extraordinary and most valuable coins in Australia. These include precious gold and silver coins, coins with unusual errors, a 1930 penny, a one-kilogram gold coin and the famous 'kookaburra' pennies.

## Partnerships

### Kids Media

The Mint continued its partnership with Kids Media to develop curriculum-linked coinage resource materials. A total overhaul was carried out to ensure the Mint's resources kept up with changes to the Australian curriculum. The Mint's materials were among the top 20 downloaded by teachers on the Kids Media website.

### Quizling

Since 2015, the Mint has worked with local company Quizling to promote and support an educational application that allows users to play, share and create quizzes. In 2017–18, the Mint created three new quizzes on topical, curriculum-linked topics, providing teachers and students alike with a fun way to acquire information on coins and coin history.

## Educational Services

### School Tours

Students comprise around 20 per cent of total visitors to the Mint. In 2017–18, the Mint welcomed 62 558 students, an increase of 10 per cent over the previous year. The students were accompanied by 6096 teachers and adults, making a total of 68 654 educational visitors. Each group had a free facilitated tour of the Mint's display with special focus on curriculum-related information, making each tour both an interesting and educational experience.



## Flint bar



K630



XW 41



K605



K100

Copper / Aluminium / Plastics



k720 - k990



EN26-EN36-K95



CALMAX





# 5. Management and Accountability

## Corporate Governance

The following corporate governance structure and arrangements are in place:

- Independent Advisory Board provides strategic advice and guidance on corporate governance strategies and practices to the Mint's Senior Management Team.
- Independent Audit Committee reviews and endorses the Mint's risk and fraud Control plans.
- Senior Management Team meets monthly to discuss policy and corporate governance issues and to review Mint-wide activities.
- Committees comprising Mint staff monitor systems and activities to ensure alignment with corporate commitments.
- Courses for Mint staff and contractors throughout the year to increase understanding and awareness of business requirements.
- Range of Australian Public Service Commission seminars and courses on governance-related matters for Mint staff.

## Fraud Prevention and Control

The Mint supports, promotes and complies with the requirements of Section 10 of the Public Governance, Performance and Accountability Rule 2014 which are set out in the Mint's Fraud Control Plan. Core business functions are regularly assessed for fraud risks and amendments made to the Fraud Control Plan as necessary. The Mint's Fraud Control Plan was updated in January 2018.

Staff members are regularly reminded of their obligations as APS employees to maintain the highest standards of ethical behaviour in accordance with APS Values, APS Code of Conduct and Mint Values. They are also encouraged to report any suspected instances of fraud without fear of prejudice or recrimination.

All new staff members and contractors are made aware of fraud control requirements, first through the induction process and on an ongoing basis by training, and through

posters and bulletins. Staff training in fraud control was undertaken in September 2017.

The Fraud Control Officer reports quarterly to the Audit Committee on all matters relating to fraud control, including that:

- Fraud risk assessment and fraud control plan have been prepared for the Mint
- Appropriate mechanisms meeting the specific needs of the Mint are in place for fraud prevention, detection and investigation and for dealing with, recording and reporting fraud incidents. All reasonable measures have been taken to deal appropriately with fraud relating to the Mint.

The Mint provides information annually to the Australian Institute of Criminology on fraud against the Commonwealth and fraud control arrangements relating to the Mint.

## Risk Management

The Mint's Risk Management Framework is consistent with the Commonwealth Risk Management Policy 2014 which provides for appropriate systems and internal controls for oversight and management of risk in Commonwealth entities.

This framework is used by managers and staff in embedding risk management into their business decision-making processes. This register is supplemented by the involvement of staff in risk identification and management.

The Mint has a wider risk management profile than most Australian Government agencies. In addition to organisational risks, the Mint has a wide range of business and commercial risks associated with its role as manufacturer and supplier of coin products to domestic and international markets.

A centralised Risk Register continues to serve as a useful vehicle for analysing, recording and managing risks. Senior and first-line managers across all branches are trained in the use of the register which, in 2017–18, contained more than 200 risks under active management.



Internal and external audits in 2017–18 confirm the Mint's Risk Management Framework to be fit for its purpose. The Mint will continue to maintain and enhance the Risk Management Framework by:

- focusing on education and encouraging staff at all levels to progress from being risk aware to being able to effectively manage risks
- training staff on risk assessment techniques for currently managed risks utilising case studies relevant to each audience
- continuing to address the requirements of the nine key elements of the Commonwealth Risk Management Policy 2014
- undertaking regular reviews of the Risk Management Framework to ensure its continued effectiveness and
- further developing and incorporating the concept of 'risk' into the Mint's Risk Management Framework.

A review of the current Risk Management Framework was carried out in 2017–18. The new Risk Management Framework 2018–2020 will be developed and released in the next year.

## Finance Report

For the financial year 2017–18, the Mint reported an EBIT on continuing operations of \$19.8 million and made cash payments of \$49.2 million to the Commonwealth's Official Public Account for seigniorage.

The Mint's net assets increased by \$13.6 million over the previous year, resulting from an increase in total assets of \$19.9 million offset by an increase in total liabilities of \$6.3 million. The movement is a result of increased inventory and increased cash at year-end.

Australian circulating coin finished good inventory is administered by the Mint on behalf of the Commonwealth. A total of 139 million pieces of administered inventory were sold to the commercial banks in 2017–18 with a face value of \$85.5 million. A total of 117 million Australian circulating coins were produced, reflecting a 12 per cent reduction in the demand for circulating coin from last year. This is in keeping with the longer-term downward trend for circulating coin demand.

The National Coin Collection, for which the Mint is the custodian, was independently valued in 2017–18 at \$21.8 million.

## Coin Supply Chain

The operational aspects of the Australian circulating coin supply environment are managed in accordance with the 2017 bilateral Coin Supply Agreements between the Mint and each of the four major commercial banks.

The Coin Consultative Committee, comprising representatives from the Mint and the four major banks, meets bi-monthly. The Committee considers data and analysis by the Mint on coin holdings and the underlying demand for coins in Australia. At a broader level, it monitors and reviews industry-wide issues that may impact on coins. It also has a keen interest in identifying opportunities for improvements in coin usage, production, handling, transport and storage. Periodically, guests with specialist industry knowledge are invited to meet with the Committee to discuss specific issues.

## Special Projects

### Better Business Project: Manufacturing Resource Planning System

On 1 July 2017, the Mint implemented a new MRP system using the Epicor software solution. The new system enabled the Mint to manage its entire business on an end-to-end basis. The new system successfully integrated with the Customer Relationship Management System, e-commerce website and travelling coin show registers.

Remarkably for a large and highly complex system, the MRP was implemented on time and on budget. In the 12 months the MRP has been in place it has confirmed its value.

Mint Executive and operational areas have clear visibility of the entire production chain from planning to finance and all processes in between including scheduling, stock, production, quality assurance, packing, logistics and sales. MRP provides the Mint with a system that can assist with business continuous improvement projects such as dashboards and reporting enabling Mint staff to identify further opportunities for business efficiencies.



## Lean Program

Two Lean projects were completed in 2017–18 with three other Lean projects continuing to be progressed through the year. The completed projects included Product Information Forms and Standardised Packaging.

The three remaining Lean projects are focused on:

- ensuring that products are not 'over-manufactured' to quality standards or above customer expectations, resulting in unnecessary time and cost implications for the Mint,
- defining for handling and accounting for products taken out for coin fairs and roadshow,
- implementing product life cycle identification to ensure that products are not kept in inventory indefinitely but are identified for destruction on a systematic basis.

## Internal and External Scrutiny

### Audit

The Mint's internal controls and financial operations were audited by the ANAO. The outcome was an unqualified audit report for the 2017–18 financial statements as shown in Section 7.

The Commonwealth's compliance reporting requirements for 2017–18 were successfully met using the bi-annual staff compliance sign-off and staff awareness sessions.

### Internal Audits

The following internal audit programs were undertaken during 2017–18:

- ERP Project Review – Phase 4: Post Implementation Review
- Financial Statements: opening balances and data migration
- ERP Project Review – Phase 5 Costing Model
- ICT Security and Governance
- Metals Inventory Management: precious metals blanking operations
- Contract Management.

## Ethical Standards and Accountability

The Mint's leadership values are aligned with APS values and embedded within the Mint's Performance Development Scheme.

These values are also communicated and supported by members of the Senior Management Team whenever the opportunity arises. The values are integrated into the Mint's culture and decision-making process. Leaders are encouraged to consistently reflect the values in their own behaviour.

The Mint maintains ethical standards through a range of mechanisms, including training, induction and the development and implementation of policies such as the Fraud Control Plan, Accountable Authority Instructions (AATs), Information Technology (IT) acceptable use policies, and contractor and consultant guidelines.

## Organisation of the Mint

Details of the Mint's organisational and management structures are set out in Chapter 2 of this report.

### Freedom of Information

The Royal Australian Mint (the Mint) is subject to the *Freedom of Information Act (FOI) 1982* with the exception of its commercial activities. Applicants seeking FOI access to Mint documents should apply in writing to:

Chief Executive Officer  
Royal Australian Mint  
Denison Street  
DEAKIN ACT 2600

Attention: Freedom of Information Officer

Or by email to [info@ramint.gov.au](mailto:info@ramint.gov.au) using the subject line 'Freedom of Information Request.'

## External Scrutiny

A litigation initiated by the Royal Canadian Mint for patent infringement relating to coloured circulating coin has been vigorously defended by the Royal Australian Mint, not only with a denial of infringement but also with a cross claim.

Discussions with the Royal Canadian Mint have resulted in a cessation of litigation and an outcome that involves the establishment of a collaborative agreement that provides for the exchange of licences to share technology.



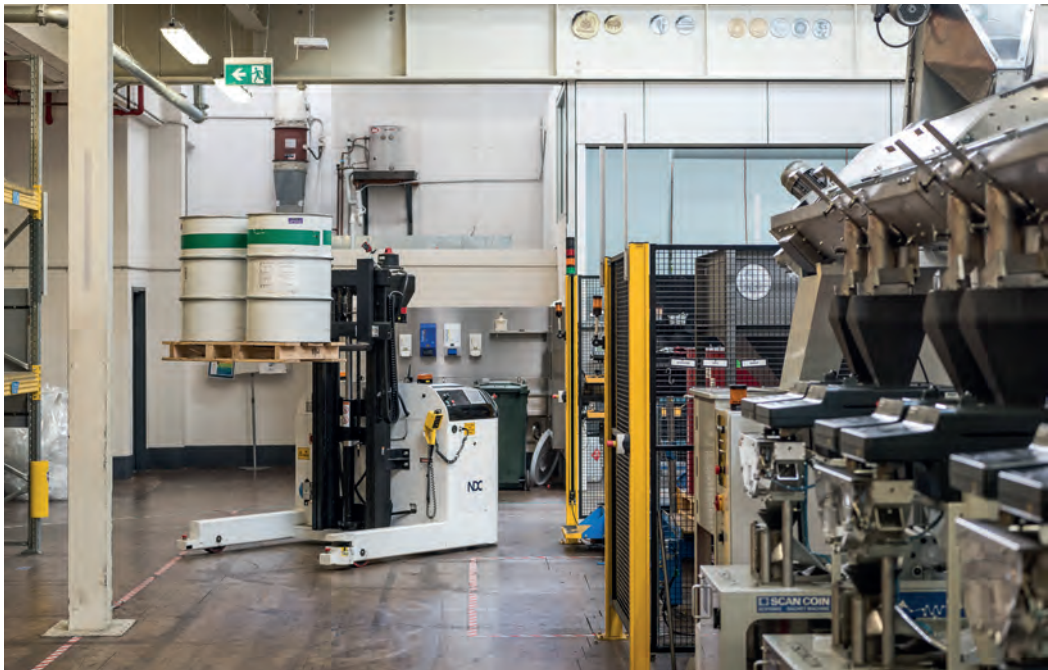
# Remediation of Information Published in Previous Annual Report

The following information are corrections from the Royal Australian Mint *Annual Report 2016–17*:

Page 31 notes that the Royal Australian Mint is exempt from the Freedom of Information Act as the Act applies to Ministers and ‘agencies’. This is incorrect as the Royal Australian Mint is subject to the freedom of information Act 1982 with the exception of its commercial activities.

Page 98, in Appendix B, should have listed the following products:

Country	Type	Design	Year	Alloy	Qty produced (m)
Australia	5c	Standard	2017	cupro Nickel	18 596





## 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 the Mint's AALs and the Commonwealth Procurement Rules (CPRs). The AALs on procurement reflect the principles and need for compliance with 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 transparency
- national competitiveness and industry development
- compliance with other Australian Government policies.

The Mint's purchasing activities are coordinated through the Finance Branch which advises on government procurement requirements. Its services include contract management advice, complying with Commonwealth policy, rules and guidelines on all aspects of the procurement cycle, tendering process preparation including evaluations, procurement and evaluation plans and the annual procurement plan.

As in previous years, the bulk of the Mint's procurement consisted of coin blanks. The largest quantities of coin blanks purchased were for circulating coins, and the highest value blanks purchased were for 99.99 per cent gold and 99.9 per cent silver coins.

To support small to medium enterprises (SMEs), the Mint the Commonwealth Contracting Suite for low-risk procurements valued under \$200 000 and adheres to payment term deadlines.

Purchasing officers regularly draw SME capabilities and products to the attention of relevant Mint business areas, providing selected SMEs with the opportunity to compete. If appropriate, SMEs are raised as vendors in the Mint's computer system. The Mint also recognises the importance of ensuring small businesses are paid on time. To assist cash flow, SMEs are paid on invoice with terms that are often less than the broader 30 days.

### Exempt Contracts

The Mint currently has a number of contracts exempt from AusTender in accordance with the CPRs Clause 2.9 (e): 'purchases of property or services used in the production of goods for resale'. These are for:

- freight services
- printing and packaging
- precious metals
- machinery used for the production of coins
- 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 nondiscretionary grant programs in 2017–18.



## Consultancies

In 2017–18, seven new consultancies were entered into totalling \$204 000. This is about the same level as 2016–17 when four consultancies were entered into totalling \$134 328. However, the 2017–18 consultancies were of a wider range.

The consultancies in 2016–17 had been largely IT-related due to the development of the Mint's MRP System capable of managing its entire business on an end-to-end basis. Following the successful launch of the MRP System on 1 July 2017, there was a reduced need for IT consultancies. Hence, the consultancies in 2017–18 were across a wider range covering IT, finance and engineering.

Consistent with the CPRs, the Mint's policy for selecting and engaging consultants is 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.

Providers of consultancy services are selected through the following procedures:

**Open Tender** – A procurement procedure that involves publishing an open approach to market and inviting submissions.

**Prequalified Tender** – A procurement procedure that involves publishing an approach to market and inviting submissions from all potential suppliers.

**Limited Tender** – A procurement procedure that involves an agency approaching one or more potential suppliers to make submissions, where the process does not meet the rules for open tender or prequalified tender.

The main purpose for which consultancies were engaged was to investigate or diagnose a defined issue or problem,

carry out defined research, reviews or evaluations, provide independent advice and information or creative solutions to assist the Mint to manage their decision making.

The most common categories for the engagement of consultancy services are:

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

## Asset Management

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

Non-current assets are subject to an annual stocktake to ensure accuracy of records. The Mint's revaluation strategy 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
- heritage and cultural including the National Coin Collection.

These assets have a total net value of \$57.4 million, which includes \$1.2 million work in progress associated with capital programs being undertaken across the Mint.

The National Coin Collection, under the control of the Mint, is a restricted asset because it is not available to be sold or made available to a third party. An independent valuation was conducted to provide a fair value of the Collection as at 30 June 2018.

All assets are assessed for impairment at each reporting date.



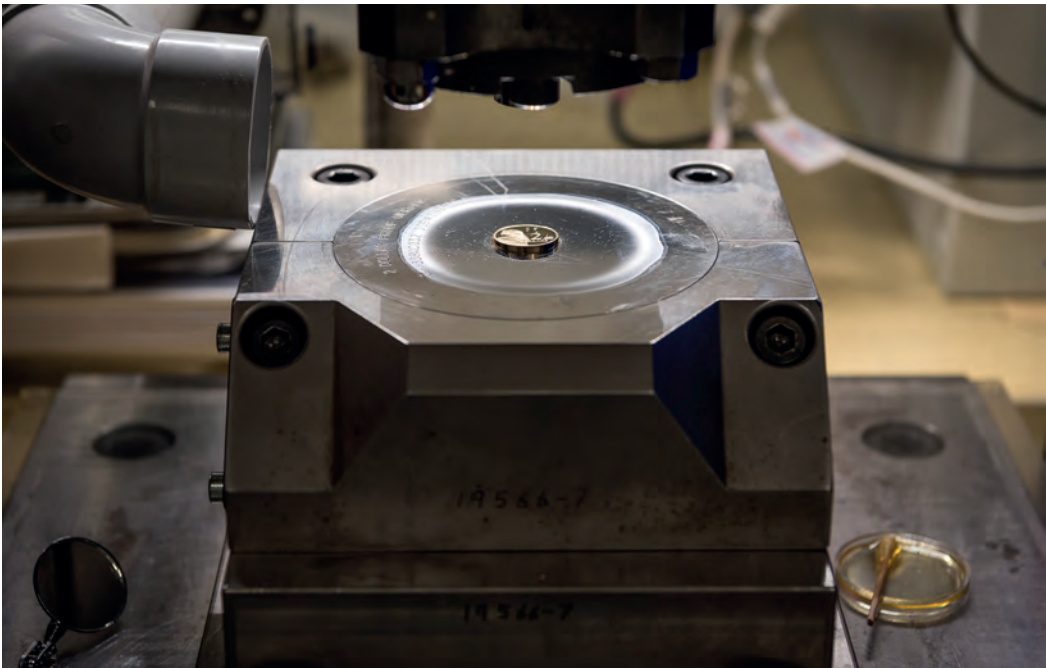
## Advertising and Market Research

During 2017–2018, the Mint used general advertising to promote its products, tourism facilities and events.

Market research was conducted throughout the year to gauge customer satisfaction with products and services as well as test new products and ideas. Table outlines advertising and market research expenditure over \$10 000 for 2017–18.

TABLE 4: EXPENDITURE FOR ADVERTISING AND MARKET RESEARCH 2017–18

Vendor	Purpose	Cost \$ GST inclusive
MDM	Advertising	\$45 000
Dentsu Mitchell	Media booking service	\$578 696
Total		\$623 696





## Management of Human Resources

The Mint's Human Resources Management Information System (HRMIS), called CHRIS21, provides detailed Human Resources (HR) metrics for the business to assist in workforce planning and staff management. Senior Managers use these reports to plan and forecast trends, succession plan and assist in resource management in the short and long term to ensure business objectives are met.

## Performance Management

The Mint manages its performance through individual work plans (IWPs) based on business outcomes or competency outcomes depending on the staff member's role. The Mint remains focused on individual accountability for own performance, with accountability embedded as a requirement in the individual work plans of all staff.

The development of competencies and KPIs across business units provide quantifiable performance measures to aid the assessment of performance.

As in previous years, managers and supervisors were assessed through 180-degree feedback from their direct staff and peers. Comprehensive leadership training was also provided to supervisors and middle managers.

The Mint continues to evaluate existing positions and roles to ensure that staff are in roles that best enable the Mint to achieve business goals and outcomes identified in its Corporate Plan and other strategic business planning documents.

## Enterprise Agreement

The Mint Enterprise Agreement 2016–19 is currently in effect. Both parts of the 3 per cent increase on announcement have been paid to all staff. The most recent increase was applied in March 2018.

## Workplace Relations

The Mint has a range of formal and informal consultative mechanisms, including the Mint Consultative Committee. Chaired by the Chief Executive Officer, the committee comprises Mint management and employee representatives, representatives from the Community and Public Sector Union, the Australian Manufacturing Workers Union and the Professional Officers Union.

In 2017–18, Mint employees were continually informed of business developments and activities through a number of channels. A monthly all-staff meeting ensures that staff across the Mint are kept informed regarding events, products and activities. The internal website (Mintranet) is a channel for instant dissemination of news or notices to staff.

## Recruitment and Succession Planning

Recruitment has been consistent, with non-ongoing and casual positions recruited to fill the peaks and troughs of the production schedule. The change in recruitment processes has given the Mint some flexibility to take on short-term staff.

To manage an ageing workforce, the Mint continues to maintain dialogue with staff to reinforce their own responsibility for individual health and wellbeing, while the Mint continues to organise or subsidise health and fitness initiatives such as the WellMint program. The Mint is continuing to provide flexible working arrangements for staff contemplating retirement.

The Mint offered three engineering internships in 2017–18.



## Training

The Mint continued to invest in staff development to ensure that skills match the existing and future requirements of the Mint. The Learning and Development Coordinator conducted the Mint's fifth 'Leading Minties' training program in 2017–18. This internally developed training, coaching and mentoring program is designed for identified high-performing staff with leadership potential. Altogether 82 staff members have successfully completed the program over the past five years. Significant external training for production staff was managed by the Learning and Development Coordinator in line with staff members' individual Learning Plans and business needs.

A total of 218 staff received training within a budget of \$250 000. Training included courses at tertiary institutions, apprenticeships necessary for additional qualifications, safety courses, executive development courses and finance courses.

## Staffing Information

All staff are employed under the *Public Service Act 1999*. Staffing information is provided in tables 5, 6, 7 and 8. The Mint's Enterprise Agreement has provisions to ensure staff can balance work, family and other caring responsibilities. Part-time and flexible working hours are available to all employees.

## 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 Australian Public Service Committee's State of Service reports 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 have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level, two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. The first of these progress reports was published in 2014 and can be found at [www.dss.gov.au](http://www.dss.gov.au)

## Social Club

The Mint's Social Club had another successful year in 2017–18 and contributed to providing a social and inclusive environment for all staff.

The Social Club organised activities such as sausage sizzle lunches, fortnightly raffles, themed morning teas and lunches, competitions, a multicultural luncheon and a Melbourne Cup luncheon. The Mint's end of year party at Rydges Capital Hill was almost funded entirely by the Social Club from money raised through activities during the year.



**TABLE 5: OPERATIVE AND PAID INOPERATIVE STAFF BY CLASSIFICATION AND GENDER  
(AS AT 30 JUNE 2018)**

Classification	Ongoing				Non-ongoing					
	Full time		Part time		Full time		Part time		Casual	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Apprentice										
APS 1					2				1	3
APS 2	9	21		4	7	7		2	3	3
APS 3	18	9	1		5	2		2	1	5
APS 4	32	11	1	1	5	3		2	1	
APS 5	18	9		1	3	2	1	1		1
APS 6	24	9		1	5					
EL 1	11	4		1		2				
EL 2	2	3								1
SES B1										
SES B2					1					
SES B3										
Total	114	66	2	8	28	16	1	7	6	13
									261	

**TABLE 6: EQUAL EMPLOYMENT OPPORTUNITY (EEO) TARGET GROUPS (AS AT 30 JUNE 2018)**

Classification	Female	Born overseas	ESL	AATSI	Disability
Apprentice					
APS1					1
APS2	38	37	32		
APS3	19	21	19	1	
APS4	13	16	11		
APS5	16	12	8		2
APS6	10	15	8		
EL1	10	8	5		
EL2	4	4	3		
SES B1					
SES B2					
Total	110	113	86	1	3



TABLE 7: SALARY RANGES FOR ENTERPRISE AGREEMENT AND IFAs (AS AT 30 JUNE 2018)

Classification	Minimum \$	Maximum \$
Apprentice	23 308	45 401
APS 1	45 092	48 557
APS 2	50 494	55 134
APS 3	57 953	62 027
APS 4	64 744	68 532
APS 5	72 120	76 034
APS 6	82 456	90 094
EL 1	100 688	112 243
EL 2	119 654	133 782
IFA	117 548	180 000
SES B1		
SES B2	246 820	288 890

TABLE 8: THE MINT'S OPERATIVES PAID UNDER THE ENTERPRISE AGREEMENT AND IFAs (AS AT 30 JUNE 2018)

	No of employees
Enterprise Agreement	260
SES	1



FIGURE 11: NUMBER OF TRAINING SESSIONS COMPLETED AND REMAINING IN 2017-18

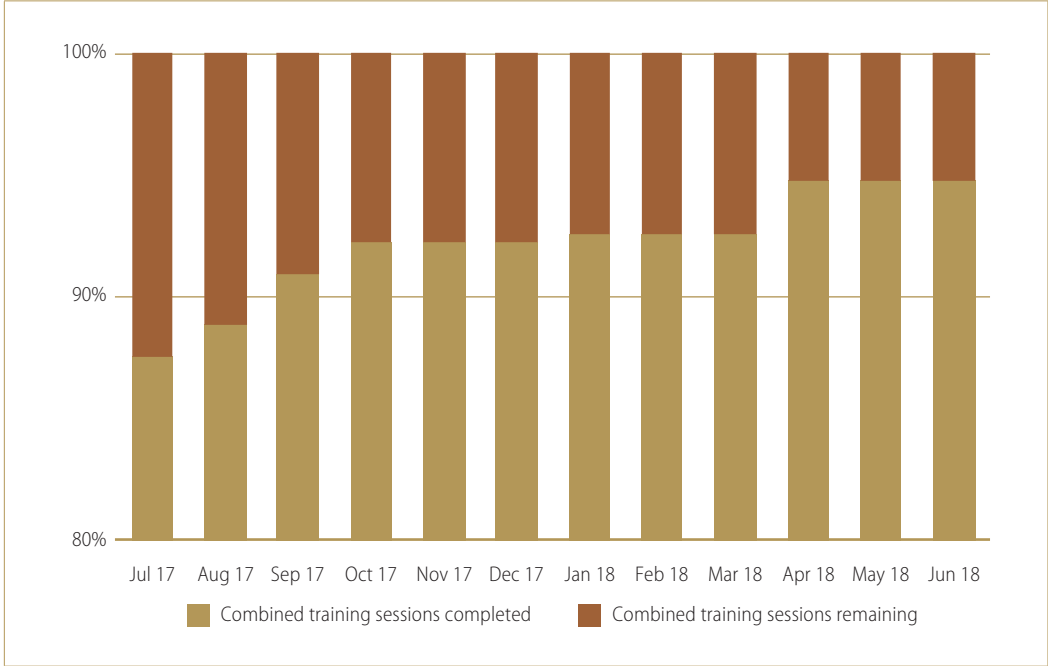


TABLE 9: HEALTH MONITORING 2013-14 TO 2017-18

Health monitoring	2013-14	2014-15	2015-16	2016-17	2017-18
Audiometric testing	92		68	75	
2017 eye sight testing	16	21	20	34	12
Biological testing (heavy metals)			68		104
Pre-employment health checks	23		37	46	30
Drug and alcohol testing					



## Health, Safety, Wellness and Environment

The Mint's commitment to a 'safety first' approach to ensure the wellbeing of staff and visitors is championed by the CEO and through all levels of the organisation.

### WellMint Initiatives

The Mint has a strong rehabilitation management system with an external audit result of 100 per cent against Comcare's assessment criteria.

In 2017–18, the Mint's wellness program, WellMint, increased the range of activities offered to staff.

A monthly calendar was developed with wellness themes that aligned with the World Health Organisation's calendar. Activities such as seminars and presentations were held to reinforce each theme and materials promoting the theme were displayed prominently throughout the Mint.

All Mint employees were offered influenza vaccinations, a healthy lifestyle allowance of \$250 each, and the opportunity to participate in weekly exercise classes with an accredited exercise instructor.

Finally, the Mint once again paid the registration fees for staff members forming teams of four to participate in the annual Cerebral Palsy 10 000 step challenge.

### Health and Safety Initiatives

The Mint is currently integrating its Health, Safety and Environment Management System and its Quality Management System (QMS) to form the Health, Safety Environment and Quality Management System. It achieved and continued to maintain health and safety management system certification against AS/NZS 4801 and OHSAS 18001 and is making preparations towards achieving ISO 45001 certification in the next year.

In 2017–18 the Mint maintained a proactive approach to work, health and safety (WHS) through WHS audit programs, health surveillance, risk management, contractor management and workplace inspection programs. It also focused on raising staff awareness through health and safety training with 95 per cent of staff completing work health safety training in 2017–18. Regular hearing screening continued to be popular while health surveillance monitoring saw 104 staff undertaking biological testing for levels of heavy metals.

The WHS measures were supported by a network of 14 health and safety representatives, 30 first aid officers, 4 mental health first aid officers and 5 harassment contact officers.

Activities planned in 2018–19 under the hygiene and health surveillance survey program include a comprehensive review of occupational hygiene exposures and of the health surveillance matrix. The review will include monitoring the occupational environment for noise and airborne particles, and for mycological and chemical exposures.

### Health and Safety Incidents

The Mint encourages all staff members to proactively report health and safety incidents, however minor. This enables any developing trends to be recognised early and preventative actions taken to avert potentially more serious incidents.

Fifty incidents were reported in 2017–18, of which 28 were due to proactive reporting. Of the 50 incidents, 22 were minor personal injuries to staff members as a result of slipping, tripping or falling due to momentary lapses in attention while engaged in manual handling.

For the second year in a row, the Mint had no notifiable incidents to report to Comcare. This is a significant achievement for a large, heavy-manufacturing operation with a multi-risk profile. There were also no notifiable incidents to be reported to Australian Radiation Protection and Nuclear Safety Agency.

There were no statutory enforcements during 2017–18.



FIGURE 12: ELECTRICITY USAGE (KWH) 2015-16 TO 2017-18

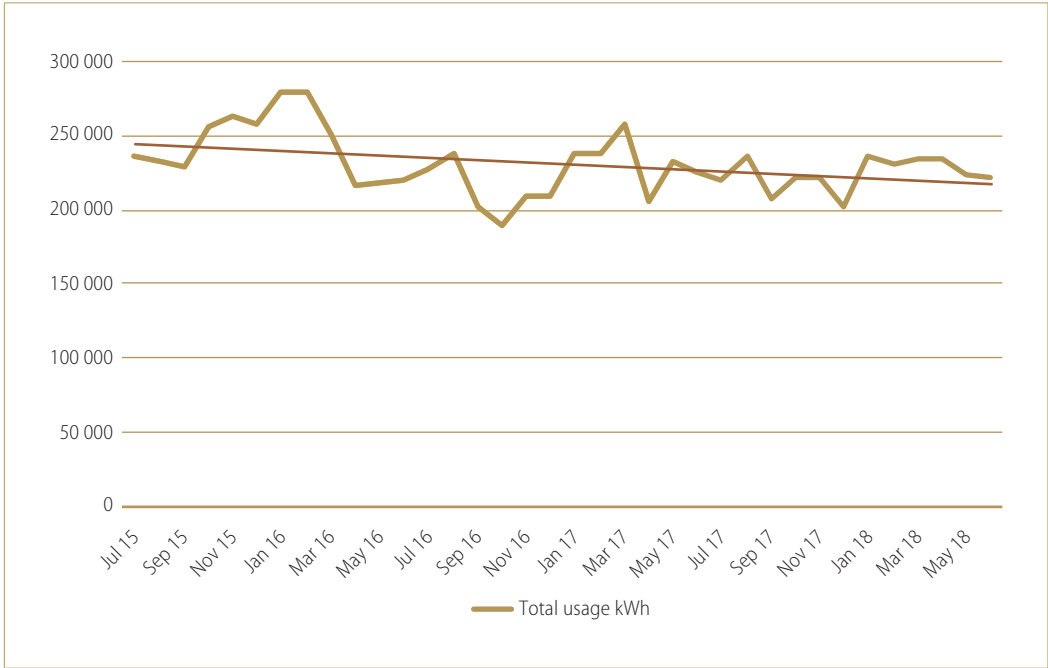
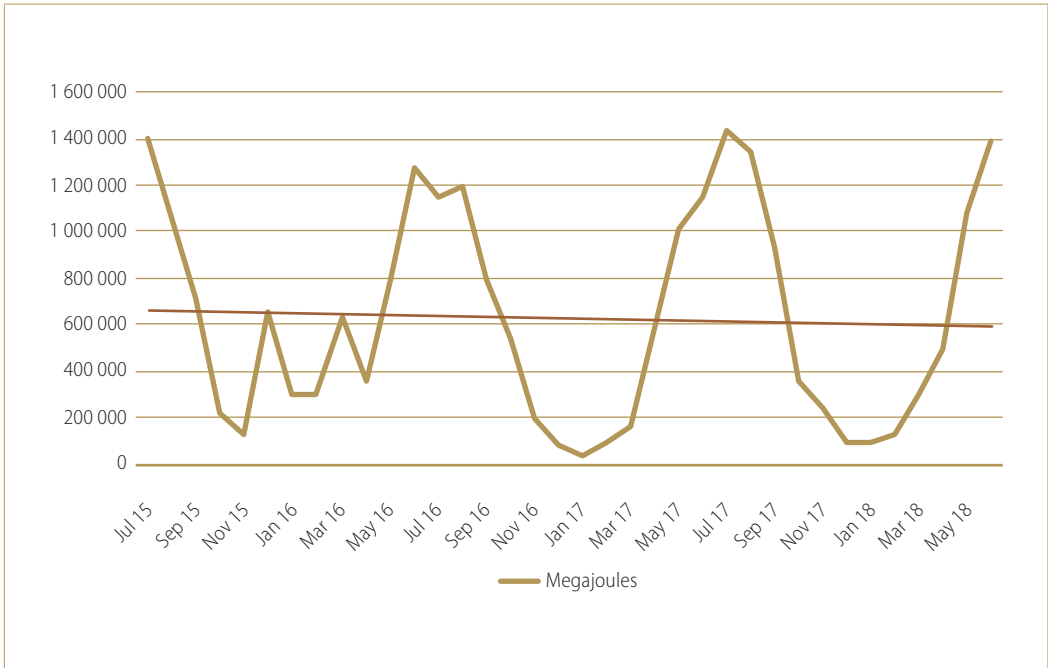


FIGURE 13: NATURAL GAS CONSUMPTION 2015-16 TO 2016-17





## Environmental Performance

### Energy Management

The Mint monitors its energy usage in accordance with Energy Efficiency in Government Operations (EEGO) energy intensity targets. Energy usage for the year was comparable to usage the previous year and reflects the Mint's 24-hour functional requirements as a manufacturing, administrative, tourist and retail facility. Figures 12 and 13 show the Mint's electricity and gas consumption.

During the year, efforts continued to achieve further energy efficiency gains and reduce energy usage. Air conditioning systems were regularly serviced and optimised for performance and temperature settings and were continually adjusted to maintain comfortable conditions for staff and visitors without energy waste. Roof skylights were sheeted with fibreglass glazing to further improve thermal conditions and operating costs.

Seventy per cent of roof skylights were completed during the year with remaining skylights to be completed by October 2018. Once the skylights are completed, the remaining roof areas will be pressure cleaned and repainted with reflective paint to reduce heat loading on the steel roof.

### Solar Panel Photovoltaic Energy System

Since becoming operational in 2016, the solar panel system on the rooftop of the Mint building has become increasingly essential to reducing energy costs.

In 2017–18, the Mint generated 431 826 kilowatts of renewable energy or 21 per cent of its demand for electrical energy. Pleasing though this was, it is a fraction of what the 924 solar panels have the capacity to generate, which means the Mint can look forward to reducing its electricity cost even further.

## Water and Waste Management

The higher level of coin production during 2017–18 meant that water usage also increased (Figure 15). While the increase was unavoidable, wastage was kept to a minimum by regular checks of infrastructure to ensure there were no leaking taps or toilets. Garden irrigation systems are strictly used during spring and summer periods only.

The Mint's waste management disposal and recycling program was consistent during the year, with occasional spikes due to operational requirements from increased coin production.

## Facilities Management

During the year, works were carried out to ensure compliance with the Mint's Heritage Management Plan following its Commonwealth Heritage listing in 2016. Among other things, the Plan required installation of prominent signage directing visitors to the facility entrance which, in the case of the Mint, is its main entrance at Denison Street, Deakin.

This compliance requirement presented the Mint with the opportunity to make further improvements to its Denison Street frontage. Extensive landscaping was carried out around the street frontage and a large barbecue area was built with gas barbecue units, tables and benches installed. A kerb ramp and broad pathway ensured that the whole area is fully wheelchair-friendly. Further works were carried out to install solar powered street lighting that increased security for the whole area at night.

The barbecue facilities were extremely popular with visitors, especially school groups. Another crowd pleaser were two signage plinths, one identifying the Mint and one featuring oversized Australian decimal coins, which presented the ideal backdrop for photographs. Power from the Mint's solar system provides illumination for the signs at night and is also the ignition source for the barbecue units.



FIGURE 14: SOLAR POWER GENERATION MARCH 2016 – MAY 2018

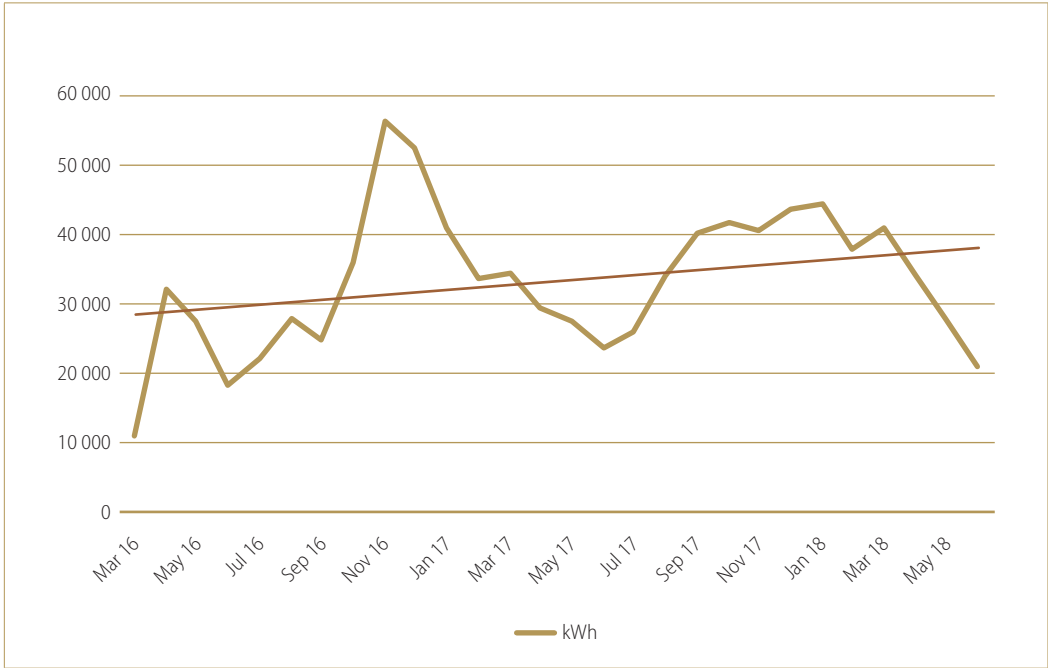
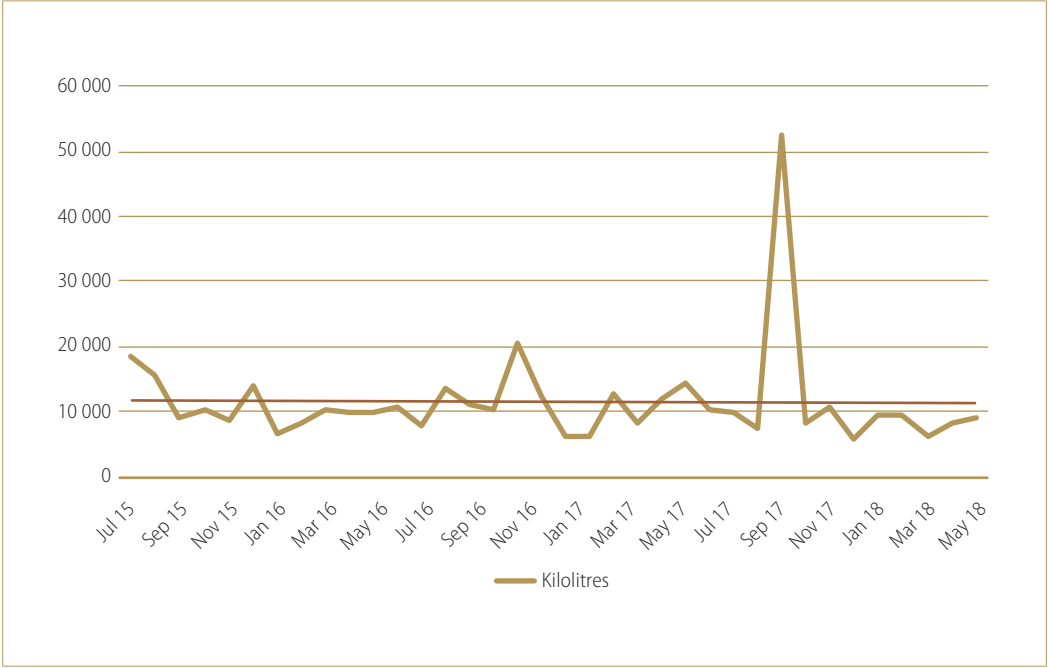


FIGURE 15: WATER CONSUMPTION IN KILOLITRES PER QUARTER 2015–2018





FIGURE 16: RECYCLING AND WASTE DISPOSAL 2016-17 TO 2017-18









# 6. Annual Performance Statements

## Introductory Statement

I, Ross MacDiarmid, as the accountable authority of the Royal Australian Mint, present the 2017–18 annual performance statements of the Royal Australian Mint, as required under Paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* ('PGPA Act'). In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.

## Entity Purpose

To produce and distribute circulating coins, collector coins and minted products to meet the demands of the Australian economy, collectors and foreign countries.

## Data Sources

Unless otherwise stated, the Mint reports on its measures through its MRP System (EPICOR) and its HR system (CHRIS21).

## Results achieved for 2017–18

Performance measure	Target	Results achieved
<b>Produce and deliver Australian circulating coins in a cost-effective and timely manner</b>  Seigniorage is the result after taking into account allowable costs from the face value of all coins sold and remitted to Treasury.  <u>Result:</u> 95% of the target was achieved during the year.		
<b>Seigniorage</b>	\$54.5 m	\$52 m
<b>Optimum return on investment</b>  Return on Net Assets is calculated as net surplus after tax plus seigniorage/ (Fixed assets plus working capital)  The Return on Net Assets (RONA) is down on the target and reflects an increase in inventory as the Mint builds for seasonal demand for circulating coin and major numismatic programs to be released in 2018–19.  <u>Result:</u> 85% of the target was achieved during the year.		
<b>Return on Net Assets</b>	50%	42.5%
<b>Numismatic orders placed, produced and delivered within agreed delivery time</b>  Commercial sales orders are expected to ship within 10 working days  <u>Result:</u> achieved.		
<b>Delivered in full and on time</b>	90%	94%



Performance measure	Target	Results achieved
<b>Visitor satisfaction rating of Mint experience</b>		
Self-select survey kiosks in the public areas invite visitors to provide feedback about their visit, with a rating of 7 and above out of 10 denoting visitor satisfaction. Systems changes in 2017–18 resulted in the survey being conducted over a three-month period compared to 12 months the previous year.		
<u>Result:</u> Visitor satisfaction rating at 89% of the target was achieved.		
<b>Survey result</b>	95%	85%
<b>Increase in visitor numbers compared to prior year</b>		
Electronic door counter software at the front door entrance of the Mint measures daily visitations.		
<u>Result:</u> Visitor number at 99% of target achieved.		
<b>Visitor numbers</b>	330 000	326 000
<b>Business-wide adoption of Lean/Continuous Improvement</b>		
The Mint regularly measures rejects and monitors its production quality.		
<u>Result:</u> achieved.		
<b>Annual reduction in rejects and rework</b>	5%	3.5%
<b>Provide a safe, secure and sustainable operational environment</b>		
The Mint is regularly being audited for safety, quality and environmental standards. In all cases, accreditation has been retained. A number of internal committees are established to monitor and report on injuries, breaches and contamination. In all cases, no major issues were noted by the responsible officers.		
<u>Result:</u> achieved		
<b>Compliance</b>	100%	100%
<b>Retain certification</b>	Yes	Yes
<b>Major injuries</b>	Nil	Nil
<b>Security breaches</b>	Nil	Nil
<b>Contamination</b>	Nil	Nil



Performance measure	Target	Results achieved
<b>Build on brand awareness</b>		
Surveys to customers who have purchased a Mint product are distributed to gauge any changes in their willingness to recommend the Mint to friends or colleagues.		
An increase of 19 per cent in Gift Buying customers or one-off purchase customers may be the reason this target was not met.		
<u>Result:</u> Net promoter score target not achieved.		
<b>Net promoter score</b>	60%	51%
<b>Have engaged, motivated and committed staff</b>		
Survey data obtained from the annual Australian Public Service Commission survey. Unplanned absences are calculated as the level of undocumented carer and personal leave as a proportion of total leave taken.		
<u>Result:</u> Staff survey targets not achieved.		
<u>Result:</u> Unplanned absences: achieved.		
<b>Staff survey satisfaction</b>	85%	66%
<b>Unplanned absences</b>	9%	8%

## Analysis

Key Outcome 1 – To meet the coinage needs of the Australian economy, collectors and foreign countries through the manufacture and sale of circulating coins, collector coins and other minted like products.

In 2017–18, the Mint has delivered a record net surplus after tax of more than \$13 million. As predicted in the 2016–17 annual report the Mint achieved commercial revenue of \$83.7 million, generating an EBIT of more than \$19 million and returning seigniorage of \$52 million.

One hundred and thirty nine million pieces of circulating coins were sold during the year and 117 million pieces were manufactured against a budget of 133 million pieces. The strongest demand is against the higher value denominations which generate the greatest seigniorage. The Mint experienced a continued trend in the dampening of circulation coin demand.

As a counter, the Mint's growth in commercial revenue has been positive. This can be attributed to the Possum Magic program, the Commonwealth Games programs, and the Anzac Centenary commemorations. In addition to these revenue-generating initiatives, activities such as custom minting, production of medals and medallions as well as supplying circulating coins to other nations also assisted the Mint in achieving targets and bettering the revenue prediction significantly.

The Mint has farewelled a number of long-term employees and has experienced higher staff turnover during the year. Through its commitment to strategic planning, the Mint has refreshed its focus on innovation, systems and continues to invest in its people. The Mint is confident that it will deliver on its budget targets and continue to make progress towards its objective of filling the seigniorage gap.







# 7. Financial Statements



## INDEPENDENT AUDITOR'S REPORT

To the Assistant Minister for Treasury and Finance

### Opinion

In my opinion, the financial statements of the Royal Australian Mint for the year ended 30 June 2018:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Royal Australian Mint as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Royal Australian Mint, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

### Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Royal Australian Mint in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Royal Australian Mint the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Royal Australian Mint's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is

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also responsible for disclosing matters related to going concern as applicable and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Kristian Gage  
Executive Director

Delegate of the Auditor-General

Canberra

21 September 2018



## ROYAL AUSTRALIAN MINT

### Statement by the Accountable Authority and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2018 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Royal Australian Mint will be able to pay its debts as and when they fall due.



Ross MacDiarmid  
Accountable Authority  
Chief Executive Officer



Bernadette Pont  
Chief Financial Officer

21 September 2018

21 September 2018



## ROYAL AUSTRALIAN MINT

### Statement of Comprehensive Income

for the period ended 30 June 2018

		2018	2017	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1.1A	25,176	23,221	23,890
Suppliers	1.1B	63,376	75,185	57,102
Depreciation and amortisation	2.2A	5,378	5,042	4,901
Finance costs	1.1C	43	40	26
Write-down and impairment of assets	1.1D	2,768	2,701	-
Royalties	1.1E	4,542	5,494	3,381
Foreign exchange losses	1.1F	53	46	-
Losses from asset sales		-	8	-
<b>Total expenses</b>		<b>101,336</b>	<b>111,737</b>	<b>89,300</b>
<b>OWN-SOURCE INCOME</b>				
<b>Own-source revenue</b>				
Sale of goods and rendering of services	1.2A	119,881	115,425	96,592
Interest (Competitive neutrality equivalent)		539	542	1,000
Rental income		397	333	300
Other revenue	1.2B	293	471	-
<b>Total own-source revenue</b>		<b>121,110</b>	<b>116,771</b>	<b>97,892</b>
<b>Gains</b>				
Other		-	-	162
<b>Total gains</b>		<b>-</b>	<b>-</b>	<b>162</b>
<b>Total own-source income</b>		<b>121,110</b>	<b>116,771</b>	<b>98,054</b>
<b>Net contribution by goods and services</b>		<b>19,774</b>	<b>5,034</b>	<b>8,754</b>
<b>Surplus before income tax on continuing operations</b>		<b>19,774</b>	<b>5,034</b>	<b>8,754</b>
Income tax (expense)/benefit	1.3	(5,828)	(1,216)	(2,623)
<b>Surplus after income tax on continuing operations</b>		<b>13,946</b>	<b>3,818</b>	<b>6,131</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in asset revaluation reserve		(364)	(57)	-
<b>Total other comprehensive income before income tax</b>		<b>(364)</b>	<b>(57)</b>	<b>-</b>
Income tax (expense)/benefit - other comprehensive income	1.3	-	(110)	-
<b>Surplus after income tax on continuing operations</b>		<b>13,582</b>	<b>3,651</b>	<b>6,131</b>

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



## ROYAL AUSTRALIAN MINT

### Statement of Financial Position

as at 30 June 2018

		2018	2017	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2.1A	45,072	38,115	52,696
Trade and other receivables	2.1B	6,185	4,954	11,713
<b>Total financial assets</b>		<b>51,257</b>	<b>43,069</b>	<b>64,409</b>
<b>Non-financial assets</b>				
Leasehold improvements	2.2A	19,563	20,768	22,064
Property, plant and equipment	2.2A	13,292	15,282	15,092
Heritage and cultural	2.2A	21,847	21,754	21,584
Intangibles	2.2A	2,676	2,796	2,896
Inventories	2.2B	55,123	40,944	33,598
Deferred tax assets	1.3	1,291	1,129	1,443
Prepayments		1,823	1,189	2,247
<b>Total non-financial assets</b>		<b>115,615</b>	<b>103,862</b>	<b>98,924</b>
<b>Total assets</b>		<b>166,872</b>	<b>146,931</b>	<b>163,333</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	2.3A	4,584	3,747	5,227
Tax liabilities	1.3	5,991	1,252	2,956
Other payables	2.3B	2,223	1,270	7,658
<b>Total payables</b>		<b>12,798</b>	<b>6,269</b>	<b>15,841</b>
<b>Interest bearing liabilities</b>				
Leases	2.4	670	886	116
<b>Total interest bearing liabilities</b>		<b>670</b>	<b>886</b>	<b>116</b>
<b>Provisions</b>				
Employee provisions	4.1	6,485	6,450	5,705
Provision for restoration	2.5	493	481	671
<b>Total provisions</b>		<b>6,978</b>	<b>6,931</b>	<b>6,376</b>
<b>Total liabilities</b>		<b>20,446</b>	<b>14,086</b>	<b>22,333</b>
<b>Net Assets</b>		<b>146,426</b>	<b>132,845</b>	<b>141,000</b>
<b>EQUITY</b>				
Contributed equity		77,903	77,903	77,903
Reserves		40,798	41,162	41,339
Retained surplus		27,725	13,780	21,758
<b>Total</b>		<b>146,426</b>	<b>132,845</b>	<b>141,000</b>
<b>Total equity</b>		<b>146,426</b>	<b>132,845</b>	<b>141,000</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 2018

	Retained surplus			Asset revaluation reserve			Buffer stock reserves			Contributed equity/capital			Total equity		
	2018	2017	Original Budget	2018	2017	Original Budget	2018	2017	Original Budget	2018	2017	Original Budget	2018	2017	Original Budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>															
Balance carried forward from previous period	13,780	9,962	15,627	21,162	21,329	21,339	20,000	20,000	20,000	77,903	77,903	77,903	132,845	129,194	134,869
<b>Comprehensive income</b>															
Other comprehensive income															
Changes in asset revaluation reserves from revaluation and impairment	-	-	-	(364)	(57)	-	-	-	-	-	-	-	(364)	(57)	-
Tax effect on revaluation	-	-	-	-	(110)	-	-	-	-	-	-	-	-	(110)	-
Surplus/(Loss) for the period	13,946	3,818	6,131	-	(167)	-	-	-	-	-	-	-	13,946	3,818	6,131
<b>Total comprehensive income</b>	13,946	3,818	6,131	(364)	(167)	-	-	-	-	-	-	-	13,582	3,651	6,131
<b>Closing balance as at 30 June</b>	27,725	13,780	21,758	20,798	21,162	21,339	20,000	20,000	20,000	77,903	77,903	77,903	146,426	132,845	141,000
<b>Closing balance attributable to the Australian Government</b>	27,725	13,780	21,758	20,798	21,162	21,339	20,000	20,000	20,000	77,903	77,903	77,903	146,426	132,845	141,000

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

## Accounting Policy

### Buffer Stock Reserve

The \$20 million Buffer Stock Reserve was provided by the Department of the Treasury to the Mint's Special Account in 2008 to establish a circulating coin buffer stock. It represents the minimum level of circulating coins inventory that the Mint needs to hold in stock to service unexpected demand and also to provide for other unexpected contingencies.



## ROYAL AUSTRALIAN MINT

### Cash Flow Statement

for the period ended 30 June 2018

	2018	2017	Original Budget
	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Face value - circulating coin	85,515	102,170	81,862
Goods and services	95,910	72,975	69,250
Other cash received	465	333	300
<b>Total cash received</b>	<b>181,890</b>	<b>175,478</b>	<b>151,412</b>
<b>Cash used</b>			
Employees	24,187	20,539	23,907
Suppliers	92,693	90,887	57,513
Net competitive neutrality payments	1,447	-	2,421
Payments to Commonwealth - royalties	4,372	2,758	1,950
Payments to Commonwealth - seigniorage	49,216	68,836	52,570
Net GST paid	676	1,492	3,473
<b>Total cash used</b>	<b>172,591</b>	<b>184,512</b>	<b>141,834</b>
<b>Net cash from operating activities</b>	<b>9,299</b>	<b>(9,034)</b>	<b>9,578</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment	-	3	-
<b>Total cash received</b>	<b>-</b>	<b>3</b>	<b>-</b>
<b>Cash used</b>			
Purchase of property, plant and equipment	2,126	3,101	4,125
<b>Total cash used</b>	<b>2,126</b>	<b>3,101</b>	<b>4,125</b>
<b>Net cash (used by) investing activities</b>	<b>(2,126)</b>	<b>(3,098)</b>	<b>(4,125)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash used</b>			
Repayment of finance leases	216	134	17
<b>Total cash used</b>	<b>216</b>	<b>134</b>	<b>17</b>
<b>Net cash (used by) financing activities</b>	<b>(216)</b>	<b>(134)</b>	<b>(17)</b>
<b>Net increase/(decrease) in cash held</b>	<b>6,957</b>	<b>(12,266)</b>	<b>5,436</b>
Cash and cash equivalents at the beginning of the reporting period	38,115	50,381	47,260
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>45,072</b>	<b>38,115</b>	<b>52,696</b>

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



## ROYAL AUSTRALIAN MINT

### Budget Variances Commentary

for the period ended 30 June 2018

Explanations of major variances	Affected line items
<p>The agreement with Woolworths for the Commonwealth Games program was entered into after the original budget was finalised in April 2017. As a result, the budgeted amounts of sales and expenses associated with the sale (e.g. cost of goods sold, royalties and sponsorship) were lower than actuals.</p>	<p><b>Statement of Financial Performance</b> - Suppliers Expenses, Royalties Expense, and Sales of Goods and Rendering of Services  <b>Cash Flow (Cash received)</b> - Goods and Services  <b>Cash Flow (Cash used)</b> - Suppliers</p>
<p>The budget for the sales of Australian circulating coin was prepared based on the previous pattern with the expectation of finishing the year with a seigniorage payable. A seigniorage receivable occurred instead due to seasonal lack of demand in May and June 2018. A review of the external budget process is planned in 2018-19 to address this variance.</p>	<p><b>Statement of Financial Position</b> - Other payables</p>
<p>The Mint has not budgeted for the write-down of assets and inventory given the unpredictable nature of these items. Two full inventory stocktakes were undertaken this year as well as a review of obsolete stock to ensure the accuracy of the quantity.</p>	<p><b>Statement of Financial Performance</b> - Write-down and impairment of assets</p>
<p>The Mint has strategically built up the stock of raw material in order to mitigate the risks associated with the current supplier contract which is due to expire in September 2018.</p>	<p><b>Statement of Financial Position</b> - Inventory</p>
<p>The phasing of significant capital projects (e.g. the new coin press upgrade and landscaping project) did not proceed as planned, which resulted in lower actual balances of fixed assets.</p>	<p><b>Statement of Financial Position</b> - Leasehold improvement, and property, plant and equipment</p>



**ROYAL AUSTRALIAN MINT**  
**Administered Schedule of Comprehensive Income**  
*for the period ended 30 June 2018*

	2018	2017	Original Budget
	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Expenses - manufacturing, selling and distribution expenses	40,226	40,211	27,342
<b>Total expenses administered on behalf of Government</b>	<b>40,226</b>	<b>40,211</b>	<b>27,342</b>
<b>Income</b>			
<b>Revenue</b>			
<b>Non-taxation revenue</b>			
Revenue - Sale of Circulating Coin	85,515	102,170	81,862
<b>Total own-source income administered on behalf of Government</b>	<b>85,515</b>	<b>102,170</b>	<b>81,862</b>
<b>Net contribution by services</b>	<b>45,289</b>	<b>61,959</b>	<b>54,520</b>
<b>Surplus<sup>1</sup></b>	<b>45,289</b>	<b>61,959</b>	<b>54,520</b>

<sup>1</sup>Total comprehensive income is equal to the surplus as there have been no movements in other comprehensive income.

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

**Accounting Policy**

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the Mint on behalf of the Australian Government.

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 of finished goods to the Mint plus associated selling distribution, and overhead 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 to Administered Cash Flow Statement).

The net revenue 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.



**Administered Schedule of Assets and Liabilities**  
**as at 30 June 2018**

	2018 \$'000	2017 \$'000	Original Budget \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Receivables - Seigniorage	-	-	4,353
<b>Total financial assets</b>	-	-	4,353
<b>Non-financial assets</b>			
Inventory	3,716	6,371	8,680
<b>Total non-financial assets</b>	3,716	6,371	8,680
<b>Total assets administered on behalf of Government</b>	3,716	6,371	13,033
<b>LIABILITIES</b>			
<b>Payables</b>			
Other Payables - Seigniorage	1,898	625	-
<b>Total payables</b>	1,898	625	-
<b>Total liabilities administered on behalf of Government</b>	1,898	625	-
<b>Net assets</b>	1,819	5,746	13,033

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

**Administered Reconciliation Schedule**  
**as at 30 June 2018**

	2018 \$'000	2017 \$'000	Original Budget \$'000
<b>Opening administered assets less administered liabilities as at 1 July</b>	5,746	12,623	13,033
Plus: Administered income	85,515	102,170	81,862
Less: Administered expenses	(40,226)	(40,211)	(27,342)
Administered transfers to/from Australian Government:			
Transfers to OPA	(49,216)	(68,836)	(54,520)
<b>Closing administered assets less administered liabilities as at 30 June</b>	1,818	5,746	13,033



**Administered Cash Flow Statement**  
**for the period ended 30 June 2018**

	2018	2017	Original Budget
	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Other - Seigniorage	49,216	68,836	54,520
<b>Total cash received</b>	<b>49,216</b>	<b>68,836</b>	<b>54,520</b>
<b>Net cash from operating activities</b>	<b>49,216</b>	<b>68,836</b>	<b>54,520</b>
<b>Net Increase in Cash Held</b>	<b>49,216</b>	<b>68,836</b>	<b>54,520</b>
Cash and cash equivalents at the beginning of the reporting period	-	-	-
Cash to Official Public Account for:			
- Special accounts - Seigniorage	(49,216)	(68,836)	(54,520)
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Accounting Policy**

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the Mint on behalf of the Government is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. 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 Administered Cash Flow Statement and in the Administered Reconciliation Schedule.

**Budget Variances Commentary**

Explanations of major variances	Affected line items
The actual demand for Australian circulating coin this year was higher than expected (even the expectation was already low given the overall declining demand) due to unexpected orders from one commercial bank as the result of the reconstruction of its cash storage arrangement.	<b>Revenue</b> - Sale of Circulating Coin <b>Cash Received</b> - Other Seigniorage
The budget was constructed on the basis of a proportionate decrease in expense in line with decreasing revenue. The actual expenditure holds a certain amount of fixed costs and hence this assumption did not eventuate.	<b>Expense</b> - manufacturing, selling and distribution expenses <b>Payables</b> - Other Payables - Seigniorage



## Overview

### The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)* and the Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

### The Basis of Accounting

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

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

### New 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.

All new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect, and are not expected to have a future material effect, on the Mint's financial statements.

#### Future Australian Accounting Standard Requirements

The following list of significant new/revised/amending standards and/or interpretations were issued by the AASB prior to the signing of the statement by the Accountable Authority and Chief Financial Officer.

Standard/ Interpretation	Application date for the entity <sup>1</sup>	Nature of impending change/s in accounting policy
<b>AASB 9 Financial Instruments</b>	1 July 2018	The new standard includes changes to the measurement, recognition and classification of financial instruments and new requirements for the impairment of financial assets. The new standard may impact on the measurement, classification and impairment of receivables and other financial instruments.
<b>AASB 15 Revenue from Contracts with customers</b>	1 July 2019	The new standard requires revenue to be recognised as performance obligations are satisfied and will also apply to contracts of not-for-profit entities that are exchange transactions. The changes may impact on the timing of revenue recognition.
<b>AASB 1058 Income of Not-for-Profit Entities</b>	1 July 2019	The new standard replaces AASB 1004 <i>Contributions</i> to require the timing of income recognition for not-for-profit entities depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset received by an entity. The standard being implemented is in conjunction with AASB 15 and may impact on the timing of revenue recognition.
<b>AASB 16 Leases</b>	1 July 2019	The new standard requires that operating leases be recognised as lease liabilities and right-of-use assets on the Statement of Financial Position. The new standard will have a material impact on the recognition of the Mint's operating leases for office and equipment.



## Overview

All other new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material effect on the Mint's financial statements.

<sup>1</sup> The Mint's expected initial application date is when the accounting standard becomes operative at the beginning of the Mint's reporting period.

## Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Administered Schedule of Comprehensive Income, Administered Schedule of Assets and Liabilities, 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.

## Events after the reporting period

### Departmental

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

### Administered

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



## 1.1 Expenses

	2018	2017
	\$'000	\$'000
<b>1.1A: Employee Benefits</b>		
Wages and salaries	18,817	17,361
Superannuation:		
Defined contribution plans	2,143	1,824
Defined benefit plans	856	906
Leave and other entitlements	2,064	2,381
Separation and redundancies	336	37
Payroll tax (competitive neutrality)	960	712
<b>Total employee benefits</b>	<b>25,176</b>	<b>23,221</b>

### Accounting Policy

Accounting policies for employee related expenses are contained in Note 4.1 Employee Provisions.

## 1.1B: Suppliers

### Goods and services supplied or rendered

Cost of goods sold <sup>1</sup>	53,746	63,095
Contributions & sponsorship	4,490	1,720
Consultancy	2,114	1,959
Administration & management	1,766	1,769
Interest compensation expense	2,113	2,197
Selling & distribution	3,760	3,891
Facilities service & maintenance	2,863	2,772
Travel	573	447
Other	350	562
Recoupment <sup>2</sup>	(10,724)	(5,614)
<b>Total goods and services supplied or rendered</b>	<b>61,050</b>	<b>72,798</b>

Goods supplied	46,216	60,641
Services rendered	14,834	12,157
<b>Total goods and services supplied or rendered</b>	<b>61,050</b>	<b>72,798</b>

### Other suppliers

Operating lease rentals	2,215	2,201
Workers compensation expenses	111	186
<b>Total other suppliers</b>	<b>2,326</b>	<b>2,387</b>
<b>Total suppliers</b>	<b>63,376</b>	<b>75,185</b>

<sup>1</sup> Cost of goods sold represents the direct and indirect production costs relating to inventory sold during the period.

<sup>2</sup> Recoupment of \$10.7m (2017: \$5.6m) represents production costs capitalised into inventory produced. An amount of \$5.1m (2017: \$4.6m) relates to labour and \$5.6m (2017: \$1m) relates to other costs capitalised into inventory produced.

### Leasing commitments

The Mint in its capacity as lessee has a Memorandum of Understanding relating to the lease of the Mint premises with the Department of Finance effective March 2009. The term of the lease is 20 years, with lease payments subject to an annual increase of 3 percent and a rental review to market every fifth anniversary.

### Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	2,575	2,500
Between 1 and 5 years	11,094	10,511
More than 5 years	17,837	20,131
<b>Total operating lease commitments</b>	<b>31,506</b>	<b>33,142</b>



## 1.1 Expenses

	2018	2017
	\$'000	\$'000
<b>1.1C: Finance Costs</b>		
Finance leases	31	31
Unwinding of discount - provision for restoration	12	9
<b>Total finance costs</b>	<b>43</b>	<b>40</b>

### Accounting Policy

All borrowing costs are expensed as incurred.

## 1.1D: Write-Down & Impairment of Assets

### Asset write-down and impairment

Write down of inventory	2,691	2,418
Write down of fixed assets	63	36
Write down of bad debts	14	247
<b>Total write-down and impairment of assets</b>	<b>2,768</b>	<b>2,701</b>

### Accounting Policy

The Mint assesses its inventory level for obsolescence and impairment on a regular basis. An annual inventory stocktake has been undertaken in June 2018. Disposal of scrap and scissel inventory is undertaken to ensure a maximised return to the Mint.

## 1.1E: Royalties

Royalties - Australian Government	3,458	2,496
Royalties - Other	1,084	2,998
<b>Total royalties</b>	<b>4,542</b>	<b>5,494</b>

### Accounting Policy

The Mint pays the royalty on the use of the Queen's Effigy to the Australian Government for numismatic products with the rates agreed with the Department of the Treasury. The Mint also pays royalty to other entities on the products that are subject to royalties. The rates charged are based on each agreement of the production.

## 1.1F: Foreign Exchange Losses

Non-Speculative	53	46
<b>Total foreign exchange losses</b>	<b>53</b>	<b>46</b>

### Accounting Policy

Transactions denominated in foreign currencies are translated at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance date are translated to Australian dollars at the foreign exchange rate at that date. Foreign exchange differences arising on translations are recognised in the Statement of Comprehensive Income. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the start of the period, adjusted for effective interest and payments during the period, and the amortised cost in the foreign currency translated at the exchange rate at the end of the period. Foreign currency gains and losses are reported on a net basis.



## 1.2 Own Source Revenue and Gains

	2018	2017
	\$'000	\$'000
<b>Own-Source Revenue</b>		
<b><u>1.2A: Sale of Goods and Rendering of Services</u></b>		
<b>Goods</b>		
Cost recovery from sale of Australian circulating coin	33,549	35,107
Numismatic coin sales	59,957	45,962
Foreign coin sales <sup>1</sup>	22,970	26,185
Other sales non coin product	2,338	7,084
	<b>118,814</b>	<b>114,338</b>
<b>Services</b>		
Circulating coin supply chain management <sup>2</sup>	250	250
Other services <sup>3</sup>	817	837
	<b>1,067</b>	<b>1,087</b>
<b>Total sale of goods and rendering of services</b>	<b>119,881</b>	<b>115,425</b>

<sup>1</sup>This category was formerly known as Foreign Circulating Coin Sale. The international business has substantially expanded to include other international coin sales and minting services as well as foreign circulating coin. The category has changed to better reflect the operations.

<sup>2</sup>Commercial banks contribute towards the costs incurred by the Mint in managing and administering the Coin Supply Chain Model \$250,000 (2017: \$250,000).

<sup>3</sup>The Mint received revenue from other services including customised minting and royalty revenue.

### Accounting Policy

#### Cost Recovery from Sale of Australian Circulating Coin

The Mint retains as revenue some recovered costs associated with the production of circulating coin.

#### Goods and Services and 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.

#### Interest Revenue

Interest revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. The interest recognised in the financial statements is adjusted against payments made under competitive neutrality arrangements.



## 1.2 Own Source Revenue and Gains

	2018	2017
	\$'000	\$'000
<b>1.2B: Other Revenue</b>		
Other revenue	93	306
Resources received free of charge - remuneration of auditors	200	165
<b>Total other revenue</b>	<b>293</b>	<b>471</b>

### Accounting Policy

#### Resources Received Free of Charge

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

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements.



### 1.3 Income Tax Expenses

	2018	2017
	\$'000	\$'000

#### 1.3: Income Tax Expense (Competitive Neutrality)

##### Income tax expense

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 2018 and 2017 is as follows:

Profit/(loss) before Income Tax Expense	19,774	5,034
Less profit of non-contestable activities	(206)	(1,963)
Profit/(loss) before Income Tax Expense relating to contestable activities	19,568	3,071
At the statutory tax rate of 30% (2017: 30%)	5,870	921
Relating to change in allocation rate in contestable activities from prior years	-	(30)
Less tax on R&D incentive	(47)	(28)
Add tax effect amounts which are not taxable in calculating taxable income	5	353
<b>Income tax expense reported in the Statement of Comprehensive Income</b>	<b>5,828</b>	<b>1,216</b>

##### Current income tax :

Current income tax charge	5,990	1,252
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##### Deferred income tax :

Relating to origination and reversal of timing differences	(162)	(6)
Relating to change in allocation rate in contestable activities from prior years	-	(30)

##### Income tax (benefit)/expense

	5,828	1,216
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##### Statement of Changes in Equity

Plant and Equipment - revaluation	-	110
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##### Income tax (benefit)/expense reported in equity

	-	110
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##### Accounting Policy

###### Taxation

Except for the competitive neutrality arrangements outlined below, the Mint is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and 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.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included in other receivables or other payables in the Statement of Financial Position.

Cash flows and commitments are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

###### 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 the current 10-year market bond rate.

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the company 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.

##### Accounting Judgements and Estimates

###### Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Mint considers it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses.



### 1.3 Income Tax Expenses

#### 1.3: Income Tax Expense (Competitive Neutrality)- continued

Deferred tax calculations for the income year ended 30 June 2018

	Opening balance	Recognised in profit or loss	Recognised directly in equity	Closing balance
	\$'000	\$'000	\$'000	\$'000
<i>Deferred tax (liabilities)/assets in relation to:</i>				
Receivables	-	73	-	73
Leasehold improvements - revaluation	44	-	-	44
Plant and equipment at cost	43	-	-	43
Plant and equipment - revaluation	(363)	-	-	(363)
R&D capitalised	(133)	-	-	(133)
Other payables	40	(13)	-	27
Employee provisions	1,279	26	-	1,305
Make-good provision	6	2	-	8
Tax liabilities (payroll tax liability)	213	74	-	287
	<b>1,129</b>	<b>162</b>	<b>-</b>	<b>1,291</b>

Deferred tax calculations for the income year ended 30 June 2017

	Opening balance	Recognised in profit or loss	Recognised directly in equity	Closing balance
	\$'000	\$'000	\$'000	\$'000
<i>Deferred tax (liabilities)/assets in relation to:</i>				
Leasehold improvements - revaluation	44	-	-	44
Plant and equipment at cost	18	25	-	43
Plant and equipment - revaluation	(253)	-	(110)	(363)
R&D capitalised	(133)	-	-	(133)
Carry forward R&D offset	183	(183)	-	-
Other payables	-	40	-	40
Employee provisions	1,100	179	-	1,279
Non deductible performance bonus	45	(45)	-	-
Make-good provision	5	1	-	6
Tax liabilities (payroll tax liability)	195	18	-	213
	<b>1,204</b>	<b>35</b>	<b>( 110)</b>	<b>1,129</b>



## 2.1 Financial Assets

	2018	2017
	\$'000	\$'000
<b>2.1A: Cash and Cash Equivalents</b>		
Cash held in bank	5,072	3,115
Cash held in the OPA	40,000	35,000
<b>Total cash and cash equivalents</b>	<b>45,072</b>	<b>38,115</b>

### Accounting Policy

#### Cash held in bank

This includes cash on hand, deposits held at bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

#### Cash held in the OPA

Per government policy, the Mint retains working capital in its cash at bank, with the remaining cash available for use in a Special Account held in the Official Public Account. These monies are readily available to the Mint for its ongoing operations.

### 2.1B: Trade and Other Receivables

#### Receivables in connection with:

Goods and services	3,659	3,140
<b>Total receivables for goods and services</b>	<b>3,659</b>	<b>3,140</b>

#### Other receivables:

GST receivable from the Australian Taxation Office	50	436
Seigniorage receivable	2,719	1,632
<b>Total other receivables</b>	<b>2,769</b>	<b>2,068</b>
<b>Total trade and other receivables (gross)</b>	<b>6,428</b>	<b>5,208</b>

#### Less impairment allowance:

Goods and services	(243)	(254)
<b>Total impairment allowance</b>	<b>(243)</b>	<b>(254)</b>
<b>Total trade and other receivables</b>	<b>6,185</b>	<b>4,954</b>

#### Reconciliation of the Impairment Allowance Account:

	2018	2017
	\$'000	\$'000
<b>Opening balance</b>	<b>(254)</b>	<b>(36)</b>
Amounts recovered and/or reversed	25	36
Increase recognised in net cost of services	(14)	(254)
<b>Closing balance</b>	<b>(243)</b>	<b>(254)</b>



## 2.1 Financial Assets

### Accounting Policy

The Mint classifies its financial assets as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon the trade date.

#### Seigniorage Receivable/Payable

Seigniorage is collected by the Mint on behalf of the Commonwealth. Seigniorage represents the difference between the face value of coin sold to the banks and its cost of production of finished goods to the Mint plus associated selling and distribution and overhead expenses and any additional allowances for unavoidable costs and/or surplus agreed by the Department of the Treasury (i.e. the transfer price). The seigniorage receivable represents the position of the Mint with the unclaimed transfer price at the end of the reporting period.

#### 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 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.

#### Trade and Other Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'trade and other receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Trade Receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an on-going basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. Other receivables are recognised at amortised cost, less any provision for impairment.

#### Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

### Accounting Judgements and Estimates

#### Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.



## 2.2 Non-Financial Assets

### 2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment, and Intangibles

	Leasehold Improvements \$'000	Property, plant, and equipment \$'000	Heritage and cultural \$'000	Intangibles/ Computer Software \$'000	Total \$'000
<b>As at 1 July 2017</b>					
Gross book value	22,502	18,134	21,754	7,864	70,254
Accumulated depreciation and impairment	(1,734)	(2,852)	-	(5,068)	(9,654)
<b>Net book value 1 July 2017</b>	<b>20,768</b>	<b>15,282</b>	<b>21,754</b>	<b>2,796</b>	<b>60,600</b>
Additions:					
By purchase	707	742	-	677	2,126
At cost - transfer from inventory	-	-	457	-	457
Revaluation recognised in Other Comprehensive Income <sup>1</sup>	-	-	(364)	-	(364)
Transfer of Assets	(131)	131	-	-	-
Depreciation expense <sup>2</sup>	(1,781)	(2,800)	-	(797)	(5,378)
Disposals	-	(63)	-	-	(63)
<b>Net book value 30 June 2018</b>	<b>19,563</b>	<b>13,292</b>	<b>21,847</b>	<b>2,676</b>	<b>57,378</b>
<b>Net book value as of 30 June 2018 represented by:</b>					
Gross book value	23,078	18,922	21,847	7,656	71,503
Accumulated depreciation & impairment losses	(3,515)	(5,630)	-	(4,980)	(14,125)
<b>Net book value 30 June 2018</b>	<b>19,563</b>	<b>13,292</b>	<b>21,847</b>	<b>2,676</b>	<b>57,378</b>

<sup>1</sup> All revaluations were conducted in accordance with the revaluation policy stated at Note 2.2A.

- Heritage and cultural assets were valued by an independent appraiser as at 30 June 2018 (RHAS) (2017: RHAS). The revaluation decreased the fair value by \$0.314m (2017: \$0.03m decrement) with an equivalent impact on the Asset Revaluation Reserve for 2018.

- Leasehold improvements and other property, plant and equipment were last revalued at 30 June 2016 by an independent valuer, Australian Valuation Services. The Mint has not undertaken revaluation in 2017-18 according to the revaluation policy. The next revaluation for property, plant and equipment will be in 2018-19.

<sup>2</sup> Depreciation expenses for finance leased assets were included in the line 'Property, plant and equipment' above. Depreciation on equipment under finance lease arrangements was \$0.181m (2017: \$0.132m).

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

	2018	2017
<b>Contractual commitments for acquisition of property, plant, equipment and intangible assets:</b>	<b>\$'000</b>	<b>\$'000</b>
Within 1 year	209	380
Between 1 and 5 years	-	-
More than 5 years	-	-
<b>Total contractual commitments for capital acquisition</b>	<b>209</b>	<b>380</b>



## 2.2 Non-Financial Assets

### Accounting Policy

#### 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.

#### Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000 (2017: \$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).

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:

<u>Asset Class</u>	<u>Fair Value measured at</u>
Leasehold improvements	Depreciated replacement cost
Property, plant and equipment	Depreciated replacement cost
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.

Generally, the Mint obtains third party independent valuations on a cyclical basis as follows:

- leasehold improvements and property, plant and equipment: every 3 years (2013, 2016, 2019); and
- heritage and cultural assets annually.

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

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

#### Depreciation

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

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.



## 2.2 Non-Financial Assets

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

<u>Asset Class</u>	
Leasehold improvements	Life of lease
PP&E - Office equipment	2-5 years
PP&E - Factory machinery	10-20 years

### Impairment

All assets were assessed for impairment at 30 June 2018 (2017: all assets were assessed for impairment). 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.

### Heritage and Cultural Assets

The Mint holds the following heritage and cultural assets:

- National Coin Collection which comprises coins. As there is an active market for these coins, the National Coin Collection is subject to revaluation by independent valuers to ensure that they remain at a fair value; and
- Other collectable items which includes associated minting products. These items are held at fair value and are subject to revaluation by independent valuers in line with Mint policy.

These assets are classified as heritage and cultural assets as they are Sovereign assets and are primarily retained for purposes that relate to their cultural significance. The Mint has adopted appropriate curatorial and preservation policies for these assets and they are deemed to have indefinite useful lives and hence are not depreciated. The Mint's curatorial and preservation policies are publicly available at: <https://www.ramint.gov.au/national-coin-collection-preservation>.

### Intangible software assets

The Mint's intangibles comprise purchased and internally developed 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 from 2 to 5 years (2017: 2 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2018 and 30 June 2017.

### **Accounting Judgements and Estimates**

#### Fair value of non-financial assets

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

#### Estimation of useful lives of assets

The Mint determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life of intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, and technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.



## 2.2 Non-Financial Assets

	2018	2017
	\$'000	\$'000
<b>2.2B: Inventories</b>		
Raw materials	38,486	28,491
Work in progress	8,056	7,156
Finished goods	9,163	6,310
Bill and Hold Inventory - Numismatic Coin	(582)	(1,013)
<b>Total inventories held for sale</b>	<b>55,123</b>	<b>40,944</b>

During 2018, inventory to the value of \$2.691m was written off (2017: \$2.418m).

During 2018, \$60.678m of inventory held for sale was recognised as an expense (2017: \$56.269m).

Unless disposed of in accordance with regular business practices, all inventory is expected to be sold or distributed in the next 12 months.

### Accounting Policy

Inventories held for sale are valued at the lower of cost and net realisable value. Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- Costs of Purchase - purchase price and other costs directly attributable to the acquisition of raw materials;
- Costs of Conversion - direct labour and production costs incurred in converting materials into finished goods; and
- Recognition as an Expense - the inventory carrying amount is recognised as an expense in the period in which the related revenue is recognised.

### Bill and Hold Inventory

A bill-and-hold arrangement is a contract under which an entity bills a customer for a product but the entity retains physical possession of the product until it is transferred to the customer at a point in time in the future. The items identified as bill-and-hold inventory with the control of the product being transferred to the customer. Also, all the following criteria must be met:

- the reason for the bill-and-hold arrangement must be substantive (for example, the customer has requested the arrangement);
- the product must be identified separately as belonging to the customer;
- the product currently must be ready for physical transfer to the customer; and
- the entity cannot have the ability to use the product or to direct it to another customer.

### Accounting Judgements and Estimates

#### Valuation of inventory and allocation of labour and production costs

The **technique** for inventory cost measurement is the standard weighted average cost method.

The **cost formula** for inventory cost calculation is the average re-calculated with each production activity.

The rates used to attribute conversion costs (labour and production) are determined by reference to management budgeted estimates of costs and normal production level for the year. These rates are the basis for capitalising the added value to inventory.

#### Net realisable value of inventory

The Mint has written down a portion of finished goods inventory to its expected net realisable value during the year. The net realisable value represents the expected recovery of the value of the metal if unsold coins are expected to be scrapped, less the costs the Mint expects to incur in realising this value. The actual value recovered may differ from the amount estimated in these financial statements due to changes in metal prices, or if the costs of scrapping are different to management's expectations.



## 2.3: Payables

	2018	2017
	\$'000	\$'000
<b>2.3A: Suppliers</b>		
Trade creditors and accruals	4,490	3,570
Operating lease rentals	94	177
<b>Total suppliers</b>	<b>4,584</b>	<b>3,747</b>
<b>2.3B: Other Payables</b>		
Salaries and wages	173	178
Superannuation	23	23
Unearned income	1,600	868
Other	427	201
<b>Total other payables</b>	<b>2,223</b>	<b>1,270</b>

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

### Accounting Policy

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

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Mint prior to the end of the financial year and which are unpaid, and customer deposits lodged in advance of allocation to future purchases. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### Salary and Wages, Superannuation

Salary and wages, and superannuation payable represents the value accrued for the period between the final payday for the financial year, and the last working day of the financial year. Accounting policies for employee related expenses can be found in Note 4.1 Employee Provisions.



## 2.4 Interest Bearing Liabilities

	2018	2017
	\$'000	\$'000
<b>2.4: Leases</b>		
Finance leases	670	886
<b>Total leases</b>	<b>670</b>	<b>886</b>
<b>Finance Leases expected to be settled</b>		
Within 1 year:	174	93
Between 1 to 5 years:	244	393
More than 5 years:	252	400
<b>Total leases</b>	<b>670</b>	<b>886</b>

Finance leases exist for:

- Data storage equipment. This equipment lease is non-cancellable, with a fixed term of 60 months, no residual value and an average implicit interest rate of 8.2%. (2017: 8.2%.) The leased assets secure the lease liabilities. The Mint guarantees the residual value of the assets leased.
  - Precious metal blanking (foundry) equipment. The lease is cancellable, but with all losses borne by the Mint. It is for a fixed term of 10 years with two 10 year options and nil residual value. The 10 year government bond yield of 2.38 percent was used for discounting future lease liabilities.
- There are no contingent rentals.

### Accounting Policy

#### 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 rewards.

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 either the interest rate implicit in the lease or the Government bond rate of equivalent term as disclosed in the above rate. 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.



## 2.5: Provisions

	2018 \$'000	2017 \$'000
<b><u>2.5: Provision for Restoration</u></b>		
Movements in Provision for Restoration		
<b>As at 1 July</b>	<b>481</b>	<b>530</b>
Revaluation of provision	-	(58)
Unwinding of discount	12	9
<b>Total as at 30 June</b>	<b>493</b>	<b>481</b>

The Mint currently has a Memorandum of Understanding with the Department of Finance for the lease of the Mint premises which has a clause requiring the Mint to restore the premises to their original condition at the conclusion of the lease. The Mint has made a provision to reflect the present value of this obligation.

The provision for restoration is expected to be settled in more than 12 months.



### 3.1 Special Accounts

	Royal Australian Mint Special Account (Departmental) <sup>1</sup>	
	2018 \$'000	2017 \$'000
Balance brought forward from previous period	38,115	50,381
<b>Increases:</b>		
Other Receipts	181,890	175,481
<b>Available for payments</b>	<b>220,005</b>	<b>225,862</b>
<b>Decreases:</b>		
Other Payments	(174,933)	(187,747)
<b>Total balance carried to the next period</b>	<b>45,072</b>	<b>38,115</b>
<b>Balance represented by:</b>		
Cash held in entity bank account	5,072	3,115
Cash held in the Official Public Account	40,000	35,000
<b>Total balance carried to the next period</b>	<b>45,072</b>	<b>38,115</b>

The Mint operates entirely through its special account, which was created under a s20 *FMA Act 1997* determination. The special account determination is to sunset on 1 October 2023.

The determination was originally made under subsection 20(1) of the *FMA Act 1997* and from 1 July 2014 is taken to have been made under subsection 78(1) of the *Public Governance, Performance and Accountability Act 2013*.

<sup>1</sup>**Appropriation:** *Public Governance, Performance and Accountability Act 2013 section 78*

**Establishing Instrument:** *FMA Act (Royal Australian Mint Special Account) Determination 2013/04*

**Purpose:**

- (a) to make payments in relation to purchasing producing, supplying, storing, selling and distributing coinage, medals, dies, tokens, plaques, and other like items;
- (b) to make payments in relation to managing and operating the Royal Australian Mint;
- (c) to make payments incidental to the above-mentioned purposes;
- (d) to reduce the balance of this Special Account without making a real or notional payment;
- (e) to repay amounts received by the Commonwealth and credited to this Special Account where an Act or other law requires or permits the amounts to be repaid.



## 4.1 Employee Provisions

	2018	2017
	\$'000	\$'000
<b>4.1: Employee Provisions</b>		
Leave	6,485	6,450
<b>Total employee provisions</b>	<b>6,485</b>	<b>6,450</b>

### Accounting Policy

#### Provisions

Provisions are recognised when the Mint has a present (legal or constructive) obligation as a result of a past event, it is probable the Mint will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

#### Employee Provisions

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 personal leave as all personal leave is non-vesting and the average personal leave taken in future years by employees of the Mint is estimated to be less than the annual entitlement for personal leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply 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 the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* 24(1)(a) 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.

#### Superannuation

Staff of the Mint are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) and other superannuation funds held outside the Commonwealth. 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 as an administered schedule and notes.

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.



## 4.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The entity has determined the key management personnel to be the Chief Executive Officer. Key management personnel remuneration is reported in the table below:

	2018	2017
	\$	\$
Short-term employee benefits	287,934	291,238
Post-employment benefits	39,150	38,248
Other long-term benefits	29,346	28,911
<b>Total key management personnel remuneration expenses<sup>1</sup></b>	<b>356,430</b>	<b>358,397</b>

The total number of key management personnel that are included in the above table is 1 (2017: 1).

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.



### 4.3 Related Party Disclosures

#### **Related party relationships:**

The entity is an Australian Government controlled entity. Related parties to this entity are Key Management Personnel including the Portfolio Minister and the Chief Executive Officer (see Note 4.2), and other Australian Government entities.

#### **Transactions with related parties:**

The related party transactions that occurred during the financial year include, but are not limited to:

- Agreement with Department of Treasury to produce circulating coin and provide the seigniorage to the Government (included in Note 2.1 and in Administered notes)
- Lease agreement with Department of Finance for the rent of premises at Deakin (included in Note 1.1B)
- Postage services provided by the Australia Post (included in Note 1.1B)
- Supply of goods for sale to Australia Post (included in Note 1.2A)
- Employer superannuation contributions, insurance premiums, and other whole of government payments (included in Notes 1.1A and 1.1B)
- During the financial year, an asset that was identified as scrap was purchased by Key Management Personnel at arm's length.



## 5.1: Contingent Assets and Liabilities

### Quantifiable Contingencies

The Mint has no contingent assets or liabilities as at 30 June 2018 (2017: Nil).

### Unquantifiable Contingencies

The Mint has no unquantifiable contingent assets or liabilities as at 30 June 2018 (2017: Nil).

### Accounting Policy

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of 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.



## 5.2: Financial Instruments

	2018	2017
	\$'000	\$'000
<b>5.2A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
Loans and receivables:		
Cash and cash equivalents	45,072	38,115
Trade receivables	3,466	3,322
Seigniorage receivable	2,719	1,632
<b>Total financial assets</b>	<b>51,257</b>	<b>43,069</b>
<b>Financial Liabilities</b>		
At amortised cost:		
Trade creditors and accruals	4,584	3,747
Unearned income	1,600	868
Finance leases	670	886
<b>Total financial liabilities</b>	<b>6,854</b>	<b>5,501</b>
<b>5.2B: Net Gains or Losses on Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Foreign Exchange Gain/(Loss)	(53)	(46)
Interest expense	(31)	(31)
<b>Net gain/(loss) financial liabilities measured at amortised cost</b>	<b>(84)</b>	<b>(77)</b>

The total interest expense from financial assets and liabilities not at fair value through profit or loss is \$31,000 (2017: \$31,000).

### Accounting Policy

The Mint had no departmental financial assets or liabilities that were designated at fair value through profit or loss, classified as available for sale or reclassified between categories in 2018 (2017: Nil). The Mint considers that the carrying amount of financial instruments reported in the statement of financial position are a reasonable approximation of fair value.



### 5.3: Fair Value Measurements

#### 5.3: Fair Value Measurements

	Fair Value measurements at the end of the reporting period	
	2018	2017
	\$'000	\$'000
<b>Non-financial assets</b>		
Leasehold Improvements	19,563	20,768
Property, plant and equipment	13,292	15,282
Heritage & Cultural	21,847	21,754
<b>Total non-financial assets</b>	<b>54,702</b>	<b>57,804</b>
<b>Total recurring fair value measurements of assets in the statement of financial position</b>	<b>54,702</b>	<b>57,804</b>

#### Accounting Policy

The Mint engages an independent valuer in line with its policy stated in Note 2.2A.

An asset or liability is required to be classified in its entity on the basis of the lowest level of valuation inputs that is significant to fair value.

Considerable judgement is required to determine what is significant to fair value and therefore the category the asset or liability is placed in can be subjective. The Mint deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.



### 6.1 Administered - Contingent Assets and Liabilities

The Mint has no Administered commitments, contingent liabilities or contingent assets as at reporting date (2017: Nil).



## 6.2 Administered - Financial Instruments

	2018	2017
	\$'000	\$'000

### 6.2A: Categories of Financial Instruments

#### **Financial Liabilities**

At amortised cost:

Seigniorage Payable	1,898	625
<b>Total financial liabilities</b>	<b>1,898</b>	<b>625</b>

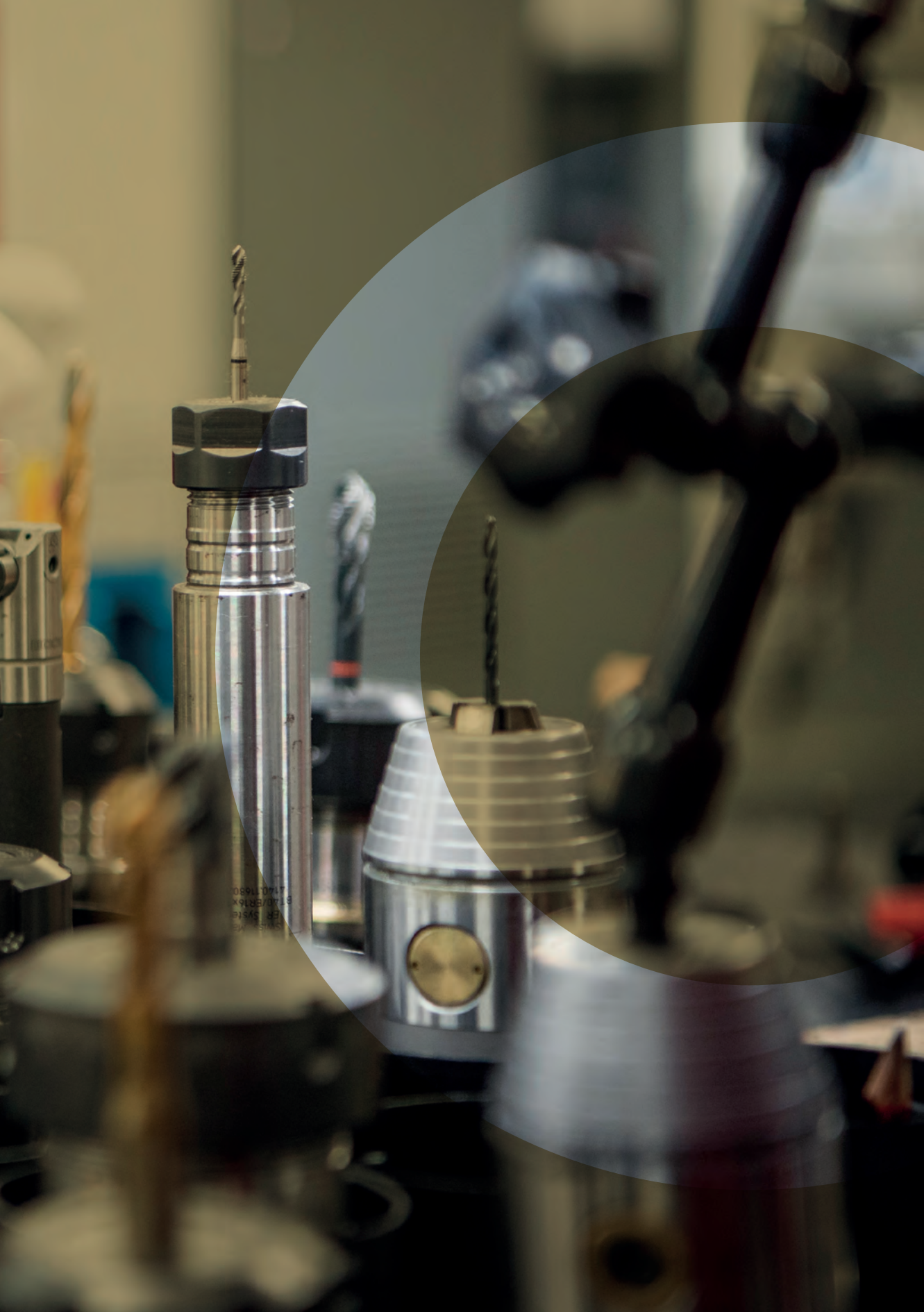
### 6.2B: Net Income and Expense from Financial Liabilities

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

### 6.2C: Fair Value of Financial Instruments

The Mint had no administered financial assets or liabilities that were designated at fair value through profit or loss, classified as available for sale or reclassified between categories in 2017 (2016: Nil). The Mint considers that the carrying amount of financial instruments reported in the Administered Schedule of Assets and Liabilities are a reasonable approximation of fair value.







# 8. Appendices

**Appendix A: Circulating coin purchases from the Mint by external parties**

Year	2 \$'000	1 \$'000	50c \$'000	20c \$'000	10c \$'000	5c \$'000	2c \$'000	1c \$'000	Total \$'000
1965–75			55 372	61 795	30 476	23 740	18 662	11 716	201 761
1975–85		268 019	154 890	96 944	42 132	36 489	21 462	12 626	632 562
1985–95	477 096	120 585	19 683	5479	30 163	39 467	8660	6828	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	9600	6920			139 738
2007–08	85 200	40 900	15 040	13 820	7940	4940			167 840
2008–09	91 000	31 150	15 520	16 200	7505	6225			167 600
2009–10	72 400	27 150	14 240	15 015	7820	5810			142 435
2010–11	62 200	20 300	10 355	11 845	5440	4470			114 610
2011–12	48 000	25 200	11 895	8425	5715	4425			103 660
2012–13	73 200	23 400	11 465	10 395	6075	3985			128 520
2013–14	60 400	20 350	8290	9045	5375	3810			107 270
2014–15	62 400	20 700	7720	9140	3940	2505			106 405
2015–16	75 400	33 000	16 240	8700	4740	2685			140 765
2016–17	61 400	22 500	7160	6460	3120	1530			102 170
2017–18	52 400	17 800	5030	6690	2035	1560			85 515
<b>Total</b>	<b>1 772 296</b>	<b>964 646</b>	<b>506 711</b>	<b>393 643</b>	<b>239 636</b>	<b>223 151</b>	<b>48 784</b>	<b>31 170</b>	<b>4 180 037</b>



## Appendix B: Circulating coin production

Country	Type	Design	Year	Alloy	Qty produced (m)
Australia	5c	Standard	2016	cupro nickel	32 000.00
	5c	Standard	2017	cupro nickel	18 596 000.00
	5c	Standard	2018	cupro nickel	3 277 000.00
	10c	Standard	2016	cupro nickel	3 750 000.00
	10c	Standard	2017	cupro nickel	11 774 000.00
	10c	Standard	2018	cupro nickel	31 000.00
	20c	Standard	2016	cupro nickel	125 000.00
	20c	Standard	2017	cupro nickel	28 709 504.00
	20c	Standard	2018	cupro nickel	4 520 500.00
	50c	50th Anniversary of decimal currency	2016	cupro nickel	125 200.00
	50c	Standard	2017	cupro nickel	3 422 400.00
	50c	National Reconciliation Week – Pride and Passion	2017	cupro nickel	1 247 200.00
	50c	Standard	2018	cupro nickel	3 510 200.00
	1	100 years of Anzac	2014	aluminium bronze	100 000.00
	1	100 years of Anzac	2015	aluminium bronze	100 000.00
	1	100 years of Anzac	2016	aluminium bronze	100 000.00
	1	Standard	2017	aluminium bronze	10 800 000.00
	1	100 years of Anzac	2018	aluminium bronze	2 000 000.00
	1	Standard	2018	aluminium bronze	205 000.00
	2	50th anniversary of decimal currency	2016	aluminium bronze	3 000.00
	2	Remembrance Day	2017	aluminium bronze	2 122 000.00
	2	Standard	2017	aluminium bronze	15 807 000.00
	2	Lest we Forget Coloured	2018	aluminium bronze	1 075 000.00
	2	Lest we Forget Coloured	2018	aluminium bronze	3 400 000.00
	2	Standard	2018	aluminium bronze	2 405 000.00
Total Australia					117 237 004



Country	Type	Design	Year	Alloy	Qty produced (m)
Papua New Guinea	50 toea	APEC Col	2018	Nickel Plated Steel	750 000
Papua New Guinea	50 toea	APEC STD	2018	Nickel Plated Steel	750 000
Papua New Guinea	5 Toea	standard	2018	Nickel Plated Steel	6 000 000
Timor-Leste	5 centavos	standard	2017	Nickel Plated Steel	1 358 500
Timor-Leste	10 centavos	standard	2017	Nickel Plated Steel	1 080 000
Timor-Leste	200 centavos	standard	2017	Al/Br,Cu/Ni	3 000 000
Vanuatu	5 vatu	standard	2015	Copper Plated Steel	640 000
Vanuatu	10 vatu	standard	2015	Nickel Plated Steel	992 000
Vanuatu	20 vatu	standard	2015	Nickel Plated Steel	666 000
Vanuatu	100 vatu	standard	2015	Aluminium Zinc Bronze	625 000
Solomon Islands	\$2	40th Anniversary	2018	Aluminium Bronze	200 000
Samoa	10 sene	standard	2015	Nickel Plated Steel	600 000
Samoa	20 sene	standard	2015	Nickel Plated Steel	1 747 500
Samoa	50 sene	standard	2015	Nickel Plated Steel	733 500
Samoa	1 Tala	standard	2015	Aluminium Bronze	1 012 500
Samoa	2 Tala	standard	2015	Aluminium Bronze	1 001 250
Tonga	5 seniti	standard	2015	Nickel Plated Steel	270 000
					21 426 250
<b>Total Other Countries</b>					<b>21 426 250</b>



### Appendix C: Other production

Product	Corporate	Royal Australian Mint	Qty produced
Medallion	13 807	15	13 822
Token	58 614	20 002	78 616
Lapel Badge	3177	0	3177



## Appendix D: Collector coin Production

Coin type	Year	Item code	Qty produced	Mintage
\$5 silver coloured proof triangular anzac	2018	10000	5080	10 000
7 coin uncirculated set commonwealth games	2018	10001	450 000	450 000
\$2 coloured uncirculated c mintmark lest we forget eternal flame	2018	10002	30 891	40 000
6 coin uncirculated legends ballot	2018	10005	1500	1500
\$25 gold proof armistice centenary	2018	10007	1500	2500
\$1 silver proof armistice centenary	2018	10008	5482	7500
\$30 silver proof armistice centenary	2018	10009	50	50
\$1 coloured frunc XXIII winter olympic pyeongchang	2018	10010	10 002	15 000
\$5 proof selected gold plated XXIII winter olympic pyeongchang	2018	10011	2018	2018
50 cent coloured uncirculated ford motorsports d1	2018	10012	12 450	30 000
50 cent coloured uncirculated ford motorsports d2	2018	10013	12 502	30 000
50 cent coloured uncirculated ford motorsports d3	2018	10014	12 502	30 000
50 cent coloured uncirculated ford motorsports d4	2018	10015	12 452	30 000
\$5 silver coloured proof sir john monash	2018	10031	2500	2500
\$5 silver coloured proof earth	2018	10034	5000	5000
\$2 clamshell coloured uncirculated c mintmark lest we forget eternal flame	2018	10035	9111	40 000
50 cent uncirculated third royal baby	2018	10041	8002	15 000
50 cent proof third royal baby	2018	10042	960	2000
\$1 uncirculated p mob of roos privy mark anda	2018	10044	2500	2500
\$1 uncirculated b mob of roos privy mark anda	2018	10045	2500	2500
\$1 uncirculated m mob of roos privy mark anda	2018	10046	2500	2500
\$1 uncirculated s mob of roos privy mark anda	2018	10047	2500	2500
\$1 silver uncirculated f15 privymark	2018	10054	5000	5000
\$1 clamshell uncirculated XXI commonwealth games borobi	2018	10055	7500	unlimited
50 cent clamshell uncirculated XXI commonwealth games	2018	10056	7500	20 000
\$1 silver proof on tray new zealand back from the brink	2018	10059	1500	1500
\$1 silver coloured proof on tray new zealand back from the brink	2018	10060	750	750
\$10 gold proof on tray new zealand back from the brink	2018	10061	251	500
50 cent clamshell uncirculated third royal baby	2018	10062	7000	15 000
\$1 clamshell uncirculated armistice	2018	10064	7500	unlimited



Coin type	Year	Item code	Qty produced	Mintage
\$1 coloured frunc XXI commonwealth games borobi borobi gc counterstamp day 1	2018	10067	502	unlimited
3 coin set proof 30th anniversary of \$2	2018	10069	1988	1988
\$1 clamshell uncirculated sir john monash	2018	10070	7500	20 000
\$2 proof anda m privymark	2018	10072	702	1988
50 cent clamshell uncirculated coral and balmoral battles	2018	10074	7000	30 000
\$1 coloured frunc XXI commonwealth games borobi team giveaway	2018	10080	802	unlimited
\$1 coloured frunc XXI commonwealth games borobi cg counterstamp day 2	2018	10081	500	unlimited
\$1 coloured frunc XXI commonwealth games borobi cg counterstamp day 3	2018	10082	502	unlimited
\$1 coloured frunc XXI commonwealth games borobi cg counterstamp day 4	2018	10083	502	unlimited
\$1 coloured frunc XXI commonwealth games borobi cg counterstamp day 5	2018	10084	502	unlimited
\$1 coloured frunc XXI commonwealth games borobi cg counterstamp day 6	2018	10085	502	unlimited
\$1 coloured frunc XXI commonwealth games borobi cg counterstamp day 7	2018	10086	502	unlimited
\$1 coloured frunc XXI commonwealth games borobi cg counterstamp day 8	2018	10087	502	unlimited
\$1 coloured frunc XXI commonwealth games borobi cg counterstamp day 9	2018	10088	502	unlimited
\$1 coloured frunc XXI commonwealth games borobi cg counterstamp day 10	2018	10089	502	unlimited
\$1 coloured frunc XXI commonwealth games borobi cg counterstamp day 11	2018	10090	502	unlimited
12 coin set 30th anniversary of \$2 coin	2018	10094	29 450	30 000
\$1 silver kangaroo 25 privymark and 2 oz rectangular bar	2018	10095	1922	5000
\$200 gold kangaroo investment 2 oz	2018	10098	120	unlimited
\$1000 gold kangaroo investment 10 oz	2018	10099	70	unlimited
\$3000 gold kangaroo investment 1 kg	2018	10100	30	unlimited
\$100 gold proof anniversary of the kangaroo series	2018	10014	241	750



Coin type	Year	Item code	Qty produced	Mintage
50 cent clamshell coloured uncirculated ford motorsports d1	2018	10115	7500	30 000
50 cent clamshell coloured uncirculated ford motorsports d2	2018	10116	7500	30 000
50 cent clamshell coloured uncirculated ford motorsports d3	2018	10117	7500	30 000
50 cent clamshell coloured uncirculated ford motorsports d4	2018	10118	7500	30 000
50 cent clamshell coloured uncirculated ford motorsports d5	2018	10119	7500	30 000
50 cent clamshell coloured uncirculated ford motorsports d6	2018	10120	7500	30 000
50 cent clamshell coloured uncirculated holden motorsports d1	2018	10121	6750	30 000
50 cent clamshell coloured uncirculated holden motorsports d2	2018	10122	7500	30 000
50 cent clamshell coloured uncirculated holden motorsports d3	2018	10123	7500	30 000
\$10 silver proof selected gold plated 25th anniversary of the kangaroo series	2018	10130	1022	1993
50 cent clamshell uncirculated wwf villers bretonneux	2018	10152	1000	15 000
50 cent clamshell uncirculated wwf amiens	2018	10158	7000	15 000
6 coin proof set	2017	210499	1890	50 000
6 coin proof baby set	2017	210500	600	unlimited
5 coin a-z baby personalised set	2017	210501	28	unlimited
\$1 silver proof kangaroo series	2018	210525	2500	5000
\$100 domed gold proof celestial northern sky	2017	210552	750	750
6 coin fine silver proof set	2017	210570	200	1000
6 coin proof set	2018	210585	15 002	unlimited
6 coin proof baby set possum magic	2018	210586	8003	unlimited
\$1 silver proof lunar year of the dog 25mm	2018	210592	2499	10 000
\$1 silver proof lunar year of the dog 40mm	2018	210594	2675	3000
\$10 silver proof lunar year of the dog 65mm	2018	210596	336	500
\$30 silver proof lunar year of the dog 100mm	2018	201598	499	500
\$10 gold proof 17.53mm lunar year of the dog	2018	210600	1050	1500
\$50 gold proof 1/2 oz XXI Commonwealth games	2018	210607	1000	1000
3 coin set proof 40mm XXI Commonwealth games	2018	210614	2018	2018
\$30 silver proof 100mm XXI Commonwealth games	2018	210616	51	70
\$25 gold proof kangaroo at sunset 21.69mm	2018	210621	1000	1000
\$1 silver proof kangaroo at sunset 21.69mm	2018	210623	2500	2500



Coin type	Year	Item code	Qty produced	Mintage
\$5 proof high relief ravi red panda australia zoo series	2018	210625	1500	1500
6 coin proof set milestones and celebrations	2018	210626	3000	3000
6 coin fine silver proof set armistice centenary	2018	210627	999	1000
6 coin gold proof set	2018	210634	50	50
\$1 silver proof c mintmark australia convict era rascals and ratbags	2018	210642	5000	5000
\$10 gold proof 17.53mm c mintmark australia convict era rascals and ratbags	2018	210644	980	1500
\$100 domed gold proof 38.74mm terrestrial southern hemisphere	2018	201646	750	750
\$100 domed gold proof 38.74mm terrestrial northern hemisphere	2018	210648	750	750
50 cent uncirculated korean war	2016	310381	1500	50 000
6 coin uncirculated baby set	2017	310926	1200	unlimited
6 coin uncirculated set	2017	310929	3891	100 000
50 cent uncirculated sir jack brabham	2017	310952	230	30 000
Coin uncirculated set planets of the solar system pop-up book	2017	311022	7495	10 000
\$1 silver frunc 40mm kangaroo series	2018	311027	2487	5000
\$1 frunc a alphabet set	2017	311159	331	unlimited
\$1 frunc b alphabet set	2017	311160	274	unlimited
\$1 frunc c alphabet set	2017	311161	487	unlimited
\$1 frunc d alphabet set	2017	311162	230	unlimited
\$1 frunc e alphabet set	2017	311163	396	unlimited
\$1 frunc f alphabet set	2017	311164	127	unlimited
\$1 frunc g alphabet set	2017	311165	126	unlimited
\$1 frunc h alphabet set	2017	311166	87	unlimited
\$1 frunc j alphabet set	2017	311168	531	unlimited
\$1 frunc k alphabet set	2017	311169	272	unlimited
\$1 frunc l alphabet set	2017	311170	558	unlimited
\$1 frunc m alphabet set	2017	311171	588	unlimited
\$1 frunc n alphabet set	2017	311172	123	unlimited



Coin type	Year	Item code	Qty produced	Mintage
\$1 frunc p alphabet set	2017	311174	124	unlimited
\$1 frunc r alphabet set	2017	311176	316	unlimited
\$1 frunc s alphabet set	2017	311177	400	unlimited
\$1 frunc t alphabet set	2017	311178	218	unlimited
\$1 frunc w alphabet set	2017	311181	128	unlimited
50 cent uncirculated wwf bretonneux	2018	311275	4202	15 000
50 cent uncirculated wwf amiens	2018	311277	8002	15 000
\$2 coloured uncirculated remembrance day c mintmark	2018	311295	30 889	40 000
\$1 frunc ravi red panda australia zoo series	2018	311298	3000	3000
20 cent uncirculated 25th anniversary of international day of people with disability	2017	311300	3000	10 000
20 cent clamshell uncirculated 25th anniversary of international day of people with disability	2017	311301	7000	10 000
\$2 coloured uncirculated remembrance day c mintmark	2017	311302	9111	40 000
\$1 uncirculated australian convict era rascal and ratbags s counterstamp	2018	311304	6198	unlimited
\$1 uncirculated australian convict era rascal and ratbags counterstamp australian map	2018	311307	2954	unlimited
\$1 set uncirculated australian convict era rascal and ratbags mintmark & privymark	2018	311308	12 002	15 000
\$1 clamshell uncirculated australian convict era rascal and ratbags	2018	311313	7800	15 000
\$1 uncirculated sir john monash in shipper	2018	311324	12 502	20 000
50 cent clamshell uncirculated ford design 1 model t	2017	311325	300	30 000
50 cent uncirculated coral and balmoral battles in shipper	2018	311327	23 002	30 000
\$1 uncirculated lunar year of the dog	2018	311332	3500	20 000
\$1 clamshell frunc g alphabet set	2017	311333	200	unlimited
\$5 silver selected gold plated XXI commonwealth games	2018	311336	2018	3500
\$1 uncirculated trans australia railway centenary counterstamp australia outline	2017	311528	3006	unlimited
6 coin uncirculated set	2018	311535	46 216	unlimited
6 coin uncirculated baby possum magic set	2018	311536	26 275	unlimited



Coin type	Year	Item code	Qty produced	Mintage
50 cent uncirculated gilded XXI commonwealth games	2018	311542	19 692	20 000
50 cent uncirculated 14 sided lunar year of the dog	2018	311550	15 002	unlimited
\$1 uncirculated lunar year of the dog	2018	311552	16 002	20 000
\$1 uncirculated trans australia railway centenary b counterstamp	2017	311554	1140	unlimited
\$1 coloured frunc XXI commonwealth games borobi	2018	311558	26 335	unlimited
50 cent uncirculated 70th wedding anniversary queen and prince	2017	311570	16 002	30 000
50 cent uncirculated ford design 1 model t	2017	311573	15 002	30 000
50 cent uncirculated ford design 2 model 40 utility	2017	311576	15 002	30 000
50 cent uncirculated ford design 3 mainline utility	2017	311579	15 002	30 000
50 cent uncirculated ford design 4 xk falcon	2017	311582	15 002	30 000
50 cent uncirculated ford design 5 cortina mk1	2017	311585	11 002	30 000
50 cent uncirculated ford design 6 xr falcon gt	2017	311588	15 002	30 000
50 cent uncirculated ford design 7 xy falcon gt-ho phase III	2017	311591	11 002	30 000
50 cent uncirculated ford design 8 xa falcon	2017	311594	15 002	30 000
50 cent uncirculated ford design 9 zh fairlane	2017	311597	11 002	30 000
50 cent uncirculated ford design 10 xc falcon cobra	2017	311600	11 002	30 000
50 cent uncirculated ford design 11 xe fairmont ghia esp	2017	311603	15 002	30 000
12 coin 50 cent uncirculated set australia classic collection	2017	311605	10 000	10 000
\$1 silver uncirculated 40mm XXI commonwealth games	2018	311609	5002	10 000
50 cent uncirculated 3801 a legend in steam	2018	311612	15 000	30 000
\$1 uncirculated battle of beersheba charge of the light horseman	2017	311614	19 950	20 000
50 cent clamshell uncirculated ford design 5 cortina mk 1	2017	311616	9000	30 000
50 cent clamshell uncirculated ford design 7 xy falcon gt-ho phase III	2017	311617	9000	30 000
50 cent clamshell uncirculated ford design 9 zh fairlane	2017	311618	9000	30 000
6 coin uncirculated legends ballot	2017	311620	1446	1500
\$1 clamshell frunc k alphabet set	2017	311621	5500	unlimited
6 coin circulation private loot bag and token	2018	510743	400	unlimited



Coin type	Year	Item code	Qty produced	Mintage
\$100 gold year of the monkey investment	2018	510822	50	unlimited
\$1 silver proof 40mm fifa world cup on tray	2018	511048	15 567	30 000
\$1 silver proof 40mm fifa world cup	2018	511049	1962	2000
\$25 gold proof 21.69mm fifa world cup on tray	2018	511051	580	850
\$25 gold proof 21.69mm fifa world cup	2018	511052	210	215
8 coin set uncirculated possum magic	2017	511072	214 500	450 000
\$25 gold pamp year of the dog investment	2018	511076	1500	unlimited
\$50 gold pamp year of the dog investment	2018	511078	1500	unlimited
\$100 gold pamp year of the dog investment	2018	511080	2000	unlimited
5 kina silver frunc PNG rugby league world cup	2017	511085	1000	1000
K100 silver frunc png rugby league world cup	2018	511087	500	500
K5 silver frunc PNG APEC	2018	511094	500	500
\$1 silver frunc kangaroo 25 privy mark	2018	511109	2500	5000
\$100 gold kangaroo investment	2018	511111	4400	unlimited
\$50 gold kangaroo investment	2018	511113	1650	unlimited
\$25 gold kangaroo investment	2018	511115	1650	unlimited
\$15 gold kangaroo investment	2018	511117	1650	unlimited
\$1 silver frunc 1/2 oz new year eve sydney fireworks	2018	511122	3002	5000
\$5 gold pamp year of the dog investment	2018	511124	2000	unlimited
\$15 gold pamp year of the dog investment	2018	511126	2000	unlimited
\$1 uncirculated samoa year of the dog 27.62mm	2018	511135	20 000	88 888
50 cent proof 70th wedding anniversary queen and prince	2017	511136	120	5000
2 cent proof 32mm high relief decimal design	2018	511140	1000	1500
\$1 uncirculated world money fair privy mark Brandenburg gate	2018	511142	5000	5000
6 coin uncirculated world money fair	2018	511156	1250	1250
50 cent uncirculated year of the dog gold plated world money fair	2018	511159	5000	5000
6 coin circulation convict loot bag and token	2018	511210	2392	unlimited







# 9. Indices

## Glossary

### **Accountable Authority Instructions (AAIs)**

(AAIs) These instructions establish the Mint's financial administrative framework as required under the *Public Governance, Performance and Accountability Act 2013*.

### **CHRIS21**

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

### **circulating coins**

Coins used as legal tender for the purpose of trade in Australia.

### **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.

### **collector coin**

Non-circulating coins (also referred to as numismatic coins) and are coins intended for coin collectors and souvenir/gift market rather than for payment of good and services.

### **colour printed**

Coloured ink applied to a coin after striking to enhance elements of the design.

### **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.

### **effigy**

The portrait appearing on the obverse of a coin.

In Australia, the effigy features the reigning monarch and when appearing with the word Australia, denotes the coin as legal tender in Australia.

### **fine silver**

Used to refer to silver which is 99.9 per cent pure.

### **frosted uncirculated coin (frunc)**

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

### **health, safety and environment management system**

A framework 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.

### **high relief**

High relief is a sculptural technique where the design of a coin is further raised out of the background field, increasing the definition the design.

### **human resource management information system (HRMIS)**

A computerised solution for the management of HR and payroll data and accounting functions within payroll. The Mint's HRMIS is called CHRIS21.

### **individual work plan**

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.

### **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.



**mintage**

Number of coins made.

**minting**

Making coins.

**mint issue**

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

**national coin collection**

The Mint's 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 that is the major side, usually carrying the portrait. The 'Heads' side of the coin.

**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 Governance, Performance and Accountability Act 2013***

This Act sets out the main principles and requirements of the Commonwealth Resource Management Framework.

**press**

A machine that performs the coin-striking process.

**proof coin**

A carefully struck coin using special dies with either a mirror-like or matte finish. These coins are especially struck and the term is not used to describe a well-preserved circulating coin.

**proof**

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.

**reverse**

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

**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.

**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.

**unlimited mintage**

No limit on the number of coins being made.

**WellMint**

The Royal Australian Mint's health and wellness program, incorporating health assessment, activities and health information for Mint employees.



## Abbreviations and Acronyms

<b>AAIs</b>	Accountable Authority Instructions	<b>IFA</b>	Individual Flexibility Agreement
<b>AASB</b>	Australian Accounting Standards Board	<b>IPS</b>	Information Publication Scheme
<b>ACT</b>	Australian Capital Territory	<b>IWPs</b>	Individual Work Plans
<b>AIC</b>	Australian Institute of Criminology	<b>KPIs</b>	key performance indicators
<b>ANAO</b>	Australian National Audit Office	<b>KPI's</b>	Key Performance Indicators
<b>ANZAC</b>	Australian and New Zealand Army Corps	<b>Lean</b>	Lean Manufacturing or Lean Production
<b>APS</b>	Australian Public Service	<b>Mintranet</b>	The Mint's internal website (intranet)
<b>ARPANSA</b>	Australian Radiation Protection and Nuclear Safety Agency	<b>MRP</b>	Manufacturing Resource Planning
<b>CEO</b>	Chief Executive Officer	<b>NBL</b>	Numismatic Business Line
<b>CHRIS21</b>	Human Resources Management System (HRMIS)	<b>OPA</b>	Official Public Account
<b>CPRs</b>	Commonwealth Procurement Rules	<b>NSW</b>	New South Wales
<b>CSS</b>	Commonwealth Superannuation Scheme	<b>PAMP SA</b>	Produits Artistiques Métaux Précieux
<b>DIFOT</b>	Delivered In-Full, On-Time	<b>PGPA</b>	Public Governance, Performance and Accountability Act 2013
<b>EBIT</b>	earnings before interest and tax	<b>PSS</b>	Public Sector Superannuation Scheme
<b>EEO</b>	Equal Employment Opportunity	<b>PSSap</b>	PSS accumulation plan
<b>FBT</b>	Fringe Benefits Tax	<b>QMS</b>	quality management system
<b>FOI</b>	Act Freedom of Information Act 1982	<b>RAM</b>	Royal Australian Mint
<b>GM</b>	gross margin	<b>RONA</b>	Return On Net Assets
<b>GST</b>	Goods and Services Tax	<b>SMEs</b>	small and medium enterprises
<b>HRMIS</b>	Human Resources Management System (CHRIS21)	<b>SNYE</b>	Sydney New Year's Eve
		<b>the Mint</b>	Royal Australian Mint
		<b>WMF</b>	World Money Fair



## List of Requirements

PGPA Rule Reference	Part of Report (page numbers)	Description	Requirement
<b>17AD(g) Letter of transmittal</b>			
17AI	i	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
<b>17AD(h) Aids to access</b>			
17AJ(a)	ii–iii	Table of contents.	Mandatory
17AJ(b)	108	Alphabetical index.	Mandatory
17AJ(c)	101	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	102–107	List of requirements.	Mandatory
17AJ(e)	Inside back cover	Details of contact officer.	Mandatory
17AJ(f)	Inside front cover	Entity's website address.	Mandatory
17AJ(g)	Inside front cover	Electronic address of report.	Mandatory
<b>17AD(a) Review by accountable authority</b>			
17AD(a)	5–9	A review by the accountable authority of the entity.	Mandatory
<b>17AD(b) Overview of the entity</b>			
17AE(1)(a)(i)	1, 3, 8 & 9	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	9	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	7–8	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	45	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(b)	Not applicable	An outline of the structure of the portfolio of the entity.	Portfolio departments mandatory
17AE(2)	Not applicable	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory
<b>17AD(c) Report on the Performance of the entity</b>			
<b>Annual performance Statements</b>			
17AD(c)(i); 16F	45–47	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory



PGPA Rule Reference	Part of Report (page numbers)	Description	Requirement
<b>17AD(c)(ii)</b>	<b>Report on Financial Performance</b>		
17AF(1)(a)	45–47	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	7–8	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	Not applicable	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.
<b>17AD(d)</b>	<b>Management and Accountability</b>		
	<b>Corporate Governance</b>		
17AG(2)(a)	27	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	27	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	27	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	27	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	27	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	Not applicable	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, Mandatory
	<b>External Scrutiny</b>		
17AG(3)	29	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	29	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory



PGPA Rule Reference	Part of Report (page numbers)	Description	Requirement
17AG(3)(b)	29	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	Not applicable	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
<b>Management of Human Resources</b>			
17AG(4)(a)	34–38	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(b)	36	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: Statistics on staffing classification level; Statistics on fulltime employees; Statistics on parttime employees; Statistics on gender; Statistics on staff location; Statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	34–37	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory
17AG(4)(c)(i)	36–37	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AD(4)(c).	Mandatory
17AG(4)(c)(ii)	37	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	39	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	Not applicable	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	Not applicable	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	Not applicable	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	Not applicable	Information on aggregate amount of performance payments.	If applicable, Mandatory
<b>Assets Management</b>			
17AG(5)	27–32	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory



PGPA Rule Reference	Part of Report (page numbers)	Description	Requirement
<b>Purchasing</b>			
17AG(6)	31	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory
<b>Consultants</b>			
17AG(7)(a)	32	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory
17AG(7)(b)	32	A statement that <i>"During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]"</i> .	Mandatory
17AG(7)(c)	32	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	32	A statement that <i>"Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."</i>	Mandatory
<b>Australian National Audit Office Access Clauses</b>			
17AG(8)	Not applicable	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
<b>Exempt contracts</b>			
17AG(9)	31	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory



PGPA Rule Reference	Part of Report (page numbers)	Description	Requirement
<b>Small business</b>			
17AG(10)(a)	31	A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory
17AG(10)(b)	31	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	31	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, Mandatory
<b>Financial Statements</b>			
17AD(e)	49–85	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
<b>17AD(f)</b>	<b>Other Mandatory Information</b>		
17AH(1)(a)(i)	33	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, Mandatory
17AH(1)(a)(ii)	Not applicable	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	31	A statement that “Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, Mandatory
17AH(1)(c)	35	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	29	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	30	Correction of material errors in previous annual report.	If applicable, mandatory



PGPA Rule Reference	Part of Report (page numbers)	Description	Requirement
17AH(2)	39	Information required by other legislation:	Mandatory
	39	<i>Work Health and Safety Act 2011;</i>	
	39	Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) requirements	
	40–43	<i>Environmental performance (Environment Protection and Biodiversity Conservation Act 1999)</i>	



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**Royal Australian Mint**