



**Australian Government**  
**Royal Australian Mint**

2011–12

## ANNUAL REPORT



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9 October 2012

The Hon Wayne Swan MP  
Treasurer  
Parliament House  
Canberra ACT 2600

Dear Treasurer

I have the pleasure in presenting to you the Annual Report of the Royal Australian Mint for the year ended 30 June 2012. The Report has been prepared under section 63 of the Public Service Act 1999. Subsection 63 (1) of the Act requires that a Chief Executive Officer of an agency is to provide a copy of the Report to their Agency Minister for presentation to the Parliament.

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

Yours sincerely



Ross MacDiarmid  
Chief Executive Officer





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# 1: OVERVIEW AND INTRODUCTION

## *Corporate Profile*

The Royal Australian Mint (the Mint) became a prescribed agency within the Treasury portfolio on 1 July 2005, with responsibility for producing circulating coin for Australia. The Mint was established in Canberra in 1965, one year prior to Australia's changeover to decimal currency, and since 1983 has been the sole supplier of Australia's circulating coin requirements. In 2011–12 the Mint also continued to produce circulating coin for other countries.

The Mint produces a range of high quality collector coins which are sold through an extensive mail order operation, a network of domestic and international coin dealers, Australia Post outlets and the Mint's own retail outlet. In addition, the Mint produces a number of Australian medals and awards, as well as tokens and medallions for domestic and overseas customers. The Mint is also a major Canberra tourist attraction with a public gallery, museum and shop that attracted approximately 213,000 visitors during 2011–12.

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

## Vision

Excellence as a profitable world class Mint.

## Mission

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

## Leadership Values

### We will:

*Empower our staff*

*Deliver on commitments*

*Recognise performance*

*Create solutions*

*Measure to manage*

### We will be:

*Open and honest*

*Trusting and trusted*

*People with integrity*

*Accountable for our actions*

*Respectful*

*Active listeners*

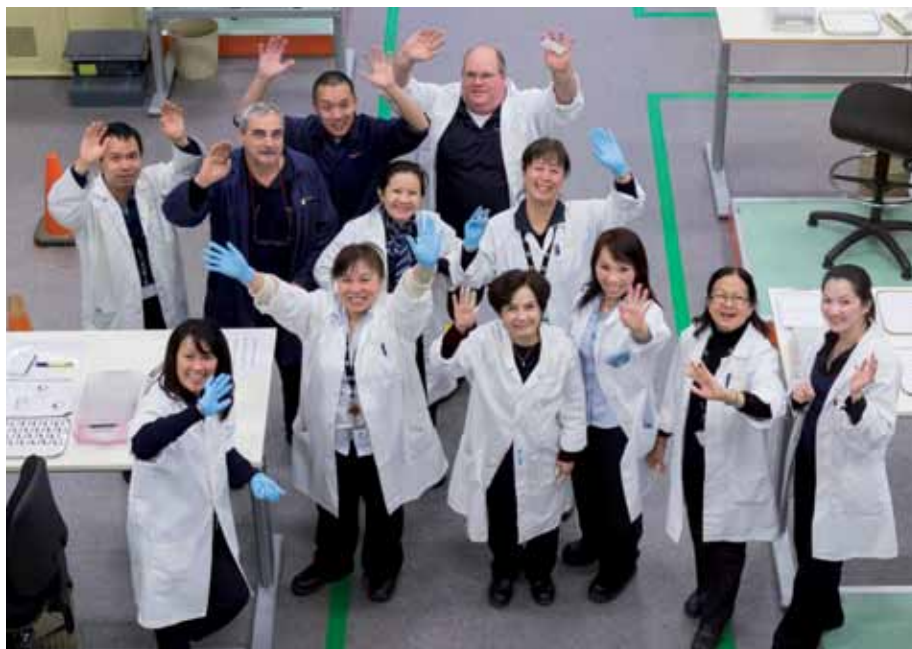
*Non-judgmental*

*Aware and accommodating of others' roles and responsibilities*

*Disciplined*

*Evidence based decision makers*

*Encouraging and developing*



*Proof Room staff wave to visitors in the gallery.*

# The Mint's Service Charter

## Services

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

## Response

- We will clearly identify ourselves when you contact us by telephone and will ask for specific contact information from you.
- Your discussions will be treated with respect and confidentiality.

- If you contact us by phone during business hours (8.30 am to 5.00 pm), we will address your query immediately or advise of when a response can be expected. If you contact us by phone out of normal business hours your call will be recorded and we will aim to call you back during the next working day.
- Your contact by mail, fax or email will be acknowledged within five working days of receipt.

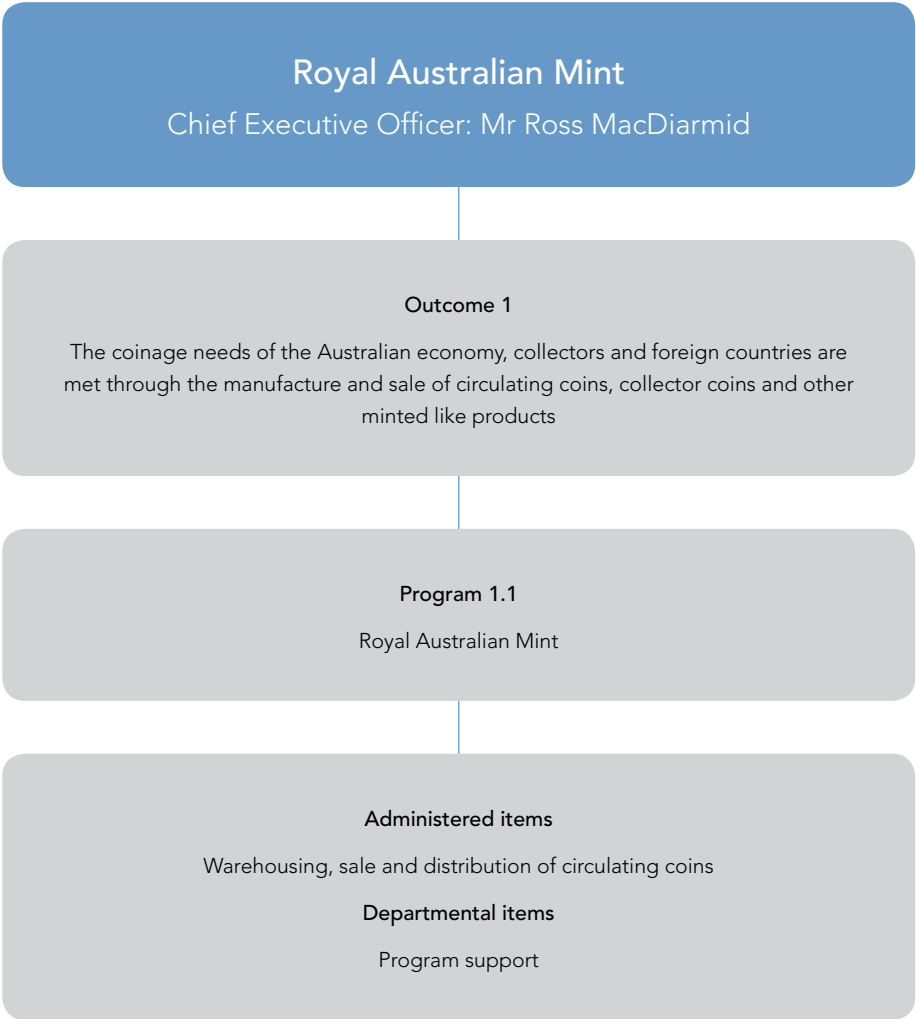
## Complaints

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

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

# Resources for Outcomes

Figure 1 – Resources for Outcomes



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

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

Table 1 – Resourcing for the Mint's Outcome

	Budget *	Actual Expenses	Variation
	2011-12	2011-12	
	\$'000 (a)	\$'000 (b)	\$'000 (a)-(b)
<b>Program 1.1 - Royal Australian Mint</b>			
Administered			
Special Accounts	77,798	36,305	41,493
Departmental			
Special Accounts	70,534	64,114	6,420
<b>Total for Outcome 1</b>	<b>148,332</b>	<b>100,419</b>	<b>47,913</b>
Departmental	70,534	64,114	6,420
Administered	77,798	36,305	41,493
<b>Average staffing level (number)</b>	<b>195</b>	<b>197</b>	<b>(2)</b>

\* Full-year budget, including any subsequent adjustment made to the 2011-12 Budget.

Decreased Administered expenses are due to lower than expected costs per coin sold based on denominations sold during the year.

Average staffing level is higher than budget as staff vacancies were filled during the year.

(b) Actual expenses - Appendix A Note 24.

## Key Priorities in 2011–12

The Mint's 2011–12 Portfolio Budget Statements and internal planning processes identified the following key priorities for Outcome 1:

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

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

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



## Key Outcomes in 2011–12

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

Table 2: Royal Australian Mint Resource Statement 2011-12

	Actual Available Appropriations for 2011-12	Payments Made 2011-12 \$'000	Balance Remaining
	(a)	(b)	(a-b)
<b>Other services<sup>1</sup></b>			
<b>Departmental non-operating</b>			
Equity injections	-	-	-
<b>Total</b>	-	-	-
<b>Total other services</b>	-	-	
<b>Special Accounts</b>			
Opening balance	6,131		
Appropriation receipts	16,977		
Non-appropriation receipts to Special Accounts	127,417		
Less: appropriations drawn from equity injections and credited to the Special Account	-		
Payments made		(93,883)	
Closing Balance			56,642
<b>Total Resourcing and Payments</b>	<b>150,525</b>	<b>(93,883)</b>	

<sup>1</sup> Appropriation Bill (No.2) 2011-12 and Appropriation Bill (No.4) 2011-12

Special Accounts - Appendix A Note 21

### Program 1.1: Royal Australian Mint

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

### Performance Information

The Mint has the following key performance indicators:

- produce and deliver Australian circulating coins in a cost effective and timely manner
- foreign circulating coin sales meet or exceed cost of production
- at least 95 per cent of numismatic orders placed are produced and delivered within contracted delivery time
- all numismatic sales meet or exceed cost of production
- rotate the display of the NCC on a regular basis

- maintain gallery and visitor centre to community standard
- ensure that school student visitor programs align with relevant school curricula
- increase in visitor numbers to the gallery and visitor centre compared to prior year's actual visitor numbers.

## Analysis of Performance

The financial year 2011–12 saw the Mint record two significant outcomes. The first was the successful implementation of the new coin supply chain model whilst the second was the better than expected financial results from its commercial activities.

The Mint and key stakeholder commercial banks implemented a new national circulating coin supply chain model aimed at delivering more effective and efficient management of coins in circulation within Australia. The new model addresses inefficiencies in circulating coin forecasting; supply and distribution of coins, and will see a marked reduction in the excess holdings of coin stocks by the banks through the introduction of improved, centralised

management of coin data and the more effective physical management of coin inventory.

The Mint's commercial activities are made up of two components - numismatic business and international business. A key feature of the Mint's international business was the increase in revenue from supplying circulating coins to two Pacific Island countries. In addition, growth in the Mint's domestic and international numismatic businesses has resulted in an above budget performance.

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

The Mint's gallery retained its attraction to visitors with numbers remaining steady throughout the year. The educational program of the Mint continues to bring increased numbers of school students and tourists to the Mint.



*Our guides are great at keeping students engaged when visiting the Mint.*





## 2: CHIEF EXECUTIVE'S REVIEW

### *Chief Executive's Review*

In a period of continuing economic uncertainty the Mint has performed exceptionally well. With an ongoing focus on a cultural change program and development of capabilities the Mint has successfully initiated and implemented a supply chain review program culminating in five year agreements being signed by each of the participating banks. A key requirement of the agreements is the continuation of the joint work in implementing mutually beneficial, supply chain focused efficiency improvements.

With the establishment of the International Business Development Branch last financial year the Mint is now supplying four Pacific Island countries with new coins as well as growing revenue in the numismatic and custom minting international markets by 18.5 per cent.

On the back of strong themes, an innovative product development program and targeted advertising as well as the enhancement of the gallery experience, the Mint has also grown revenue from both the domestic market and the retail shop.

While this level of activity has identified some system and process inadequacies, it has culminated in a significant increase in the profitability of the Mint and positive recognition from the Australian banking sector and our Pacific Island neighbours that we are committed to best practice and quality customer management.

The Mint has intensified its commitment to providing a safe and secure environment for all staff and visitors and in recognition of this hard work, led by the OHS team, the Mint is a finalist in the Comcare Work Health and Safety Awards, the winners of which are to be determined in the 2012–13 financial year.

The introduction of a new Professional Development Scheme has resulted in the recognition and empowerment of staff, and it is pleasing to report that there has been an increase in the level of staff satisfaction, as measured by our annual staff survey.

## Outlook for 2012–13

With increasing uncertainty in the state of the world's economies, particularly in Europe, there are some signs of consumer nervousness which again could translate in a lower demand for numismatic products. However with such a small market share position in the international arena and with the increasing awareness of the Royal Australian Mint brand, opportunities for growth will continue to be available.

Our focus in 2012–13 will be on consolidating the growth achieved in the last twelve months and addressing the system and process issues that lead to waste and inefficiency. To facilitate and drive this strategic focus we have created a new section in the Tooling & Quality Branch to implement a 'lean' program that will deliver a very efficient and effective business within two years with the full support of the Senior Management Team.

We will continue to drive the supply chain program with the Australian banks and look to broaden the activities to encompass the other suppliers that impact on the supply chain process. With the recent enhancement of our research and development capabilities we will continue to develop new products and lead the growth of the Australian numismatic market.

Finally on behalf of the Advisory Board and Senior Management Team, I would like to thank our customers for their support, our stakeholders for their involvement and our employees for their outstanding and much appreciated efforts.

## Management Framework

As a prescribed agency the Mint operates under a Charter endorsed by the Secretary of the Treasury, Dr Martin Parkinson PSM, and the Mint CEO, and reflects the relationship between the Treasury and the Mint. It sets out the scope of the roles and accountabilities of the principal stakeholders in producing circulating coin and minted products for Australia. The Mint Advisory Board provides strategic advice and reviews the Mint's performance against key indicators and strategies in the Mint's Strategic and Business Plans.

As at 30 June 2012 the Advisory Board comprised:

- Mr Steve French, Group General Manager, Corporate Services Group, Treasury (Chair)
- Mr Michael Del Gigante, Managing Director, Defence Housing Authority
- Mr James Chisholm, General Manager, Corporations and Capital Markets Division, Treasury (until April 2012)
- Mr David Woods, General Manager, Corporations and Capital Markets Division, Treasury (from April 2012)
- Ms Susan Bruce, CEO, Poachers Pantry
- Mr Ross MacDiarmid, CEO, Royal Australian Mint

## Organisation at 30 June 2012

Management of the Mint rests with the Senior Management Team who are each responsible for a branch and is as appears in Figure 2 and 3.



Figure 2 – Royal Australian Mint Organisational Chart as at 30 June 2012

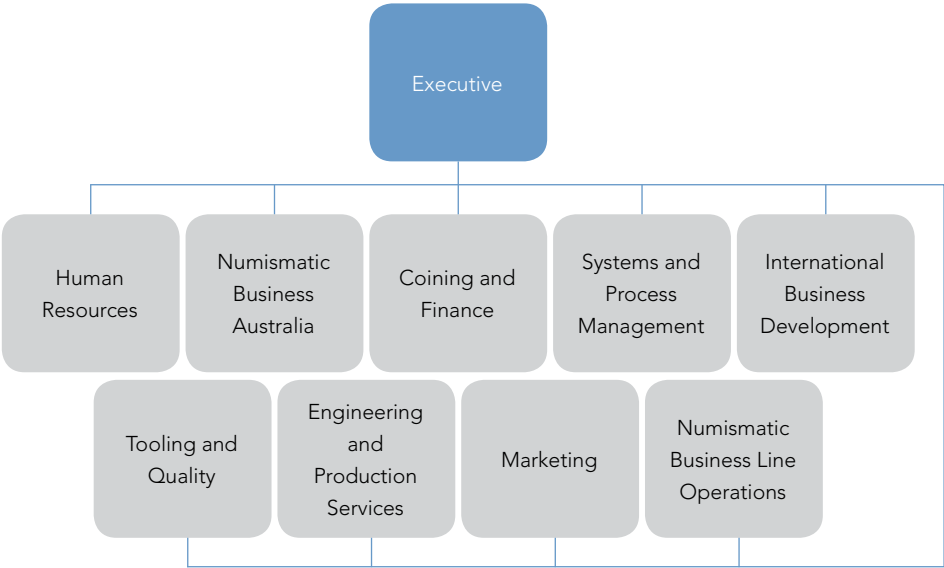
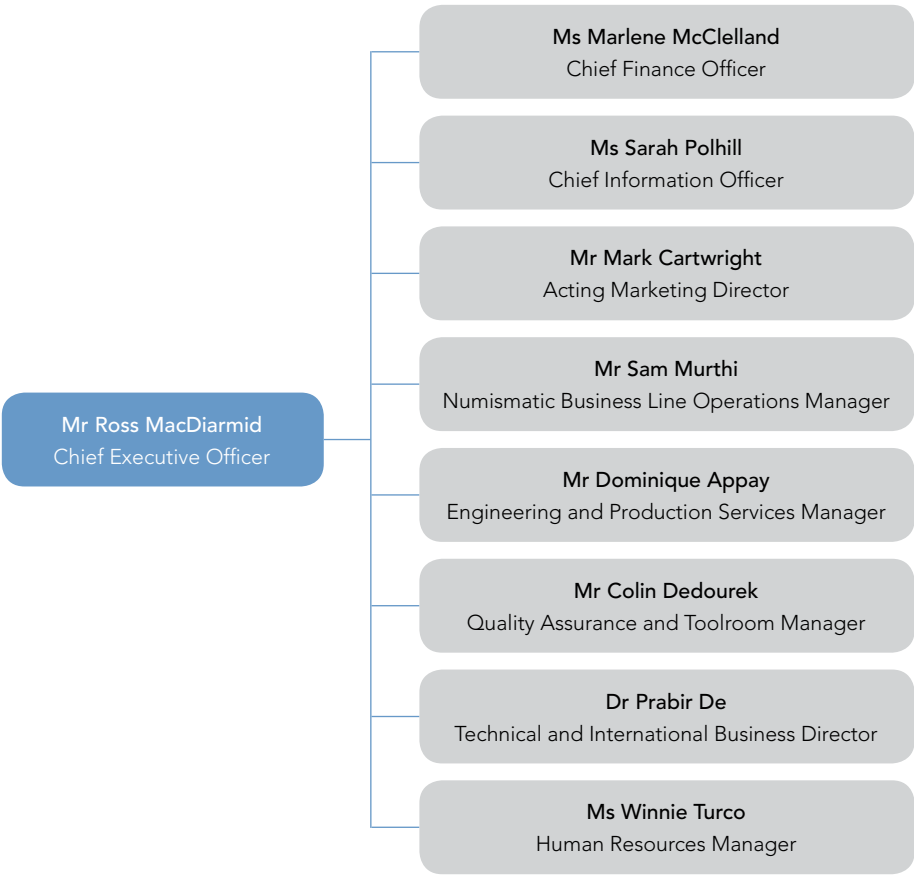


Figure 3 – Senior Management Team as at 30 June 2012







## 3: MANAGEMENT AND ACCOUNTABILITY

### *Circulating Coin Production*

Following a period of change and bedding down of automated manufacturing processes and procedures, 2011–12 saw the Circulating Coin Production Section settle into a stable mode which created a steady environment in which to operate. This period of stability enabled the section to further hone the manufacturing execution system (MES) to better understand its capacity and capabilities to meet high volume requirements.

The Mint finalised and implemented a new circulating coin supply chain model after successfully securing agreements with the key commercial banks. As part of the transition to the new model, the commercial banks focused on active management of their excess circulating coin holdings enabling the Mint to better schedule its production and free up capacity.

During 2011–12, the Mint completed the production and delivery of circulating coins for Samoa. The Mint was also able to utilise its spare capacity, delivered by the introduction of the MES, and produce new circulating coins for the Solomon Islands. These included existing designs to be produced on new 10 cent, 20 cent, 50 cent and \$1 coins and a brand new \$2 coin, which also featured a new design.

The Circulating Coin Production Section maintained an exceptional safety record in 2011–12, with no significant safety incidents. The Mint will continue to be vigilant in this area and build an even safer working environment that allows its staff to grow, learn and challenge accepted practices through innovative solutions.

To celebrate important events for the Commonwealth, the Mint continued to produce the following commemorative circulating coins:

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

The Circulating Coin Production Section provided support to the Engineering and Production Services Branch in 2011–12 through the evaluation and testing of numismatic products scheduled for future release.

The introduction of a new packaging cell in 2012–13 in the Mint's circulating coin production line is a tangible example of the Mint's continuing commitment to delivering additional value to the circulating coin industry.

## *Collector Coin Production*

The international demand for precious metal coins remains strong. With the new acquisition of the 1250 tonne press, which is to be installed in August 2012, the Mint is now well placed to increase its presence in the world market.

A small group from the Numismatic Business Line (NBL) Branch travelled to Germany in May 2012 to take acceptance of the 1250 tonne press. The group also took the opportunity to visit three mints

and communicated openly with these organisations in regards to technical material and processes. The Mint intends to develop these relationships further to encourage the open transfer of information within the minting community.

The remaining presses were given an electrical upgrade throughout 2011–12 which has greatly improved their working life and overall capability as well as continued to meet current quality standards.

The Mint's colour printing and protective coating equipment projects were implemented successfully in 2011–12 and the Mint has successfully installed new equipment providing the ability to apply protective coatings to collector coins and medallions, as well as provide new technologies to apply colour printing on coins.

In 2012–13 the NBL Branch is planning to undertake the following projects:

- increase uncirculated and proof coining press capabilities
- replacement of the Automatic Pickling Line
- increase blank burnishing capabilities
- reduction of manual handling across numismatic production.

## *Electroplating Area*

The electroplating area is currently under the management of a trade qualified electroplater, which has resulted in the development of a new selective gold plating process on cupro nickel blanks. The increased quantity of selective gold plating work has resulted in the purchase of a second selective gold plating unit to meet demand.

Occupational health and safety (OHS) issues have been closely monitored with frequent workplace inspections and risk assessments to ensure the safety of staff.

## Automated Pickling Line

The Automated Pickling Line (APL) is currently undergoing redevelopment and refurbishment to relieve the demands placed upon the Manual Pickling Line. The increased amount of numismatic coinage being manufactured has justified the purchase of a second burnisher to prepare cupro nickel, aluminium bronze and silver blanks. A business case to purchase a new unit is currently being drafted, and is expected to be commissioned by late 2013.

Exhaust monitoring has been installed in the blank preparation area as of late 2011 to comply with the Environmental Protection Agency's requirements.

## Annealing Furnaces

A new loader has been purchased to improve safety and simplify the loading and unloading process. This has been complimented by the purchase of modified baskets which have been designed to fit the hearths in either furnace.

## Planning and Scheduling

The Planning and Scheduling Section is an important function of the Mint and is responsible for the translation of requirements from the Marketing and International Business Development Branches to the Tooling & Quality and Numismatic Business Line Operations (NBL) Branches so that resources are matched to meet demands.

During 2011–12 the section's main focus was on maintaining the efficient, reliable and timely production capacity and activity plans that enable the organisation to function with confidence and certainty.

The section has continued to refine the capacity reporting process to assist the manufacturing branches. This has led to a greater understanding between the branches of the business priorities and how to effectively allocate their resources.

In addition to this, the Planning Team has also been a contributor to the successful completion of the Sales Product Configurator (SPC) project, along with contributing to the ongoing projects of the numismatic business review and system automations for die rework orders.

The main areas of focus for the Planning and Scheduling Section for the coming year include:

- reducing inventory holdings
- improving manufacturing efficiency.

## Engineering and Production Services

Key activities in 2012–13 for the Engineering and Production Services Branch will be:

- expanding the capabilities of the Design and Engraving Section with a panel of world class designers and sculptors
- procuring Computer Numerical Control (CNC) machines to meet the Mint's stringent requirements
- expanding the capabilities of the National Coin Collection (NCC) management system
- developing processes to automate certain Numismatic Business Line (NBL) operations for occupational health and safety (OHS) purposes as well as efficiency improvements.



## Museum and National Coin Collection

The Museum Section has been working with the IT Operations and Business Improvement Sections to progress the July 2011 audit recommendation that the Mint acquire a more robust collection management software tool for the NCC. Software packages have been evaluated and a candidate package chosen which meets the audit requirements and includes significantly expanded collection management capabilities.

## Research and Development

The Research & Development (R&D) Section has concluded its involvement with the Sales Product Configurator (SPC) project, after providing product data requirements to the Marketing and Systems and Process Management Branches.

The R&D Section has expanded in scope to include automation improvements into its operations. This is aimed at providing the technical development of efficient processes for labour intensive and high accuracy operations. The Automation Improvement Team's first project was a holographic decal applicator machine which will apply 960,000 stickers to coin packages in its first year of operation, resulting in an improvement in productivity as well as occupational health and safety (OHS) risk reduction.

The R&D Section has developed an effective process for the use of digital printing equipment to achieve direct, full colour printing onto collector coins. This equipment is now producing high quality coloured coin products with OHS improvements gained over pad printing techniques that have been used in the past.

The techniques learnt in 2010–11 during the development of Samoa's new coins were able to be called upon during the development of the new Solomon Islands coins which included a scalloped and polygonal

shaped coin. The acquiring of these techniques minimised the amount of time spent trialling new strategies which also saved tooling and production costs.

## Design and Engraving

The creation of new circulating coinage for the Solomon Islands, which included coin design, sculpting and master tooling, was successfully completed during the year. The Mint achieved a high rate of success in applying new techniques acquired during the production of circulating coins for Samoa which occurred in 2010–11.

Succession planning has progressed significantly in 2011–12 with the appointment of a highly regarded, internationally trained coin designer and sculptor to the Design and Engraving Section as well as the recruitment of a highly skilled designer from within the Mint. The succession planning activity has also identified a range of talented and experienced coin designers and sculptors in Australia and overseas who are able to provide these services to the Mint at short notice. The Design and Engraving Section has expanded the outsourcing of coin designs and plaster carving in line with the increased demand for these services. A joint coin design project with a local tertiary educational facility has concluded in a high quality exhibition of fifty coin designs and packaging from their talented graphic design students for the second year, which has provided the Mint with the option to outsource coin designs locally in the future.

A number of trials in the manufacture of master tooling, using a variety of technologies, were completed and significant progress was made in identifying potential replacement machinery for master tool production and inspection. However this project is not yet complete with the machinery capability research expected to be finalised in 2012–13 and the procurement of machinery with enhanced engraving capabilities and tool inspection capabilities to occur in 2012–13 and early 2013–14.

## Maintenance

Mainpac is now being widely used across the Mint for the recording and scheduling of all preventative and breakdown maintenance activities. In 2012–13, all maintenance activity will fall under the Facilities Management Branch.

## *International Business Development*

To manage increased international interest in Royal Australian Mint products the International Business Development (IBD) Branch has increased the size of its team to six people. A commercial representative has also been appointed to liaise with the global market.

In its first full financial year of operation the IBD Branch increased the Mint's international revenue by 18.5 per cent. The Mint has experienced a high degree of interest in its products and services from Europe, United States, China and the South Pacific region.

During 2011–12, the Mint finalised a long term contract with Samoa to replace their circulating coins. The new coins for Samoa officially entered into circulation on 2 October 2011. As a result of this relationship the Mint has also produced commemorative coins for Samoa to celebrate its 50th anniversary of Independence.

The Mint was also engaged to deliver a coin reform program for the Solomon Islands in late 2011. The Central Bank of Solomon Islands decided, based on analysis and public survey, to introduce a smaller and lighter circulating coin mix which would meet the circulating coin demands of their nation. The new Solomon Islands coins will be launched on 4 July 2012 and begin circulating immediately thereafter. The Mint was also engaged to provide commemorative sets of the new coins.

Another two coin reform programs are currently underway, and the Mint plans to hold a Pacific Coinage Seminar in late 2012 to discuss future coinage reform possibilities with other Pacific countries.

There has been a lot of international interest in the Mint's products from the global market and as a result, during 2011–12, the Mint has been working on building relationships with several international partners. The majority of these international partnerships are for products to be released in 2012–13 however, one significant relationship with The Presidents Cup saw the Mint reach an important target market in 2011–12.

Further research into the Chinese market was undertaken and the Mint benefited from the popular dragon lunar calendar year, producing, for the first time ever, one and five ounce as well as one kilogram coins.

In late May 2012, the IBD Branch developed a three year strategic plan to outline the key performance indicators and goals the Mint wants to meet in this area over this period. Despite the significant global financial downturn, the IBD Branch will consolidate its revenue gain in 2012–13 and look for further growth in 2013–14.

## *Tooling & Quality*

### Toolroom

Carrying over from 2010–11, a major focus of the 2011–12 financial year has been the further development of work order planning and scheduling, which has resulted in increased efficiency, tracking and recording.

The section delivered 3182 coining dies, consisting of 1492 circulating dies and 1690 numismatic dies, with 153 coining collars being provided. These quantities are similar to previous years however the circulating/ numismatic ratio has trended back towards circulating compared to the previous year, which can be attributed to the foreign circulating coin projects that the Mint has undertaken.

Support to the Engineering and Production Services Branch has been provided with the provision of 186 master tools being rough machined, hardened and ground. Involvement with the new Automation Improvement Team has included the provision of an array of new tooling and jigs supporting the inkjet printing projects for both numismatic and circulating products and particularly the curved coin projects.

Continuing the focus on occupational health and safety (OHS) has seen improvements in systems, housekeeping and equipment. Special purpose mist extraction/filtration devices were procured and installed onto the Toolroom's Computer Numerical Control (CNC) lathes and machining centres. These devices allow for improved OHS conditions for staff using the machines daily as well as improving the overall air quality in the Toolroom. Additional lifting aids and manual handling devices have also been provided to alleviate concerns around manual handling tasks. The outcome of these OHS initiatives is the improved safety of staff and visitors as well as the active management of known hazards and risks.

Several approaches to improving efficiency and reducing waste have been implemented throughout the year. The 'tool and workholding' capital project was initiated in October 2011 with the aim to replace aged and ineffective tooling and provide new tooling required to support complex manufacturing activities. This project is planned for completion in late 2012.

The section's commitment to the ongoing training and development of staff and apprentices remains a high priority. In 2011–12 a fourth year apprentice completed his apprenticeship and two first year apprentices commenced their apprenticeships in the Toolroom Section. Development of the Mint's trade staff to promote multiskilling is ongoing.

The installation and commissioning of a four-axis vertical machining centre completes a capital procurement activity

from the previous year. The new machine has allowed for reduced manufacturing costs and lead times through improved efficiency and increased capability and capacity. A second machining centre with similar capability has been ordered as a capital investment to replace aged machinery, and is expected to be delivered and commissioned in October 2012. Together these machines will provide increased capability through new technology and reduced tooling manufacturing costs.

In 2012–13 improvements to the Mint's coining die manufacturing methodology may result in the addition of two new capital machine tools to replace aging equipment which will have wide ranging positive effects for the Mint by reducing the manufacturing timeframe of new coin designs from concept to coin.

## Die Polishing Services

The Die Polishing Section has delivered a total of 1492 circulating dies and 1690 numismatic dies in support of the coining sections of the Mint's business. Planned research and development into a Physical Vapour Deposition (PVD) pre-coating cleaning has not occurred however, small refinements in existing PVD coating operations have led to reduced waste and die rework as well as improved efficiency of the process.

Over the coming financial year, upgrading of the existing laser and sand frosting equipment is planned. This will address OHS, productivity and equipment reliability issues.

## Quality Management

Over the last twelve months the management of the Quality Section has been actively working to reinforce the importance of a customer focused approach to all business activities undertaken by the Quality Team. This has involved targeted training sessions and brainstorming activities with staff to understand who their customers are, isolation of the needs and requirements of each customer and the mapping of all processes identifying deficiencies and gaps that require addressing to maximise service

provision. The end result of this process is the existence of service level agreements between the Quality Team and all customers, providing a basis of measuring performance in service provision.

The 2011–12 financial year focus on the modernisation of quality and metrology capabilities through capital investment is progressing. Technical constraints are impacting the development of functional specifications to procure new equipment to expand capabilities. This is aimed to be resolved in 2012–13. Information Technology (IT) systems for the management of instrument calibrations have been implemented and data migrations are underway. Completion of this project is expected by October 2013.

The focus of the Quality Team over the next twelve months will be to implement and measure repeatability and reproducibility procedures across the organisation to standardise and verify measurements; implement and monitor statistical process controls in the manufacturing areas of the Mint to measure process performance and capability; and review all inspection processes to align with current business needs.

The Quality Team will also be actively driving continuous improvement through utilisation of the Improvement Process component of the ISO9001 accredited Quality Management System. Emphasis will be placed on root cause analysis, the development and implementation of meaningful and measureable corrective actions and verifying the effectiveness of these corrective actions. The performance of the Quality Management System as a whole will continue to be monitored and measured through completion of the internal auditing process.

A recent addition to the Tooling and Quality Branch is the Production Support Team. The main purpose of this team is the development and implementation of lean manufacturing at the Mint. The focus will be primarily to streamline processes through the application of lean principles and tools to maximise efficiency and effectiveness in meeting customers' expectations.

## Sales and Services

With international wholesale sales now being managed by the International Business Development Branch, this has enabled the Sales and Services Branch to focus on increasing the Mint's domestic market share and as a result, the share has increased by 8.11 per cent. This growth was gained through the Mint's online store, Call Centre and Coin Shop and was also helped by the Mint's increased attendance at various events including the Australasian Numismatic Dealer's Association (ANDA) coin shows and the Sydney Royal Easter Show.

Retitled to the Numismatic Business Australia Branch, the branch is planning to work on strategies to increase the Mint's sales even further in the 2012–13 financial year. A new loyalty program will be launched in August 2012 in conjunction with the presentation of the first six months of the Mint's 2013 product calendar. This approach is hoped to encourage current and new customers to purchase the Mint's products regularly throughout the year and as a result receive incentives for doing so.

## Direct and Retail Sales

The Mint's Coin Shop had a 33.41 per cent increase in sales in 2011–12. This positive result was largely a result of an increase in visitor numbers to the Mint, attracted by the addition of guided tours at the Mint and major exhibitions at tourist venues around Canberra. The themes, designs and applied innovation featured in the 2012 product range have attracted more positive customer feedback than in previous years.

Late 2012 the Mint will be launching a new online store which will provide the Mint's online customers with a better retail experience and more efficient service, and will provide the Direct Sales Section with the opportunity to focus on customer service via the phone, fax and mail.

## Wholesale

With the Wholesale Section being able to focus on the domestic market, sales increased by 14.44 per cent because of an increased interest in the Mint's precious metal coins and strong themes that were released throughout the year. The Wholesale Section continues to work closely with its customers to ensure they have all of the product information and images required to produce their own advertising for their customers. To continue to manage relationships, the National Sales Manager visited dealer's premises', attended ANDA coin shows and customer conferences to present Mint products.

## Marketing

### Official Numismatic Program

On 6 September 2011, the Mint launched its 2012 Numismatic Program at Federation Square in Melbourne. For the first time the Mint launched its complete annual program, allowing collectors to plan their yearly purchases. The program consisted of forty-two new products and was launched alongside the Mint's new loyalty program, Collection by Selection.

The 2012 program commenced with the release of an enduring classic, the Kangaroo Series. This remarkable series has spanned nineteen years and continues to be a favourite among collectors. The Mareeba Rock-wallaby themed release included silver proof and frosted uncirculated coins and the limited 1/10 ounce gold proof coin, which continues to be a sellout year after year.

In 2012, the Mint's flagship product the Six Coin Year Sets featured limited edition fifty cent coins, the proof sets showcasing a selectively gold plated coin and uncirculated sets, a never seen before hyper-metallic colour printed coin, truly accentuating the design of the

Australian Coat of Arms. The literary classic Dot and the Kangaroo was introduced in 2012 as the theme for the Australian Baby Sets, with the proof collection beautifully presented in a unique book style case.

In the tradition of commemorating significant royal events, the Mint continued its Royal Collection in 2012 with the release of fifty cent uncirculated and proof coins celebrating the Diamond Jubilee of the accession of Her Majesty Queen Elizabeth II. The coins were designed by the official jeweller and goldsmith to Queen Elizabeth II, Stuart Devlin.

Other notable themes for the year included the Australian Year of the Farmer, 70th Anniversary of the Kokoda Trail, 50th Anniversary of The Australian Ballet, Shores under Siege - Bombing of Australia 1942, Animals of the Zoo and Australian Open 100th Men's Champion. The year also saw the continuation of the Australia Remembers series with Merchant Navy, Inspirational Australians with Sir Douglas Mawson, the Mint's Lunar Series with Year of the Dragon and the Mint's iconic Kangaroo at Sunset releases.

Later in 2012, the Mint will continue its commitment to releasing innovative coins, releasing Australia's first domed coin. This coin will showcase the Mint's advanced minting capabilities and high quality colour printing techniques.

In addition to the Mint's annual year set and series releases, the 2013 product calendar will consist of coins in varying specifications, finishes and themes commemorating significant events in Australia's history and includes Centenary of Canberra, 50th Anniversary of Surfing Australia, as well as the Bicentenary of the Holey Dollar and Dump which will star as the 2013 gallery press coin.

During 2011–12 the Mint commenced planning for the Centenary of Anzac numismatic program. The Mint will produce a coin program that celebrates the Anzac spirit and acknowledges the sacrifices of Australia's servicemen and women.



## Communications and Web Management

Leading up to September 2011, the Communications Team was focused on preparations for the 2012 Product Launch. As part of this the team developed a multimedia presentation which was shown at the evening launch and then posted on YouTube with 3078 views to date and several favourable comments.

To support the product launch as well as enter the social media arena the team also launched the Mint's Facebook page. This page has been developed to engage with Mint collectors and target a new audience. The current number of page likes stands at 560 and is increasing each day.

A range of events and media opportunities were organised throughout the year together with a number of organisations which included Canberra Institute of Technology, Australian Bureau of Statistics, Commonwealth Heads of Government 2011, Office for the Not-For-Profit Sector, Tennis Australia, President's Cup, Social Business Australia, Tourism ACT and Central Bank of Solomon Islands.

In June 2012 the Mint upgraded its intranet to SharePoint 2010. This upgrade fixed ongoing bugs as well as created a more

inviting environment for staff. Training to upgrade the intranet content has commenced with content managers and will continue into 2012-13.

The Mint continues to develop its new online store with the launch date set for later this year.

## Community Engagement and Events

The Mint held a number of community events in 2011-12, beginning with the Canberra Institute of Technology (CIT) Commemorative Coin Design Exhibition, a joint venture between the Mint and CIT with designs from twenty six students displayed and voted on by members of the public in the visitors gallery, with an evening awards night to announce the winner of each category.

The 2012 Product Launch began with a launch event held at Federation Square in Melbourne on 6 September 2011 and was supported by a three day exhibition of mistrikes and rare coins titled 'One in a Million – Unexpected Treasures of the Royal Australian Mint'. Approximately three hundred guests attended the launch and it was featured on the Channel 10 news.



Guests enjoying the 'One in a Million–Unexpected Treasures of the Royal Australian Mint' exhibition at the 2012 Product Launch.



*The emergency services vehicles at the Mint Field Day drew a large number of visitors.*

On 5 November 2011 a Mint Field Day was held to launch a number of new products including the 50th anniversary of Triple Zero 50c coin. A fleet of emergency service vehicles from the Australian Capital Territory (ACT) Fire and Rescue Unit, Rural Fire Service, Police and Ambulance Service as well as Constable Kenny Koala were on hand to demonstrate their emergency service equipment, to the delight of visitors. Also on hand were an outdoor coin shop, sausage sizzle, face-painting and guided tours of the visitors gallery. The planned three hundred giveaway bags were collected by visitors within the first hour of the field day, with the good weather bringing out a large crowd of general public and coin collectors.

A crowd of around one hundred people gathered on the afternoon of 31 December 2011, with collectors and tourists alike trying to draw the lucky ticket and make the last coin of the year on the gallery press. The first coin of the year for 2012 was already allocated 48 hours prior to its striking, with the lucky first person camping overnight for two nights to make Australia's first coin for 2012.

The Mint attended a number of domestic coin shows during 2011–12, and offered two 'show specials' at each event.

The Mint continued the \$1 silver frosted uncirculated Capital Bridges series for the remainder of the 2011 Australian Numismatic Dealer Association (ANDAs) shows, while in 2012 a new theme featuring town halls in capital cities on antique frosted uncirculated coins has been introduced. Each release has a limited mintage of 2000, with any coins that remained unsold after the show made available in the Mint's online shop for an additional ten days after the show. The second special of a counterstamped coin with a Ram's Head replica design was continued throughout 2011, and in 2012 a replica Wheat Sheaf design, which first appeared in Australia on the pre-decimal threepence in the 1930s, was introduced with the change of the design on the Mint's gallery press.

The Mint returned to the Sydney Royal Easter Show in April 2012, with a custom token counterstamped with an 'S' for Sydney available to purchase during the show and Australian Year of the Farmer ambassador Glenn McGrath visiting the booth on two separate occasions to sign coins for collectors.

The Mint also attended two international coin shows to develop and manage international business relationships. Details on show attendance are shown in Table 3.

Table 3 – Coin shows attended by the Mint

<b>Domestic coin shows:</b>
2011: July – Melbourne, August – Sydney, October – Adelaide
2012: March – Perth, May – Brisbane
<b>International coin shows:</b>
2011: August – The World's Fair of Money in Chicago
2012: February – The Berlin World Money Fair

## Market Research

The most significant market research project undertaken by the Mint in 2011–12 was the brand audit. This research was outsourced to the research vendor Colmar Brunton and focused on understanding the public, stakeholder and collector perceptions of the Mint's brand. The findings of this audit identified possibilities for brand development, brand management and, if necessary, brand repositioning. The final report found that the Mint's brand is relatively strong especially with its long-term collectors, who also indicated that the modernisation of the Mint brand would be a positive step.

Another noteworthy market research undertaking was the development of the "Insight for Change" (IFC) consumer experience program. This program was initially created to measure the satisfaction levels of the Mint's consumers, visitors and tour attendees. It has since grown to include all facets of market research being conducted at the Mint. Under the umbrella of the IFC two online surveys were completed, which included a postal survey to determine how Mint customers want to receive their tax invoices, which resulted in the Mint changing its processes to enable its customers to receive their invoices via email, and the fine silver year set survey which examined consumers' opinion regarding the Mint's silver products, which found that the Mint's customers are interested in more single issue proof coins rather than sets.

The IFC also extends to internal research and in 2011–12 both the mid-year and annual staff surveys as well as a gallery enhancement survey were completed. A market segmentation refresh was conducted with the results now helping guide product development decision-making.

A range of qualitative research was conducted with collectors at the Australian Numismatic Dealer Association (ANDA) show held in Brisbane which were designed to measure consumer perception of the Mint, its products and the services surrounding its products, and the Mint is looking at continuing to conduct this research at ANDA shows in 2012–13.

## Direct Marketing and Advertising

Several of the Mint's themes were released in celebration of worldwide and national events, including The Queen's Diamond Jubilee celebrations, Australian Open, Australian Year of the Farmer and 100 Years of Australian Census. The Mint received great exposure for all products which were featured on the outside covers of several commemorative lift-outs in major metropolitan papers.

The Mint also released a broad suite of advertising in New South Wales regional papers for the Sydney Royal Easter Show. A gift voucher was included in these publications, and the majority of the vouchers were later presented to Mint staff at the show booth.

ANZAC Day saw several features in major metropolitan broadsheets, featuring the Mint's 2012 Shores under Siege – Bombing of Australia 1942 Three Coin Set, as well as advertising in some of the Mint's non-traditional markets, such as the AFL Record.

The Mint received great results from advertising placed in the Reader's Digest and the Australian Senior publication. The Mint plans to do more research over the next 12 months as to which publications

Table 4 – Advertising and Market Research 2011–12

Adcorp Australia Limited	Media Booking Services & Advertising Placement for Numismatic Products and Tourism & Gallery	379,354
Boston Hanna International	Advertising numismatic products	20,500
Pacific Micromarketing Pty Ltd	Customer Insights Analysis Project	27,500
Colmar Brunton Pty Ltd	Market Research	121,902

are providing the best results and therefore allow for more targeted advertising in the future.

The Mint was awarded a Highly Commended for Tourism Marketing at the 2011 Canberra and Capital Region Tourism Awards for the 'Visit the Mint – it makes cents' campaign, which was a great honour for the Mint.

In relation to Mint Issue, the Mint's product catalogue, the Mint is making some changes to its customer database to enable better engagement with its customers and satisfy their expectations.

2012–13 will see the launch of the Mint's new 'Legends' loyalty program. This will allow the Mint to customise its communications towards the needs of its collectors. The Mint aims to have at least three thousand members in the first year of operation, and expects this will give the Mint a new channel in which to more effectively engage with its collectors.

During 2011–12, the Mint did not conduct any specific advertising campaigns however, product advertising and market research were both undertaken and details are outlined in Table 4.

## *Museum and Gallery*

The long term public exhibition in the Mint Gallery was enhanced with the development of several various temporary exhibitions this year. Following the 2012 product launch at

Federation Square in Melbourne, where it attracted approximately 10,700 visitors, the 'One in a Million: Unexpected Treasures from the Royal Australian Mint' temporary display has continued to delight visitors in the Mint gallery.

The '2011 CIT Commemorative Coin Design Exhibition', and the recent opening of 'Uncovering New Talents' which showcased CIT student coin designs from 2012, have encouraged visitors to assess and vote toward the future of Australian coin design. The Mint also developed the exhibition 'Shadows and Perspective: The Influence of the Renaissance on Contemporary Coin Design' to coincide with the Renaissance exhibition at the National Gallery of Australia, which featured coins from the National Coin Collection. All of these short term exhibitions have been developed and designed by the Gallery and Graphic Design Teams. The Museum and Gallery Section has also supported numismatic product promotion directly, through installing a small display to promote the Australian Open product range.

The gallery and factory viewing experience have been reviewed, and a detailed concept design for gallery enhancement has been commissioned and delivered. The concept design for the gallery will enhance the content of the current display, and present the factory and collection to enable much more effective engagement with all of the Mint's visitors. The plan also suggests concepts for changes to the Mint Coin Shop and the café. These will be investigated in terms of feasibility and design options over the upcoming year. The enhancement has

been informed by a visitor evaluation survey and an ongoing survey program will be implemented in 2012–13.

The team participated in a workshop to develop a Lifelong Learning Strategy for the Mint's public and education programs. The strategy will clearly position the purpose of all programming to support the aims of the gallery funding and the Mint.

Visitation numbers reached 213,368 in 2011–12, an improvement of 2.6 per cent on the previous year's 207,906. A predicted impact on visitation growth in 2012–13 will be the promotion of each stage of the gallery enhancement project, and increased visitation from this is expected to be evident starting from the end of 2012 and the beginning of 2013. High impact factors from the enhancement to be implemented in stage one will address the entry experience which includes external banners, foyer displays and way finding signage as well as a hanging coin sculpture.

Another factor expected to impact on visitation in 2012–13 is the opening of a Questacon facility in the building adjacent to the Mint, and the Mint's partnering with Questacon to create a joint tourism experience, which will raise the profile of both institutions. As Questacon may not be open to the public until March or April 2013 the impact on the visitation figures may not be seen later until the 2013–14 financial year.

## *Tourism and Education*

The highlight of 2011–12 for the Mint in the tourism area was being awarded the Canberra and Capital Region Tourism Award in the Tourism Education Program Award category.

The changes to the visitor experience which were implemented in 2010–11 greatly contributed to this award and the increase in guide-led school group tours is evident. The amount of tours grew from 31,280 in 2010–11 to 34,121 in 2011–12, resulting in a 9.08 per cent increase from the previous

financial year. Bookings for the rest of the 2012 calendar year confirm a 25 per cent increase in school group tours with 28 per cent of this increase allocated in the period between July to December 2012.

Teacher satisfaction survey results throughout 2011–12 show an extremely high level of satisfaction with the programs provided. The satisfaction ratings ranged between 94.75 per cent and 98.75 per cent.

A new evaluation program commencing in July 2012 will enable finer levels of information to be obtained from visitors to the Mint. This greater level of information will complement the proposals and approaches that arise from the Lifelong Learning Program strategy, and enable sound monitoring of the success of the programs. Some key innovations of this strategy that will be implemented in the upcoming year are to further develop the Mint's social media capacity and an improved online presence for education programs through the Mint website.

The Mint's participation in the Enlighten Festival 2012 was equally gratifying, with the tour program being among the first of the participating National Capital Attractions to sell out, and the Mint recognised as one of the major contributors to attracting interstate visitation for the festival.

The development of a tourism plan is nearing completion. This has been informed by a recent visitor evaluation survey to find out who is coming, from where and how they came to know about the Mint. Ongoing seasonal surveys will be implemented during the upcoming year.

The tourism plan will clearly identify the strategic priorities for tourism including positioning the Mint as a nationally recognised and unique tourism attraction; nurturing strategic relationships with tourism businesses and organisations; and developing targeted tourism products for the identified current and potential audiences. It proposes a promotional schedule including print, online and social media and identifies major events and promotional opportunities.

# Systems and Process Management

## ICT Operations

During 2011–12 the focus for the Information and Communication Technology (ICT) Operations Section has been on implementing system improvements and modifications. A number of these improvements have been identified by the Business Systems Improvement Section with the ICT Operations Section providing technical support for solution development and implementation. This has led to the successful implementation of a number of systems and service delivery improvements for the Sales and Logistics business areas.

In addition to this the ICT Operations Section has continued to implement the Mint's infrastructure improvement program through upgrading to SharePoint 2010 and server hardware.

In 2012–13, the focus will be on continuing to deliver systems improvements for the Mint business areas in the areas of network sustainability, green ICT, application deployment and reporting services.

## Business Systems Improvement

During 2011–12 the focus for the Business Systems Improvement Section has been on delivering efficiencies to business areas through systems and process improvements. Significant efficiency gains have been made in the Sales and Dispatch areas with a focus on improving the processing and delivery of sales orders.

The Mint engaged KPMG to conduct a Post Implementation Review (PIR) of the Integrated Business Information System (IBIS) implementation project. KPMG conducted numerous consultations with key Mint staff and as a result of these consultations as well as utilising existing project documentation KPMG were able to provide a PIR focused on

future pathways and improvements available to the Mint. The Mint is currently reviewing the PIR and evaluating recommendations made.

The new Mint online shop is scheduled to be launched in 2012–13. The new online shop will provide customers with a more modern and accessible online shopping experience.

The Sales Product Configurator (SPC) system was implemented in 2011–12 and has provided a system to improve the costing model for defining the feasibility and breakeven point analysis when developing a new product.

The National Coin Collection software upgrade has commenced and is expected to be implemented during 2012–13.

Throughout the year there have been a number of upgrades completed on the Human Resources (HR) system. There will continue to be an ongoing review for improvement in HR systems, through the performance management module and upgrades to CHRIS21 to support the improved performance appraisal process.

In 2012–13, the focus will be on continuing to deliver cost savings and efficiencies throughout the Mint business. These are planned to be completed through the continued review and simplification of business processes, to enable business areas to meet their key performance targets.

## Information Management

2011–12 saw a continued growth in the number of TRIM files created within the Mint. There was an increase in the number of electronic files created, as opposed to paper files being created. This increase in the number of electronic documents stored in the electronic document and records management system (EDRMS) has ensured that the Mint continues to be compliant with the Government's digital continuity plan.

During the past year the Information Management Section worked with business areas to translate paper processes into electronic documentation processes. This has contributed to creating an overall business change of increased information sharing and business efficiencies.

In 2012–13 the Information Management Section will continue to work with Mint business areas to review their processes and assisting each branch with using the EDRMS to its full potential. There will also continue to be ongoing work towards implementing the records authority and sentencing project.

The Commonwealth Certificate of Compliance requirements for 2011–12 have been successfully met by the Mint. A contributing factor to this result is the bi-annual compliance sign-off (i.e. period ending 31 December and 30 June) and continuous delivery of staff awareness sessions.

## *Finance*

For the financial year 2011–12, the Mint reported an after tax operating surplus of \$6.113 million. A key contribution to this result was the better than expected returns from the Mint's commercial activities.

In 2011–12, the Mint produced 218.017 million pieces Australian circulating coins. The Mint remitted \$24.637 million in seigniorage to the Commonwealth's Official Public Account.

The Mint continues to administer the Australian circulating coins finished goods inventory on behalf of the Commonwealth. From the administered inventory, the Mint sold to the commercial banks 260.765 million pieces with face value of \$103.660 million.

The Mint is the custodian of Australia's National Coin Collection. The collection was independently re-valued in the financial year at \$23.4 million.

The Mint's internal controls and financial operations were audited by the Australian National Audit Office. The outcome was that the Mint once again received an unqualified audit report for the 2011–12 financial statements as shown in Appendix A.



## Coin Supply Chain

The Mint, with the support of participating commercial banks, implemented the Coin Supply Chain Model (Model) in 2011–12. The Model is designed to deliver improved efficiency by managing the flow of coins between buyers and sellers and information required to support efficient distribution of Australian circulating coins.

The key drivers in designing a new Model were to improve the velocity in the movement of Australian circulating coins; bring greater predictability in the circulating coin demand and forecasting; provide visibility of data and information; and minimise double handling.

Effective from 1 December 2011, the Mint and participating commercial banks entered into a Coin Supply Chain Management Agreement (CSCMA) for the implementation and delivery of the Model.

Key elements of the CSCMA include:

- The Mint assuming responsibility for the Interest Compensation on Coin Holdings.
- Commercial banks contribute towards the costs incurred by the Mint in managing and administering the Coin Supply Chain Model.

## 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 Chief Executive's Instructions (CEIs) and the Commonwealth Procurement Guidelines. The CEIs on procurement reflect the principles and need for compliance with the Commonwealth policy for sourcing potential suppliers or entering into contracts. Details of procurement arrangements with a value of \$10,000 or more are published on AusTender ([www.tenders.gov.au](http://www.tenders.gov.au)). These policies and practices focus on:

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

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

During the 2011–12 financial year procurement has completed major contracts for:

- circulating coin blanks
- various maintenance agreements
- electricity
- landscaping services
- printing of Mint Issue product catalogue
- internal audit services
- waste services
- concept design for the gallery
- air conditioning maintenance
- 1250 tonne coining press.

During the 2012–13 financial year tenders for the following are expected to be released:

- ion exchange water purifying equipment
- wood block floor remediation
- water recycling system
- solar power generation system
- gallery experience upgrade.

## Exempt Contracts

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

- freight services
- printing and packaging
- precious metals
- 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 for the 2011–12 financial year.

## Consultancies

Consistent with the Commonwealth Procurement Guidelines Instructions the Mint engages consultants on the basis of:

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

Typically, consultants are engaged to investigate or diagnose a defined issue or problem; carry out defined research, reviews or evaluations; provide independent advice and information or creative solutions to assist

the Mint in managing its decision making.

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

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

The selection methods used for consultancies are categorised in Table 5.

During 2011–12, nine new consultancy contracts valued at \$10,000 and over were entered into involving total expenditure of \$237,917. In addition two ongoing consultancy contracts valued at \$10,000 and over were active during the year involving total actual expenditure of \$338,081. Information on expenditure on contracts and consultancies is also available on the AusTender website [www.tenders.gov.au](http://www.tenders.gov.au)

Table 5 – Consultancies valued at and over \$10,000 in 2011–12

Consultant Name	Description	Contract Price (\$)	Selection Process <sup>(1)</sup>	Justification <sup>(2)</sup>
Ernst & Young Partners	GST Tax Advice	16,500	Direct Source	b
Infront Systems Pty Ltd	IT Consultancy	14,388	Direct Source	b
KPMG	International Business Development Review	50,728	Direct Source	c
Robson Environmental	Quantifying Hazard Exposure Levels	25,130	Direct Source	c
SAI Global Limited	ISO 9001 Audit	20,708	Direct Source	c
Whitcube Pty Ltd	Exhibition and Gallery Design	52,732	Direct Source	b
Cincom Systems	IT Systems Consultant	236,437	Open	c
GHD Pty Ltd	Provision of Drawings	31,668	Direct Source	b
Treasures of Oz	Marketing Consultancy	101,644	Direct Source	b
Safety & Forensic Engineering	OHS Legal Audit	14,410	Direct Source	b
Level 5 Lean Unit Trust	Provide Principles and Methodologies for Validating Production Routing	11,653	Direct Source	b
<b>Total consultancies over \$10,000</b>		<b>564,348</b>		

(All prices are GST inclusive)

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

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

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

(2) *Justification for decision to use consultancy:*

a – Skills currently unavailable within agency

b – Need for specialised or professional skills

c – Need for independent research or assessment

## Assets Management

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

The Mint's non-current assets are subject to an annual stocktake to ensure accuracy of records. The Mint's asset revaluation strategy, applied with sufficient frequency, ensures correctness of the carrying fair value amount at reporting date.

The Mint manages four types of fixed asset classes: plant and equipment; leasehold improvements; intangibles and the National Coin Collection (NCC). These assets have a total net value of \$69.982 million including \$1.184 million work in progress associated with capital programs being undertaken across the Mint.

The NCC is under the control of the Mint and is classed as a restricted asset because it is not available to be sold or made available to a third party. As part of the Mint's revaluation strategy, an independent valuer was engaged to provide a fair value of the NCC as at 30 June 2012.

All assets are assessed for impairment at reporting date.

## Management of Human Resources

The new timekeeping system Kronos and the integration with the Human Resource Management System (HRMIS) has worked well since its implementation. Senior Managers are now proficient in managing staff absences and attendance, together with improved monitoring and scheduling of overtime and casual work patterns. The new format of the Performance Development Scheme (PDS) has completed its first cycle. A staff survey undertaken in June 2012 indicated a significant increase in acceptance

of the PDS by staff. The implementation of the learning and development and performance management modules within the HRMIS are still in the research process for determining their usability and value to the Mint.

During the year the focus on succession planning, dealing with an ageing workforce and the skills shortage has intensified. Growing the capability of the Mint's existing staff has been a priority and work continues on the development of a workforce plan to address these issues.

## Performance Development Scheme

An internally designed short staff survey was undertaken in June 2012 to measure staff satisfaction and whether it had improved across the organisation in comparison to the previous staff satisfaction survey held in March 2011. The results indicated a significant increase in the effectiveness and acceptance of the overall PDS process. Work is continuing on aligning revised work level standards and individual capabilities to the Australian Public Service Commission's (APSC) integrated leadership system, to ensure relevance to the Mint's business environment.

A considerable effort has been put into reviewing and updating staff job descriptions and work plans to ensure relevance and currency; align with corporate goals; and guide staff in the achievement of business outcomes.

## Enterprise Agreement

The new Mint Enterprise Agreement commenced operating in October 2011, with ninety-six per cent of Mint staff voting to accept the new agreement. The Nominal Expiry Date of 30 June 2014 is in accordance with government policy. The modifications in the bargaining framework addressed consistency of some terms and conditions and APS salary rates below the fifth percentile.

These were adjusted and agreed upon by the majority of staff through the liaison between the staff bargaining representatives and the unions. The Mint's Enterprise Agreement was negotiated, voted on and approved in a very short period with an innovative profit incentive scheme.

## Workplace Relations

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

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

## Recruitment and Succession Planning

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

The Mint's commitment to addressing skill shortages in manufacturing was evident in its continued dedication to recruit mechanical trade and electrical apprentices.

There also remains a continued commitment to ensure that a career at the Mint is promoted to future university graduates,

which involves maintaining the partnership with the Research School of Engineering at the Australian National University (ANU) to select and place two students per year to complete Mint sponsored projects as part of their final year of study. The students' key learning objectives are to acquire project management and system integration skills and work with component manufacturers, experienced engineers and customers. To date four mechanical and chemical engineering students have successfully completed their agreed projects with excellent feedback from the ANU. Further to this, a new engineering student has been selected from the school to take up an internship in early August. Each student has spent six months at the Mint and two of the students have remained at the Mint after the initial six months, the first on a full time and the second on a casual basis.

## Training

Several Mint staff successfully completed diplomas in Government, Project Management and Frontline Management as a continued investment in leadership and capability development. A range of training programs, both in-house and through external providers, were held for Mint staff.

Among the external training programs attended by staff in 2011–12 were courses on health and safety; project management; financial management; basic, intermediate and advanced computer skills; leadership; conflict resolution, development of professional writing skills, and communication. Internal training sessions were held on ethics, leadership, performance management and local systems.

A leadership program was developed and delivered by an external consultant to address a group of star performers with leadership potential who were identified by Senior Managers from within their branches. The leadership program included inspiring external guest speakers to address the group. Carrie Graff the Australian women's national basketball coach was the first

Table 6 – The Mint operative and paid inoperative staff by classification and gender (as at 30 June 2012)

	Ongoing				Non-ongoing				Total
	Full Time		Part Time		Full Time		Part Time		
Classification	Male	Female	Male	Female	Male	Female	Male	Female	Total
Apprentice					1	1			2
APS1					2			1	3
APS2	15	25			2	2		9	53
APS3	12	11	1	1	1	1	1	2	30
APS4	24	8			1	1		2	36
APS5	23	7		3	2	1			36
APS6	13	5			1	2	1		22
EL1	10	9		1					20
EL2	4	3							7
SESB1									0
SESB2					1				1
SESB3									0
Total	101	68	1	5	11	8	2	14	210

Table 7 – The Mint's operatives paid under the Agency Enterprise Agreement and 24 1 (d)s (as at 30 June 2012)

	No of Employees
Certified Agreement	208
SES	1

inspirational guest speaker and Air Chief Marshal Allan Grant "Angus" Houston will be speaking to staff in October 2012.

With the full time employment of a learning coordinator to occur in early August 2012, it is anticipated that a more structured curriculum based program on English as a Second Language (ESL) will be conducted by volunteer staff to encourage development of language skills for all ESL employees.

## Staffing Information

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

The Mint does not offer any non-salary benefits or performance pay to its staff.

## Workplace Diversity

The Mint has a diverse workforce. Thirty-nine per cent of employees are from non-English speaking backgrounds while twelve per cent were born overseas in countries where English is not the first language.

### Changes to disability reporting in annual reports

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

Table 8 – Salary ranges for Enterprise Agreement and 24 1 (d)s (as at 30 June 2012)

Classification	Minimum \$	Maximum \$
Apprentice	20,704	40,329
APS1	40,055	43,133
APS2	44,853	48,976
APS3	51,479	55,098
APS4	57,512	60,876
APS5	64,064	67,541
APS6	73,245	80,030
EL1	89,440	99,705
EL2	106,288	118,838
IFA	120,510	158,000
SESB1	180,614	209,913
SESB2	221,336	259,099

Table 9 – Equal Employment Opportunity (EEO) Target Groups

Classification	Female	Born Overseas	ESL	AATSI	Disability
Apprentice	1				
APS1	1				
APS2	36	30	31	1	
APS3	15	15	15		
APS4	11	13	14		1
APS5	11	11	9		
APS6	7	8	6		
EL1	10	9	6		
EL2	3	3	3		
SESB1	0				
SESB2	0				
<b>Total</b>	<b>95</b>	<b>89</b>	<b>84</b>	<b>1</b>	<b>1</b>

Table 10 – Wellbeing initiatives offered by the Mint

Wellbeing Initiative	2009-10	2010-11	2011-12
Healthy lifestyle allowance	78	160	142
Influenza vaccinations	91	96	98
Total yoga classes attended	NA	NA	381 **
General health checks (excl. WHS reg requirements & pre-employment)	NA	NA	121

\*\* Yoga sessions did not commence until February 2012.



The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy which sets out a ten year national policy framework for improving life for Australians with disability, their families and carers. A high level report to track progress for people with disability at a national level will be produced by the Standing Council on Community, Housing and Disability Services to the Council of Australian Governments and will be available at [www.fahcsia.gov.au](http://www.fahcsia.gov.au). The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on disability matters in its regular How Australia is Faring report and, if appropriate, in strategic change indicators in agency annual reports. More detail on social inclusion matters can be found at [www.socialinclusion.gov.au](http://www.socialinclusion.gov.au)

## *Health, Safety and Environment*

### Health and Safety Performance

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

### Wellbeing Initiatives

A number of wellbeing initiatives were introduced in 2011–12. A part of the Mint's wellbeing program is the healthy lifestyle allowance, which is a provision under the Enterprise Agreement and is an annual one-off payment per financial year of two hundred and fifty dollars (\$250) towards positive lifestyle expenses

such as quit smoking programs and health club memberships. Furthermore, the Mint contributes an additional fifty dollars (\$50) per worker to directly fund the Mint's wellbeing initiatives. The healthy lifestyle allowance has maintained a strong level of worker engagement with one hundred and forty-two payments made.

In February, the Mint commenced weekly yoga sessions as a part of its injury prevention strategies. Initially, a single class was planned, however due to an overwhelming staff response a second class was introduced. The sessions are funded by a time and cost sharing arrangement between workers and the Mint. During this period three hundred and eighty-one sessions were attended by participants.

Another injury prevention strategy that has achieved a healthy attendance rate is the Monday morning exercise and stretch sessions, which are fully subsidised by the Mint.

A part of the Mint's injury and illness prevention strategy is the provision of voluntary general health checks which saw one hundred and twenty-one workers participating. Furthermore, staff undertaking the free influenza vaccination program had increased to ninety-eight workers from the previous year's total of ninety-six. For detailed analysis of wellbeing initiatives refer to Table 10.

For 2012–13, the Mint will enhance its current wellbeing initiatives with the employment of a Rehabilitation and Wellbeing Officer and continue to encourage staff to participate in the incentives offered.

### Health and Safety Initiatives

The Mint has consolidated its progress in raising the profile of health and safety by providing three hundred and forty-five OHS training sessions as well as the distribution and fortnightly rotation of safety-related promotional material. The training provided included occupational and mental health, first aid, risk and emergency management,

Table 11 – Health monitoring tests conducted by the Mint

Health monitoring tests	2009–10	2010–11	2011–12
Audiometric	113	16	36
Eye sight	0	0	59
Biological (Heavy metals)	0	0	65
Pre-employment health checks	9	23	36
Drug and Alcohol	0	0	0

Table 12 – Occurrence of Comcare notifiable incidents

Comcare notifiable incident	2008–09	2009–10	2010–11	2011–12*
Deaths	0	0	0	0
Dangerous incidents	2	2	9	5
Serious personal injury	1	0	0	1
Incapacity	0	0	0	0
Total	3	2	9	6
Incidence rate (per 100 workers)	1.58	1.05	4.74	2.86

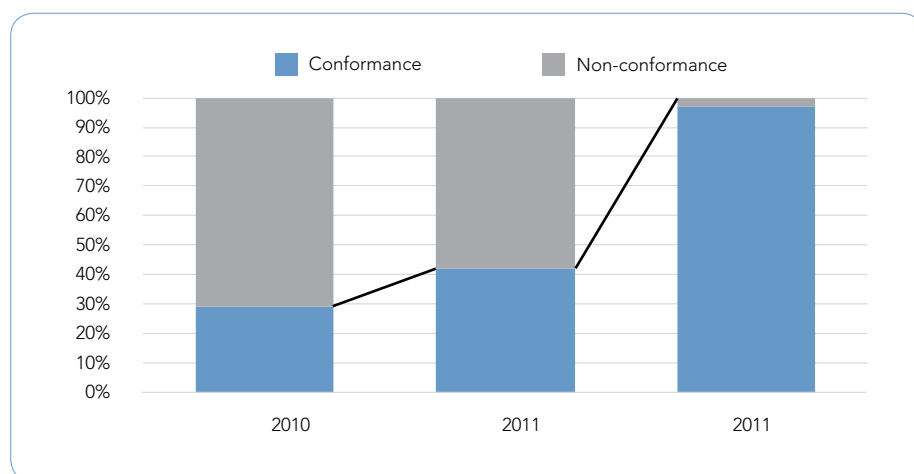
\* Staff levels increased which alters incidence rate calculation

Table 13 – Occurrence of ARPANSA notifiable incidents

ARPANSA notifiable incident	2007–08	2008–09	2009–10	2010–11	2011–12*
Number of reports	0	0	0	1	0
Incidence rate (per 100 workers)	0.00	0.00	0.00	0.53	0.00

\* Staff levels increased which alters incidence rate calculation

Figure 4 – AS/NZS 4801 External Audit Compliance Rates



workplace harassment officer training courses and awareness sessions regarding chemicals, biomechanics, noise, plant and equipment as well as monthly OHS inductions.

During the year, the Mint continued its risk-based occupational hygiene survey program to monitor the occupational environment for hazards such as noise, light quality, airborne particulates, mycologies and chemicals. Additionally, to assist in the identification of hazards, a workplace inspection program was implemented in 2011, which includes CEO walks, Facilities Management and HSE team infrastructure walks, section supervisor area inspections and scheduled Comcare site visits.

As part of the Mint's statutory requirements the Mint conducted numerous health monitoring tests, which are detailed in Table 11.

The Mint continues to strive for AS/NZS 4801 certification by continuously improving and embedding its OHS management system (OHSMS). The maturing of the OHSMS has produced positive outcomes for both workers and the agency, which are demonstrated by:

- increased external AS/NZS 4801 audit compliance results from 29 per cent in 2010, 42 per cent in 2011 to 97 per cent in 2011, as referred to in Figure 4
- maintaining a strong proactive hazard reporting incidence rate per 100 workers from 2.63 in 2009–10, 15.78 in 2010–11 to 7.14 in 2011–12
- reduction in first aid incidence rate per 100 workers from 15.79 in 2009–10, 14.74 in 2010–11 to 10.95 in 2011–12
- reduction in accepted workers' compensation claims incidence rate per 100 workers from 6.84 in 2009, 2.63 in 2010 to 1.05 in 2011.

Throughout the year various minor OHS projects were undertaken to improve the work environment, which included:

- construction of a corrosive substance storage unit
- modernisation of applying holographic labels to numismatic product packaging, which resulted in a productivity increase of 650 per cent for an investment of \$16,000
- modernisation of tooling processes by procuring CNC plant
- modernisation of coloured numismatic coin production process by procuring an inkjet printer.

As reported in 2010–11, the Mint is modernising its health and safety reporting and risk management processes by using ICT infrastructure. The project has successfully identified a suitable supplier and the project is scheduled to be completed by December 2012, which will introduce modernised and timely reporting and enhancement to enterprise risk management by integrating environmental, financial, security, project and health and safety risks into a centralised risk management system.

## Health and Safety Incidents

During 2011–12, the Mint has maintained a strong regulatory reporting culture by reporting six Comcare notifiable incidents, and zero Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) notifiable incidents. For a detailed analysis of statutory notification refer to Table 12 and 13 respectively. As of 30 June 2012, the Mint received zero Comcare statutory enforcements; however an investigation was conducted in response to a notifiable incident, which resulted in no further action.

# Ecologically Sustainable Development

## Environmental Performance

During 2011–12, the Mint's capital expenditure program has significantly contributed to the implementation of ecologically sustainable development (ESD) principles. Through the application of these principles and the procurement of modernised equipment the Mint has achieved the following:

- minimisation of energy usage
- reduction of natural resource usage due to conducting less maintenance activities that require consumables such as oils
- recycling of materials by selling plant to scrap metal companies.

## Energy Management

The Mint has continued to implement resource efficiency strategies and awareness raising programs. An example of an energy efficiency strategy implemented during 2011–12 is the testing of an Information Communications Technology (ICT) energy monitoring program called 'Night Watchman' which shuts down ICT terminals automatically at a scheduled time. It is planned that 'Night Watchman' will be implemented across the Mint in 2012–13 to create additional energy savings.

The Mint continues to effectively manage its energy usage whilst maintaining production and seasonal demands, which is reflected in electricity consumption peaks during warmer periods for air conditioning systems and natural gas consumption peaks during cooler periods for heating systems, as referred to in figures 5 and 6.

It was previously reported that adjustments to the Building Management System (BMS), Energy Management System and automated lighting control system (ALCS) have resulted in a reduction in the demand for electricity. Further refinements to the

BMS and ALCS along with a milder summer over the 2011–12 period reflect a downward trend in electricity consumption.

## Water and Waste Management

The Mint continues to effectively manage its water usage whilst maintaining production, as referred to in Figure 7.

It was reported in 2010–11 that phase one of the ion exchange project was successfully tested. The ion exchange project is a three-phased project, which will produce a closed loop wastewater recycling system to replace the Mint's wastewater treatment plant (WWTP).

Project planning for phase two has begun and once completed will enable the Mint to significantly reduce its water consumption by recycling trade wastewater and minimising discharge into the sewer. Phase three of the project, scheduled to occur in 2013–14, will see the WWTP removed, as the plant is aging and presents environmental risks for land and water emissions in the future.

The Mint continued to meet its reporting requirements under the Australian Packaging covenant by reporting waste to land fill and recycling statistics. During 2011–12 a review was conducted of the Mint's waste streams to identify where efficiencies can be gained. This instigated a project to install two compactus units to enhance the Mint's ability to recycle paper-based and co-mingle products, and the project is expected to be completed by September 2012. Furthermore, the design and management of waste receptacles stationed around the Mint was refined to contribute to the compactus recycling project.

## Environmental Management System

The Mint further demonstrated its commitment to the Environmental Management System (EMS) by employing an Environmental Officer in 2011–12. The Mint continues to strive for AS/NZS ISO 14001 certification by continuous

improvement of the EMS, and towards the end of 2011–12 a review of the EMS and environmental impact assessments was undertaken.

Most Mint activities pose only a low risk to the environment and are typically controlled by utilising engineering-based solutions such as permanent chemical spill bunding, the WWTP, atmospheric emission controls and administrative solutions such as environmental work instructions and management system procedures.

ACTEWAGL conducted an unscheduled inspection of the WWTP in 2011–12 of which no issues were found. Discharge from the WWTP is controlled by chemically treating production wastewater and analysing the decontaminated water prior to discharging into the sewerage system. The Mint routinely reports the decontamination analysis results to ACTEWAGL as a part of the Mint's trade waste agreement.

Figure 5 – The Mint's electricity consumption over a four year period

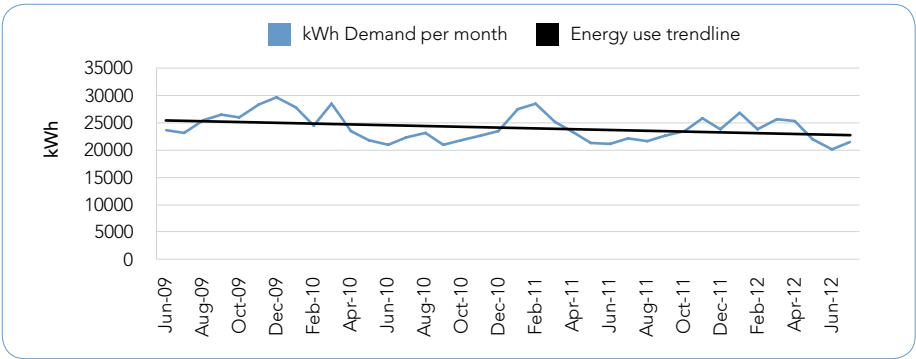


Figure 6 – The Mint's natural gas consumption over a four year period

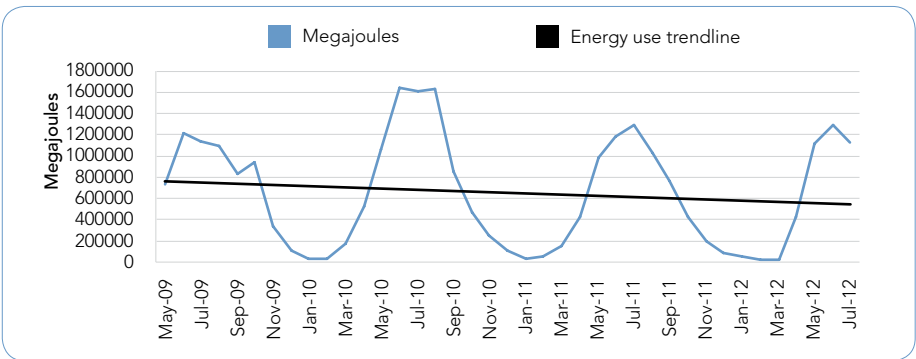
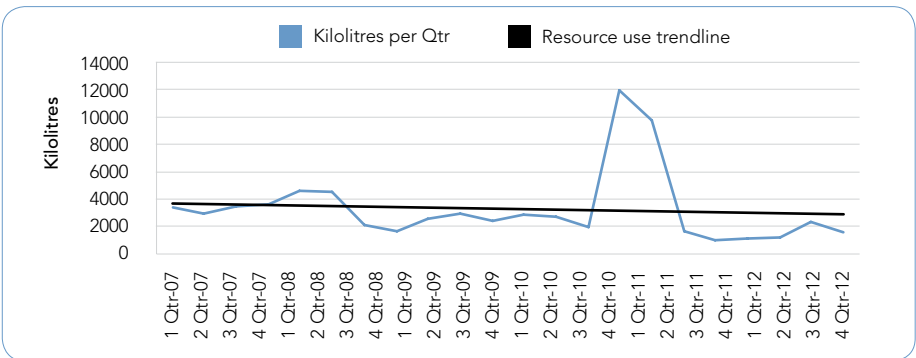


Figure 7 – The Mint's rate of water consumption over a four and a half year period



## *Facilities Management*

The Facilities Management (FM) Branch continues to provide a high level of services to meet the Mint's operational needs and optimise the performance of building infrastructure and equipment installed in the Mint's major refurbishment in 2009. During the year, the FM Branch achieved a fifty per cent increase in client service requests raised compared to the previous year to meet the expansion of the Mint's business.

A priority in 2011–12 was to address issues that had become problematic since the new building works were commissioned and had the potential to compromise the lifecycle and performance of the Mint's specialised equipment. The Mint successfully sought an extension of the refurbishment defects liability period (DLP) from the building owner, the Department of Finance and Deregulation (DoFD). This enabled the FM Branch to work closely with the DoFD Major Projects Team and property agents United Group Limited (UGL) during the year to address outstanding post refurbishment issues and problems.

Among the problems successfully addressed were those related to the mechanical high volume air conditioning (HVAC) and fire safety systems, items identified in the independent fire safety audit report. Other issues resolved included installing fire and smoke barriers to comply with Building Code of Australia (BCA) requirements and addressing air quality issues relating to unsatisfactory temperature conditions within the building.

During 2011–12, the FM Branch also delivered a number of new projects to the Mint. A new high security perimeter fence and a chemical storage facility were constructed to meet the Mint's growing production and storage demands. The Mint submitted detailed reports covering design and structural engineering requirements to DoFD and successfully assured DoFD that the works would not detract from the heritage significance of the building.

An energy efficient adiabatic cooling system for the circulating coin hall was also delivered. This was essential to meeting the Mint's OHS responsibilities and maintaining productivity as the environmental comfort levels of press operators were being compromised by the high heat loads from equipment in operation, particularly during the summer months.

Detailed planning was finalised for installation of the Mint's 1250 tonne press which will occur in August 2012, a complex operation that will involve opening the roof of the Mint building to enable the press to be lifted in by crane. Finally, a project was finalised that will enable work on an energy efficient adiabatic cooling system for the Mint's Toolroom to commence in September 2012.

In 2012–13, the FM Branch aims to achieve continuous improvements in areas of waste management and recycling, energy monitoring, and water conservation. Professional advice will be sought for improvement within the Mint's waste management system to achieve further recycling of waste streams and reduce waste disposal costs. Energy and water consumption will continue to be monitored and the Mint's energy efficiencies will continue to be modelled against the National Australian Built Environment Rating System 4.5 star rating for office accommodation.

Planning will commence in 2012–13 on two major projects, the refurbishment of the Mint's public tourist gallery, including new interactive and visual displays, and a major landscaping upgrade to incorporate new outdoor barbeque amenities, seating, and other features to further increase the Mint's image as a major tourist attraction in Canberra.

## Security

The Security Section continues to monitor, review and address security risks that arise from changes to business practices in both the government and commercial environment in line with the strategic intent of the Mint.

Major changes to Australian Government protective security policy with the implementation of the Protective Security Policy Framework (PSPF) and associated protocols and guidelines have continued to occur in 2011–12. The PSPF is still in transition and will fully supersede the requirements of the Australian Government Protective Security Manual (PSM) by the end of July 2012, extending the expected implementation date from December 2011 as reported in the 2010–11 Annual Report. The Mint is aligning to the requirements of the PSPF and will meet the prescribed target dates for implementation.

The Mint continued to support good personnel security practices by conducting one hundred and nineteen security checking actions on staff and contractors in 2011–12 in line with the requirements of the PSPF and agency specific risk assessments.

Further to this another two hundred and sixty-nine security briefings were conducted with staff and contractors throughout the 2011–12 financial year.

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

## Social Club

The Social Club has had a successful year of operation, achieving its fundraising target for the staff end of year celebration in December 2011 and well underway toward raising money for this year's celebration with solid support from staff helping the Social Club reach this goal. The Social Club has held barbecues to celebrate Australia Day, a Hot Cross Bun morning tea to celebrate Easter, as well as lots of raffles and chocolate sales for the sole purpose of fundraising.



Mint staff enjoy the Australia Day breakfast barbeque held by the Social Club







## 4: CORPORATE GOVERNANCE

### *Corporate Governance*

The Mint's independent Advisory Board assists in providing strategic advice on good corporate governance practices and corporate strategies; and providing guidance to the Mint's Senior Management Team.

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

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

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

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

## Fraud Control

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

The Mint continues to follow the Fraud Control Plan. The plan shows the Mint has a low to moderate exposure to fraud with no significant gaps in its fraud control measures. The Mint Fraud Control Officer reports regularly to the Mint Audit Committee on matters in relation to fraud control.

The current Fraud Control Plan will be updated in December 2012 following a Fraud Risk Assessment of the Mint's core functions against the Guidelines.

Annual fraud control training was undertaken in June 2012 for all Mint staff. Awareness of fraud matters throughout the year has been promoted through the use of regular all staff emails, posters and bulletins.

The Mint is satisfied that appropriate fraud prevention, detection, investigation and reporting procedures are in place and that annual fraud data has been collected and reported in accordance with guidelines.

In 2011–12, there were no cases of fraud referred to the Australian Federal Police for investigation.

## Risk Management

The Mint's Risk Management Framework continues to be used as a guiding principle for staff and managers in their decision making processes. Risk and assurance policies and procedures identify, plan for and help manage the risks associated with the business of manufacturing circulating and collector coins for Australia. These policies and procedures are consistent with the Mint's strategic directions and align with the Mint's Chief Executive Instructions (CEIs).

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

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

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

## Internal and External Scrutiny

### Audit

The Audit Committee convened four times during 2011–12. Its primary objective is to provide independent assurance and assistance to the Chief Executive (and to the Advisory Board and Senior Managers) on the Mint's risk, control and compliance framework, legislative obligations and its external accountability responsibilities.

The Mint undertook a review of its Audit Committee Charter and implemented changes to align with Commonwealth best practice.

During the year there were several changes to the composition of the Mint's Audit Committee as members came to the end of their tenure.

- On 31 December 2011, Mr Michael Burton, Chief Financial Officer, Department of Finance and Deregulation completed his term as Chair of the Mint's Audit Committee.
- From 1 January 2012, Mr Robert Donnelly was appointed Chair of the Mint's Audit Committee.
- Mr Michael Ellery, Manager, Security and Facilities Unit, Department of the Treasury, was appointed as an independent member effective from 1 August 2011.
- Mr Mark Ridley was appointed as an independent member effective from 1 April 2012.
- The remaining member position was filled during the year by Mr Vipin Mahajan, Director, Tuition Protection Service, also acting as an independent member.

During 2011–12, the Mint's service provider for internal audit – PricewaterhouseCoopers, completed their contract. Following a competitive tender process, the Mint appointed Synergy Group to undertake a range of internal audit activities from April 2012.

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

The Internal Audit Plan identifies services and functions for auditing. It incorporates issues raised by the ANAO in its audit of the Mint's financial statements, recent ANAO reports on cross-agency matters, upcoming management issues, policy evaluations,

previous internal audits and strategic risk management issues. In addition, a watching brief is maintained throughout the year on emerging or topical issues which may impact on the Mint.

## Internal Audits

The Mint commenced three audits during the 2011–12 program.

These audits were:

### Workforce Review:

This review focused on the Mint's strategies for workforce planning, recruitment, retention and succession planning to determine whether they adequately address the associated risks. In addition, it reviewed the processes associated with these strategies to ensure that they were effective, efficient and aligned to better practice principles. The review has identified areas which could assist the Mint in improving its recruitment process, HR reporting and succession planning.

### International Business Development Review:

With the growth of the Mint's international business over the past two years, the Mint reviewed the processes being used to identify opportunities, consider due diligence aspects, and undertake critical risk assessments. This review was not finalised as at 30 June 2012.

### Contract Management and Procurement Follow-up Review:

This review revisited the outcomes of the 2008–09 internal audit to ensure that the matters raised at the time had been adequately addressed as well as validating the Mint's compliance against its own procurement framework and Commonwealth Procurement Guidelines (CPG). The review concluded that significant improvements had been made and the Mint has established an appropriate control framework for its procurement activities, with value for money, and compliance with the FMA Act and CPG.

## Significant Developments in External Scrutiny

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

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

## Ethical Standards and Accountability

The Mint's leadership values are very much aligned with the Australian Public Service values and are embedded in the Performance Development System. These values are also communicated and supported by members of the Mint Senior Management Team whenever an opportunity arises.

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

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

## Organisation of the Mint

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

## Arrangements for outside participation

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

## Categories of documents held by the Mint

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

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

## Freedom of Information

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. In 2011–12 the Mint received two FOI requests however; neither application proceeded past the initial request stage.

## Freedom of Information Applications and Initial Contact points

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

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

Chief Executive Officer

Royal Australian Mint  
Denison Street  
DEAKIN ACT 2600

Attention:  
Freedom of Information Coordinator

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









## 5: FINANCIAL STATEMENTS

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## INDEPENDENT AUDITOR'S REPORT

### To the Parliamentary Secretary to the Treasurer

I have audited the accompanying financial statements of the Royal Australian Mint for the year ended 30 June 2012, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; 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.

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

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Royal Australian Mint's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Royal Australian Mint's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the Royal Australian Mint, as well as evaluating the overall presentation of the financial statements.

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

***Independence***

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

***Opinion***

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

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Royal Australian Mint's financial position as at 30 June 2012 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office

*S. Buchanan*

Serena Buchanan  
Audit Principal

Delegate of the Auditor-General

Canberra  
10 October 2012

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

In our opinion, the attached financial statements for the year ended 30 June 2012 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act* 1997, as amended.



Ross MacDiarmid  
Chief Executive Officer

9 October 2012



Marlene McClelland  
Chief Financial Officer

9 October 2012

**ROYAL AUSTRALIAN MINT**  
**STATEMENT OF COMPREHENSIVE INCOME**

for the period ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
<b>EXPENSES</b>			
Employee benefits	3A	17,817	14,712
Supplier expenses	3B	37,184	66,753
Depreciation and amortisation	3C	5,036	4,776
Finance costs	3D	6	33
Write-down and impairment of assets	3E	2,966	2,116
Foreign exchange losses	3F	238	74
Losses from asset sales	3G	4	-
Royalties	3H	863	1,291
<b>Total expenses</b>		<b>64,114</b>	<b>89,755</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	70,821	88,681
Other Revenue	4B	-	1,352
Interest	4C	383	368
Rental Income	4D	105	5
<b>Total own-source revenue</b>		<b>71,309</b>	<b>90,406</b>
<b>Gains</b>			
Gain from asset sales	4E	-	12
Other	4F	166	161
<b>Total gains</b>		<b>166</b>	<b>173</b>
<b>Total own-source income</b>		<b>71,475</b>	<b>90,579</b>
<b>Net (contribution by) services</b>		<b>(7,361)</b>	<b>(824)</b>
<b>Surplus before income tax on continuing operations</b>		<b>7,361</b>	<b>824</b>
Income tax expense	5	1,248	332
<b>Surplus after income tax on continuing operations</b>		<b>6,113</b>	<b>492</b>
<b>Surplus after income tax</b>		<b>6,113</b>	<b>492</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation reserves		(961)	1,252
<b>Total other comprehensive income after income tax</b>		<b>(961)</b>	<b>1,252</b>
<b>Total comprehensive income</b>		<b>5,152</b>	<b>1,744</b>

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

## ROYAL AUSTRALIAN MINT

## BALANCE SHEET

as at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	6A	54,753	5,014
Trade and other receivables	6B	12,437	30,384
<b>Total financial assets</b>		<b>67,190</b>	<b>35,398</b>
<b>Non-Financial Assets</b>			
Leasehold Improvements	7A	28,201	29,407
Property, plant and equipment	7B,C	40,258	40,770
Intangibles	7D,E	1,523	2,133
Inventories	7F	30,971	25,652
Deferred tax assets	7G	1,081	325
Other	7H	719	3,439
<b>Total non-financial assets</b>		<b>102,753</b>	<b>101,726</b>
<b>Total Assets</b>		<b>169,943</b>	<b>137,124</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	8A	5,587	4,290
Deferred tax liabilities	8B	825	477
Tax liabilities	8C	2,121	336
Other payables	8D	25,245	2,168
<b>Total payables</b>		<b>33,778</b>	<b>7,271</b>
<b>Interest Bearing Liabilities</b>			
Leases	9	49	71
<b>Total interest bearing liabilities</b>		<b>49</b>	<b>71</b>
<b>Provisions</b>			
Employee provisions	10	5,148	4,361
<b>Total provisions</b>		<b>5,148</b>	<b>4,361</b>
<b>Total Liabilities</b>		<b>38,975</b>	<b>11,703</b>
<b>Net Assets</b>		<b>130,968</b>	<b>125,421</b>
<b>EQUITY</b>			
<b>Parent Entity Interest</b>			
Contributed equity		77,903	77,903
Reserves		45,187	45,753
Retained surplus		7,878	1,765
<b>Total parent entity interest</b>		<b>130,968</b>	<b>125,421</b>
<b>Total Equity</b>		<b>130,968</b>	<b>125,421</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 2012*

	Retained earnings		Asset revaluation reserve		Buffer		Contributed equity/capital		Total equity	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>										
Balance carried forward from previous period	1,765	1,890	25,753	24,507	20,000	20,000	77,903	77,903	125,421	124,300
Prior year adjustments		(617)	395	(6)	-	-	-	-	395	(623)
<b>Adjusted opening balance</b>	<b>1,765</b>	<b>1,273</b>	<b>26,148</b>	<b>24,501</b>	<b>20,000</b>	<b>20,000</b>	<b>77,903</b>	<b>77,903</b>	<b>125,816</b>	<b>123,677</b>
<b>Comprehensive income</b>										
Other comprehensive income - Changes in asset revaluation reserves	-	-	(494)	350	-	-	-	-	(494)	350
Tax effect on revaluation			(467)	902	-	-	-	-	(467)	902
Surplus for the period	6,113	492							6,113	492
<b>Total comprehensive income</b>	<b>6,113</b>	<b>492</b>	<b>(961)</b>	<b>1,252</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,152</b>	<b>1,744</b>
of which:										
Attributable to the Australian Government	6,113	492	(961)	1,252	-	-	-	-	5,152	1,744
<b>Transactions with owners</b>										
Distribution to owners	-	-	-	-	-	-	-	-	-	-
Restructuring (Note 11A)	-	-	-	-	-	-	-	-	-	-
<b>Contributions by owners</b>										
Appropriation (equity injection)	-	-	-	-	-	-	-	-	-	-
Restructuring	-	-	-	-	-	-	-	-	-	-
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers between equity components	-	-	-	-	-	-	-	-	-	-
<b>Closing balance as at 30 June</b>	<b>7,878</b>	<b>1,765</b>	<b>25,187</b>	<b>25,753</b>	<b>20,000</b>	<b>20,000</b>	<b>77,903</b>	<b>77,903</b>	<b>130,968</b>	<b>125,421</b>
<b>Closing balance attributable to the Australian Government</b>	<b>7,878</b>	<b>1,765</b>	<b>25,187</b>	<b>25,753</b>	<b>20,000</b>	<b>20,000</b>	<b>77,903</b>	<b>77,903</b>	<b>130,968</b>	<b>125,421</b>

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



# **ROYAL AUSTRALIAN MINT**

## **CASH FLOW STATEMENT**

for the period ended 30 June 2012

	2012	2011
Notes	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Face value - circulating coin	103,660	114,610
Goods and services	32,300	37,285
Seigniorage refund	15,000	18,000
Net GST received	-	-
Other cash received	105	5
<b>Total cash received</b>	<b>151,065</b>	<b>169,900</b>
<b>Cash used</b>		
Employees	16,475	14,048
Suppliers	43,745	87,674
Net competitive neutrality payments	-	-
Payments to Commonwealth - royalties	828	1,224
Payments to Commonwealth - Seigniorage	38,809	76,480
Net GST paid	708	2,547
Finance Charges	6	36
<b>Total cash used</b>	<b>100,571</b>	<b>182,009</b>
<b>Net cash from operating activities</b>	<b>11 50,494</b>	<b>(12,109)</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Proceeds from sales of property, plant and equipment	9	3
<b>Total cash received</b>	<b>9</b>	<b>3</b>
<b>Cash used</b>		
Purchase of property, plant and equipment	2,741	1,027
Purchase of financial instruments	-	-
<b>Total cash used</b>	<b>2,741</b>	<b>1,027</b>
<b>Net used by investing activities</b>	<b>(2,732)</b>	<b>(1,024)</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash received</b>		
Contributed equity	1,977	1,198
<b>Total cash received</b>	<b>1,977</b>	<b>1,198</b>
<b>Net cash from financing activities</b>	<b>1,977</b>	<b>1,198</b>
<b>Net increase / (decrease) in cash held</b>	<b>49,739</b>	<b>(11,934)</b>
Cash and cash equivalents at the beginning of the reporting period	5,014	16,948
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>6A 54,753</b>	<b>5,014</b>

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

# **ROYAL AUSTRALIAN MINT** **SCHEDULE OF COMMITMENTS**

as at 30 June 2012

	2012	2011
BY TYPE	\$'000	\$'000
<b>Commitments receivable</b>		
Operating Commitment Receivable <sup>1</sup>	( 19,316)	( 3,567)
GST recoverable on commitments	( 7,369)	( 5,350)
<b>Total commitments receivable</b>	<b>(26,685)</b>	<b>(8,917)</b>
<b>Capital commitments</b>		
Property, plant and equipment <sup>2</sup>	1,662	541
<b>Total capital commitments</b>	<b>1,662</b>	<b>541</b>
<b>Other commitments</b>		
Operating leases <sup>3</sup>	72,456	53,128
Other commitments <sup>4</sup>	10,069	10,408
<b>Total other commitments</b>	<b>82,525</b>	<b>63,536</b>
<b>Net commitments by type</b>	<b>57,502</b>	<b>55,160</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
One year or less	( 6,588)	( 4,095)
From one to five years	( 9,344)	( 1,062)
Over five years	( 10,753)	( 3,760)
<b>Total capital commitments</b>	<b>(26,685)</b>	<b>(8,917)</b>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
One year or less	1,662	541
From one to five years	-	-
Over five years	-	-
<b>Total capital commitments</b>	<b>1,662</b>	<b>541</b>
<b>Operating lease commitments</b>		
One year or less	2,578	2,283
From one to five years	15,551	9,490
Over five years	54,327	41,355
<b>Total operating lease commitments</b>	<b>72,456</b>	<b>53,128</b>
<b>Other commitments</b>		
One year or less	9,433	8,214
From one to five years	636	2,194
Over five years	-	-
<b>Total other commitments</b>	<b>10,069</b>	<b>10,408</b>
<b>Net commitments by maturity</b>	<b>57,502</b>	<b>55,160</b>

NB: Commitments are GST inclusive where relevant.

1. Operating Commitments Receivable are contracts for the future supply goods and/or services to corporate clients and foreign governments, all of which commenced in 2011-12 as part of its numismatic and foreign circulating coin business.

2. Plant and equipment commitments are contracts for purchases of information technology and production related equipment.

3. Operating leases included are effectively non-cancellable.

4. Other commitments comprise amounts payable under agreements in respect of which the recipient is yet to provide the goods or perform the services required.

## **Nature of lease/General description of leasing arrangement**

### **Leases for office accommodation.**

The Mint is awaiting finalisation of the new lease with the Department of Finance and Deregulation. The expected term of the new lease is 20 years, with lease payments subject to an annual increase of 3% and a rental review to market every 5th anniversary.

During the 2011-12 year, the Mint and the Department of Finance and Deregulation have agreed on an increased lease rate applicable for remaining life of the lease.

### **Leases for computer equipment and office equipment**

The lessor provides all printers and photocopier equipment designated as necessary in the supply contract for 4 years with an option to extend the term for a fixed period as agreed by both parties.

**ROYAL AUSTRALIAN MINT**  
**Administered Schedule of Comprehensive Income**  
*for the period ended 30 June 2012*

	2012	2011
	\$'000	\$'000
<b>EXPENSES</b>		
Other Expenses - manufacturing, selling and distribution expenses	36,305	74,327
<b>Total expenses administered on behalf of Government</b>	<b>36,305</b>	<b>74,327</b>
<b>LESS:</b>		
<b>OWN-SOURCE INCOME</b>		
Own-source revenue		
Non-taxation revenue		
Other Revenue - Sales of Circulating Coin	103,660	114,610
<b>Total non-taxation revenue</b>	<b>103,660</b>	<b>114,610</b>
<b>Total revenues administered on behalf of Government</b>	<b>103,660</b>	<b>114,610</b>
<b>Total own-source income administered on behalf of Government</b>	<b>103,660</b>	<b>114,610</b>
<b>Net cost of (contribution by) services</b>	<b>(67,355)</b>	<b>(40,283)</b>
<b>Surplus (Deficit) after income tax</b>	<b>67,355</b>	<b>40,283</b>
<b>Total comprehensive income</b>	<b>67,355</b>	<b>40,283</b>

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

**Administered Schedule of Assets and Liabilities**  
*as at 30 June 2012*

	2012	2011
	\$'000	\$'000
<b>ASSETS</b>		
<b>Financial assets</b>		
Receivables - Seigniorage	20,412	-
<b>Total financial assets</b>	<b>20,412</b>	<b>-</b>
<b>Non-financial assets</b>		
Inventory	21,204	27,305
<b>Total non-financial assets</b>	<b>21,204</b>	<b>27,305</b>
<b>Total assets administered on behalf of Government</b>	<b>41,616</b>	<b>27,305</b>
<b>LIABILITIES</b>		
<b>Payables</b>		
Other Payables - Seigniorage	-	28,407
<b>Total payables</b>	<b>-</b>	<b>28,407</b>
<b>Total liabilities administered on behalf of Government</b>	<b>-</b>	<b>28,407</b>
<b>Net assets/(liabilities)</b>	<b>41,616</b>	<b>(1,102)</b>

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

## ROYAL AUSTRALIAN MINT

## Administered Reconciliation Schedule

	2012	2011
	\$'000	\$'000
Opening administered assets less administered liabilities as at 1 July	(1,102)	18,320
Adjusted opening administered assets less administered liabilities		
Plus: Administered income	103,660	114,610
Less: Administered expenses (non CAC)	(36,305)	(74,327)
Administered transfers to/from Australian Government:		
Transfers to OPA	(39,637)	(77,705)
Refunds of overpayment of Seigniorage	15,000	18,000
Closing administered assets less administered liabilities as at 30 June	41,616	(1,102)

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

## Administered Cash Flow Statement

for the period ended 30 June 2012

	Notes	2012	2011
		\$'000	\$'000
<b>OPERATING ACTIVITIES</b>			
Cash received			
Other - Seigniorage		39,637	77,705
Total cash received		39,637	77,705
Net cash used by operating activities		39,637	77,705
Net Decrease in Cash Held	17	39,637	77,705
Cash and cash equivalents at the beginning of the reporting period		-	-
Cash from Official Public Account for:			
-Special accounts		(15,000)	(18,000)
		(15,000)	(18,000)
Cash to Official Public Account for:			
- Special accounts - Seigniorage		24,637	59,705
		24,637	59,705
Cash and cash equivalents at the end of the reporting period		-	-

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

## Note 1: Summary of Significant Accounting Policies

### 1.1 Objectives of the Mint

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

The Mint is structured to meet one outcome:

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

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

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

### 1.2 Basis of Preparation of the Financial Statements

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

The Financial Statements have been prepared in accordance with:

1. Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2011; and
2. Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Unless an alternative treatment is specifically required by an accounting standard or the FMO, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under Agreements Equally Proportionately Unperformed are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

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

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

### 1.3 Significant Accounting Judgements and Estimates

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

- The fair value of the National Coin Collection and 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.

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

### 1.4 New Australian Accounting Standards

#### Adoption of New Australian Accounting Standard Requirements

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

#### Future Australian Accounting Standard Requirements

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

### 1.5 Revenue

#### Revenue from Production of Circulating Coin

The Mint derives circulating coin revenue through retention of a Government approved transfer price from sale of circulating coin to the commercial banks.

#### Revenue from Government

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

Appropriations receivable are recognised at their nominal amounts.

#### Other Types of Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the Mint retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Mint.

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

The revenue is recognised when:

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

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

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

Effective from 1 December 2011, the Mint and participating commercial banks entered into a Coin Supply Chain Management Agreement. Under this agreement, the Mint assumes responsibility for the interest compensation expense on commercial bank coin holdings and receives an equivalent offsetting revenue. In addition, commercial banks contribute towards the costs incurred by the Mint in managing and administering the Coin Supply Chain Model.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed as at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

#### **Seigniorage and repurchase of circulating coin**

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

The Mint repurchases mutilated and withdrawn circulating coins on behalf of the Commonwealth. The costs incurred by the Mint in repurchasing circulating coins are offset to an extent by the sale of scrap metal and the balance is supplemented by the Commonwealth via a reduction in the total amount paid to the Commonwealth's Official Public Account (refer Note 1.22).

The net revenues from circulating coin sales are not directly available to be used by the Mint for its own purposes and are remitted to the Commonwealth's Official Public Account.

### **1.6 Gains**

#### **Resources Received Free of Charge**

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

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

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

#### **Sale of Assets**

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

### **1.7 Transactions with the Government as Owner**

#### **Equity Injections**

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

#### **Restructuring of Administrative Arrangements**

Net assets received from or transferred to another Australian Government agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity. There have been no administrative restructures impacting the Mint in 2011/12.

#### **Other Distributions to Owners**

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



## 1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

### Leave

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

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

### Separation and Redundancy

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

### Superannuation

Staff of the Mint are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

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

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

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

## 1.9 Leases

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

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

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

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

### 1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

### 1.11 Cash

Cash and cash equivalents includes cash on hand, cash held with outsiders, demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

### 1.12 Financial Assets

The Mint classifies its financial assets in the following categories:

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

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

#### Effective Interest Method

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

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

#### Financial Assets at Fair Value Through Profit or Loss

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

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

Assets in this category are classified as current assets.

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

#### Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

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

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

#### Held-to-Maturity Investments

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

### Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

### Impairment of Financial Assets

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

- *Financial assets held at amortised cost* - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

- *Available for sale financial assets* - if there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the statement of comprehensive income.

- *Financial assets held at cost* - if there is objective evidence that an impairment loss has been incurred the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

## 1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

### Financial Liabilities at Fair Value Through Profit or Loss

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

### Other Financial Liabilities

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

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

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

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

## 1.14 Contingent Liabilities and Contingent Assets

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

### 1.15 Financial Guarantee Contracts

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

### 1.16 Acquisition of Assets

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

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

### 1.17 Property, Plant and Equipment

#### Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$5,000 (2011: \$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:

Asset Class	Fair value measured at
Leasehold improvements	Depreciated replacement cost
Property, plant and equipment	Market Selling Price
Heritage and Cultural	Market Selling Price

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

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

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

### Heritage and Cultural Assets

The Mint holds the National Coin Collection which comprises coins and associated minting products. These have an aggregated fair value of \$23,388,007 (2011: \$22,984,107). The National Coin Collection is subject to revaluation by independent valuers to ensure that they remain at a fair value. The Mint has classified them as heritage and cultural assets as they are primarily used for purposes that relate to their cultural significance. The Mint has adopted appropriate curatorial and preservation policies for the National Coin Collection and the items are deemed to have indefinite useful lives and hence are not depreciated. The Mint's curatorial and preservation policies are publicly available at [http://www.ramint.gov.au/about/policies/national\\_coin.cfm](http://www.ramint.gov.au/about/policies/national_coin.cfm).

### Depreciation

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

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

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

Asset Class	2012	2011
Leasehold improvements	Life of lease	Life of lease
Office Equipment	2-5 years	2-5 years
Factory machinery	10-20 years	10-20 years
Heritage and Cultural	Indefinite life	Indefinite life

### Impairment

All assets were assessed for impairment at 30 June 2012. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

### Derecognition

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

## **1.18 Intangibles**

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Mint's software are 2 to 5 years (2011: 2 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2012.

### 1.19 Inventories

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

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

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

- raw materials and stores – purchase cost on a first-in-first-out basis; and
- finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

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

### 1.20 Taxation / Competitive Neutrality

The Mint is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

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

#### Competitive Neutrality

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

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

### 1.21 Comparatives

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

### 1.22 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the schedule of administered items and related notes.

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

#### Administered Cash Transfers to and from the Official Public Account

Revenue collected by the Mint for use by the Government rather than the Mint is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Mint on behalf of the Government and reported as such in the statement of cash flows in the schedule of administered items and in the Administered Reconciliation Schedule.

#### Revenue

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

## **Note 2: Events After the Reporting Period**

### **Departmental**

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

### **Administered**

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



**Note 3: Expenses**

	2012 \$'000	2011 \$'000
<b>Note 3A: Employee Benefits</b>		
Wages and salaries	12,671	11,032
Superannuation:		
Defined contribution plans	900	686
Defined benefit plans	1,157	1,227
Leave and other entitlements	2,349	1,420
Separation and redundancies	299	11
Payroll tax (competitive neutrality)	441	336
<b>Total employee benefits</b>	<b>17,817</b>	<b>14,712</b>
<b>Note 3B: Suppliers</b>		
<b>Goods and services</b>		
Cost of Goods Sold	21,184	52,453
Administration & Management	4,360	4,062
Interest Compensation Expense	3,888	-
Selling & Distribution	3,157	2,591
Facilities Service & Maintenance	2,606	2,519
MDC Conference Expenses	-	1,291
Other	165	114
<b>Total goods and services</b>	<b>35,360</b>	<b>63,030</b>
<b>Goods and services are made up of:</b>		
Provision of goods – related entities	44	69
Provision of goods – external parties	23,536	54,638
Rendering of services – related entities	433	785
Rendering of services – external parties	11,347	7,538
<b>Total goods and services</b>	<b>35,360</b>	<b>63,030</b>
<b>Other supplier expenses</b>		
Operating lease rentals – related entities:		
Minimum lease payments	1,713	3,609
Workers compensation expenses	111	114
<b>Total other supplier expenses</b>	<b>1,824</b>	<b>3,723</b>
<b>Total supplier expenses</b>	<b>37,184</b>	<b>66,753</b>
<b>Note 3C: Depreciation and Amortisation</b>		
<b>Depreciation:</b>		
Property, plant and equipment <sup>1</sup>	2,147	2,012
Leasehold Improvement	1,560	1,541
<b>Total depreciation</b>	<b>3,707</b>	<b>3,553</b>
<b>Amortisation:</b>		
Intangibles:		
Computer Software	1,329	1,223
<b>Total amortisation</b>	<b>1,329</b>	<b>1,223</b>
<b>Total depreciation and amortisation</b>	<b>5,036</b>	<b>4,776</b>

<sup>1</sup> Depreciation expenses for finance leases were included in the line 'Property, plant and equipment' above. Depreciation on equipment under finance lease arrangements was \$42,001 (2011: \$121,293).

	2012 \$'000	2011 \$'000
<b>Note 3D: Finance Costs</b>		
Finance leases	6	33
<b>Total finance costs</b>	<b>6</b>	<b>33</b>
<b>Note 3E: Write-Down and Impairment of Assets</b>		
Inventory	2,901	2,115
Asset write-downs and impairments from:		
Impairment on financial instruments	58	1
Write-down of Heritage and Cultural assets	7	-
<b>Total write-down and impairment of assets</b>	<b>2,966</b>	<b>2,116</b>
<b>Note 3F: Foreign Exchange</b>		
Non-Speculative	238	74
<b>Total foreign exchange losses</b>	<b>238</b>	<b>74</b>
<b>Note 3G: Losses from Asset sales</b>		
Property, plant and equipment:		
Proceeds from sale	(9)	-
Carrying value of assets sold	12	-
Selling expense	1	-
<b>Total losses from assets sales</b>	<b>4</b>	<b>-</b>
<b>Note 3H: Royalties Paid</b>		
Royalties - Australian Government	752	1,113
Royalties - Other	111	178
<b>Total Royalties</b>	<b>863</b>	<b>1,291</b>

**Note 4: Income**

	2012	2011
REVENUE	\$'000	\$'000

**Note 4A: Sale of Goods and Rendering of Services****Goods**

Australian Circulating Coin Sales	27,493	66,131
Australian Numismatic Coin Sales	30,174	21,385
Foreign Circulating Coin Sales	5,022	99
Other Sales Non Coin Product	4,098	1,066
	<u>66,787</u>	<u>88,681</u>

**Services**

Circulating Coin Supply Chain Management	146	*
Interest Compensation Revenue	3,888	*
	<u>4,034</u>	<u>*</u>

Provision of goods - related entities	27,632	66,377
Provision of goods - external parties	39,155	22,304
Rendering of services - related entities	3,888	*
Rendering of services - external parties	146	*
<b>Total sale of goods and rendering of services</b>	<u>70,821</u>	<u>88,681</u>

**Note 4B: Conference Revenue**

MDC 2010 Conference	*	1,352
<b>Total Conference Revenue</b>	<u>*</u>	<u>1,352</u>

**Note 4C: Interest**

Competitive Neutrality interest equivalent	383	368
<b>Total interest</b>	<u>383</u>	<u>368</u>

**Note 4D: Rental Income**

Rent	105	\$
<b>Total Rent</b>	<u>105</u>	<u>\$</u>

**GAINS****Note 4E: Sale of Assets****Property, plant and equipment:**

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

**Note 4F: Other Gains**

Resources received free of charge	165	161
Other gains	1	*
<b>Total other gains</b>	<u>166</u>	<u>161</u>

**Note 5: Income Tax Expense (Competitive Neutrality)**

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

	2012	2011
	\$'000	\$'000

**Income tax expense**

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

**Statement of Comprehensive Income***Current income tax*

Current income tax charge	2,122	( 108)
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*Deferred income tax*

Relating to origination and reversal of timing differences	( 176)	238
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Relating to change in allocation rate in contestable activities from prior years	( 698)	202
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<b>Income tax expense reported in the Statement of Comprehensive Income</b>	<b>1,248</b>	<b>332</b>
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**Statement of Changes in Equity**

Plant and Equipment - revaluation	467	( 902)
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<b>Income tax expense reported in equity</b>	<b>467</b>	<b>( 902)</b>
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A reconciliation of income tax applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Mint's effective income tax rate for the year ended 30 June 2012 and 2011 is as follows:

Accounting profit before tax	5,676	902
At the statutory income tax rate of 30% (2011: 30%)	1,703	271
Relating to change in allocation rate in contestable activities from prior years	( 698)	0
Less tax on R&D incentive	( 35)	0
Add tax on expenditure not deductible for income tax purposes	278	61
<b>Income tax expense reported in the Statement of Comprehensive Income</b>	<b>1,248</b>	<b>332</b>

**Balance Sheet****Statement of Comprehensive Income**

2012	2011	2012	2011
\$'000	\$'000	\$'000	\$'000

**Deferred income tax at 30 June relates to the following**

Deferred income tax at 30 June relates to the following:

*Deferred income tax liabilities*

Interest receivable	113	231	118	100
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Plant and Equipment - revaluation	713	246	-	-
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<b>Gross deferred income tax liabilities - Note 8B</b>	<b>826</b>	<b>477</b>		
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*Deferred income tax assets*

Provision for employee entitlements	975	294	681	( 447)
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Provision for payroll tax	77	101	( 24)	( 90)
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Plant and equipment (impairment)	18	18	-	-
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Other - superannuation accrual	10	6	5	( 3)
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Income tax losses	0	108	( 108)	-
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Change in rate of contestable activities	0	( 202)	202	-
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<b>Gross deferred income tax assets - Note 7G</b>	<b>1,080</b>	<b>325</b>		
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<b>Deferred income tax charge</b>			<b>874</b>	<b>( 440)</b>
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**Note 6: Financial Assets**

	2012 \$'000	2011 \$'000
<b>Note 6A: Cash and Cash Equivalents</b>		
Special Accounts	54,743	5,004
Cash on hand or on deposit	10	10
<b>Total cash and cash equivalents</b>	<b>54,753</b>	<b>5,014</b>
<b>Note 6B: Trade and Other Receivables</b>		
<b>Good and Services:</b>		
Goods and services - related entities	4,396	112
Goods and services - external parties	6,229	1,055
<b>Total receivables for goods and services</b>	<b>10,625</b>	<b>1,167</b>
<b>Appropriations receivable:</b>		
For capital injections	-	1,977
<b>Total appropriations receivable</b>	<b>-</b>	<b>1,977</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	1,492	718
Interest equivalent neutrality	376	769
Seigniorage receivable from the OPA	-	25,753
<b>Total other receivables</b>	<b>1,868</b>	<b>27,240</b>
<b>Total trade and other receivables (gross)</b>	<b>12,493</b>	<b>30,384</b>
<b>Less impairment allowance account:</b>		
Goods and services	(56)	-
<b>Total impairment allowance account</b>	<b>(56)</b>	<b>-</b>
<b>Total trade and other receivables (net)</b>	<b>12,437</b>	<b>30,384</b>
<b>Receivables are expected to be recovered in:</b>		
No more than 12 months	12,423	30,316
More than 12 months	14	68
<b>Total trade and other receivables (net)</b>	<b>12,437</b>	<b>30,384</b>
<b>Receivables are aged as follows:</b>		
Not overdue	9,754	29,515
Overdue by:		
0 to 30 days	217	264
31 to 60 days	1,898	414
61 to 90 days	97	113
More than 90 days	527	78
<b>Total receivables (gross)</b>	<b>12,493</b>	<b>30,384</b>
<b>The impairment allowance account is aged as follows:</b>		
Overdue by:		
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	(56)	-
<b>Total impairment allowance account</b>	<b>(56)</b>	<b>-</b>

**Reconciliation of the Impairment Allowance Account:**

**Movements in relation to 2012**

	Goods and services	Total
	\$'000	\$'000
<b>Opening balance</b>	-	-
Amounts recovered and reversed	-	-
Increase/decrease recognised in net surplus	(56)	(56)
<b>Closing balance</b>	<b>(56)</b>	<b>(56)</b>

**Movements in relation to 2011**

	Goods and services	Total
	\$'000	\$'000
Opening balance	*	*
Amounts written off	*	*
Closing balance	*	*

**Note 7: Non-Financial Assets**

	2012	2011
	\$'000	\$'000
<b>Note 7A: Leasehold Improvements</b>		
Leasehold improvements:		
Fair value	31,292	30,800
Accumulated depreciation	(3,100)	(1,541)
Work in progress	9	148
<b>Total leasehold improvements</b>	<b>28,201</b>	<b>29,407</b>
<b>Total land and buildings</b>	<b>28,201</b>	<b>29,407</b>

No indicators of impairment were found for land and buildings.

**Note 7B: Property, Plant and Equipment****Heritage and cultural:**

National Coin Collection - Fair value	23,388	22,984
<b>Total heritage and cultural</b>	<b>23,388</b>	<b>22,984</b>

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

The collection was valued by an independent appraiser, A Byrne Coins as at 30 June 2011 and 2012. Revaluation increments were recognised directly in equity \$0.005 million (2011: \$0.356 million). The coin collection is under the control of the Mint, and it is classed as a restricted asset because it is not available to be sold or made available to a third party.

**Property, plant and equipment:**

Fair value	20,306	19,887
Accumulated depreciation	(4,246)	(2,191)
Accumulated impairment loss		
Work in progress	810	90
<b>Total other property, plant and equipment</b>	<b>16,870</b>	<b>17,786</b>
<b>Total property, plant and equipment</b>	<b>40,258</b>	<b>40,770</b>

No valuation was undertaken as at 30 June 2012 (2011: Nil). All revaluations were conducted in accordance with the revaluation policy stated at Note 1.

Property, plant and equipment assets were last subjected to a revaluation on 30 June 2010 by an independent valuer (Australian Valuation Office).

One asset was identified as impaired as at 30 June 2012 (2011: Nil). This has been accounted for in the Retained Surplus as accumulated impairment loss.



Note 20: Reconciliation of net Operating and Closing Balances of Property, Plant and Equipment (2011-12)

	Leasehold Improvements \$'000	Leasehold Improvements - work in progress \$'000	Total Leasehold Improvements \$'000	Heritage cultural \$'000	Other property, plant & equipment \$'000	Total \$'000
<b>As at 1 July 2011</b>						
Gross book value	30,800	148	30,948	22,984	19,977	73,909
Accumulated depreciation and impairment	(1,541)	-	(1,541)	-	(2,191)	(3,732)
<b>Net book value 1 July 2011</b>	<b>29,259</b>	<b>148</b>	<b>29,407</b>	<b>22,984</b>	<b>17,786</b>	<b>70,177</b>
<b>Additions:</b>						
By purchase	420	162	582	-	1,413	1,995
By finance lease	-	-	-	-	20	20
At cost	-	-	-	10	-	10
Revaluation recognised in Other Comprehensive Income	-	-	-	-	-	-
Impairments recognised in the operating result	-	-	-	5	(499)	(494)
Reversal of impairments recognised in the operating result	-	-	-	(7)	-	(7)
Transfer of Assets	-	-	-	1	-	1
Depreciation expense	72	(301)	(229)	-	201	(28)
Other movements	(1,559)	-	(1,559)	-	(2,147)	(3,706)
Disposals:	-	-	-	395	103	498
Other	-	-	-	-	(7)	(7)
<b>Net book value 30 June 2012</b>	<b>28,192</b>	<b>-</b>	<b>28,201</b>	<b>23,388</b>	<b>16,870</b>	<b>68,458</b>
<b>Net book value as of 30 June 2012 represented by:</b>						
Gross book value	31,292	-	31,301	23,388	21,116	75,805
Accumulated depreciation & impairment losses	(3,100)	-	(3,100)	-	(4,246)	(7,346)
<b>Net book value 30 June 2012</b>	<b>28,192</b>	<b>-</b>	<b>28,201</b>	<b>23,388</b>	<b>16,870</b>	<b>68,459</b>

**Note 7C (Cont'd): Reconciliation of the Operating and Closing Balances of Properties, Plant and Equipment (2010-11)**

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

	2012	2011
	\$'000	\$'000
<b>Note 7D: Intangibles</b>		
Computer software:		
Purchased	6,339	5,821
Accumulated amortisation	(5,181)	(3,923)
Work in Progress	365	235
<b>Total computer software</b>	<b>1,523</b>	<b>2,133</b>
<b>Total intangibles</b>	<b>1,523</b>	<b>2,133</b>

No indicators of impairment were found for intangible assets.

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

**Note 7E: Reconciliation of the Opening and Closing Balances of Intangibles (2011-12)**

	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2011</b>		
Gross book value	6,056	6,056
Accumulated amortisation and impairment	(3,923)	(3,923)
<b>Net book value 1 July 2011</b>	<b>2,133</b>	<b>2,133</b>
Additions:		
By purchase	698	698
Revaluation recognised in Other Comprehensive Income	-	-
Transfer of Assets	28	28
Amortisation	(1,329)	(1,329)
Disposals:		
Other	(7)	(7)
<b>Net book value 30 June 2012</b>	<b>1,523</b>	<b>1,523</b>
<b>Net book value as of 30 June 2012 represented by:</b>		
Gross book value	6,704	6,704
Accumulated amortisation and impairment	(5,181)	(5,181)
	<b>1,523</b>	<b>1,523</b>

**Note 7E (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles (2010-11)**

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

	2012 \$'000	2011 \$'000
<b>Note 7F: Inventories</b>		
Inventories held for sale:		
Raw materials		
Australian Circulating Coin	6,195	11,381
Australian Numismatic Coin	5,798	930
Foreign Circulating Coin	321	765
Other	7,653	6,645
	<u>19,967</u>	<u>19,721</u>
Work in progress		
Australian Circulating Coin	-	161
Australian Numismatic Coin	4,625	-
Foreign Circulating Coin	8	359
Other	-	516
	<u>4,633</u>	<u>1,036</u>
Finished goods		
Australian Numismatic Coin	4,411	3,984
Foreign Circulating Coin	1,459	54
Other	501	857
	<u>6,371</u>	<u>4,895</u>
<b>Total inventories held for sale</b>	<u>30,971</u>	<u>25,652</u>
<b>Total inventories</b>	<u>30,971</u>	<u>25,652</u>

During 2012, \$37,950,843 of inventory held for sale was recognised as an expense (2011: \$54,568,436).

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

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

**Note 7G: Deferred Tax Assets**

Deferred tax assets	1,081	325
<b>Total deferred tax assets</b>	<u>1,081</u>	<u>325</u>

**Note 7H: Other Non-Financial Assets**

Prepayments	719	3,439
<b>Total other non-financial assets</b>	<u>719</u>	<u>3,439</u>
<b>Total other non-financial assets - are expected to be recovered in:</b>		
No more than 12 months	719	3,439
<b>Total other non-financial assets</b>	<u>719</u>	<u>3,439</u>

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

**Note 8: Payables**

	2012	2011
	\$'000	\$'000
<b>Note 8A: Suppliers</b>		
Trade creditors and accruals	5,525	305
Operating lease rentals	62	3,985
<b>Total supplier payables</b>	<b>5,587</b>	<b>4,290</b>
<b>Supplier payables expected to be settled within 12 months:</b>		
Related entities	62	3,985
External parties	5,525	305
<b>Total</b>	<b>5,587</b>	<b>4,290</b>

Settlement is usually made within 30 days.

**Note 8B: Deferred tax liabilities**

Deferred tax liability	825	477
<b>Total deferred tax liabilities</b>	<b>825</b>	<b>477</b>

**Note 8C: Tax Liabilities (Competitive Neutrality)**

Competitive Neutrality: State Tax Equivalent Payroll tax	-	336
Competitive Neutrality: Commonwealth Tax Equivalent Income tax	2,121	-
<b>Total tax liabilities</b>	<b>2,121</b>	<b>336</b>

**Note 8D: Other Payables**

Salaries and wages	430	327
Superannuation	58	46
Seigniorage payable to the OPA	23,895	-
Unearned income	331	1,067
Other	531	728
<b>Total other payables</b>	<b>25,245</b>	<b>2,168</b>

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

**Note 9: Interest Bearing Liabilities**

	2012 \$'000	2011 \$'000
<b>Leases:</b>		
Finance lease	49	71
<b>Total finance leases</b>	<b>49</b>	<b>71</b>
<b>Payable:</b>		
Within one year:		
Minimum lease payments	42	44
Deduct: future finance charges	(2)	(4)
In one to five years:		
Minimum lease payments	9	32
Deduct: future finance charges	0	(1)
<b>Finance leases recognised on the balance sheet</b>	<b>49</b>	<b>71</b>

Finance leases exist for three forklifts. The forklifts are non-cancellable with fixed terms of 36 months; no residual value and have an average implicit interest rate of 8.85%. The leased assets secure the lease liabilities. The Mint guarantees the residual value of the assets leased. There are no contingent rentals.

## Note 10: Provisions

	2012	2011
	\$'000	\$'000
<b>Note 10: Employee Provisions</b>		
Leave	5,141	4,361
Other	7	—
<b>Total employee provisions</b>	<b>5,148</b>	<b>4,361</b>
<b>Employee provisions are expected to be settled in:</b>		
No more than 12 months	2,484	1,422
More than 12 months	2,664	2,939
<b>Total employee provisions</b>	<b>5,148</b>	<b>4,361</b>



**Note 11: Cash Flow Reconciliation**

	2012	2011
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	54,753	5,014
Balance sheet	54,753	5,014
<b>Difference</b>		
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net contribution by services	7,361	824
Less income tax expense	(1,248)	(332)
<b>Adjustments for non-cash items</b>		
Depreciation / amortisation	5,036	4,776
Net write down of non-financial assets	2,908	2,115
Bad and Doubtful Debts	58	1
Loss / (Gain) on disposal of assets	4	(12)
Adjustment due to prior year transactions		(617)
<b>Changes in assets / liabilities</b>		
Income tax expense recognised in equity	(467)	902
Coin collection revaluation recognised directly in equity		
Assets recognised directly in lease liability	(20)	
(Increase) / decrease in net receivables	(9,516)	554
(Increase) / decrease in interest equivalent receivable	394	333
(Increase) / decrease in Seigniorage receivable	25,753	(16,568)
(Increase) / decrease in GST receivable	(773)	(2,728)
(Increase) / decrease in inventories	(8,232)	9,149
(Increase) / decrease in prepayments	2,719	
(Increase) / decrease in tax asset	(756)	432
Increase / (decrease) in employee provisions	902	329
Increase / (decrease) in supplier payables	1,296	(9,780)
Increase / (decrease) in accrued expenses	(196)	369
Increase / (decrease) in unearned revenue	(736)	(132)
Increase / (decrease) in Seigniorage payable	23,895	
Increase / (decrease) in deferred tax liabilities	349	(1,002)
Increase / (decrease) in lease liability	(22)	(358)
Increase / (decrease) in competitive neutrality payments payable	1,785	(364)
<b>Net cash from operating activities</b>	<b>50,494</b>	<b>(12,109)</b>

**Note 12: Contingent Liabilities and Assets****Quantifiable Contingencies**

The Mint has no contingent liabilities as at 30 June 2012 (2011: Nil).

The Mint also has no contingent assets as at 30 June 2012 (2011: Nil).

**Unquantifiable Contingencies**

The Mint had no unquantifiable contingent assets at 30 June 2012 (2011: Nil).

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

**Significant Remote Contingencies**

The Mint has no significant remote contingent assets at 30 June 2012 (2011: Nil).

The Mint has no significant remote contingent liabilities at 30 June 2012 (2011: Nil).

**Note 13: Senior Executive Remuneration****Note 13A: Senior Executive Remuneration Expense for the Reporting Period**

	2012	2011
	\$	\$
<b>Short-term employee benefits:</b>		
Salary	237,450	217,460
Annual leave accrued	19,919	24,560
<b>Total Short-term employee benefits</b>	<b>257,369</b>	<b>242,020</b>
<b>Post-employment benefits:</b>		
Superannuation	30,455	30,338
<b>Total post-employment benefits</b>	<b>30,455</b>	<b>30,338</b>
<b>Other long-term benefits:</b>		
Long-service leave	5,987	3,383
<b>Total other long-term benefits</b>	<b>5,987</b>	<b>3,383</b>
Termination benefits	-	-
<b>Total employment benefits</b>	<b>293,811</b>	<b>275,741</b>

**Notes:**

- Note 13A was prepared on an accrual basis.
- Note 13A excludes acting arrangements and part-year service where remuneration expensed was less than \$150,000.

**Note 13B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period**

As at 30 June 2012						
Average annual reportable remuneration <sup>1</sup>	Senior Executives	Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances <sup>4</sup>	Bonus paid <sup>5</sup>	Total
	No.	\$	\$	\$	\$	\$
Total remuneration:						
\$240,000 to \$269,999	1	236,246	30,338	-	-	266,584
	Total					
As at 30 June 2011						
Average annual reportable remuneration <sup>1</sup>	Senior Executives	Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances <sup>4</sup>	Bonus paid <sup>5</sup>	Total
	No.	\$	\$	\$	\$	\$
Total remuneration:						
\$240,000 to \$269,999	1	223,466	30,338	-	-	253,804
	Total					

**Notes:**

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
  - a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
  - b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
  - c) exempt foreign employment income.
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.
6. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

**Note 13C: Other Highly Paid Staff**

		2012				
Average annual reportable remuneration <sup>1</sup>		Staff No.	Reportable salary <sup>2</sup> \$	Contributed superannuation <sup>3</sup> \$	Reportable allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$
<b>Total remuneration (including part-time arrangements):</b>						
\$150,000 to \$179,999		2	123,525	35,302	-	-
\$180,000 to \$209,999		1	151,713	33,576	-	-
<b>Total</b>		3				
		2011				
Average annual reportable remuneration <sup>1</sup>		Staff No.	Reportable salary <sup>2</sup> \$	Contributed superannuation <sup>3</sup> \$	Reportable allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$
<b>Total remuneration (including part-time arrangements):</b>						
\$150,000 to \$179,999		2	127,471	35,570	-	-
<b>Total</b>		2				

**Notes:**

- This table reports staff:
  - who were employed by the entity during the reporting period;
  - whose reportable remuneration was \$150,000 or more for the financial period; and
  - were not required to be disclosed in Tables A, B or director disclosures.
 Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
  - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
  - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
  - exempt foreign employment income.
- The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.
- Various salary sacrifice arrangements were available to other highly paid staff including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

**Note 14: Remuneration of Auditors**

<b>2012</b>	2011
<b>\$'000</b>	\$'000

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

The fair value of the services provided was:

Audit Services - Australian National Audit Office	<u>165</u>	<u>161</u>
	<u>165</u>	<u>161</u>

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

**Note 15: Financial Instruments**

	2012	2011
	\$'000	\$'000

**Note 15A: Categories of Financial Instruments****Financial Assets****Loans and receivables:**

Cash and cash equivalents	54,753	5,014
Trade receivables	10,569	26,920
<b>Total</b>	<b>65,322</b>	<b>31,934</b>
<b>Carrying amount of financial assets</b>	<b>65,322</b>	<b>31,934</b>

**Financial Liabilities****At amortised cost:**

Trade creditors	5,587	4,290
Seigniorage Payable	23,895	-
Unearned Income	331	1,067
Finance leases	49	71
<b>Total</b>	<b>29,862</b>	<b>5,428</b>
<b>Carrying amount of financial liabilities</b>	<b>29,862</b>	<b>5,428</b>

**Note 15B: Net Income and Expense from Financial Assets****Loans and receivables**

Impairment	58	1
<b>Net gain loans and receivables</b>	<b>58</b>	<b>1</b>
<b>Net gain from financial assets</b>	<b>58</b>	<b>1</b>

**Note 15C: Net Income and Expense from Financial Liabilities****Financial liabilities - at amortised cost**

Foreign Exchange Gain/(Loss)	(238)	(74)
Amortisation	(42)	(121)
Interest expense	(6)	(33)
<b>Net gain/(loss) financial liabilities - at amortised cost</b>	<b>(286)</b>	<b>(228)</b>
<b>Net gain/(loss) from financial liabilities</b>	<b>(286)</b>	<b>(228)</b>

The total interest expense from financial liabilities not at fair value through profit or loss is \$5,604 (2011: \$32,507).

**Note 15D: Fair Value of Financial Instruments**

The carrying value of the Mint's financial instruments as disclosed in the Balance Sheet equals their fair value as at balance date. All financial instruments held by the Mint are classified as level 1 assets or liabilities being valued at quoted prices in an active market. There have been no movements in the financial instruments hierarchy between years.

**Note 15E: Financial Instruments Reclassified**

The Mint had no financial instruments reclassified in either 2012 or 2011.



**Note 15F: Credit Risk**

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

The maximum exposure to credit risk is the risk that arises from a potential default of a debtor. This amount is equal to the total amount of trade receivables (2012: \$10,626,000 and 2011: \$1,167,000). The Mint has assessed the risk of default on payment at 30 June as minor and made an allocation of \$56,000 to an allowance for impairment of debts account in 2012 (2011: Nil).

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

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

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

	Not past due nor impaired	Not past due nor impaired	Past due or impaired	Past due or impaired
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Loans and receivables				
Cash and cash equivalents	54,753	5,014	-	-
Trade receivables	7,886	26,051	2,683	869
<b>Total</b>	<b>62,639</b>	<b>31,065</b>	<b>2,683</b>	<b>869</b>

**Ageing of financial assets that were past due but not impaired for 2012**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loans and receivables					
Trade receivables	217	1,898	97	471	2,683
<b>Total</b>	<b>217</b>	<b>1,898</b>	<b>97</b>	<b>471</b>	<b>2,683</b>

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

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

**Note 15G: Liquidity Risk**

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

The Mint's exposure to liquidity risk is highly unlikely as major capital purchases are appropriated from the Commonwealth; and, the Mint is entitled to retain its cost of production and associated allowable costs under the Memorandum of Understanding between the Mint and the Department of Treasury. In addition, the timing of Seigniorage payments to the Commonwealth (quarterly) mitigates the Mint's exposure to liquidity risk. Accordingly, the Mint's exposure to liquidity risk is assessed as \$Nil (2011: \$Nil).

**Maturities for non-derivative financial liabilities 2012**

	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	Total \$'000
<b>Other Liabilities</b>				
Trade creditors	5,587	-	-	5,587
Seigniorage Payable	23,895	-	-	23,895
Unearned Income	331	-	-	331
Finance leases	40	9	-	49
<b>Total</b>	<b>29,853</b>	<b>9</b>	<b>-</b>	<b>29,862</b>

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

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

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

**Note 15H: Market Risk****Sensitivity analysis of the risk to which the Mint is exposed**

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

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

**Interest Rate Risk**

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

**Note 15I: Assets Pledged/or Held as Collateral**

The Mint has no assets pledged/held as collateral.

# **Note 16: Financial Assets Reconciliation**

	2012	2011
	\$'000	\$'000
<b>Financial assets</b>	<b>Notes</b>	
<b>Total financial assets as per balance sheet</b>	<b>67,190</b>	<b>35,398</b>
Less: non-financial instrument components:		
Appropriations receivable	6B -	1,977
Other receivables	6B 1,868	1,487
Total non-financial instrument components	1,868	3,464
<b>Total financial assets as per financial instruments note</b>	<b>65,322</b>	<b>31,934</b>

**Note 17: Administered - Cash Flow Reconciliation**

	2012 \$'000	2011 \$'000
<b>Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Schedule of administered cash flows	-	-
Schedule of administered assets and liabilities	-	-
<b>Difference</b>	-	-
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of (contribution by) services	67,355	40,283
<b>Changes in assets / liabilities</b>		
(Increase) / decrease in net receivables	(20,411)	-
(Increase) / decrease in inventories	6,101	1,628
Increase / (decrease) in other payable	(13,408)	35,794
<b>Net cash from operating activities</b>	<b>39,637</b>	<b>77,705</b>

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

The Mint has no Administered commitments, contingent liabilities or contingent assets as at reporting date (2011: Nil).

**Note 19: Administered Financial Instruments**

	2012	2011
	\$'000	\$'000
<b>Note 19A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
At amortised cost:		
Seigniorage Receivable	20,412	-
<b>Total</b>	<b>20,412</b>	<b>-</b>
<b>Carrying amount of financial assets</b>	<b>20,412</b>	<b>-</b>
<b>Financial Liabilities</b>		
At amortised cost:		
Seigniorage Payable	-	28,407
<b>Total</b>	<b>-</b>	<b>28,407</b>
<b>Carrying amount of financial liabilities</b>	<b>-</b>	<b>28,407</b>

**Note 19B: Net Income and Expense from Financial Asset & Liabilities**

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

**Note 19C: Fair Value of Financial Instruments**

The carrying value of the Mint's financial instruments as disclosed in the Balance Sheet equals their fair value as at balance date. All financial instruments held by the Mint are classified as level 1 assets or liabilities being valued at quoted prices in an active market. There have been no movements in the financial instruments hierarchy between years.

**Note 19D: Financial Instruments Reclassified**

The Mint had no financial instruments reclassified in either 2012 or 2011.

**Note 19E: Credit Risk**

The Mint is exposed to minimal credit risk as the Seigniorage receivable held in the Administered accounts relates to amounts owed by the Mint's departmental accounts under the provisions of the Memorandum of Understanding between the Mint and the Department of Treasury. For 2012, the Seigniorage receivable recorded by the Mint was \$20,412,000 (2011: NIL). No administered financial instruments were considered impaired in 2012 or 2011.

**Note 19F: Liquidity Risk**

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

Maturities for non-derivative financial liabilities 2012				
	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	Total \$'000
<b>Other Liabilities</b>				
Seigniorage Payable	-	-	-	-
<b>Total</b>	-	-	-	-

Maturities for non-derivative financial liabilities 2011				
	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	Total \$'000
<b>Other Liabilities</b>				
Seigniorage Payable	28,407	-	-	28,407
<b>Total</b>	28,407	-	-	28,407

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

**Note 19G: Market Risk**

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

**Note 19H: Assets Pledged/or Held as Collateral**

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

**Note 20: Administered Financial Assets Reconciliation**

	2012 \$'000	2011 \$'000
<b>Financial assets</b>		
Notes		
<b>Total financial assets as per schedule of administered assets and liabilities</b>	<b>20,412</b>	-
Less: non-financial instrument components	-	-
Total non-financial instrument components	-	-
<b>Total financial assets as per financial instruments note</b>	<b>20,412</b>	-

**Note 21: Appropriations**

**Table A: Annual Appropriations (Recoverable GST exclusive)**

	2012 Appropriations							Appropriation applied to 2012 (current and prior years) \$'000	Variance (a) \$'000
	Appropriation Act			FMA Act					
	Annual Appropriation \$'000	Appropriations reduced \$'000	AFM \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000	Total appropriation \$'000		
DEPARTMENTAL									
Ordinary annual services	*	*	*	*	*	*	*	*	*
Other services	*	*	*	*	*	*	*	*	*
Equity	*	*	*	*	*	*	*	*	*
Loans	*	*	*	*	*	*	*	*	*
Total departmental								1,977	(1,977)

*Notes:*

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

	2011 Appropriations								Appropriations applied in 2011 (current and prior years) \$'000	Variance (a) \$'000
	Appropriation Act		FMA Act							
	Annual Appropriation \$'000	Appropriations reduced \$'000	Section 14 (Act No. 1) AFM \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000	Total appropriation \$'000			
DEPARTMENTAL										
Ordinary annual services	*	*	*	*	*	*	*	*	*	*
Other services	*	*	*	*	*	*	*	*	*	*
Equity	*	*	*	*	*	*	*	*	1,198	(1,198)
Loans	*	*	*	*	*	*	*	*	*	*
Previous years' outputs	*	*	*	*	*	*	*	*	*	*
Total departmental									1,198	(1,198)

*Notes:*

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

Table B: Unspent Departmental Annual Appropriations (Receivable GST exclusive)

Authority	2012	2011
Appropriation Act No. 4 (Non Operating Equity) 2007-08	\$'000	\$'000
Total	-	1,977

Table C: Special Appropriations (Receivable GST exclusive)

Authority	Type	Purpose	Appropriation applied	
			2012	2011
Financial Management and Accountability Act 1997, Administered, Unimised, 228 Related		Repayment of Securities from the Commonwealth	\$'000	\$'000
			15,000	18,000
Total			15,000	18,000



**Note 22: Special Accounts**

	Minting and Coinage Special Account (Departmental)	
	2012 \$'000	2011 \$'000
<b>Balance brought forward from previous period</b>	<b>6,131</b>	<b>15,340</b>
<b>Increases:</b>		
Appropriation for reporting period	1,977	1,198
Seigniorage refund	15,000	18,000
Other Receipts		
Goods to related entities	103,660	114,610
Goods to external entities	23,757	24,331
<b>Total increase</b>	<b>144,394</b>	<b>158,139</b>
<b>Available for payments</b>	<b>150,525</b>	<b>173,479</b>
<b>Decreases:</b>		
Payment to the Australian Government for Seigniorage and Royalties	(35,902)	(70,824)
Payments made to employees	(16,475)	(14,048)
Payments made to suppliers	(41,506)	(82,476)
<b>Total decreases</b>	<b>(93,883)</b>	<b>(167,348)</b>
<b>Total balance carried to the next period</b>	<b>56,642</b>	<b>6,131</b>

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

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

**Purpose:**

- (a) Payments for goods and services and salaries, wages and all other expenses incurred for the production, supply, sale and distribution of coinage, medals, dies, tokens, plaques and other like items; and  
 (b) repayment of capital funds, and payment of moneys in excess of requirements to the Official Public Account; and  
 (c) To credit amounts to the Minting and Coinage Special Account.

**Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund**

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance and Deregulation provided information to all agencies in 2011 regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations, including special accounts.

During 2011-12, the Mint developed a plan to review exposure to risks of not complying with statutory conditions on payments from appropriations. The plan involved:

- identifying each special appropriation and special account;
- determining the risk of non-compliance by assessing the difficulty of administering the statutory conditions and assessing the extent to which existing payment systems and processes satisfy those conditions; and
- determining procedures to confirm risk assessments in medium risk cases and to quantify the extent of non-compliance, if any, in higher risk situations.

As the Mint operates from a single Special Account and accesses s28 Refund of Administered Receipts special appropriation as and when required, the operation of both this account and s28 receipts was reviewed. As at 30 June 2012, this work has been completed and to date no instances of non-compliance were identified.

**Note 23: Compensation and Debt Relief**

	2012	2011
	\$	\$
<b>Compensation and Debt Relief - Departmental</b>		
No 'Act of Grace' expenses were incurred during the reporting period (2011: No expenses).		
None of the above expenses were paid on a periodic basis (2011: No expenses were paid on a periodic basis).		
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> (2011: No waiver made).		
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2011: No payments made).		
No ex-gratia payments were provided for during the reporting period (2011: No payments made).		
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999</i> (PS Act) during the reporting period. (2011: No payments made).		
<b>Compensation and Debt Relief - Administered</b>		
No 'Act of Grace' expenses were incurred during the reporting period (2011: No expenses).		
None of the above expenses were paid on a periodic basis (2011: No expenses were paid on a periodic basis).		
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2011: No waivers).		
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2011: No payments made)		
No ex-gratia payments were provided for during the reporting period. (2011: No payments).		
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999</i> (PS Act) during the reporting period. (2011: No payments made)		

**Note 24: Reporting of Outcomes****Note 24A: Net Cost of Outcome Delivery**

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

	Outcome 1		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Departmental</b>				
Expenses	64,114	89,755	64,114	89,755
Own-source income	(71,475)	(90,579)	(71,475)	(90,579)
<b>Administered</b>				
Expenses	36,305	74,327	36,305	74,327
Own-source income	(103,660)	(114,610)	(103,660)	(114,610)
<b>Net (contribution) of outcome delivery</b>	<b>(74,716)</b>	<b>(41,107)</b>	<b>(74,716)</b>	<b>(41,107)</b>

**Note 25: Competitive Neutrality and Cost Recovery**

	2012 \$'000	2011 \$'000
<b>Note 25A: Competitive Neutrality - Expenses</b>		
State payroll tax equivalent	441	336
Commonwealth tax equivalent expense <sup>1</sup>	1,248	332
<b>Total expenses and dividend declared</b>	<b>1,689</b>	<b>668</b>

1. The amount of Commonwealth tax equivalent applicable to the taxable profit for the period is \$2,121,613 payable as at 30 June 2012 (2011: \$108,432 receivable). This differs to the Commonwealth tax equivalent amount disclosed above due to timing differences recognised in accordance with AASB 112 *Income Taxes*.





## 6: APPENDICES

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## Appendix A – Coin Purchases from the Mint 2011–12

Year	\$2	\$1	50¢	20¢	10¢	5¢	2¢	1¢	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1965–75	0	0	55,372	61,795	30,476	23,740	18,662	11,716	201,761
1975–85	0	268,019	154,890	96,944	42,132	36,489	21,462	12,626	632,562
1985–95	477,096	120,585	19,683	5,479	30,163	39,467	8,660	6,828	707,961
1995–05	412,000	233,894	114,091	82,610	55,400	63,710	-	-	961,705
2005–06	73,400	30,800	23,880	18,400	12,160	10,880	-	-	169,520
2006–07	65,800	28,898	15,840	12,680	9,600	6,920	-	-	139,738
2007–08	85,200	40,900	15,040	13,820	7,940	4,940	-	-	167,840
2008–09	91,000	31,150	15,520	16,200	7,505	6,225	-	-	167,600
2009–10	72,400	27,150	14,240	15,015	7,820	5,810	-	-	142,435
2010–11	62,200	20,300	10,355	11,845	5,440	4,470	-	-	114,610
2011–12	48,000	25,200	11,895	8,425	5,715	4,425	-	-	103,660
<b>Total</b>	<b>1,387,096</b>	<b>826,896</b>	<b>450,806</b>	<b>343,213</b>	<b>214,351</b>	<b>207,076</b>	<b>48,784</b>	<b>31,170</b>	<b>3,509,392</b>

## Appendix B – Circulating Coin Production 2011–12

Country	Denomination	Design	Date of Coin	Alloy	Pieces (million)
Australia	5c	Standard	2010	Cupro Nickel	3.400
	5c	Standard	2011	Cupro Nickel	44.836
	5c	Standard	2012	Cupro Nickel	18.864
	10c	Standard	2010	Cupro Nickel	27.650
	10c	Standard	2011	Cupro Nickel	1.750
	10c	Standard	2012	Cupro Nickel	24.750
	20c	Standard	2010	Cupro Nickel	0.120
	20c	Standard	2011	Cupro Nickel	15.122
	20c	Royal Wedding	2011	Cupro Nickel	0.098
	20c	International Womens Day	2011	Cupro Nickel	0.050
	20c	Volunteers	2011	Cupro Nickel	4.611
	20c	Standard	2012	Cupro Nickel	17.975
	50c	Standard	2011	Cupro Nickel	10.420
	50c	Standard	2012	Cupro Nickel	5.670
	\$1	Standard	2010	Aluminium Bronze	9.105
	\$1	Standard	2011	Aluminium Bronze	10.200
	\$1	CHOGM	2011	Aluminium Bronze	3.197
	\$2	Standard	2010	Aluminium Bronze	16.600
	\$2	Standard	2011	Aluminium Bronze	1.800
	\$2	Standard	2012	Aluminium Bronze	1.800
<b>Total</b>					<b>218.017</b>
Samoa	10 Sene	Standard	2011		11.488
	20 Sene	Standard	2011		11.414
	50 Sene	Standard	2011		5.741
	1 Tala	Standard	2011		6.021
	2 Tala	Standard	2011		6.009
<b>Total</b>					<b>40.673</b>
Solomon Islands	10c	Standard	2012		23.985
	20c	Standard	2012		19.977
	50c	Standard	2012		10.994
	\$1	Standard	2012		8.991
	\$2	Standard	2012		8.987
<b>Total</b>					<b>72.934</b>
Tonga	10 Seniti	Standard	1981		0.512
	20 Seniti	Standard	2011		0.300
	50 Seniti	Standard	2011		0.137
<b>Total</b>					<b>0.949</b>

## Appendix C – Other Products 2011–12

Item	Customer	Pieces
Jewellery	Corporate	55
	Royal Australian Mint	0
Lapel badges	Corporate	173
	Royal Australian Mint	0
Medallions	Corporate	933
	Royal Australian Mint	11
Tokens	Corporate	0
	Royal Australian Mint	49,091
Montages	Corporate	6
	Royal Australian Mint	0
Other	Corporate	0
	Royal Australian Mint	8163
<b>Total</b>		<b>58,432</b>



## Appendix D – Collector Coin Release Summary 2011–12

Type	Year	Item Code	Qty Produced	Mintage
6 coin set proof	2011	210006	399	no more than 50,000
6 coin set proof wedding	2011	210008	250	unlimited
\$1 proof silver mintmark	2011	210015	38	12,500
6 coin set gold convict heritage	2011	210026	100	3000
2 coin set gold convict heritage release 2 in shipper	2011	210027	100	3000
2 coin set gold convict heritage release 3 in shipper	2011	210028	100	3000
6 coin set proof fine silver	2011	210037	230	6000
\$1 proof silver kangaroo at sunset	2011	210039	100	5000
2 coin set proof fine silver	2011	210042	514	6000
\$1 proof silver kangaroo series	2012	210050	6934	20,000
\$10 proof gold kangaroo series	2012	210052	1500	1500
50 cent proof silver engagement	2010	210057	1000	10,000
50 cent proof silver royal wedding in shipper	2011	210060	1000	10,000
\$10 proof gold year of the dragon	2012	210062	2500	2500
\$1 proof silver year of the dragon	2012	210064	7150	10,000
50 cent proof silver diamond jubilee	2012	210072	7500	10,000
6 coin set proof wedding	2012	210073	2000	unlimited
\$25 proof gold kangaroo at sunset	2012	210075	1000	1000
50 cent proof silver diamond jubilee coin for inclusion	2012	210077	3460	4000
50 cent proof gold diamond jubilee three coin set for inclusion	2012	210079	335	375
6 coin set proof selectively gold plated	2012	210080	20,175	no more than 100,000
6 coin set masterpieces in silver navy	2011	210083	1752	5000
\$1 proof silver mintmark	2012	210087	5000	12,500
\$10 proof gold mintmark	2012	210091	2500	2500
6 coin set proof baby	2012	210093	6045	unlimited
2 coin set proof australian wheat	2012	210096	7502	No more than 25,000
\$2 proof silver sgp australian open	2012	210099	3000	10,000
\$1 proof silver kangaroo at sunset	2012	210101	3000	5000
8 coin set proof gold	2012	210114	500	2000
6 coin set proof fine silver	2012	210123	1400	5000
6 coin set uncirculated	2011	310006	3000	no more than 100,000
6 coin set uncirculated baby	2011	310007	3168	unlimited
20 cent uncirculated ashes	2011	310013	362	unlimited
4 coin set uncirculated ADHP	2011	310023	14,998	unlimited

Type	Year	Item Code	Qty Produced	Mintage
\$1 frunc capital bridges sydney	2011	310038	1987	20,000
\$1 frunc silver kangaroo series	2012	310047	8849	20,000
\$1 frunc silver kangaroo series in capsule	2012	310048	11,004	unlimited
\$1 frunc rosella air series	2011	310053	4890	unlimited
\$1 frunc cockatoo air series	2011	310056	8500	unlimited
\$1 frunc butterfly air series	2012	310059	17,002	unlimited
\$1 frunc kookaburra air series	2011	310062	5017	unlimited
\$1 frunc kingfisher air series	2011	310065	9000	unlimited
\$1 frunc flying fox air series	2011	310068	17,002	unlimited
50 cent uncirculated royal engagement	2010	310070	10,000	unlimited
\$1 uncirculated dame joan sutherland	2011	310074	23,956	unlimited
\$1 uncirculated year of the dragon	2012	310076	19,980	unlimited
50 cent uncirculated diamond jubilee	2012	310078	45,002	unlimited
6 coin set hyper-metallic uncirculated	2012	310080	55,082	no more than 100,000
\$1 uncirculated s counterstamp	2011	310083	5000	unlimited
\$1 uncirculated m counterstamp	2011	310084	1497	unlimited
\$1 uncirculated census	2011	310086	12,024	unlimited
50 cent uncirculated triple zero	2011	310089	29,201	unlimited
2 coin set uncirculated australian wheat	2012	310092	20,000	no more than 40,000
6 coin uncirculated baby	2012	310095	21,006	unlimited
\$1 uncirculated queen's visit	2011	310097	27,144	unlimited
\$5 uncirculated remembrance day	2011	310100	20,284	unlimited
4 coin set uncirculated CSBM	2012	310105	20,035	unlimited
\$1 uncirculated elephant animals of the zoo	2012	310114	15,002	unlimited
\$1 uncirculated gorilla animals of the zoo	2012	310117	15,000	unlimited
\$1 uncirculated frog animals of the zoo	2012	310120	15,000	unlimited
\$1 uncirculated tiger animals of the zoo	2012	310123	15,990	unlimited
\$1 uncirculated orang-utan animals of the zoo	2012	310126	15,002	unlimited
\$1 uncirculated tree kangaroo animals of the zoo	2012	310129	15,014	unlimited
20 cent uncirculated merchant navy	2012	310131	20,000	unlimited
50 cent uncirculated kokoda	2012	310137	25,002	unlimited
\$1 uncirculated sir douglas mawson	2012	310139	12,002	unlimited
\$1 frunc capital bridges adelaide	2011	310141	2000	20,000
\$1 uncirculated a counterstamp	2011	310142	5002	unlimited
\$1 uncirculated year of the farmer	2012	310144	20,000	unlimited

Type	Year	Item Code	Qty Produced	Mintage
\$1 uncirculated australian open men's trophy	2012	310146	12,044	unlimited
\$5 uncirculated australian open men's champion	2012	310148	10,010	unlimited
3 coin set uncirculated shores under siege	2012	310152	18,002	unlimited
\$1 uncirculated m counterstamp	2012	310157	3504	unlimited
\$1 uncirculated s counterstamp	2012	310158	3504	unlimited
\$1 uncirculated p counterstamp	2012	310159	5000	unlimited
\$1 uncirculated b counterstamp	2012	310160	5004	unlimited
20 cent uncirculated volunteers in clamshell	2011	310161	20,000	unlimited
\$1 uncirculated co-operatives	2012	310163	20,463	unlimited
\$1 uncirculated australian open women's trophy	2012	310165	12,004	unlimited
\$5 frunc remembrance day in clamshell	2011	310169	16,111	unlimited
50 cent uncirculated ballet	2012	310171	4702	unlimited
\$5 antique capital town hall perth	2012	310184	2000	2000
\$5 antique capital town hall melbourne	2012	310186	2000	2000
\$5 antique capital town hall brisbane	2012	310190	2000	2000
\$1 uncirculated 'bluebell' counterstamp	2012	310193	6050	15,000
\$1 rolled chogm	2011	410020	10,000	unlimited
20 cent rolled volunteers	2011	410023	1000	unlimited
50 cent 14 sided lunar dragon	2012	410044	300,000	unlimited
\$1 proof silver F15 kangaroo at sunset	2011	510020	2000	5000
\$1 brilliant uncirculated silver F15 kangaroo at sunset in capsule	2011	510022	2129	7000
6 coin set proof silver samoa	2011	510030	1500	30,000
\$5 proof gold nine dragons design 1	2012	510044		30,000
\$5 proof gold nine dragons design 2	2012	510045	1500	30,000
\$5 proof gold nine dragons design 3	2012	510046	1500	30,000
\$5 proof gold nine dragons design 4	2012	510047	1500	30,000
\$5 proof gold nine dragons design 5	2012	510048	1500	30,000
\$5 proof gold nine dragons design 6	2012	510049	1500	30,000
\$5 proof gold nine dragons design 7	2012	510050	1500	30,000
\$5 proof gold nine dragons design 8	2012	510051	1500	30,000

Type	Year	Item Code	Qty Produced	Mintage
\$5 proof gold nine dragons design 9	2012	510052	1500	30,000
50 cent lunar dragon (FIJI)	2012	510054	6109	6000
\$2 proof silver lunar dragon (FIJI)	2012	510056	6052	6000
\$20 proof gold dragon design 1 (FIJI)	2012	510058	1500	1500
\$20 proof gold dragon design 2 (FIJI)	2012	510060	1500	1500
\$100 proof gold dragon (FIJI)	2012	510062	1000	500
\$1 proof silver pamp dragon	2012	510073	8436	18,000
\$10 proof gold pamp dragon	2012	510075	4669	8000
\$1 uncirculated presidents cup pamp	2011	510079	22,500	unlimited
\$1 proof silver presidents cup pamp	2011	510082	1000	7500
\$25 proof gold presidents cup pamp	2011	510086	100	1500
\$1 proof silver APG dragon	2012	510117	3091	50,000
\$10 proof silver APG dragon	2012	510118	1850	10,000
\$30 proof silver APG dragon	2012	510119	649	3500
\$100 proof gold APG dragon	2012	510120	91	1500
\$500 proof gold APG dragon	2012	510121	4	3500
\$3000 proof gold APG dragon	2012	510122	3	99
\$10 proof silver presidents cup selectively gold plated in capsule pamp	2011	510123	200	2000
\$1 proof silver presidents cup pamp	2011	510124	5560	20,000
\$1 proof silver presidents cup in capsule	2011	510125	2000	20,000
\$1 uncirculated presidents cup	2011	510126	15,000	unlimited
\$1 proof silver presidents cup colour printed	2011	510127	1495	7500
\$10 proof silver presidents cup selectively gold plated	2011	510128	184	1500
\$25 proof gold presidents cup	2011	510129	194	1500
\$1 proof silver presidents cup	2011	510130	2991	20,000
\$1 uncirculated presidents cup in blister	2011	510141	15,025	unlimited
50 cent proof gold diamond jubilee three coin set	2012	510146	40	375
50 cent proof silver diamond jubilee	2012	510147	547	4000
6 coin uncirculated set world money fair	2012	510148	1500	1500
\$1 uncirculated australian open men's trophy in clamshell	2012	510161	15,000	unlimited
\$1 uncirculated australian open women's trophy in clamshell	2012	510162	15,000	unlimited
\$5 uncirculated australian open men's champion in clamshell	2012	510163	10,000	unlimited

Type	Year	Item Code	Qty Produced	Mintage
\$1 frunc kingfisher air series in clamshell	2011	510166	300	unlimited
20 cent uncirculated volunteers	2011	510167	500	unlimited
\$1 uncirculated co-operatives in clamshell	2012	510168	15,000	unlimited
1 tala proof samoa independence	2012	510172	1500	1500
1 tala uncirculated samoa independence	2012	510174	5002	5000
50 cent uncirculated diamond jubilee in clamshell	2012	510175	21,199	unlimited
6 coin set proof silver solomon islands	2012	510182	250	1500
6 coin set uncirculated solomon islands	2012	510188	5002	5000
\$1 uncirculated sir douglas mawson in clamshell	2012	510207	19,920	unlimited
\$5 proof silver state series - vic	2006	800009	158	12,500
\$5 proof silver state series - nsw	2006	800030	150	12,500
\$5 proof silver state series - tas	2006	801005	144	12,500
\$5 proof silver state series - qld	2006	801375	204	12,500
\$5 proof silver state series - wa	2007	802002	150	12,500
\$5 proof silver state series - nt	2008	802088	116	12,500
\$1 proof silver kangaroo series	2011	803463	50	20,000
\$10 proof gold year of the rabbit	2012	803469	200	2500
\$1 brilliant uncirculated silver FAB 15 in capsule	2010	803497	640	5000
\$1 proof silver year of the rabbit	2011	809103	620	10,000





## 7: INDICES

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## Glossary

### ArtCAM software

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

### audiometric

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

### biomechanic

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

### blank preparation

Blank preparation involves punching the blank out of a flat sheet of metal, heating the blank to soften the metal, washing to remove residue from the heating process and then putting the blank through an upsetting mill that raises the rim on the edge of the coin.

### buffer stock

Coins made and stored for managing fluctuating demand.

### bunding

Area within a structure designed to prevent inundation or breaches of various types.

### business continuity plan

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

### CAD/CAM software

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

### Chief Executive's Instructions (CEIs)

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

### CHRIS21

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

### circulating coins

Coins that are in public circulation.

### CNC machines

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

### CODA financials

A suite of financial management software used by the Mint.

### coinage

Refers to coins collectively.

### coin blank

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

### coin dealer

A member of the public that collects and sells coins.

### coin die

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

### coining collar

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

### collector coin program

Schedule of coin releases for the year.

### colour printed/pad printed

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



## Control

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

## deionised water

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

## denomination

The stated face value on a coin or banknote.

## direct sourcing

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

## electroplating

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

## employee self service (ESS)

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

## enterprise resource planning (ERP) system

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

## enterprise compliance and quality management system (ECQMS)

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

## frosted uncirculated coin

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

## human resource management information system (HRMIS)

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

## hyper-metallic

Using a production technique which allows for the creation of metallic coloured highlights on the surface of a newly struck coin.

## integrated business information system (IBIS)

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

## integrated management manual (IMM)

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

## ion exchange

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

## ISO 9001 Quality Management Accreditation

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

## Kronos

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

## legal tender

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

## limited mintage

Maximum number of coins being made.

## Logility demand planning and forecasting tool

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

## Mainpac

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

## manufacturing execution system (MES)

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

## master production schedule (MPS)

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

## materials handling and warehousing system (MHWS)

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

## mature age workforce policy

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

## mintage

Number of coins made.

## minting

Making coins.

## Mint Issue

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

## occupational hygiene survey

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

## Occupational healthy and safety management system (OHSMS)

A 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.

## open tender

A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders.

## performance development scheme (PDS)

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

## plaster

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

## press

A machine that performs the coin striking process.

### proof coin

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

### quality assurance

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

### quality control

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

### quality management system (QMS)

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

### recommission

To update and put back in service.

### reverse

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

### reverse osmosis

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

### sales product configurator (SPC)

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

### seigniorage

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

### select tender

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

### sentencing

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

### SharePoint

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

### Standard cost model

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

### 'Streamline' manufacturing resource planning

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

### strike a coin

To press a coin.

### supply chain

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

### Synchrony

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

## TEER coating

Metallic deposition system for preventing wear on coining die faces.

## tiered storage

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

## TRIM

An electronic document and records management system.

## uncirculated coin

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

## unlimited mintage

No limit on number of coins being made.

## web content accessibility guidelines (W3C)

Guidelines for making content accessible, primarily for disabled users.

## wholesale terms of trade

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

## workplace diversity program

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

# Abbreviations and Acronyms

## AASB

Australian Accounting Standards Board

## ANAO

Australian National Audit Office

## ARPANSA

Australian Radiation Protection and Nuclear Safety Agency

## AWA

Australian Workplace Agreement

## CCP

Circulating Coin Production

## CEIs

Chief Executive's Instructions

## CEO

Chief Executive Officer

## CSS

Commonwealth Superannuation Scheme

## DLP

Defect Liability Period

## DoFD

Department of Finance and Deregulation

## ECQMS

Enterprise Compliance and Quality Management System

## EEO

equal employment opportunity

## EMS

Energy Monitoring System

## EPA

Environment Protection Agency

## ERP

Enterprise Resource Planning

## ESL

English as a Second Language

## ESS

employee self service

## FBT

Fringe Benefits Tax

## FCP

Fraud Control Plan

## FMA Act

Financial Management and Accountability Act 1997

## FMOs

Finance Minister's Orders

## GFC

global financial crisis

## GST

Goods and Services Tax

## HR

human resources

## HRMIS

Human Resources Management  
Information System

## IBIS

Integrated Business Information System

## IMM

Integrated Management Manual

## ISO

International Organization  
for Standardization

## IT

information technology

## ITIL

Information Technology Infrastructure Library

## MDC

Mint Directors Conference

## MES

Manufacturing Execution System

## MHWS

Materials Handling and Warehousing System

## the Mint

Royal Australian Mint

## MIS

Management Information System

## MPS

Master Production Schedule

## MRP

'Streamline' Manufacturing Resource  
Planning

## NABERS

National Australian Built Environment  
Rating System

## NCC

National Coin Collection

## OHS

occupational health and safety

## OPA

Official Public Account

## PDS

Performance Development System

## POS

point of sale

## PS Act

*Public Service Act 1999*

## PSM

*Australian Government Protective  
Security Manual*

## PSS

Public Sector Superannuation Scheme

## PSSap

Public Sector Superannuation Scheme  
accumulation plan

## QA

quality assurance

## QC

quality control

## QMS

Quality Management System

## R&D

research and development

## RBA

Reserve Bank of Australia

## ROI

return on investment

## SPC

Sales and Product Configurator

## TRIM

Total Records and Information  
Management (document and records  
management software)

## W3C

World Wide Web Consortium

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## *Notes*



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Visiting the Mint	Visitors are welcome between 9.00 am and 4.00 pm on weekdays, and between 10.00 am and 4.00 pm on weekends and public holidays. The Mint is closed on Christmas Day and Good Friday.
Web location	<a href="http://www.ramint.gov.au/about/compliance/annual_reports.cfm">www.ramint.gov.au/about/compliance/annual_reports.cfm</a>

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