

# ROYAL AUSTRALIAN MINT

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# ROYAL AUSTRALIAN MINT

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

The Royal Australian Mint (the Mint) was officially opened in 1965 and is a prescribed agency operating under the *Financial Management and Accountability Act 1997*. The Mint's role is to produce circulating and numismatic coins. Its vision is to achieve excellence as a sustainable world class mint. By manufacturing quality coinage, the Mint is contributing to the economic objectives of the Government and the people of Australia, including coin collectors. The Mint is also the custodian of the National Coin Collection and provides educational and tourist services to local and overseas residents.

The transformation of the Mint has reached a stage of its evolution whereby it can commence reaping the benefits from the building refurbishment; the automation in circulating coin production; and the upgrade of IT business systems. The benefits from these projects will enable the Mint to focus on optimising productivity returns on Commonwealth capital investment; further maximising safety and reducing environmental impacts; and enhancing the Mint visitor experience.

The Mint will continue to build a working environment that allows its staff to grow, learn and challenge accepted practices through innovative solutions. Occupational health and safety remains a strong focus for the Mint to ensure that staff have a secure and safe environment. With the recent technological changes, the Mint is committed to delivering training and development to improve the skills, culture and dynamics of the organisation to adapt to these changes. With the ongoing shortage of key skills required to operate the Mint, and against the background of its ageing workforce, development and implementation of a strategic workforce plan is a priority for the Mint in 2010-11.

In September 2010, the Mint will host the XXVI Mint Directors Conference which will see members of the international coin minting industry gather in Canberra to exchange ideas and best practice on all monetary matters and related legal, economic, technical and numismatic initiatives.

New circulating coin supply agreements to be implemented with the commercial banks will see the Mint better equipped to manage its production capacity and scheduling.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Royal Australian Mint resource statement — Budget estimates for 2010-11 as at Budget May 2010**

	Estimate of prior year amounts available in 2010-11 \$'000	+	Proposed at Budget 2010-11 \$'000	=	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
<b>Other services</b>						
<b>Departmental non-operating</b>						
Equity injections	1,500		-		1,500	8,175
<b>Total appropriations excluding special accounts</b>	<b>A</b> 1,500		-		1,500	8,175
<b>Special accounts</b>						
Opening balance	61,600	<sup>1</sup>	-		61,601	38,811
Appropriation receipts	-		-		-	175
Non-appropriation receipts to special accounts	-		250,358		250,358	235,351
<b>Total special account</b>	<b>B</b> 61,600		250,358		311,958	274,337
<b>Total resourcing (A+B)</b>	63,100		250,358		313,458	282,512
Less appropriations drawn from equity injections above and credited to special accounts	-		-		-	175
<b>Total net resourcing for the Mint</b>	<b>63,100</b>		<b>250,358</b>		<b>313,458</b>	<b>282,337</b>

1. Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.2.

## 1.3 BUDGET MEASURES

The Mint does not have any Budget measures for 2010-11.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Agencies deliver programs which are the Government actions taken to deliver the stated outcomes. Agencies are required to identify the programs which contribute to government outcomes over the budget and forward years.

The Mint's outcome is described below specifying the strategy, program, objective, deliverables and key performance indicators used to assess and monitor the performance of the Mint.

**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**

#### Outcome 1 Strategy

To achieve this outcome the Mint will continue to:

- 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; and
- develop and produce high quality profitable numismatic products.

As the sole producer of Australian circulating coin and custodian of the National Coin Collection, 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; and
- maintaining Australia's National Coin Collection.

**Outcome 1 Budgeted expenses and resources**

Table 2.1 provides an overview of the total expenses for Outcome 1 by program.

**Table 2.1: Budgeted expenses and resources for Outcome 1**

<b>Outcome 1:</b> 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	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
<b>Program 1.1: Royal Australian Mint</b>		
Administered expenses		
Special accounts	63,582	68,064
Departmental expenses		
Special accounts	81,628	89,780
Expenses not requiring appropriation in the budget year	170	161
<b>Total expenses for Outcome 1</b>	<b>145,380</b>	<b>158,005</b>
	2009-10	2010-11
<b>Average staffing level (number)</b>	195	191

**Contributions to outcome 1**

**Program 1.1: Royal Australian Mint**

**Program objective**

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

**Program expenses**

The costs of production, warehousing and distribution of minted circulating coins are dependent on the demand for circulating coin by the Reserve Bank of Australia and Australian commercial banks.

**Table 2.2 Program expenses**

	2009-10 Revised budget \$'000	2010-11 Budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
<b>Administered items</b>					
Special account expenses					
Minting and Coinage Special Account	63,582	68,064	69,630	65,342	66,857
<b>Total administered expenses</b>	<b>63,582</b>	<b>68,064</b>	<b>69,630</b>	<b>65,342</b>	<b>66,857</b>
<b>Departmental items</b>					
Special account expenses					
Minting and Coinage Special Account	81,628	89,780	90,321	87,567	88,345
Expenses not requiring appropriation in the budget year	170	161	161	161	161
<b>Total departmental expenses</b>	<b>81,798</b>	<b>89,941</b>	<b>90,482</b>	<b>87,728</b>	<b>88,506</b>

**Program deliverables**

The Mint has the following deliverables:

- produce Australian circulating coins to meet the demands of the Australian community;
- maintain minted Australian circulating coin inventory within agreed buffer stock parameters;
- produce circulating coins to meet demand from foreign countries;
- produce numismatic products to meet Australian and overseas demand;
- maintain Australia's National Coin Collection;
- maintain the Mint's visitor gallery, including building and surrounds;
- provide an educational program to school students who visit the Mint; and
- promote public understanding about the cultural and historical significance of coins.

**Program key performance indicators**

The Mint has the following key performance indicators:

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

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2010-11. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations, program expenses and movements in special accounts.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Movement of administered funds between years

The Mint does not have any movement of administered funds.

#### 3.1.2 Special accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Mint.

**Table 3.1.2: Estimates of special account cash flows and balances**

	Opening balance <b>2010-11</b> 2009-10	Receipts <b>2010-11</b> 2009-10	Payments <b>2010-11</b> 2009-10	Adjustments <b>2010-11</b> 2009-10	Closing balance <b>2010-11</b> 2009-10
	Outcome \$'000	\$'000	\$'000	\$'000	\$'000
Minting and Coinage Special Account	1 <b>61,600</b> 38,811	<b>250,358</b> 235,526	<b>244,154</b> 212,737	- -	<b>67,804</b> 61,600
<b>Total special accounts</b>					
<b>2010-11 Budget estimate</b>	<b>61,600</b>	<b>250,358</b>	<b>244,154</b>	-	<b>67,804</b>
Total special accounts 2009-10 estimate actual	38,811	235,526	212,737	-	61,600

#### 3.1.3 Australian Government Indigenous Expenditure

The Mint does not have any Australian Government Indigenous Expenditure.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

The Mint does not have any significant differences between the resource information presented in the Budget Papers and the Portfolio Budget Statements as a result of differences between whole of government level financial reporting (under Australian Accounting Standard 1049) and entity level financial reporting.

### **3.2.2 Analysis of budgeted financial statements**

There is an increase in the estimated actual from the 2009-10 departmental surplus attributable to the Australian Government in the 2010-11 budgeted financial statements compared to the 2010-11 Portfolio Budget Statements due to increase sales of circulating coins and collector coins; and a corresponding increase in departmental expenses.

There is an increase in the estimated cash balances in the Mint's budgeted departmental statement of cash flows. This movement is due to the increase in circulating coin sales forecast; and the lead time between receipt of circulating coin revenue and payment of seigniorage to the Commonwealth (also reflected as an increase in supplier payable).

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental comprehensive income statement  
(for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>EXPENSES</b>					
Employee benefits	16,013	15,549	15,549	15,549	15,549
Supplier	63,230	66,883	66,893	64,200	64,419
Depreciation and amortisation	1,699	5,840	6,398	6,339	6,898
Write-down and impairment of assets	2	200	200	200	200
Losses from asset sales	7	-	-	-	-
Finance costs	59	29	2	-	-
Other	788	1,440	1,440	1,440	1,440
<b>Total expenses</b>	<b>81,798</b>	<b>89,941</b>	<b>90,482</b>	<b>87,728</b>	<b>88,506</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
Sale of goods and rendering of services	81,459	89,762	90,303	87,554	88,335
Interest	522	522	522	522	522
Other revenue	303	161	161	161	161
<b>Total own-source income</b>	<b>82,284</b>	<b>90,445</b>	<b>90,986</b>	<b>88,237</b>	<b>89,018</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>486</b>	<b>504</b>	<b>504</b>	<b>509</b>	<b>512</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	60,926	67,130	74,112	80,906	87,814
Trade and other receivables	4,033	2,533	2,533	2,533	2,533
Tax assets	1,087	1,087	1,087	1,087	1,087
<b>Total financial assets</b>	<b>66,046</b>	<b>70,750</b>	<b>77,732</b>	<b>84,526</b>	<b>91,434</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	52,040	47,926	42,987	37,823	32,158
Heritage and cultural	16,101	16,101	16,101	16,101	16,101
Inventories	19,590	19,590	19,590	19,590	19,590
Intangibles	2,552	3,326	2,767	2,492	667
Other	148	85	85	84	84
<b>Total non-financial assets</b>	<b>90,431</b>	<b>87,028</b>	<b>81,530</b>	<b>76,090</b>	<b>68,600</b>
<b>Total assets</b>	<b>156,477</b>	<b>157,778</b>	<b>159,262</b>	<b>160,616</b>	<b>160,034</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	5,660	6,782	7,904	9,025	10,147
<b>Total provisions</b>	<b>5,660</b>	<b>6,782</b>	<b>7,904</b>	<b>9,025</b>	<b>10,147</b>
<b>Payables</b>					
Suppliers	24,002	24,001	24,001	23,725	21,509
Tax liabilities	645	645	645	645	645
Other	1,038	1,038	982	982	982
<b>Total payables</b>	<b>25,685</b>	<b>25,684</b>	<b>25,628</b>	<b>25,352</b>	<b>23,136</b>
<b>Interest bearing liabilities</b>					
Leases	410	86	-	-	-
<b>Total interest bearing liabilities</b>	<b>410</b>	<b>86</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>31,755</b>	<b>32,552</b>	<b>33,532</b>	<b>34,377</b>	<b>33,283</b>
<b>Net assets</b>	<b>124,722</b>	<b>125,226</b>	<b>125,730</b>	<b>126,239</b>	<b>126,751</b>
<b>EQUITY</b>					
Contributed equity	84,934	84,934	84,934	84,934	84,934
Reserves	18,568	18,568	18,568	18,568	18,568
Retained surpluses or accumulated deficits	21,220	21,724	22,228	22,737	23,249
<b>Total equity</b>	<b>124,722</b>	<b>125,226</b>	<b>125,730</b>	<b>126,239</b>	<b>126,751</b>
<b>Current assets</b>	<b>84,697</b>	<b>89,338</b>	<b>96,320</b>	<b>103,114</b>	<b>110,022</b>
<b>Non-current assets</b>	<b>71,780</b>	<b>68,440</b>	<b>62,942</b>	<b>57,502</b>	<b>50,012</b>
<b>Current liabilities</b>	<b>30,625</b>	<b>31,380</b>	<b>32,231</b>	<b>32,948</b>	<b>31,726</b>
<b>Non-current liabilities</b>	<b>1,131</b>	<b>1,173</b>	<b>1,301</b>	<b>1,429</b>	<b>1,568</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	235,940	250,358	272,275	246,818	272,177
<b>Total cash received</b>	<b>235,940</b>	<b>250,358</b>	<b>272,275</b>	<b>246,818</b>	<b>272,177</b>
<b>Cash used</b>					
Employees	14,547	13,383	12,713	12,715	12,715
Borrowing costs	59	29	2	-	-
Suppliers	174,918	227,918	251,592	226,409	250,654
<b>Total cash used</b>	<b>189,524</b>	<b>241,330</b>	<b>264,307</b>	<b>239,124</b>	<b>263,369</b>
<b>Net cash from or (used by) operating activities</b>	<b>46,416</b>	<b>9,028</b>	<b>7,968</b>	<b>7,694</b>	<b>8,808</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	23,508	2,500	900	900	1,900
<b>Total cash used</b>	<b>23,508</b>	<b>2,500</b>	<b>900</b>	<b>900</b>	<b>1,900</b>
<b>Net cash from or (used by) investing activities</b>	<b>(23,508)</b>	<b>(2,500)</b>	<b>(900)</b>	<b>(900)</b>	<b>(1,900)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	175	-	-	-	-
<b>Total cash received</b>	<b>175</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayments of debt	294	324	86	-	-
<b>Total cash used</b>	<b>294</b>	<b>324</b>	<b>86</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>(119)</b>	<b>(324)</b>	<b>(86)</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>22,789</b>	<b>6,204</b>	<b>6,982</b>	<b>6,794</b>	<b>6,908</b>
Cash at the beginning of the reporting period	38,137	60,926	67,130	74,112	80,906
<b>Cash at the end of the reporting period</b>	<b>60,926</b>	<b>67,130</b>	<b>74,112</b>	<b>80,906</b>	<b>87,814</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)**

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2010</b>					
Balance carried forward from previous period	21,220	18,568	-	84,934	124,722
<b>Adjusted opening balance</b>	21,220	18,568	-	84,934	124,722
<b>Comprehensive income</b>					
Surplus (deficit) for the period	504	-	-	-	504
<b>Total comprehensive income recognised directly in equity</b>	504	-	-	-	504
<b>Estimated closing balance as at 30 June 2011</b>	21,724	18,568	-	84,934	125,226

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	175	-	-	-	-
<b>Total capital appropriations</b>	175	-	-	-	-
<b>Represented by:</b>					
Purchase of non-financial assets	175	-	-	-	-
<b>Total represented by</b>	175	-	-	-	-
<b>ACQUISITION OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	175	-	-	-	-
Funded internally from departmental resources	8,325	2,500	900	900	1,900
<b>TOTAL</b>	8,500	2,500	900	900	1,900

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements — departmental**

	Other infrastructure, plant and equipment \$'000	Heritage and cultural assets \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2010</b>				
Gross book value	57,445	16,101	4,799	78,345
less Accumulated depreciation/amortisation	5,405	-	2,247	7,652
<b>Opening net book balance</b>	<b>52,040</b>	<b>16,101</b>	<b>2,552</b>	<b>70,693</b>
<b>Asset movements</b>				
Additions	1,500	-	1,000	2,500
less Depreciation/amortisation expense	5,614	-	226	5,840
<b>Total asset movements</b>	<b>(4,114)</b>	<b>-</b>	<b>774</b>	<b>(3,340)</b>
<b>As at 30 June 2011</b>				
Gross book value	58,945	16,101	5,799	80,845
less Accumulated depreciation/amortisation	11,019	-	2,473	13,492
<b>Closing net book balance</b>	<b>47,926</b>	<b>16,101</b>	<b>3,326</b>	<b>67,353</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Non-taxation</b>					
Goods and services	152,109	204,489	226,148	212,028	226,120
<b>Total income administered on behalf of government</b>	<b>152,109</b>	<b>204,489</b>	<b>226,148</b>	<b>212,028</b>	<b>226,120</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers	57,305	66,118	68,130	63,842	65,357
Other	6,277	1,946	1,500	1,500	1,500
<b>Total expenses administered on behalf of government</b>	<b>63,582</b>	<b>68,064</b>	<b>69,630</b>	<b>65,342</b>	<b>66,857</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Receivables	25,971	-	21,709	21,709	21,970
<b>Total financial assets</b>	<b>25,971</b>	<b>-</b>	<b>21,709</b>	<b>21,709</b>	<b>21,970</b>
<b>Non-financial assets</b>					
Inventories	20,000	19,926	19,919	19,902	19,895
<b>Total non-financial assets</b>	<b>20,000</b>	<b>19,926</b>	<b>19,919</b>	<b>19,902</b>	<b>19,895</b>
<b>Total assets administered on behalf of government</b>	<b>45,971</b>	<b>19,926</b>	<b>41,628</b>	<b>41,611</b>	<b>41,865</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	-	520	-	-	-
<b>Total payables</b>	<b>-</b>	<b>520</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities administered on behalf of government</b>	<b>-</b>	<b>520</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services (Seigniorage)	88,527	136,425	156,518	146,686	159,263
<b>Total cash received</b>	<b>88,527</b>	<b>136,425</b>	<b>156,518</b>	<b>146,686</b>	<b>159,263</b>
<b>Net cash from or (used by) operating activities</b>	<b>88,527</b>	<b>136,425</b>	<b>156,518</b>	<b>146,686</b>	<b>159,263</b>
<b>Net increase or (decrease) in cash held</b>	<b>88,527</b>	<b>136,425</b>	<b>156,518</b>	<b>146,686</b>	<b>159,263</b>
Cash at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- special accounts	88,527	136,425	156,518	146,686	159,263
<b>Cash at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of administered capital budget**

The Mint has no administered non-financial capital assets.

**Table 3.2.11: Schedule of asset movements — administered**

The Mint has no administered non-financial capital assets.

**3.2.4 Notes to the financial statements**

**Departmental**

**Basis of accounting**

The Mint's budgeted statements have been prepared on an accrual basis, in accordance with the historical cost convention except for some assets and liabilities that are at valuation and in accordance with:

- the Australian Government's financial budgeting and reporting framework; and
- Australian Accounting Standards.

**Budgeted departmental income statement**

**Revenues**

Revenue is derived from the production of circulating coin, the sale of numismatic coins and coin like products. The amount of revenue earned in any one year is dependant upon the demand for such products by the Reserve Bank of Australia, Australian commercial banks and the coin collecting market.

**Expenses**

**Employees**

This includes wages and salaries, superannuation, provision for annual leave and long service leave.

**Depreciation and amortisation**

Depreciable assets are written off over their estimated useful lives, using the straight-line method.

**Other**

Other expenses include the cost of goods sold.

## **Budgeted departmental balance sheet**

### **Non-financial assets**

#### **Inventory**

Inventories held for resale are at the lower of cost and net realisable value. Work in progress and finished goods are brought to account to include direct costs and a portion of direct labour and overhead. All precious metals are purchased and brought to account at cost.

From 1 July 2009 circulating coin finished goods inventory has been reclassified as an administered asset to reflect the true nature of this asset.

### **Provisions and payables**

#### **Employees**

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave, as all sick leave is non-vesting.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows in respect of all employees.

### **Asset valuation**

Commonwealth Government agencies are required to value property, plant and equipment and other infrastructure assets using the fair value method of valuation.

### **Administered**

Seigniorage is collected by the Mint on behalf of the Commonwealth Government. Seigniorage represents the difference between the face value of the coinage sold to the Reserve Bank of Australia and/or Australian commercial banks and its cost of production to the Mint. Seigniorage is treated as an administered item within the Mint's administered budget statements.

From 1 July 2009 circulating coin finished goods inventory has been reclassified as an administered asset to reflect the true nature of this asset. This change in classification has resulted in the Mint's administered budget statements including the gross (face value) of circulating coin as administered income and the associated cost of production, warehousing and distribution of those sales as an administered expense, rather than solely recognising the seigniorage (net) revenue as in prior years.