

# ROYAL AUSTRALIAN MINT

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# ROYAL AUSTRALIAN MINT

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Royal Australian Mint (the Mint) is a prescribed agency operating under the *Financial Management and Accountability Act 1997*. The Mint's vision is to achieve excellence as a sustainable world class Mint. Its goal is to meet the circulating coin and collector coin needs of Australia and selected international markets. The Mint is also the custodian of Australia's National Coin Collection and provides educational and tourist services to local and overseas residents.

Over the next three years, the Mint's key strategies include:

- further development of in-house capability;
- improve relationships with suppliers and ensure customer expectations are met by delivering quality products in-full and on-time;
- continue to recognise and demonstrate the importance of staff;
- maintain workplace health and safety, and environmental conditions; and
- continue to build brand recognition.

As the sole supplier of Australia's circulating coin requirements, the Mint is responsible for the continuous review of Australian coinage and for providing advice to the Treasury and the Government on coin related issues.

In 2013-14, the Mint will continue to target revenue growth opportunities for both numismatic and international circulating coin, particularly in the Pacific and neighbouring countries.

To ensure that Commonwealth resources are appropriately deployed, the Mint will implement the lean philosophy across the organisation to improve its operational efficiency and drive improvement. To deliver a safe and secure environment, the Mint will continue to invest in health and safety for its employees and maintain a high level of security.

The Mint will increase engagement with its employees to empower and motivate staff, invest in health and wellbeing activities, and conduct mentoring and leadership programs.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources for the Mint.

**Table 1.1: Royal Australian Mint resource statement — Budget estimates for 2013-14 as at Budget May 2013**

	Estimate of prior year amounts available in + 2013-14 \$'000	Proposed at Budget = 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
<b>Other services</b>				
<b>Special accounts</b>				
Opening balance	59,274 <sup>1</sup>	-	59,274	-
Non-appropriation receipts to special accounts	-	181,953	181,953	176,987
<b>Total special account</b>	<b>59,274</b>	<b>181,953</b>	<b>241,227</b>	<b>176,987</b>
<b>Total net resourcing for the Mint</b>	<b>59,274</b>	<b>181,953</b>	<b>241,227</b>	<b>176,987</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 2013-14.

## 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. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. 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, program deliverables and program 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 appropriate level of Australian circulating coin;
- provide advice to the Treasury and government on coin related issues; 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 expense statement

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

**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	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
<b>Program 1.1: Royal Australian Mint</b>		
Administered expenses		
Special accounts	56,845	54,026
Departmental expenses		
Special accounts	94,557	98,397
<b>Total expenses for Outcome 1</b>	<b>151,402</b>	<b>152,423</b>
	2012-13	2013-14
<b>Average staffing level (number)</b>	217	241

## 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 coin are dependent on the demand for circulating coin by Australian commercial banks and foreign jurisdictions whilst costs for numismatic products are driven by orders received from collectors.

**Table 2.2 Program expenses**

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Administered items					
Special account					
Minting and Coinage Special Account	56,845	54,026	54,092	54,874	55,829
Departmental items					
Special account					
Minting and Coinage Special Account	94,557	98,397	101,820	108,046	113,397
<b>Total program expenses</b>	<b>151,402</b>	<b>152,423</b>	<b>155,912</b>	<b>162,920</b>	<b>169,226</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;
- 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;
- all numismatic sales meet or exceed cost of production;
- at least 95 per cent of numismatic orders placed are produced and delivered within contracted delivery time;
- 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 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

### 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>2013-14</b> 2012-13	Receipts <b>2013-14</b> 2012-13	Payments <b>2013-14</b> 2012-13	Adjustments <b>2013-14</b> 2012-13	Closing balance <b>2013-14</b> 2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Minting and Coinage Special Account	1	<b>59,274</b> 55,296	<b>181,953</b> 176,987	<b>177,789</b> 173,009	- -	<b>63,438</b> 59,274
<b>Total special accounts</b>						
<b>2013-14 Budget estimate</b>		<b>59,274</b>	<b>181,953</b>	<b>177,789</b>	-	<b>63,438</b>
Total special accounts 2012-13 estimate actual		55,296	176,987	173,009	-	59,274

#### 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 material differences between agency resourcing and financial statements.

### 3.2.2 Analysis of budgeted financial statements

There is a minor decrease in the anticipated operating results in 2013-14 compared to 2012-13 due to the Mint's investment in additional capability and capacity.

There is an increase in the estimated cash balances in the Mint's budgeted departmental statement of cash flows. This movement is due to a greater increase in receipts from supply of goods and services compared to expenditure.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (Showing Net Cost of Services)  
(for the period ended 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>EXPENSES</b>					
Employee benefits	18,660	23,257	23,594	24,302	25,031
Supplier	63,364	64,498	66,740	72,272	76,678
Depreciation and amortisation	5,127	4,004	4,848	4,834	5,050
Finance costs	4	1	1	1	1
Other	7,402	6,637	6,637	6,637	6,637
<b>Total expenses</b>	<b>94,557</b>	<b>98,397</b>	<b>101,820</b>	<b>108,046</b>	<b>113,397</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
Sale of goods and rendering of services	90,624	94,521	97,852	104,424	109,354
Interest	350	350	600	600	600
Other revenue	7,461	6,733	6,733	6,733	6,733
<b>Total own-source income</b>	<b>98,435</b>	<b>101,604</b>	<b>105,185</b>	<b>111,757</b>	<b>116,687</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>3,878</b>	<b>3,207</b>	<b>3,365</b>	<b>3,711</b>	<b>3,290</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	59,858	63,438	63,527	64,740	67,536
Trade and other receivables	9,106	9,797	13,177	16,731	20,005
Tax assets	1,081	1,081	1,081	1,081	1,081
<b>Total financial assets</b>	<b>70,045</b>	<b>74,316</b>	<b>77,785</b>	<b>82,552</b>	<b>88,622</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	44,518	44,545	44,434	43,967	41,055
Heritage and cultural	23,388	23,388	23,388	23,388	23,388
Inventories	30,971	30,973	30,973	30,973	30,973
Intangibles	1,073	1,559	1,807	1,473	1,868
Other	656	476	476	476	476
<b>Total non-financial assets</b>	<b>100,606</b>	<b>100,941</b>	<b>101,078</b>	<b>100,277</b>	<b>97,760</b>
<b>Total assets</b>	<b>170,651</b>	<b>175,257</b>	<b>178,863</b>	<b>182,829</b>	<b>186,382</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	6,729	8,273	8,521	8,776	9,039
<b>Total provisions</b>	<b>6,729</b>	<b>8,273</b>	<b>8,521</b>	<b>8,776</b>	<b>9,039</b>
<b>Payables</b>					
Suppliers	15,384	17,784	17,784	17,784	17,784
Tax liabilities	1,706	1,706	1,706	1,706	1,706
Other	12,638	12,570	12,570	12,570	12,570
<b>Total payables</b>	<b>29,728</b>	<b>32,060</b>	<b>32,060</b>	<b>32,060</b>	<b>32,060</b>
<b>Interest bearing liabilities</b>					
Leases	49	7	-	-	-
<b>Total interest bearing liabilities</b>	<b>49</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>36,506</b>	<b>40,340</b>	<b>40,581</b>	<b>40,836</b>	<b>41,099</b>
<b>Net assets</b>	<b>134,145</b>	<b>134,917</b>	<b>138,282</b>	<b>141,993</b>	<b>145,283</b>
<b>EQUITY</b>					
Contributed equity	77,903	77,903	77,903	77,903	77,903
Reserves	25,679	25,679	25,679	25,679	25,679
Retained surpluses or accumulated deficits	30,563	31,335	34,700	38,411	41,701
<b>Total equity</b>	<b>134,145</b>	<b>134,917</b>	<b>138,282</b>	<b>141,993</b>	<b>145,283</b>
<b>Current assets</b>	<b>100,591</b>	<b>104,684</b>	<b>108,153</b>	<b>112,920</b>	<b>118,990</b>
<b>Non-current assets</b>	<b>70,060</b>	<b>70,573</b>	<b>70,710</b>	<b>69,909</b>	<b>67,392</b>
<b>Current liabilities</b>	<b>34,674</b>	<b>38,285</b>	<b>38,489</b>	<b>38,707</b>	<b>38,930</b>
<b>Non-current liabilities</b>	<b>1,832</b>	<b>2,055</b>	<b>2,092</b>	<b>2,129</b>	<b>2,169</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 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	170,414	181,369	178,329	183,329	184,030
<b>Total cash received</b>	<b>170,414</b>	<b>181,369</b>	<b>178,329</b>	<b>183,329</b>	<b>184,030</b>
<b>Cash used</b>					
Employees	17,567	21,712	23,346	24,046	24,768
Borrowing costs	4	1	1	1	1
Suppliers	143,613	151,559	149,908	154,036	153,932
<b>Total cash used</b>	<b>161,184</b>	<b>173,272</b>	<b>173,255</b>	<b>178,083</b>	<b>178,701</b>
<b>Net cash from or (used by) operating activities</b>	<b>9,230</b>	<b>8,097</b>	<b>5,074</b>	<b>5,246</b>	<b>5,329</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	4,125	4,517	4,985	4,033	2,533
<b>Total cash used</b>	<b>4,125</b>	<b>4,517</b>	<b>4,985</b>	<b>4,033</b>	<b>2,533</b>
<b>Net cash from or (used by) investing activities</b>	<b>(4,125)</b>	<b>(4,517)</b>	<b>(4,985)</b>	<b>(4,033)</b>	<b>(2,533)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Repayments of debt	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>5,105</b>	<b>3,580</b>	<b>89</b>	<b>1,213</b>	<b>2,796</b>
Cash at the beginning of the reporting period	54,753	59,858	63,438	63,527	64,740
<b>Cash at the end of the reporting period</b>	<b>59,858</b>	<b>63,438</b>	<b>63,527</b>	<b>64,740</b>	<b>67,536</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2013-14)**

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2013</b>					
Balance carried forward from previous period	28,128	25,679	-	77,903	131,710
<b>Adjusted opening balance</b>	28,128	25,679	-	77,903	131,710
<b>Comprehensive income</b>					
Surplus (deficit) for the period	3,207	-	-	-	3,207
<b>Total comprehensive income recognised directly in equity</b>	3,207	-	-	-	3,207
<b>Estimated closing balance as at 30 June 2014</b>	31,335	25,679	-	77,903	134,917

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget (DCB) statement**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources	4,125	4,517	4,985	4,033	2,533
<b>TOTAL</b>	4,125	4,517	4,985	4,033	2,533
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	4,125	4,517	4,985	4,033	2,533
<b>Total cash used to acquire assets</b>	4,125	4,517	4,985	4,033	2,533

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 2013</b>				
Gross book value	55,903	23,388	7,343	86,634
Accumulated depreciation/amortisation and impairment	11,385	-	6,270	17,655
<b>Opening net book balance</b>	<b>44,518</b>	<b>23,388</b>	<b>1,073</b>	<b>68,979</b>
<b>Capital asset additions</b>				
By purchase - other	3,667	-	850	4,517
<b>Total additions</b>	<b>3,667</b>	<b>-</b>	<b>850</b>	<b>4,517</b>
<b>Other movements</b>				
Depreciation/amortisation expense	3,640	-	364	4,004
<b>Total other movements</b>	<b>3,640</b>	<b>-</b>	<b>364</b>	<b>4,004</b>
<b>As at 30 June 2014</b>				
Gross book value	59,570	23,388	8,193	91,151
Accumulated depreciation/amortisation and impairment	15,025	-	6,634	21,659
<b>Closing net book balance</b>	<b>44,545</b>	<b>23,388</b>	<b>1,559</b>	<b>69,492</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 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers	55,345	52,478	52,505	53,248	54,162
Other	1,500	1,548	1,587	1,626	1,667
<b>Total expenses administered on behalf of government</b>	<b>56,845</b>	<b>54,026</b>	<b>54,092</b>	<b>54,874</b>	<b>55,829</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Goods and services	131,775	130,550	133,752	132,555	133,532
<b>Total non-taxation revenue</b>	<b>131,775</b>	<b>130,550</b>	<b>133,752</b>	<b>132,555</b>	<b>133,532</b>
<b>Total own-source revenues administered on behalf of Government on behalf of government</b>	<b>131,775</b>	<b>130,550</b>	<b>133,752</b>	<b>132,555</b>	<b>133,532</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>131,775</b>	<b>130,550</b>	<b>133,752</b>	<b>132,555</b>	<b>133,532</b>
<b>Net Cost of (contribution by) services</b>	<b>(74,930)</b>	<b>(76,524)</b>	<b>(79,660)</b>	<b>(77,681)</b>	<b>(77,703)</b>
<b>Surplus (Deficit)</b>	<b>74,930</b>	<b>76,524</b>	<b>79,660</b>	<b>77,681</b>	<b>77,703</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 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Receivables	14,587	14,587	14,587	14,587	14,587
<b>Total financial assets</b>	<b>14,587</b>	<b>14,587</b>	<b>14,587</b>	<b>14,587</b>	<b>14,587</b>
<b>Non-financial assets</b>					
Inventories	22,558	22,558	22,558	22,558	22,558
<b>Total non-financial assets</b>	<b>22,558</b>	<b>22,558</b>	<b>22,558</b>	<b>22,558</b>	<b>22,558</b>
<b>Total assets administered on behalf of government</b>	<b>37,145</b>	<b>37,145</b>	<b>37,145</b>	<b>37,145</b>	<b>37,145</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	-	-	-	-	-
<b>Total payables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities administered on behalf of government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets/(liabilities)</b>	<b>37,145</b>	<b>37,145</b>	<b>37,145</b>	<b>37,145</b>	<b>37,145</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 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services (seigniorage)	74,930	89,704	79,660	77,651	77,703
<b>Total cash received</b>	<b>74,930</b>	<b>89,704</b>	<b>79,660</b>	<b>77,651</b>	<b>77,703</b>
<b>Net cash from or (used by) operating activities</b>					
	74,930	89,704	79,660	77,651	77,703
<b>Net increase or (decrease) in cash held</b>					
	74,930	89,704	79,660	77,651	77,703
Cash at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for - special accounts	74,930	89,704	79,660	77,651	77,703
<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 capital budget.

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

The Mint has no administered asset movements.

**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 coins, the sale of numismatic coins and coin like products. The amount of revenue earned in any one-year is dependent upon the demand for such products by the Australian financial institutions 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.

### **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 Australian financial institutions and its cost of production to the Mint. Seigniorage is treated as an administered item within the Mint's administered budget statements.