

ROYAL AUSTRALIAN MINT

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ROYAL AUSTRALIAN MINT

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Royal Australian Mint (the Mint) is a listed entity operating under the *Public Governance, Performance and Accountability Act 2013*. The Mint's vision is to achieve excellence as the world's best performing 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 through the gallery as a national institution, provides educational and tourist services to local and overseas visitors.

2020-21 will be the first year of a new strategic plan which acknowledges the long-term decline in the demand for circulating coin, the global and domestic challenges ahead and identifies opportunities for growth in commercial domestic and foreign business. Key strategies identified in this plan include:

- Further enhance and grow the visitor experience at the Mint and its related programs;
- Invest in the system of innovation;
- Continue to implement efficiency improvements by investing in technology, automation and the more effective utilisation of all resources;
- Continue to selectively identify and convert opportunities to increase the commercial revenue;
- Delivering in full and on time to all customers;
- Maintaining the record for workplace health and safety;
- Progressively build on its environmental programs;
- Continue to recognise the importance of staff; and
- Continue to enhance and leverage its 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 2020-21, the Mint will continue to target profitable revenue growth opportunities for circulating and commercial activities.

Royal Australian Mint Budget Statements

The Mint's return on net assets is budgeted to be 29 per cent in 2020-21, inclusive of the seigniorage return to the Commonwealth. Across the forward estimates, the Mint will be focussed on maintaining its return on net assets. With the decline in demand for circulating coin, seigniorage is expected to fall over the next four years from the budgeted \$19.9 million in 2020-21 to \$12.5 million in 2023-24. However, the decline is offset by commercial pre-tax profit and royalties.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the government. The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (i.e. cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Royal Australian Mint resource statement – Budget estimates for 2020-21 as at Budget October 2020

	2019-20 <i>Estimated actual</i> \$'000	2020-21 Estimate \$'000
Departmental		
Special accounts (a)		
Opening balance	52,292	54,841
Non-appropriation receipts	130,603	125,978
<i>Total special accounts</i>	<i>182,895</i>	<i>180,819</i>
Total departmental resourcing	182,895	180,819
Total resourcing for the Royal Australian Mint	182,895	180,819
	2019-20	2020-21
Average staffing level (number)	230	239

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Excludes trust money and "other CRF money" held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Moneys accounts (SOETM)). For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

1.3 BUDGET MEASURES

The Mint has no new budget measures.

Section 2: Outcomes and planned performance

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 entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports - to provide an entity's complete performance story.

The most recent corporate plan for Royal Australian Mint can be found at: <https://www.ramint.gov.au/corporate-plan>

The most recent annual performance statement can be found inside the latest annual report at: <https://www.ramint.gov.au/annual-reports>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Royal Australian Mint					
Administered expenses					
Special accounts					
Royal Australian Mint Special Account	27,860	22,283	21,371	21,016	20,501
Administered total	27,860	22,283	21,371	21,016	20,501
Departmental expenses					
Special accounts					
Royal Australian Mint Special Account	119,147	108,157	127,841	136,730	145,750
Departmental total	119,147	108,157	127,841	136,730	145,750
Total expenses for program 1.1	147,007	130,440	149,212	157,746	166,251
Total expenses for Outcome 1	147,007	130,440	149,212	157,746	166,251
	2019-20	2020-21			
Average staffing level (number)	230	239			

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products			
Program 1.1 – Royal Australian Mint: To produce and distribute circulating coins and minted products to meet the demands of the Australian economy, collectors and foreign countries.			
Delivery	<ul style="list-style-type: none"> • Production, maintenance and sales to meet demand for: <ul style="list-style-type: none"> ○ Australian circulating coins; ○ Foreign country circulating coins; ○ Numismatic products; and ○ Other custom minted products. • Maintenance of Australia’s National Coin Collection. • Tourism and education services to public and school groups: <ul style="list-style-type: none"> ○ Maintenance of the Mint’s visitor gallery, including building and surrounds; ○ Educational programs to school students who visit the Mint; and ○ Promote public understanding about the cultural and historical significance of coins. 		
Performance information			
Performance criteria	2019-20	2020-21	2021-22 and the forward estimates
Produce and deliver Australian circulating coins in a cost effective and timely manner	Seigniorage: \$27m Volume: 92.9 mpcs	Seigniorage: \$19.9m Volume: 115 mpcs	Seigniorage: \$13.3m; \$15.6m; \$12.4m Volume: 77 mpcs; 90 mpcs; 72 mpcs
Optimum return on investment	Return on Net Assets: 29%	Return on Net Assets: 30%	Return on Net Assets: 30%
Commercial orders placed are produced and delivered within agreed delivery time	Delivered on time and in full: 99%	Delivered on time and in full: 90%	Delivered on time and in full: 90%
Visitor satisfaction rating of Mint experience	Survey result: 95%	Survey result: 95%	Survey result: 95%
Increase in visitor numbers compared to prior year	Visitors: 257,275 (COVID-19 Impacted)	Visitors: 101,000 (COVID-19 Impacted)	Visitors: 250,000

Royal Australian Mint Budget Statements

Performance criteria	2019-20	2020-21	2021-22 and the forward estimates
Provide a safe, secure and sustainable operational environment	Retain certification: Yes Major injuries: Nil Security breaches: 1	Retain certification: Yes Major injuries: Nil Security breaches: Nil	Retain certification: Yes Major injuries: Nil Security breaches: Nil
Build on brand awareness	Net Promoter Score: 72%	Net Promoter Score: 70%	Net Promoter Score: 70%
Have engaged, motivated and committed staff	Staff satisfaction survey: 79%	Staff satisfaction survey: 80%	Staff satisfaction survey: 80%
Purposes	To produce and distribute circulating coins and minted products to meet the demands of the Australian economy, collectors and foreign countries.		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Mint has two streams of revenue. One stream comes from production and subsequent sale of circulating coins at face value to commercial banks. The second stream comes from sale of numismatic products and production of foreign circulating coins and other minted products.

The Mint's Departmental projected results for the 2020-21 and forward years reflect the Mint's focus on identifying opportunities in its numismatic business (refer to Table 3.1). The ongoing implementation of 'lean' principles will enable the Mint to manufacture coins (both circulating and numismatic) in a more efficient manner which is expected to deliver a reduction in cost and improved business effectiveness.

An after-tax surplus is budgeted on the sale of numismatic products and foreign circulating coins. It is expected to rise from \$7.8 million in 2019-20 to \$17.7 million in 2023-24 and will offset the reduction in seigniorage received by the government from Australian circulating coins.

The anticipated decline in demand for Australian circulating coin is reflected in a fall in Administered surplus over the next four years from \$27 million in 2019-20 to \$12.5 million in 2023-24 (refer to Table 3.7). However with the increased Departmental commercial 'pre-tax profit' and Commonwealth royalties, the decline in seigniorage returned to Commonwealth will be less significant.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	23,590	26,302	26,302	26,302	26,302
Suppliers	85,911	72,562	92,212	101,082	110,082
Depreciation and amortisation	7,116	7,058	7,058	7,058	7,058
Finance costs	999	999	999	999	999
Other expenses	1,531	1,236	1,270	1,289	1,309
Total expenses	119,147	108,157	127,841	136,730	145,750
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	128,584	123,740	144,847	156,450	168,954
Interest	362	400	475	550	625
Other	504	902	934	967	999
Total own-source revenue	129,450	125,042	146,256	157,967	170,578
Total own-source income	129,450	125,042	146,256	157,967	170,578
Net (cost of)/contribution by services	11,048	16,885	18,415	21,237	24,828
Notional income tax expense	3,231	5,005	5,194	6,041	7,119
Total comprehensive income/(loss) - as per the statement of comprehensive income	7,817	11,880	13,221	15,196	17,709

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	54,841	75,116	74,710	85,992	94,520
Trade and other receivables	1,160	44	44	44	44
Total financial assets	56,001	75,160	74,754	86,036	94,564
Non-financial assets					
Buildings	55,589	36,816	35,479	34,161	32,863
Property, plant and equipment	10,878	27,587	27,905	26,923	24,964
Intangibles	1,828	2,034	2,241	2,448	2,632
Heritage and cultural	22,030	22,030	22,030	22,030	22,030
Inventories	72,171	84,712	85,438	86,171	86,911
Tax assets	1,120	782	782	782	782
Other non-financial assets	3,688	3,688	3,688	3,688	3,688
Total non-financial assets	167,304	177,649	177,563	176,203	173,870
Total assets	223,305	252,809	252,317	262,239	268,434
LIABILITIES					
Payables					
Suppliers	2,972	2,972	2,972	2,972	2,972
Tax liabilities	3,054	3,300	4,584	6,976	8,653
Other payables	15,844	34,547	29,235	31,344	28,162
Total payables	21,870	40,819	36,791	41,292	39,787
Interest bearing liabilities					
Leases	40,030	38,562	37,732	36,809	35,789
Total interest bearing liabilities	40,030	38,562	37,732	36,809	35,789
Provisions					
Employee provisions	6,829	6,961	7,095	7,232	7,232
Other provisions	801	812	823	834	845
Total provisions	7,630	7,773	7,918	8,066	8,077
Total liabilities	69,530	87,154	82,441	86,167	83,653
Net assets	153,775	165,655	169,876	176,072	184,781
EQUITY*					
Parent entity interest					
Contributed equity	77,903	77,903	77,903	77,903	77,903
Reserves	40,616	40,616	40,616	40,616	40,616
Retained surplus (accumulated deficit)	35,256	47,136	51,357	57,553	66,262
Total equity	153,775	165,655	169,876	176,072	184,781

*'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2020-21)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	55,256	20,616	77,903	153,775
Opening balance	55,256	20,616	77,903	153,775
Comprehensive income				
Surplus/(deficit) for the period	11,880	-	-	11,880
Total comprehensive income	11,880	-	-	11,880
Estimated closing balance as at 30 June 2021	67,136	20,616	77,903	165,655
Closing balance attributable to the Australian Government	67,136	20,616	77,903	165,655

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	168,759	157,458	174,432	181,950	168,954
Net GST received	633	(638)	-	-	-
Interest received	-	-	-	-	-
Other	773	10,562	10,669	10,787	10,894
Total cash received	170,165	167,382	185,101	192,737	179,848
Cash used					
Employees	22,005	26,085	26,080	26,073	26,302
Suppliers	110,924	97,055	107,267	112,523	119,642
Net GST paid	-	440	440	450	450
Borrowing and other financing costs	988	988	988	988	988
Other	21,368	11,112	30,746	22,884	4,491
Total cash used	155,285	135,680	165,521	162,918	151,873
Net cash from/(used by) operating activities	14,880	31,702	19,580	29,819	27,975
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	1,426	5,200	5,500	4,200	3,200
Total cash used	1,426	5,200	5,500	4,200	3,200
Net cash from/(used by) investing activities	(1,426)	(5,200)	(5,500)	(4,200)	(3,200)
FINANCING ACTIVITIES					
Cash used					
Repayments of borrowings	1,905	1,468	1,576	1,688	1,805
Payments to Commonwealth - return of	9,000	4,759	12,910	12,649	14,442
Total cash used	10,905	6,227	14,486	14,337	16,247
Net cash from/(used by) financing activities	(10,905)	(6,227)	(14,486)	(14,337)	(16,247)
Net increase/(decrease) in cash held	2,549	20,275	(406)	11,282	8,528
Cash and cash equivalents at the beginning of the reporting period	52,292	54,841	75,116	74,710	85,992
Cash and cash equivalents at the end of the reporting period	54,841	75,116	74,710	85,992	94,520

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	1,574	5,200	5,500	4,200	3,200
TOTAL	1,574	5,200	5,500	4,200	3,200
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,574	5,200	5,500	4,200	3,200
Total cash used to acquire assets	1,574	5,200	5,500	4,200	3,200

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2020-21)

	Buildings \$'000	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020					
Gross book value - ROU assets	40,970	-	-	-	40,970
Gross book value	-	31,909	22,030	8,026	61,965
Accumulated depreciation/ amortisation and impairment	-	(4,341)	-	(6,198)	(10,539)
Accumulated depreciation/ amortisation and impairment - ROU assets	(2,083)	-	-	-	(2,083)
Opening net book balance	38,887	27,568	22,030	1,828	90,313
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - other	-	4,324	-	876	5,200
Total additions	-	4,324	-	876	5,200
Other movements					
Depreciation/amortisation expense - ROU	(2,083)	-	-	-	-
Depreciation/amortisation expense	-	(4,305)	-	(670)	(4,975)
Total other movements	(2,083)	(4,305)	-	(670)	(4,975)
As at 30 June 2021					
Gross book value - ROU assets	40,970	-	-	-	-
Gross book value	-	36,233	22,030	8,902	67,165
Accumulated depreciation/ amortisation and impairment - ROU	(4,166)	-	-	-	(4,166)
Accumulated depreciation/ amortisation and impairment	-	(8,646)	-	(6,868)	(15,514)
Closing net book balance	36,816	27,587	22,030	2,034	88,467

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Suppliers	25,983	20,362	19,412	19,017	18,462
Other expenses	1,877	1,921	1,959	1,999	2,039
Total expenses administered on behalf of Government	27,860	22,283	21,371	21,016	20,501
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	53,461	42,200	34,700	36,700	33,000
Total non-taxation revenue	53,461	42,200	34,700	36,700	33,000
Total own-source revenue administered on behalf of Government	53,461	42,200	34,700	36,700	33,000
Total own-sourced income administered on behalf of Government	53,461	42,200	34,700	36,700	33,000
Net cost of/(contribution by) services	(25,601)	(19,917)	(13,329)	(15,684)	(12,499)
Surplus/(deficit)	25,601	19,917	13,329	15,684	12,499

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	13,999	19,917	13,329	15,684	12,499
Total financial assets	13,999	19,917	13,329	15,684	12,499
Non-financial assets					
Inventories	2,210	2,210	2,210	2,210	2,210
Total non-financial assets	2,210	2,210	2,210	2,210	2,210
Total assets administered on behalf of Government	16,209	22,127	15,539	17,894	14,709
LIABILITIES					
Payables					
Other payables	-	-	-	-	-
Total payables	-	-	-	-	-
Total liabilities administered on behalf of Government	-	-	-	-	-
Net assets/(liabilities)	16,209	22,127	15,539	17,894	14,709

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	39,462	13,999	19,917	13,329	15,684
Total cash received	39,462	13,999	19,917	13,329	15,684
Net cash from/(used by) operating activities	39,462	13,999	19,917	13,329	15,684
Net increase/(decrease) in cash held	39,462	13,999	19,917	13,329	15,684
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Special accounts	(39,462)	(13,999)	(19,917)	(13,329)	(15,684)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

