

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.

2021-22 will incorporate a strategic plan which acknowledges the long-term decline in the demand for circulating coin, the opportunities for growth in the collectible business and how the Mint delivers public value as a National Institution. With a foundation based on a commitment to excellence, safety and effective resource management, the following key strategies have been identified for inclusion in this plan:

- Optimisation of the return on core business;
- Profitable growth of the collector and investment business;
- Further enhancement of the visitor experience at the Mint and its related programs;

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 2021-22, the Mint will continue to target profitable revenue growth opportunities for circulating and collectables activities.

Across the forward estimates, the Mint will be focussed on effectively managing its return to Commonwealth generated through seigniorage returns from circulation coin sales, surpluses from continued growth in the collectible business and the provision of tourism and education services to the public.

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 2021-22 as Budget May 2021

	<i>2020-21 Estimated actual</i>	<i>2021-22 Estimate</i>
	\$'000	\$'000
Departmental		
Special accounts (a)		
Opening balance	54,841	59,053
Non-appropriation receipts	125,978	150,821
<i>Total special accounts</i>	<i>180,819</i>	<i>209,874</i>
Total departmental resourcing	180,819	209,874
Total resourcing for the Royal Australian Mint	180,819	209,874
	<i>2020-21</i>	<i>2021-22</i>
Average staffing level (number)	239	239

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

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 Monies 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.

The Mint's 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

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Royal Australian Mint					
Administered expenses					
Special accounts					
Royal Australian Mint Special Account	32,921	34,967	33,458	33,072	33,003
Administered total	32,921	34,967	33,458	33,072	33,003
Departmental expenses					
Special accounts					
Royal Australian Mint Special Account	118,157	127,121	133,541	139,373	145,177
Departmental total	118,157	127,121	133,541	139,373	145,177
Total expenses for program 1.1	151,078	162,088	166,999	172,445	178,180
Total expenses for Outcome 1	151,078	162,088	166,999	172,445	178,180
<hr/>					
	2020-21	2021-22			
Average staffing level (number)	239	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 2021-22 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	2020-21	2021-22	2023-25 and the forward estimates
Produce and deliver Australian circulating coins in a cost effective and timely manner	Seigniorage: \$45m Volume: 175 mpcs	Seigniorage: \$41m Volume: 159 mpcs	Seigniorage: \$36m; \$m; \$33m; \$30m Volume: 143 mpcs; 136 mpcs; 129 mpcs
Optimum return on investment	Return on Net Assets: 28%	Return on Net Assets: 30%	Return on Net Assets: 30%
Collectibles orders placed are produced and delivered within agreed delivery time	Delivered on time and in full: 95%	Delivered on time and in full: 90%	Delivered on time and in full: 90%
Visitor satisfaction rating of Mint experience	Survey result: N/A (COVID-19 Impacted)	Survey result: 95%	Survey result: 95%
Visitor numbers	Visitors: 112,000 (COVID-19 Impacted)	Visitors: 164,500 (COVID-19 Impacted)	Visitors: 385,000; 440,000; 485,000

Royal Australian Mint Budget Statements

Performance criteria	2020-21	2021-22	2023-25 and the forward estimates
Provide a safe, secure and sustainable operational environment	Retain certification: Yes Major injuries: Nil Security breaches: Nil	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: 70%	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 2021-22 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 collectible products (numismatic, foreign circulating coins and other minted products).

The Mint's Departmental projected results for the 2021-22 and forward years reflect the Mint's focus on identifying opportunities in its collectible business (refer to table 3.1). The ongoing implementation of 'lean' principles will enable the Mint to manufacture its products 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 collectible products. It is expected to rise from \$12 million in 2020-2021 to \$21 million in 2024-25 and will contribute to the total return to Commonwealth.

The Administered surplus from seigniorage is expected to decline over the next four years from \$32 million in 2020-21 to \$27 million in 2024-25 (refer to table 3.7).

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	26,302	24,618	25,111	25,611	26,124
Suppliers	82,562	93,026	98,654	103,866	108,987
Depreciation and amortisation	7,058	7,208	7,488	7,588	7,758
Finance costs	999	999	999	999	999
Other expenses	1,236	1,270	1,289	1,309	1,309
Total expenses	118,157	127,121	133,541	139,373	145,177
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	134,200	149,719	162,164	170,828	174,540
Rental income	240	552	582	456	475
Royalties	482	100	100	100	100
Other	820	630	630	630	630
Total own-source revenue	135,742	151,001	163,476	172,014	175,745
Total own-source income	135,742	151,001	163,476	172,014	175,745
Net (cost of)/contribution by services	17,585	23,880	29,935	32,641	30,568
Notional income tax expense	5,276	7,164	8,981	9,792	9,170
Total comprehensive income/(loss) - as per the statement of comprehensive income	12,310	16,716	20,955	22,849	21,398

Prepared on Australian Accounting Standards basis.

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

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	71,513	77,756	93,368	102,243	124,999
Trade and other receivables	1,052	1,052	1,052	1,052	1,052
Total financial assets	72,565	78,808	94,420	103,295	126,051
Non-financial assets					
Buildings	36,816	35,479	34,161	32,863	31,585
Property, plant and equipment	27,587	30,132	28,720	26,231	21,613
Intangibles	2,034	2,241	2,448	2,632	1,962
Heritage and cultural	22,030	22,030	22,030	22,030	22,030
Inventories	84,712	83,334	84,067	90,807	96,692
Tax assets	782	782	782	782	782
Other non-financial assets	3,688	3,688	3,688	3,688	3,688
Total non-financial assets	177,649	177,686	175,896	179,033	178,352
Total assets	250,214	256,494	270,316	282,328	304,403
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	36,769	30,772	31,130	26,910	26,027
Total payables	42,795	37,044	38,686	36,858	37,652
Interest bearing liabilities					
Leases	38,562	37,732	36,809	35,789	34,672
Total interest bearing liabilities	38,562	37,732	36,809	35,789	34,672
Provisions					
Employee provisions	6,961	7,095	7,232	7,232	7,232
Other provisions	812	823	834	845	845
Total provisions	7,773	7,918	8,066	8,077	8,077
Total liabilities	89,130	82,694	83,561	80,724	80,401
Net assets	161,084	173,800	186,755	201,604	224,002
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)	42,565	55,281	68,236	83,085	105,483
Total equity	161,084	173,800	186,755	201,604	224,002

Prepared on Australian Accounting Standards basis.

*Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021					
Balance carried forward from previous period	42,565	20,616	20,000	77,903	161,084
Opening balance	42,565	20,616	20,000	77,903	161,084
Comprehensive income					
Surplus/(deficit) for the period	16,716	-	-	-	16,716
Total comprehensive income	16,716	-	-	-	16,716
Distributions to owners					
Returns on capital:					
Dividends	(4,000)	-	-	-	(4,000)
Sub-total transactions with owners	(4,000)	-	-	-	(4,000)
Estimated closing balance as at 30 June 2021	55,281	20,616	20,000	77,903	173,800
Closing balance attributable to the Australian Government	55,281	20,616	20,000	77,903	173,800

Prepared on Australian Accounting Standards basis.

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

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	167,150	179,856	188,246	171,284	175,015
Net GST received	8,802	9,440	9,450	9,450	-
Interest received	-	-	-	-	-
Other	1,122	550	550	550	550
Total cash received	177,074	189,846	198,246	181,284	175,565
Cash used					
Employees	26,085	24,396	24,882	25,611	26,124
Suppliers	98,055	96,977	101,095	110,426	114,692
Net GST paid	9,440	9,440	9,450	9,450	-
Borrowing and other financing costs	988	988	988	988	988
Other	11,112	30,746	22,884	4,491	1,309
Total cash used	145,680	162,547	159,299	150,966	143,113
Net cash from/(used by) operating activities	31,394	27,299	38,947	30,318	32,452
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	5,200	7,877	4,200	3,200	398
Total cash used	5,200	7,877	4,200	3,200	398
Net cash from/(used by) investing activities	(5,200)	(7,877)	(4,200)	(3,200)	(398)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	1,468	1,576	1,688	1,805	1,922
Payments to Commonwealth - return of capital	8,054	11,603	17,447	16,438	7,376
Total cash used	9,522	13,179	19,135	18,243	9,298
Net cash from/(used by) financing activities	(9,522)	(13,179)	(19,135)	(18,243)	(9,298)
Net increase/(decrease) in cash held	16,672	6,243	15,612	8,875	22,756
Cash and cash equivalents at the beginning of the reporting period	54,841	71,513	77,756	93,368	102,243
Cash and cash equivalents at the end of the reporting period	71,513	77,756	93,368	102,243	124,999

Prepared on Australian Accounting Standards basis.

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

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	5,200	7,000	8,500	8,500	7,000
TOTAL	5,200	7,000	8,500	8,500	7,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	5,200	7,000	8,500	8,500	7,000
Total cash used to acquire assets	5,200	7,000	8,500	8,500	7,000

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of departmental asset movements (Budget year 2021-22)

	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	-	36,233	22,030	8,902	67,165
Accumulated depreciation/ amortisation and impairment	12	(8,646)	-	(6,868)	(15,502)
Accumulated depreciation/ amortisation and impairment - ROU assets	(4,166)	-	-	-	(4,166)
Opening net book balance	36,816	27,587	22,030	2,034	88,467
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - other	-	7,000	-	877	7,877
Total additions	-	7,000	-	877	7,877
Other movements					
Depreciation/amortisation expense - ROU	(2,083)	-	-	-	(2,083)
Depreciation/amortisation expense	-	(4,455)	-	(670)	(5,125)
Other - ROU assets	746	-	-	-	746
Total other movements	(1,337)	(4,455)	-	(670)	(6,462)
As at 30 June 2021					
Gross book value - ROU assets	41,716	-	-	-	-
Gross book value	-	43,233	22,030	9,779	75,042
Accumulated depreciation/ amortisation and impairment - ROU	(6,249)	-	-	-	(6,249)
Accumulated depreciation/ amortisation and impairment	12	(13,101)	-	(7,538)	(20,627)
Closing net book balance	35,479	30,132	22,030	2,241	89,882

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)

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Suppliers	31,000	32,850	31,299	30,870	30,757
Other expenses	1,921	2,117	2,159	2,202	2,246
Total expenses administered on behalf of Government	32,921	34,967	33,458	33,072	33,003
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	65,000	74,184	66,811	63,493	60,341
Total non-taxation revenue	65,000	74,184	66,811	63,493	60,341
Total own-source revenue administered on behalf of Government	65,000	74,184	66,811	63,493	60,341
Total own-sourced income administered on behalf of Government	65,000	74,184	66,811	63,493	60,341
Net cost of/(contribution by) services	(32,079)	(39,217)	(33,353)	(30,421)	(27,338)
Surplus/(deficit)	32,079	39,217	33,353	30,421	27,338

Prepared on Australian Accounting Standards basis.

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

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	32,079	39,217	33,353	30,421	27,338
Total financial assets	32,079	39,217	33,353	30,421	27,338
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	34,289	41,427	35,563	32,631	29,548
LIABILITIES					
Payables					
Other payables	-	-	-	-	-
Total payables	-	-	-	-	-
Total liabilities administered on behalf of Government	-	-	-	-	-
Net assets/(liabilities)	34,289	41,427	35,563	32,631	29,548

Prepared on Australian Accounting Standards basis.

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

	2020-21 Estimated actual \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	24,637	32,079	39,217	33,353	30,421
Total cash received	24,637	32,079	39,217	33,353	30,421
Net cash from/(used by) operating activities	24,637	32,079	39,217	33,353	30,421
Net increase/(decrease) in cash held	24,637	32,079	39,217	33,353	30,421
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Special accounts	(24,637)	(32,079)	(39,217)	(33,353)	(30,421)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

