



Australian Government

Royal Australian Mint

Charter between the Royal Australian Mint and The Treasury

Purpose

The Treasury portfolio is responsible for currency matters. The Royal Australian Mint (the Mint) is a listed entity under the *Public Governance, Performance and Accountability Rule 2014* within the Treasury portfolio. It is responsible for "ensuring the coinage needs of the Australian economy, collectors and foreign countries through the manufacture and sale of circulating coins, collector coins and other minted like products".

This Charter between the Mint and The Treasury (the Charter) sets out the roles and accountabilities of The Treasury, the Secretary to The Treasury (the Secretary), the Mint and the Chief Executive Officer of the Mint (the CEO).

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Accountabilities of the Royal Australian Mint and The Treasury

The Mint is the sole producer of Australian circulating coins and also supplies numismatic (collector) coins, bullion products and coin related services. The Mint's responsibilities in fulfilling these functions include:

- producing sufficient Australian circulating coins to meet demand;
- producing circulating coin in accordance with the MOU between the Mint and The Treasury;

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- providing advice to the Treasury Ministers to assist with meeting their responsibilities in implementing government decisions in relation to coinage and the Mint's operations; and
- maintaining the National Coin Collection and the Mint's visitor gallery and promoting public understanding of the cultural and historical significance of coins.

The Markets Group within The Treasury has the primary responsibility for the development of advice to the Treasury Ministers on strategic issues pertaining to Australian coins and the Mint. These accountabilities include:

- advising on the implications of and possible amendments to the *Currency Act 1965* (Currency Act);
- in consultation with the CEO, providing advice to Treasury Ministers in relation to:
 - issues concerning Australian circulating coins which may carry national implications; for example, possible risks or sensitivities to the Government, proposals to change the shape of a coin or to cease to issue a denomination, or the seigniorage payable;

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- the status and governance structure of the Mint.

Role of the Secretary to The Treasury

The Secretary is responsible for the Mint under the *Public Service Act 1999*, and must advise Treasury Ministers in matters relating to the Department which, for this purpose, includes the Mint.

The Secretary does not, however, expect to be involved in decisions related to the routine operations of the Mint; for example, the hiring of staff, the daily production of circulating and collector coins and other routine administrative functions of the Mint.

Role of the Chief Executive Officer, Royal Australian Mint

The CEO has full control of the entity, which means control has been delegated to the CEO who has the full authority to make decisions, directly or indirectly, in relation to the operational and financial policies of the Mint.

Section 15 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) requires an entity's Accountable Authority to manage the affairs of the entity to promote the efficient, effective, economical and ethical use of the Commonwealth's resources, which includes compliance with applicable laws and Australian Government policy.

The Finance Minister delegated Accountable Authorities certain limited powers as described in the *Public Governance, Performance and Accountability (Finance Minister to Accountable Authorities of Non-Corporate Commonwealth Entities) Delegation 2014*, issued under section 107 of the PGPA Act to Accountable Authorities of Non-Corporate Commonwealth Entities. All Accountable Authorities of non-corporate Commonwealth entities, which include the CEO, are required each year to certify to the Finance Minister that the delegations have been exercised in accordance with the limits and conditions of the Delegation.

In addition, the Treasurer authorises, directs and delegates certain responsibilities to the CEO under the *Crimes (Currency) Act 1981* and the *Currency Act 1965*.

The CEO (as the Accountable Authority of the Mint) has the power to establish an Advisory Board to assist in governing the Mint under section 24 of the PGPA Act. The role and composition of the Board is a matter for the CEO. The Advisory Board is independent of The Treasury and reports directly to the CEO.

The CEO (as the Accountable Authority of the Mint) must, under section 45 of the PGPA Act, establish an Audit Committee that is constituted and performs functions in accordance with prescribed rules. The role and composition of the Audit Committee is a matter for the CEO. The Committee is independent of The Treasury and reports directly to the CEO.

Reporting to Treasury Ministers and The Treasury

The Mint is an entity that sits within the Treasury portfolio. As such the Secretary appoints the CEO and the CEO has certain accountabilities to The Treasury and the Secretary.


The CEO is to report directly to the relevant Treasury Ministers and to The Treasury as required and is accountable for the performance of the Mint and its compliance with relevant legislation.

The CEO and Mint Chief Financial Officer (CFO) will provide a biannual report to The Treasury on the Mint's recent performance (including financial information), the Mint's prospects and strategy (including the proposed major programs for the following 12-18 months) and risks. The reports are to be provided by 31 March and 30 September each year. The CEO and CFO will meet with the Secretary or his or her delegate to brief them on the biannual report within four weeks of the report being provided.

The Mint will provide to The Treasury information required by The Treasury to fulfill its accountabilities in relation to the development of advice to the Treasury Ministers, including copying The Treasury on briefings and any other correspondence provided by the Mint to Treasury Ministers.

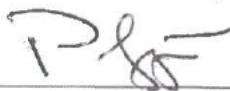
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Review of the Charter

The Secretary and the CEO will review the Charter at least once a year and update it as required.



Mr Philip Gaetjens

Secretary to The Treasury

Date: 5.7.2019



Mr Ross MacDiarmid

Chief Executive Officer, Royal Australian Mint

Date: 05.07.2019

Unclassified



MEMORANDUM OF UNDERSTANDING

BETWEEN

THE DEPARTMENT OF THE TREASURY

AND

THE ROYAL AUSTRALIAN MINT

MEMORANDUM OF UNDERSTANDING

1 PARTIES

This Memorandum of Understanding (MOU) is made by:

The Commonwealth of Australia, acting through and represented by the **Department of the Treasury** (ABN 92 802 414 793), Langton Crescent, Parkes ACT 2600 (The Treasury)

and

The Commonwealth of Australia, acting through and represented by the **Royal Australian Mint** (ABN 45 852 104 259), Denison Street, Deakin ACT 2600 (the RAM).

2 DURATION AND REVIEW

- 2.1 This MOU commences on the date of its signature by the Authorised Officer of The Treasury, being **23rd** December 2019, and continues until terminated by either Party.
- 2.2 Either Party may terminate this MOU at any time by giving to the other Party at least six months' notice or less notice if mutually agreed.
- 2.3 The Parties agree to review the terms of this MOU at such times as required and agreed by the Parties and, if appropriate, vary the MOU or terminate the MOU and enter into a new MOU.

3 CONTEXT

- 3.1 This MOU is to be read in conjunction with the Charter between the RAM and The Treasury which sets out the roles and accountabilities of The Treasury, the Secretary to The Treasury, the RAM and the Chief Executive Officer of the RAM.
- 3.2 This MOU sets out the relationship between the RAM and The Treasury in relation to the RAM's activities, including mutually agreed terms and conditions relating to:
 - a) Circulating Coins;
 - b) Uncirculating Coins and other sources of revenue (as identified in clause 7.2);
 - c) the provision of other services (as outlined in clause 5); and

d) the transfer of funds.

3.3 The Parties will act and cooperate in good faith in accordance with the terms of this MOU to ensure the efficient and effective delivery of the obligations and functions under the MOU. Where a matter is not expressly addressed in the MOU, the Parties will discuss and resolve the matter quickly and in accordance with the principles established by this MOU.

3.4 This MOU has been prepared in the following context.

3.4.1 The RAM is a listed entity under the *Public Governance, Performance and Accountability Act 2013* (Cth) (that is, it is a non-corporate Commonwealth entity prescribed by the Public Governance, Performance and Accountability Rule 2014).

3.4.2 Under section 14(1) of the *Currency Act 1965* (Cth), the Treasurer may cause to be made and issued coins of the denominations of money specified, or taken to be specified, in the Schedule to that Act.

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3.4.4 The Commonwealth remains, at all times, the legal and equitable owner of minted Circulating Coins.

3.5 This MOU is not intended to create legally binding obligations on either party or prevent or inhibit either party from properly performing its statutory or other public functions.

4 DEFINITIONS AND INTERPRETATION

In this MOU, unless the contrary intention appears:

Base Metal Coin means a coin made only of one or more base metals (for example, copper, nickel, tin, zinc).

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Circulating Coin means coins approved for issue under Part III of the *Currency Act 1965* (Cth) intended for use as legal tender for the payment of goods and/or services.

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Contaminated Coin means Circulating Coins which are unusually polluted or infected as a consequence of an accident or natural disaster (for example, flood or fire) and would potentially cause risk to public health.

Counterfeit Coin means suspected forged Circulating Coins or suspected forged Uncirculating Coins.

Education and Visitor Services means the provision of education programs, visitor services and tours through the RAM's visitor gallery, as well as currency or coin-related educational programs as directed by the Government.

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MOU means this Memorandum of Understanding between The Treasury and the RAM, as amended from time to time, and includes any Schedules or Attachments.

Mutilated Coin means Circulating Coins deemed by the RAM to be mutilated under its Worn and Mutilated Circulating Coin policy.

Party means party to this MOU.

Precious Metal means gold or silver.

Precious Metal Coin means a coin containing any Precious Metal.

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The Treasury shall, where the context so admits, include the officers, employees and agents of The Treasury.

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Treasurer means any Treasury-portfolio Minister or Ministers, or the relevant Treasury-portfolio Minister, as the case implies.

Uncirculating Coin means coins approved for issue under Part III of the *Currency Act 1965* (Cth) that are not Circulating Coins.

Withdrawn Coin means those Circulating Coins that are removed from circulation.

Worn and Mutilated Circulating Coin Policy means the RAM's policy published on its website (as amended), regarding redemption of damaged Circulating Coin.

Worn and Mutilated Coin means worn circulating coins and those damaged as a result of normal use, or an accident, as further described in the Worn and Mutilated Circulating Coin Policy.

5 OBLIGATIONS AND FUNCTIONS OF THE ROYAL AUSTRALIAN MINT

General obligations

5.1 The RAM agrees to:

- a) provide the services outlined in this clause;
- b) comply with the Government's coin policy guidelines;

- c) when seeking a currency determination, provide information to The Treasury and to the Treasurer outlining the type of each coin and the indicative seigniorage or applicable royalty rate and indicative royalty payable, as appropriate;
- d) ensure that the quality of Circulating Coins and Uncirculating Coins manufactured complies with the requirements of a determination by the Treasurer made under Part III of the *Currency Act 1965* (Cth);
- e) manufacture coins and other minted products efficiently to meet demand;

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- g) provide Education and Visitor Services;
- h) maintain the RAM's visitor gallery, including building and surrounds;
- i) promote public understanding of the cultural and historical significance of coins and currency;
- j) maintain Australia's National Coin Collection;

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- l) provide advice to the Government and to The Treasury on coin-related matters, including information necessary to support The Treasury in performing its functions and obligations outlined in clause 6 or when requested by The Treasury; and
- m) perform any other agreed activities and functions that will support the RAM's business.

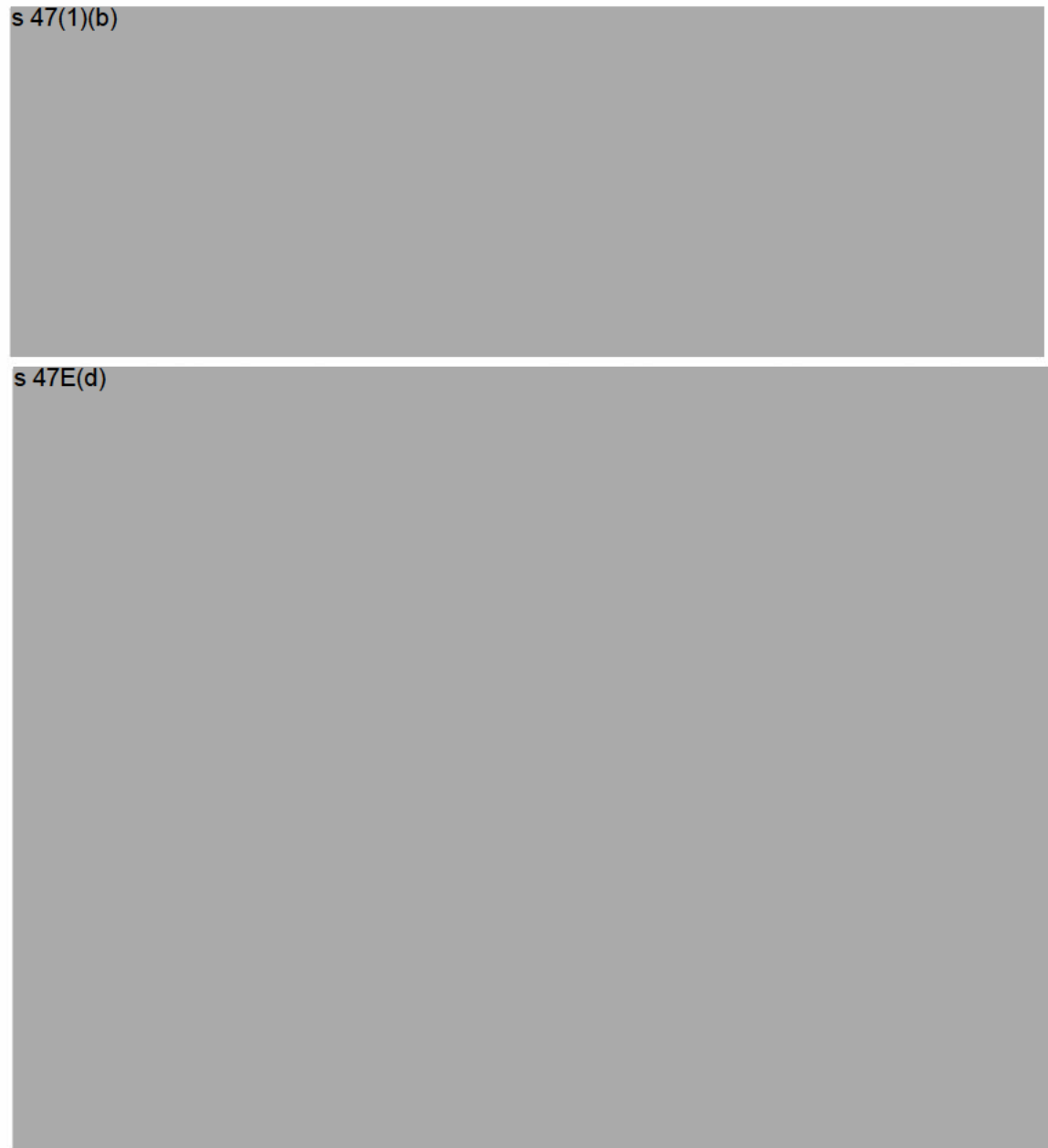
Additional obligations in relation to Circulating Coins

5.2 The RAM agrees to:

- a) maintain sufficient inventory of Australian Circulating Coin;
- b) provide warehousing, inventory management and security services relating to minted Circulating Coins, raw materials (blanks) and other materials used in the production of Circulating Coins;
- c) provide transportation and logistics services for the distribution of Circulating Coins; and

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s 47(1)(b)




s 47E(d)

6 OBLIGATIONS AND FUNCTIONS OF THE TREASURY


6.1 In accordance with the terms of the MOU, The Treasury agrees to:

- a) assist the RAM in the processing of currency determinations required under Part III of the *Currency Act 1965* (Cth); and
- b) provide support on any other matters pertinent to RAM's operations.

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s 47E(d)



7 FUNDING AND OTHER REVENUE

Funding

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s 7(2)



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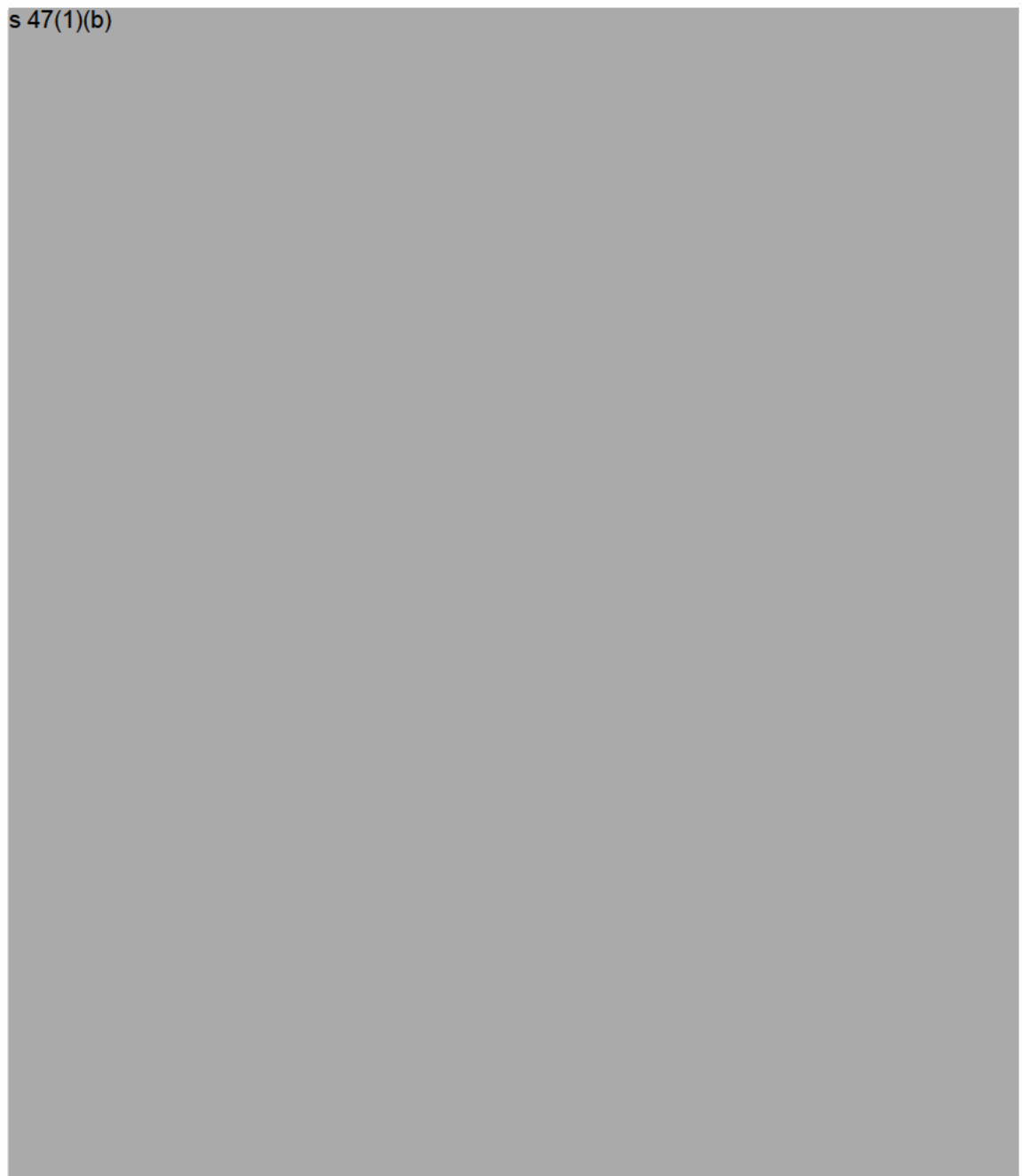


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s 47(1)(b)



s 47(1)(b)



s 7(2)




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This **MEMORANDUM OF UNDERSTANDING** has been entered into on this

23rd day of December 2019.

**Signed for and on behalf of The Treasury by its
Duly Authorised Delegate:**

Simon Kinnear

(Specify Full Name)

[Signature]

(Signature of Delegate)

Secretary

(Specify Position Title)

**Signed for and on behalf of the Royal Australian Mint by its
Duly Authorised Delegate:**

Ross S.M. MacDiarmid

(Specify Full Name)

[Signature]

(Signature of Delegate)

CEO

(Specify Position Title)