Australian Government
Royal Australian Mint

Worn and Mutilated Coin Policy

Purpose

The Royal Australian Mint ('the Mint') is the sole supplier of circulating coins in Australia.

The purpose of this policy is to outline the processes and requirements surrounding the return and reimbursement of worn, damaged or mutilated coins. This policy ensures confidence is maintained in Australian currency.

Scope

This policy outlines the process for an individual, business or other organisations to return worn, damaged or mutilated Australian decimal coins or collector coins manufactured by the Mint since 1965. Return of coins must be conducted through an Authorised Deposit-taking Institution ('ADI') or, in the case of approved scrap metal recyclers, through an Approved Cash Centre Operator (ACCO). Bank notes and foreign currencies are not eligible for assessment and redemption under this policy.

Counterfeit coins are not covered by this policy. Parties that suspect they are in possession of counterfeit coins, should provide these to the Australian Federal Police or State and Territory Police Forces.

Where required, the Mint will work with ADIs and law enforcement to remove worn and mutilated coins from circulation as soon as practicable.

Definitions

Term	Definition
Authorised Deposit-taking Institutions (ADI)	A financial institution licensed by the Australian Prudential Regulatory Authority (APRA) to carry on banking business, including accepting deposits from the public.
Collector coin	A non-circulating coin which may feature unique designs or denominations.
Contaminated coin	A coin that has been exposed to hazardous and unsafe materials.
Counterfeit coin	A coin that resembles, or is intended to resemble, or pass for a genuine coin.

Mechanical damage	Physical harm to a coin caused by tools, machines, or manual force, rather than harmed caused by natural handling processes. This includes, but is not limited to, bending, cutting or drilling a hole in a coin.
Mutilated coin	A coin that bears mechanical damage or is otherwise not recognisable as legal tender.
Suspect coin	A coin which appears to have been wilfully defaced, disfigured, mutilated or destroyed.
Worn coin	A coin that is recognisable by denomination or as legal tender that does not bear mechanical damage.

Returning Coin to the Mint

1. Complete the Collector, Worn and Mutilated Coin Form.
2. Separate coins by denomination and place into clear plastic bags.
3. Submit deposit at an ADI with the completed Collector, Worn and Mutilated Coin Form.
4. If the deposit includes extraneous items, such as rocks, or has been exposed to hazardous and unsafe materials, follow the procedure below under ‘Contaminated Coins’.

Note: If the coins to be returned are collector coins, the Mint recommends discussing the value of these coins with a coin dealer prior to redemption through the above process as these are only entitled to scrap or face value depending on the condition of the coin. Collector coins often have a higher value than their face value.

Scrap metal recyclers may return coin through an ACCO, the returns must be made in the manner outlined in steps 1 & 2 above. All such returns will be automatically classified as mutilated coin for the purposes of assessment under this policy.

Contaminated Coins

Coins may become contaminated due to:

- Prolonged exposure to water or other liquids;
- Exposure to blood, urine, faeces or other bodily fluids, including those of animals;
- Exposure to sewage;
- Exposure to any chemical, liquid or foreign substance that may pose a health hazard or safety risk; or
- Debris or other items that may raise Work, Health and Safety concerns.

In addition to the process noted above for returning coin, contaminated coin should be separated from normal deposits and the following additional precautions and processes undertaken. Deposits will be refused by ADIs if these requirements are not met:

1. Contaminated coins must be separated by denomination and placed a zip-lock bag or an alternative air-tight, securely sealed bag large enough to permit movement of the currency inside the bag for initial visual inspection.

2. Contaminated coins must be double bagged. Both bags must be clear and plastic.
3. The word “CONTAMINATED” must be written in permanent marker on the outside of the outer bag. Any exterior printing must not inhibit the view of the bagged contents.
4. Undertake reasonable endeavours to exclude extraneous items (e.g. rocks) inside or between the inner and outer bags. The presence of extraneous items may result in a deposit being returned.
5. Fill in the Contaminated Currency Notification section of the form and submit it at an ADI. When completing the form, provide as much information as possible regarding the type and extent of the contamination. Failure to provide this information may result in your deposit being returned.

Note: The Mint retains the right to refuse contaminated coin deposits if it appears that the handling and sorting of these coins will compromise the health and safety of Mint staff.

Assessment and Redemption

The Mint will assess all returned coins under this policy. Where coins are assessed as **worn**, the claim will be reimbursed at face value.

Where coins are assessed as **mutilated**, the claim will be reimbursed at scrap value. Scrap value is based on the lowest of either the face value of the coin or the average of the previous three months London Metals Exchange price for metal components in the mutilated coin’s alloy. This average is determined at the time of processing the deposit, not at the time of deposit. Outcomes of mutilated coin assessments conducted by the Mint will be provided in writing along with the payment of funds to the ADI.

Where coins are assessed as **suspect**, the coins will be segregated and any payment owing under this policy withheld pending further investigation. The Mint retains the right to provide suspect coins to the Australian Federal Police (AFP) for further investigation.

Reasons for Rejection

The Mint retains the right to reject, return, or delay claims at a cost payable by the depositor should any of the following apply:

- Claims contain suspicious coin; these will be referred to the AFP.
- Coins are not sorted by denomination;
- Incomplete, illegible, inaccurate or misleading information in the claim form;
- Cause of the damage or return reason is not explained in the claim form;
- Condition of the coins will likely present a health and safety risk to Mint staff.

Costs

Given the complexity of assessing mutilated coins, any redemption of scrap value may be reduced by fees reflecting handling and administration fees incurred by the Mint.

However, if the returned coins fail to meet the requirements above (e.g. not sorted by denomination), they may be returned to the depositor at the depositor’s expense.

Criminal Offences

Extracts from the *Crimes (Currency) Act 1981* (Cth):

Section 6 Making counterfeit money or counterfeit securities

A person shall not make, or begin to make, counterfeit money or a counterfeit prescribed security.

Penalty:

a. in the case of a person, not being a body corporate—imprisonment for 14 years; or

b. in the case of a person, being a body corporate—750 penalty units.

Section 8 Buying or selling non-excepted counterfeit money or counterfeit securities

1. A person shall not buy, sell, receive or dispose of, or offer to buy, sell, procure, or dispose of, non-excepted counterfeit money or a counterfeit prescribed security.

1A. Subsection (1) does not apply if the person has a reasonable excuse.

2. As person shall not, with intent to defraud:

    a. buy, sell, receive or dispose of; or

    b. offer to buy, sell, procure or dispose of;

an excepted counterfeit coin.

Penalty:

a. in the case of a person, not being a body corporate—imprisonment for 12 years; or

b. in the case of a person, being a body corporate—600 penalty units.

Section 16 Defacing or destroying current coins or current paper money

A person shall not, without the consent, in writing, of an authorized person, intentionally deface, disfigure, mutilate or destroy any coin or paper money that is lawfully current in Australia.

Penalty:

a. in the case of a person, not being a body corporate— imprisonment for 2 years or 50 penalty units, or both; or

b. in the case of a person, being a body corporate—100 penalty units.

Section 17 Selling defaced coins or paper money

A person shall not sell or offer to sell a coin or paper money that is lawfully current in Australia and that has been defaced, disfigured or mutilated, knowing it to have been defaced, disfigured or mutilated.

Penalty:

a. in the case of a person, not being a body corporate—imprisonment for 2 years or 50 penalty units, or both; or

b. in the case of a person, being a body corporate—100 penalty units.

Section 18 Possessing defaced coins or paper money

A person shall not have in his or her possession for sale a coin or paper money that is lawfully current in Australia and that has been defaced, disfigured or mutilated, knowing it to have been defaced, disfigured or mutilated.

Penalty:

a. in the case of a person, not being a body corporate— imprisonment for 2 years or 50 penalty units, or both; or

b. in the case of a person, being a body corporate—100 penalty units.