



Australian Government

Royal Australian Mint

2004 – 2005

Annual Report Supplement

OVERVIEW

The Mint is a semi-autonomous operating division of Treasury, responsible for producing circulating and numismatic coin for Australia. The Mint also produces a range of high quality collector coins together with minted non-coin products including medallions. The Mint's collector coin and minted non-coin business is commercial, within government-set parameters.

In 2004-05 the Government provided funding of \$2.165 million as part of a five-year capital replacement program.

CORPORATE GOVERNANCE

The Mint's Advisory Board is responsible for ensuring good corporate governance, advising corporate strategy and providing guidance and oversight to the Mint's senior management team.

The Mint's Advisory Board members as at 30 June 2005 were: Jim Murphy, Executive Director, Markets Group, Treasury (Chair); Vivienne Thom, Controller, Royal Australian Mint; Michael Del Gigante, Chief Operating Officer, Defence Housing Authority; and Ross Macdiarmid, Chief Executive Officer, Australian Capital Tourism Corporation.

The Mint's Senior Management Team comprises the Controller and the Directors of Marketing, Operations, and Finance & Systems.

PERFORMANCE

For 2004-05, the Mint's operating profit before company tax and net of seigniorage was \$0.961 million. The profit was lower than in previous years due to overly optimistic forecasting of numismatic products leading to write offs of packaging and excess finished product. A focus for 2005-06 is to improve planning and forecasting, including introducing more rigorous planning for all products and product reviews.

CIRCULATING COIN

The supply of circulating coin in 2004-05 was high and deviated considerably from original forecast. Despite this, the coin was delivered on time. Increased demand raised the value of the seigniorage to \$102.5 million (from \$59.098 million in 2003-04).

Table 1: Australian decimal coin issued by Treasury 2004-05

Year	\$2 \$'000	\$1 \$'000	50c \$'000	20c \$'000	10c \$'000	5c \$'000	2c \$'000	1c \$'000	Total \$'000
1965-92	395,960	319,780	217,625	161,303	93,532	84,652	48,793	31,162	1,352,807
1992-93	16,460	7,150	50	56	4,000	3,874	---	---	31,590
1993-94	26,100	24,075	2,349	280	2,440	5,716	---	---	60,960
1994-95	39,000	37,600	9,920	3,080	3,240	5,540	---	---	98,380
1995-96	27,000	32,200	8,000	1,040	---	4,140	---	---	72,380
1996-97	26,800	24,300	6,960	3,160	---	4,360	---	---	65,580
1997-98	22,200	20,500	4,320	4,340	820	4,660	---	---	56,840
1998-99	32,400	18,900	7,480	7,180	5,740	5,920	---	---	77,620
1999-00	64,000	23,200	15,930	10,700	7,080	6,210	---	---	127,120
2000-01	31,600	16,000	8,760	9,660	7,320	7,300	---	---	80,640
2001-02	67,200	37,400	27,080	18,020	11,520	10,680	---	---	171,900
2002-03	48,000	23,300	9,640	4,780	4,680	5,020	---	---	95,420
2003-04	33,800	12,300	8,920	7,700	7,360	6,600	---	---	76,740
2004-05	8,760	10,880	15,960	17,001	26,094	59,000	---	---	137,695
Total	839,280	607,585	342,994	248,300	173,826	213,672	48,793	31,162	2,505,672

Table 2: Circulating coin production 2004-5

Denomination	Design	Date of Coin	Alloy	Pieces (millions)
5c	Standard	2004	Cupro-Nickel	97.750
5c	Standard	2005	Cupro-Nickel	50.042
10c	Standard	2004	Cupro-Nickel	62.040
10c	Standard	2005	Cupro-Nickel	28.976
20c	Standard	2004	Cupro-Nickel	47.971
20c	Standard	2005	Cupro-Nickel	1.600
20c	WWII	2005	Cupro-Nickel	21.677
50c	Standard	2004	Cupro-Nickel	10.600
50c	Student	2004	Cupro-Nickel	10.577
50c	WWII	2005	Cupro-Nickel	11.033
\$1	Standard	2004	Aluminium Bronze	8.717
\$1	WWII	2005	Aluminium Bronze	10.607
\$2	Standard	2004	Aluminium Bronze	16.807
\$2	Standard	2005	Aluminium Bronze	6.335
Total				384.732

NUMISMATIC PROGRAM

The Mint was selected as the official supplier of coins and medals for the Melbourne 2006 Commonwealth Games. In March, the Treasurer released the first coins, the Queen's Baton Relay coins. In May, the M2006 Commonwealth Games Uncirculated Coin Collection was released; when finished it will include 16 individual sport coins highlighting the 16 individual sports showcased at the Games.

The Mint announced the 2005 winner of the Secondary Student Design Competition. Kelly Just from Victoria designed a coin featuring Australia's fauna imitating the actions of athletes in the Melbourne 2006 Commonwealth Games. This coin will be released into circulation later in 2005.

In August, the Bicentenary of Tasmania 'H' Mintmark coin was released. The Mint's mintmark machine was taken to Hobart to strike this coin, and the event created a great deal of excitement with hundreds of people lining up to obtain this coin. Strong sales through the mail order and corporate channels followed.

The theme for the 2005 year sets was to commemorate 60 years since the end of the Second World War. The 'Dancing Man' on the \$1 coin and the family greeting the returned prisoner of war on the 20 cent coin generated substantial community interest. The interest in these sets reflects the strong performance of themes of national and historic significance. This was reinforced with the release of the 2005 \$1 mintmark coin commemorating 90 years since the Gallipoli landings. The 'G' mintmark release sold out in two weeks.

A new three-year coin gold series was released in July, highlighting three of Australia's most endangered birds. The Cassowary was the 2004 release; the Mallee Fowl will be the 2005 release; and the South Eastern Red Tailed Black Cockatoo will be the 2006 release.

The Mint attended a variety of coin shows and public exhibitions including the Royal Victorian Agricultural Exhibition, the Pacific Explorer Stamp Show as well as the Brisbane ANDA Coin Note and Stamp Show. Once again the Mint's portable mintmark press proved a strong attraction at these shows.

Sales of corporate and overseas product increased by 48 per cent to \$2.350 million, partly due to foreign coin production orders.

Table 3: Proof and Special Coin production 2004-05

Country	Type	Date of Coin	Quantity	Pieces
Australia	\$1 frunc silver card	2004	1863	1863
	\$1 frunc silver gilt kangaroo	2004	1250	1250
	\$1 frunc silver gilt kangaroo	2005	6400	6400
	\$1 frunc silver kangaroo card	2005	14756	14756
	\$1 frunc silver kangaroo case	2005	9700	9700
	\$1 frunc silver kangaroo case	2004	350	350
	\$1 proof silver	2004	1250	1250
	\$1 proof silver Gallipoli	2005	14900	14900
	\$1 proof silver kangaroo	2004	1200	1200
	\$1 proof silver kangaroo	2005	7400	7400
	\$1 proof silver subscription	2005	11845	11845
	\$1 uncirculated b	2004	8740	8740
	\$1 uncirculated b	2005	32316	32316
	\$1 uncirculated c	2004	5825	5825
	\$1 uncirculated c	2005	76173	76173
	\$1 uncirculated e	2004	16778	16778
	\$1 uncirculated g	2005	35452	35452
	\$1 uncirculated m	2004	28342	28342
	\$1 uncirculated s	2005	33166	33166
	\$1 uncirculated s	2004	2400	2400
	\$150 proof	2004	299	299
	\$150 proof 3 series	2004	670	670
	\$150 proof	2005	100	100
	\$150 proof shipper	2005	600	600
	\$200 proof	2004	273	273
	\$200 proof 3 series	2004	649	649
	\$200 proof	2005	100	100
	\$200 proof shipper	2005	300	300
	\$5 frunc baton	2006	20488	20488
	\$5 proof 150th rail	2004	14070	14070
	\$5 proof afl	2004	1863	1863
	\$5 proof baton	2006	9100	9100
	\$5 proof silver AOC	2004	3900	3900
	\$5 proof silver Tasmania	2004	1	1
	\$5 uncirculated AOC	2004	2739	2739
	\$5 uncirculated Tasmania	2004	18561	18561
	\$5 uncirculated tennis pnc	2005	62556	62556
	3 coin set proof AOC	2004	354	354
	4 coin set proof masterpieces	2003	78	468
	50 cent proof student	2004	8203	8203
	50 cent proof student	2005	5402	5402
	50 cent uncirculated	2005	25000	25000
	50 cent uncirculated	2005	20000	20000
	50 cent uncirculated basketball	2006	5002	5002
	50 cent uncirculated hockey	2006	4802	4802
	50 cent uncirculated shooting	2006	4302	4302
	50 cent uncirculated weightlifting	2006	4402	4402
	50 cent uncirculated badminton	2006	2999	2999
	50 cent uncirculated gymnastics	2006	3000	3000

	50 cent uncirculated rugby sevens	2006	2992	2992
	50 cent uncirculated student	2005	21701	21701
	50 cent uncirculated student	2004	36902	36902
	6 coin set proof	2004	6838	41028
	6 coin set proof	2005	29348	176088
	6 coin set proof baby	2004	4248	25488
	6 coin set proof baby	2005	9702	58212
	6 coin set proof masterpieces	2004	8111	48666
	6 coin set proof silver	2004	230	1380
	6 coin set proof silver	2005	4845	29070
	6 coin set proof gold	2005	500	3000
	6 coin set uncirculated	2005	63522	381132
	6 coin set uncirculated baby	2004	8776	52656
	6 coin set uncirculated baby	2004	10230	61380
	6 coin set uncirculated baby	2005	21666	129996
	6 coin set uncirculated wedding	2004	1938	9690
	6 coin set uncirculated wedding	2005	2983	17898
	18 coin set uncirculated starter	2006	7102	28408
Cook Islands	50 cent proof	2005	15151	15151
	coin \$2 proof	2005	15410	15410
	coin \$20 proof hen	2005	2331	2331
	coin \$20 proof rooster	2005	2418	2418
New Zealand	\$1 frunc silver kiwi	2004	2500	2500
	\$1 proof silver kiwi	2004	1502	1502
	\$5 proof	2005	2002	2002
	\$5 uncirculated nz	2005	2002	2002
	7 coin set proof	2004	500	3500
	7 coin set proof	2005	2002	14014
	7 coin set uncirculated	2005	3002	21014

Table 4: Medals, Medallions etc 2004-05

	Customer	Pieces
Medals	Australian Government	12162
Medallions	Australian Government	2464
	Academic Institutions	620
	Corporate	8156
Lapel Badges	Australian Government	937
	Other	254
Tokens	Corporate	72000
	Royal Australian Mint	20573
Jewellery	Royal Australian Mint	914
Total		118080

Visitors Gallery and National Coin Collection

Visitor numbers increased for the second consecutive year. Two major public events celebrated the Mint's fortieth anniversary. The Parliamentary Secretary launched a special exhibition showing every pre-decimal Australian gold coin. Valued at over \$7 million, it remained in place until the end of August 2005. The public was invited into the factory areas on two open days in April. Many of the 4,627 visitors travelled to Canberra especially for the chance to watch coining operations at close hand.

Table 5: Visitor numbers

	2000-01	2001-02	2002-03	2003-04	2004-05
Total visitor numbers	186,597	208,429	182,104	188,262	195,697

Refurbishment

In May, the Government announced the refurbishment of the Mint building. The refurbishment will be through an integrated construction package, including the Department of Finance and Administration building owner base building works and Mint tenant fitout works. The project, starting in 2006, will take three years and cost around \$40 million.

Refurbishment will ensure compliance with Government accommodation standards and promote environmental policy initiatives. The fitout will provide for a standard commercial office, modern light industrial manufacturing environment and contemporary museum and gallery; refurbishment will better equip the Mint to respond to changing and fluctuating operational requirements and provide a level of public facilities in line with other national institutions.

The Mint was purpose built to produce Australia's decimal coinage and has not had a substantial upgrade since its original construction in 1965; refurbishment will ensure the continued economic viability of this landmark building and extend its useful life by some 25 years.

Customer service charter

The Mint's customer service charter is available in hard copy and on its website.

Customer complaints are managed within the context of the Mint's overall Quality Management System that meets with the ISO9001-2000 Quality System certification. Complaints are dealt with according to the

Australian Standard AS 4269-19951 Complaints Handling. Relevant staff are trained in all aspects of customer service.

Mint staff regularly meet collectors and dealers. In addition, the public can raise matters directly with the Mint in letters, phone calls and emails to two dedicated email addresses.

Quality Management

The Mint's Quality Management System Certification against the International Standard ISO9001-2000 continued during the year with SAI Global conducting the annual surveillance audit and confirming that the Mint Quality System complies with the requirements of the Standard. The Quality System has been further developed as an integrated management tool to include the environmental, security and Occupational Health and Safety management aspects.

Occupational Health and Safety

The Mint is committed to providing a safe and healthy workplace for employees, contractors and visitors and all reasonable steps are taken to control or eliminate hazards and minimise the risks associated with production and day to day activities.

During the past year the Occupational Health and Safety Committee along with the Designated Work Groups has raised safety awareness by regular safety inspections, and in consultation with staff have identified hazards and implemented remedial measures to eliminate or reduce risks and hazards. Risk assessments are being undertaken on all plant, equipment and tasks, a further risk assessment is undertaken after any remedial measures have been implemented. All data is stored on an electronic data base.

The Mint continues to have Comcare self audit status. After many years of participating in the National Safety Council 5 Star Program, the Mint will be placing their OH&S audit out to tender.

The Mint's Health Surveillance program ensures appropriate tests are conducted for all employees whose normal occupations expose them to hazardous materials. The program monitors staff for occupational overexposure to chromium and nickel. Hearing tests are undertaken for employees exposed to noise, and free influenza vaccinations were provided to employees who wished to participate.

The Mint's Employee Assistance Program remains with Davidson Trahaire who provide support service to the Mint staff and their immediate family members. The Mint recognizes that healthy employees are more productive and actively promotes employee activities which lead to a healthy lifestyle. A subsidy of \$100 is available per calendar year on production of receipts for health related lifestyle expenses.

The Mint continues to comply with the provisions of the *Occupational Health and Safety (Commonwealth Employment) Act (1991)* and has not received directives or provisional improvement notices under any section of the Act.

Energy management

The Mint continued with sound energy management practices sustaining the recent gains in energy savings. During the year electricity consumption was down by 2 per cent and the gas consumption increased slightly by 1 per cent. It appears that with the aging building and plant further reduction in energy consumption is becoming increasingly difficult. The proposed building refurbishment program will incorporate more energy efficient designs and fit-outs to enhance further gains in energy conservation.

Environmental management system

The Environment Management System as part of the Integrated Management System was developed further to meet the requirements of the International Standard ISO14001 and to comply with National Environment Protection Measures (Implementation) Act. The Mint engaged URS Australia Pty Ltd, an environmental

consulting agency, to assess the effectiveness of the Environment Management System in complying with the Standard and meeting relevant Government regulations and legislation. It was concluded that the Mint while meeting the relevant legal requirements also scored 60 per cent or higher in fourteen out of seventeen elements of the Standard. The Mint has setup an Environmental Management Group to monitor and further develop environmental procedures and practices.

The Mint has a comprehensive waste management and movement programme and meets the requirements of relevant regulations. The internal controls of the Mint's waste management programme include monitoring and control of atmospheric emissions, wastewater treatment and recovery of precious metals.

Water usage

The water usage during the year increased by about 10 per cent mainly due to increased activity. Use of rainwater for landscape irrigation is being investigated to be incorporated in the Mint refurbishment project.