

CHANGE OF EFFIGY – Back Pocket Brief

Handling Note: CEO of the Royal Australian Mint will lead on this topic

Key Messages

- As the reigning Monarch of the Commonwealth since 1953, Her Majesty Queen Elizabeth II has featured on over 15 billion Australian coins produced by the Royal Australian Mint since it opened in 1965.
- Consistent with past practice, Australian coins will bear the effigy of King Charles III
- The Royal Australian Mint has commenced the transition to an effigy of the new Sovereign on Australian coins.
- The process to change the effigy on the obverse of Australian coins from Queen Elizabeth II to King Charles III may take up to 12 months.

Talking points:

- To meet demand from the banks for coins in the economy, throughout 2023 the Mint will continue to produce and release 2022-dated circulating coins bearing the effigy of Queen Elizabeth II until a new effigy is in place.
- Coins featuring King Charles III will circulate alongside coins bearing the effigy of Queen Elizabeth II.
- The Mint will not be producing circulating coins dated 2023 with an effigy of Queen Elizabeth II.
- Collectable and investment coins produced prior to Queen Elizabeth II passing and featuring her effigy and a 2023-year date, will be in the marketplace and will remain legal tender. The Mint will complete the release and sale of these coins, and will not attempt to withdraw them from the market.
- Until a new effigy of King Charles III is available and is ready for use, the Mint is working on an interim solution for collectible and investment coins released in 2023.
- The cost to change the effigy is negligible.

Background

Change of effigy process

- The process to change the effigy on the obverse of Australian coins may take up to 12 months.
- PM&C seeks approval to use the design of King Charles III effigy on Australian coins from Buckingham Palace
- Royal Australian Mint develops tools for manufacturing

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Last updated: 7 Nov 22

Key witness: [REDACTED]

- Production and trialling of coins featuring new effigy
- Currency Determination of coins featuring new effigy
- Release of new coins through the Reserve Bank of Australia

Obverse coin design

- Australian coins are traditionally struck with an image of the reigning Monarch on the obverse design.
- The legal responsibility for deciding the design of Australia’s circulating coins resides with the Treasurer.
- There is no royal prerogative or legal requirement for this to be the case; rather it is traditional.
- It is tradition for the Royal Mint to supply the design of the effigy to go on Australian coins.

Coin production costs associated with a change of effigy

- The process for changing the effigy on Australian coins is not dissimilar to the process that the Mint undertakes each year when updating the obverse with current year date. Therefore, the cost to change the effigy on Australian coins to King Charles III is negligible.

Supporting information

Questions on Notice

No QoNs asked

Freedom of Information (FOI) Requests

No FOI received

Recent Ministerial Comments

- On 13 September 2022, the Assistant Minister for Competition, Charities and Treasury, the Hon Andrew Leigh attended a press conference at the Royal Australian Mint on changes to Australia’s currency as a result of the passing of Queen Elizabeth II.

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- Transcript from the press conference: [Press conference, Royal Australian Mint, Canberra | Treasury Ministers](#)

Relevant Media Reporting

- There has been strong interest from media regarding the transition of a change of effigy on Australian coins.
- Sydney Morning Herald opinion piece: [Video: Royal Australian Mint reveals plans for transition from late Queen's effigy \(smh.com.au\)](#)
- The Australian opinion piece: [Queen Elizabeth death: Royal Australian Mint confirms future of coins \(theaustralian.com.au\)](#)
- News.com.au opinion piece: [Queen Elizabeth death: Royal Australian Mint confirms future of coins \(theaustralian.com.au\)](#)

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Questions on notice referred to within the brief:

Not applicable

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SEIGNIORAGE – Back Pocket Brief

Handling Note: CEO of the Royal Australian Mint will lead on this topic

Key Messages

- Seigniorage refers to the difference between the face value of a coin and the cost of producing, distributing and retiring it from circulation.
- Seigniorage is collected by the Royal Australian Mint (the Mint) on behalf of the Commonwealth.
- In 2021-22, the Mint delivered \$25 million of Seigniorage to the Commonwealth, of which \$1.5 million was used to fund the gallery.
- A discrepancy was identified in the Mint's forecasted seigniorage figures outlined in Table 2.2 (pg. 345) of the 2022-23 Treasury Portfolio Budget Statement and in the Mint's 2022-23 Corporate Plan.
- The discrepancy was due to an administrative oversight regarding referencing previously published information.
- The Mint has put in place an assurance process to prevent a repeat of this outcome.

Talking points:

- A discrepancy was identified in the Royal Australian Mint's forecasted Seigniorage figures outlined in Table 2.2 (page 345) of the 2022-23 Treasury Portfolio Budget Statement (published March 2022) and the estimated Seigniorage revenue disclosed in Table 3.7 (page 353) of the same document.
- The performance targets outlined in Table 2.2 were replicated in the Mint's 2022-23 Corporate Plan.
- The discrepancies reported for 2022-23, 2023-24 and 2024-26 financial years were between 53 to 66 per cent lower than the actual figures reported in Table 3.7 (page 353) 2022-23 Budget Papers.
- To address any potential for a repeat of this outcome, the Mint has deployed an assurance process for the drafting and clearing of corporate, external facing documents.
 - As part of this process, it is now imperative that all documents are quality assured by multiple staff and are referenced back to previously published information to ensure consistency.

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Background

Seigniorage reported figures

- The table below compares the performance targets in the August 2022 published 2022-23 Corporate Plan and the revised plan of November 2022.

	2022-23		2023-24		2024-26 Onwards	
	Original	Revised	Original	Revised	Original	Revised
Volume of Pieces	77mpcs	123mpcs	90mpcs	110mpcs	72mpcs	104mpcs
Seigniorage return to Commonwealth	\$13.3mil	\$39.2mil	\$15.6mil	\$33.4mil	\$12.4mil	\$30.4mil

Cost to produce coins

- Year on year, seigniorage figures can be impacted by the cost of metal for producing circulating coins.
- The Mint does not routinely monitor the cost of coins based on the daily fluctuations in the cost of metal.

Supporting information

Questions on Notice

No QoNs asked

Freedom of Information (FOI) Requests

No FOI received

Recent Ministerial Comments

- Not applicable

Prepared By:

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Relevant Media Reporting

- In a press conference on 13 September 2022, the CEO of the Royal Australian Mint said that the cost to produce a 5c coin is “somewhere north of 12 cents at the moment”.
- Following this press conference, an article was published on The Conversation analysing the cost to produce coins. This article was widely syndicated, however, no additional questions were raised in the media: [The Mint and Note Printing Australia make billions for Australia – but it could be at risk \(theconversation.com\)](#)

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Questions on notice referred to within the brief:

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DONATION DOLLAR – Back Pocket Brief

Handling Note: CEO of the Royal Australian Mint will lead on this topic

Key Messages

- In 2020, the Royal Australian Mint (the Mint) designed an official circulating coin, the Donation Dollar, which can be spent like any other \$1 coin, but is designed to be given, not spent or kept - inspiring and cultivating the collective spirit of generosity in all Australians.
- In 2020, the former Assistant Treasurer approved the Donation Dollar \$1 circulating coin as a long-term initiative that will create millions of opportunities for Australians to give years to come.
- The Donation Dollar is identified through having a green centre with a gold ripple design symbolising the ongoing impact each donation makes.
- Over the period of 2020 to 2022, the Mint will produce 25 million Donation Dollars – one for every Australian – released to the public through the banks.
- If every Australian was to donate one Donation Dollar per month, an additional \$300 million every year can be raised for those who need it most.
- The cost of producing this coin is negligible; it replaces \$1 circulating coins.

Talking points:

- The Donation Dollar was first released and launched in September 2020 through a promotional and media campaign.
- In 2022, the Mint undertook a second promotional push to increase awareness of the Donation Dollar, and in turn donations to charities and those in need.
- The total promotional budget for 2022 was \$234,952 excluding GST.
 - No funds were spent on paid advertising.
- Independent market research conducted in October 2022 shows that 2.8 million Australians donated their Donation Dollar to a charity or a person or business in need.
 - Average donations were \$21, equating to approximately \$58.8 million in donations generated by the Donation Dollar.

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If pressed:

What other similar Mint programs have been identified or are underway?

- The Donation Dollar is one-of-a-kind. No other program of this nature has been identified.

When many aspects of donating nowadays is best achieved through electronic format or online mediums, how has the Mint factored this into the campaign?

- Australians are still using cash and coins and the Mint is continuing to produce and fulfil bank orders for circulating coins.
- While there are many electronic methods of payment available, cash and coins continue to play a fundamental role in our society.
- The Donation Dollar aims to encourage charitable giving in all forms – online or via cash donations – it serves as a prompt and reminder for Australians to give to those in need.

Was there any thought into why not a \$2 coin, which could therefore be tax deductible in Australia?

- The Mint selected a \$1 coin so that it would stand out in people’s change as the Mint produces many \$2 commemorative coloured circulating coins.

How do you manage collectors not simply keeping these coins or foreign visitors taking the coins out of Australia?

- Producing 25 million Donation Dollars reduces the intrinsic value of the coin and its collectability.

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Background

About the Donation Dollar

- In 2020, the Royal Australian Mint, in partnership with Saatchi & Saatchi, launched the Donation Dollar – a coin designed to inspire and cultivate the collective spirit of generosity in all Australians.
- The Mint will produce 25 million Donation Dollars – one for every Australian.
- While there is no way in accurately knowing how many coins the banks have released into circulation, the Mint estimates that over six million Donation Dollars are currently in circulation as at September 2020, with the remaining 19 million Donation Dollars expected to be released by the banks over the next few years.
- The Donation Dollar is a long-term initiative that will create millions of opportunities for Australians to give years to come.

Market Research

- The Mint conducts annual market research to gauge the effectiveness of the Donation Dollar initiative.
- The latest research was conducted in October 2022.
- A random representative sample of the Australian adult population was used - sample = 1,247 respondents.
- Findings from this research shows:
 - 28 per cent of Australians are aware of the Donation Dollar.
 - 60 per cent of those who are aware of the Donation Dollar have come across one or more Donation Dollar(s) in their change.
 - 67 per cent of those who have found a Donation Dollar have donated it to a charity or a person or business in need.
 - Average donations prompted by the Donation Dollar is 21%
 - Based on the above, the Mint estimates that around \$58.8 million in donations has been generated by this initiative as at September 2022.

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Promotional costs

- The Mint entered into a contract agreement with Saatchi & Saatchi for the provision of design and creative services for the promotion of the Donation Dollar.
- The Mint engaged Saatchi & Saatchi via a whole of government panel arrangement for creative and design services.
- The total value of the contract is \$234,952 (GST exclusive).
- The contract with Saatchi covers the following hard costs:
 - Development of creative and design services for Donation Dollar marketing collateral
 - Production of communication tools i.e. TV advertisements
 - PR and media services
 - Donation Dollar website hosting and maintenance
- No funds were spent on paid advertising.
- The Mint through Universal McCann – whole of government media agency - negotiated in-kind advertising worth \$1.5 million across broadcast, out of home, digital, press and radio platforms for the promotion of Donation Dollar in 2022.

Supporting information

Questions on Notice

• No QoNs asked

Freedom of Information (FOI) Requests

• No FOI received

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Recent Ministerial Comments

On 5 September 2022, the Assistant Minister for Competition, Charities and Treasury, the Hon Andrew Leigh was quoted in a media release distributed by the Royal Australian Mint as saying "Australians are naturally generous, but sometimes in our busy lives, charities can be forgotten. The Donation Dollar is a tangible reminder of the importance of giving back. These coins make that ask: if you find one, donate it, and if that feels good, then take the next step in supporting Australia's community builders. The Albanese Labor Government has an ambitious agenda to rebuild and reconnect communities. After decades in which rates of joining, volunteering and participating have waned, we want to build a stronger sense of civic society. The Australian Government has set a goal to double philanthropic giving by 2030, and to strengthen the community sector. By donating to support local charities, each of us can help shape Australia into a fairer and more connected country.

The world's first Donation Dollar continuing to remind Aussies to give during this national time of need | Royal Australian Mint (ramint.gov.au)

Relevant Media Reporting

- Australian media has reported extensively on the Donation Dollar. Over 100 pieces of positive media coverage was published across radio and online.
- Opinion piece: International Day of Charity: how a dollar can buy a valuable 'helper's high' | Treasury Ministers

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Date: 1 November 2022

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Date: 1 November 2022

Questions on notice referred to within the brief:

Not applicable

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ROYAL AUSTRALIAN MINT E-COMMERCE SYSTEM OUTAGE 3 NOVEMBER 2022 – Back Pocket Brief

Handling Note: CEO of the Royal Australian Mint will lead on this topic

Key Messages

- On 3 November 2022, the Royal Australian Mint e-commerce site (eshop.ramint.gov.au) experienced an outage due to high traffic loads during the launch of the 2022 Remembrance Day \$2 coin.
- Preliminary investigation into this matter indicate that peak load of 65,000 connections pending for the site at the start time for the launch was seven (7) times higher than previous peak loads experienced by the site.
- Due to the unavailability of the e-commerce site, the scheduled start time of the launch on the e-commerce site was delayed while the Royal Australian Mint ICT team and the queueing system vendors investigated the root cause.
- While stabilising the system and developing a scenario where the e-commerce site could adequately provide services under the experienced load levels, pending connections continued to grow from 65,000, peaking at 150,000.
- A second attempt to re-start the product launch on the e-commerce site at 13:00h resulted in a second incident of unavailability of the e-commerce site and the e-commerce product launch was then postponed.
- The Mint has communicated to its customer base that it intends to release the coins through the e-commerce site at a future date.
- Investigations are currently underway with the queueing system vendor to understand the root cause of the systems failure and develop solutions for future proofing system stability in high load scenarios.

Talking points:

- In the month of November 2022, the Royal Australian Mint (the Mint) released a series of coins including a \$2 Red Poppy coloured uncirculated coin, marking ten (10) years since the Mint released its first ever \$2 coloured coin.
- Over the last decade, the Mint's coloured \$2 coin program has become one of the organisation's most successful, ongoing releases.
 - Demand for this product was expected to be high, but not at the scale experienced.
- On 3 November 2022, hundreds of customers lined up early outside of the Mint to purchase the coin.

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- The Onsite retail shop allocation of the \$2 Red Poppy coin sold out within 24 hours.
- The Mint’s e-commerce site experienced an outage due to unprecedented high traffic loads, which were seven (7) times higher than previous system peak loads.
- Online sales and allocations were, and remain on hold until the Mint can rectify issues with its e-commerce site.
 - The Mint expects to reopen online sales for November releases at a future date.
- As at 3 November 2022, 6,344 comments were received through the Mint’s social media channels and customer enquiries inbox in relation to this situation.
 - The Mint is now actively reviewing these comments and will seek to address in due course.

If pressed:

Was the Mint subjected to a cyber-attack / incident?

- An initial review has not detected an attempt to penetrate to the Mint’s internal systems. As at 4 November 2022, the Mint does not have any credible evidence that this incident was a cyber-attack or Denial of Service attempt.
- The Mint is continuing to investigate the profiles of traffic received during the period to identify if there was any malicious traffic that may or may not have contributed to the high level of connection experienced by the systems.

How was the Mint not prepared for the increased demand for access to e-commerce services?

- In early 2022, to prepare for further potential rapid rises in demand for the Mint’s e-commerce services, an e-commerce queuing system – as used by other Mints around the World and large commercial booking entities who are facing, or have faced, similar challenges – was implemented.
 - The intent of this queuing system was to protect the e-commerce systems from excessive load scenarios while maintain services.
- Notwithstanding this work, the Mint is experiencing record demand for e-commerce services, with a rapid increase in demand since the passing of the previous Monarch, Her Majesty Queen Elizabeth II.

Why did the Mint not have the ability to adequately service the customer demand experienced?

- Due to the e-commerce site being required to cope with an unknown capacity due to unprecedented increased demand for collectible coins, a queueing system was implemented. This system would normally cope with load outside of the internal Mint’s systems while maintaining the Mint’s ability to provide a service to customers.

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- At the time of the product launch the queuing system experienced connection requests that were pending for the e-commerce site that were seven (7) times higher than previous peaks experienced on product launches during this year.
- When an attempt was made to initiate the launch, releasing customers from the queuing system, a scenario not previously experienced by the Mint caused excessive connection requests to be transferred to the e-commerce site from the queue causing the system to become unresponsive.

How will the Mint ensure that it can cope with the load for future releases?

- Investigations are still ongoing with the queueing system vendor to understand the root cause of the systems failure. Included in this work will be to identify solutions to better support future releases through improving system stability in high load scenarios.
- Any alternative solution identified will need to be evaluated by the Mint for suitability for use. This will include a review of infrastructure and resourcing availability and capability to understand how, or if, the Mint can provide services at this increased scale of demand.

Supporting information

Questions on Notice

• No QoNs asked

Freedom of Information (FOI) Requests

• No FOI received

Recent Ministerial Comments

No Ministerial comments on this topic

Relevant Media Reporting

- 10 number of media articles were published regarding Mint’s e-commerce site crash. Majority were negative. A sample of the media coverage is included below.
- [Royal Australian Mint under fire as \\$2 Red Poppy release is cancelled | 7NEWS](#)
- [\\$2 coin worth \\$400 crashes website \(yahoo.com\)](#)
- [New \\$2 Coin Sends Royal Australian Mint Into Meltdown - Gold Bendigo & Central Victoria \(goldcentralvictoria.com.au\)](#)

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