

ROYAL AUSTRALIAN MINT

Section 1: Agency overview and resources; variations and measures	137
Overview	137
Additional estimates and variations to outcomes.....	137
Measures — Agency summary	138
Breakdown of additional estimates by appropriation bill	139
Summary of staffing changes.....	139
Other receipts available to be used.....	139
Estimates of expenses from special appropriations.....	140
Estimates of special account flows	140
Section 2: Revisions to agency outcomes	141
Outcomes, administered items and outputs.....	141
Section 3: Budgeted financial statements.....	142
Analysis of budgeted financial statements.....	142
Budgeted financial statements	142
Notes to the financial statements	150

ROYAL AUSTRALIAN MINT

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There has been no change to the overview included in the *Portfolio Budget Statements 2007-08* (page 309).

Table 1.1: Agency outcomes and output group

Outcome	Description	Output groups
Outcome 1		
Satisfy the Reserve Bank of Australia's forecast for circulated coin	The single outcome consists of one output group, namely coin production, associated policy advice and visitors services	Output Group 1.1 Royal Australian Mint

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The following variations in Table 1.2 contributed to a net increase in agency outputs in 2007-08.

Table 1.2: Additional estimates and variations to outcomes — measures

	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000
Outcome 1				
Expense measure				
Royal Australian Mint - information management system upgrade - Phase 2	2,652	2,193	1,027	1,048
Royal Australian Mint - information management system upgrade - Phase 2 (<i>related capital</i>)	4,197	1,847	175	-
Capital measure				
Royal Australian Mint - refurbishment	8,502	8,032	-	-
Royal Australian Mint - refurbishment (<i>related expense</i>)	-	76	159	162

Note: These figures represent the impact on the fiscal balance.

Table 1.3: Additional estimates and variations to outcomes — other variations

The Mint does not have any other variations to Outcome 1.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total
			items	outputs		items	outputs		items	outputs		items	outputs	
Expense measures														
Royal Australian Mint - information management system upgrade - Phase 2	1	1.1	-	2,652	2,652	-	2,193	2,193	-	1,027	1,027	-	1,048	1,048
Related capital														
Royal Australian Mint - information management system upgrade - Phase 2	1	1.1	-	4,197	4,197	-	1,847	1,847	-	175	175	-	-	-
Capital measures														
Royal Australian Mint - refurbishment	1	1.1	-	8,502	8,502	-	8,032	8,032	-	-	-	-	-	-
Related expense														
Royal Australian Mint - refurbishment	1	1.1	-	-	-	-	76	76	-	159	159	-	162	162
Total of all measures			-	15,351	15,351	-	12,148	12,148	-	1,361	1,361	-	1,210	1,210

Note: These figures represent the impact on the fiscal balance.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

The Mint does not have any appropriations from Appropriation Bill (No. 3) 2007-08.

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available \$'000	2007-08 budget \$'000	2007-08 revised \$'000	Additional estimates ¹ \$'000	Reduced estimates \$'000
Non-operating					
Equity injections	11,015	15,100	27,799	12,699	-
Total	11,015	15,100	27,799	12,699	-

1. This figure represents the impact on appropriations.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 budget	2007-08 revised	Variation
Outcome 1			
Satisfy the Reserve Bank of Australia's forecast for circulated coin	175	179	4
Total	175	179	4

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8 provides details of other receipts available to be used and includes special accounts (non-appropriation receipts) established under the *Financial Management and Accountability Act 1997* (FMA) and resources received free of charge by the Mint.

Table 1.8: Other receipts available to be used

	Budget estimate 2007-08 \$'000	Revised estimate 2007-08 \$'000
Departmental other receipts		
Goods and services	55,953	58,817
Other	145	665
Total departmental other receipts available to be used	56,098	59,482

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.9: Estimates of expenses from special appropriations

The Mint does not have any special appropriations.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

	Outcome No.	Opening Balance 2007-08 2006-07 \$'000	Receipts 2007-08 2006-07 \$'000	Payments 2007-08 2006-07 \$'000	Adjustments 2007-08 2006-07 \$'000	Closing Balance 2007-08 2006-07 \$'000
Minting and Coinage Special Account - s20 Financial Management and Accountability Act 1997	1	22,472 5,608	174,228 185,305	173,735 168,441	732 -	23,697 22,472
Total special accounts 2007-08 Budget estimate		22,472	174,228	173,735	732	23,697
Total special accounts 2006-07 actual		5,608	185,305	168,441	-	22,472

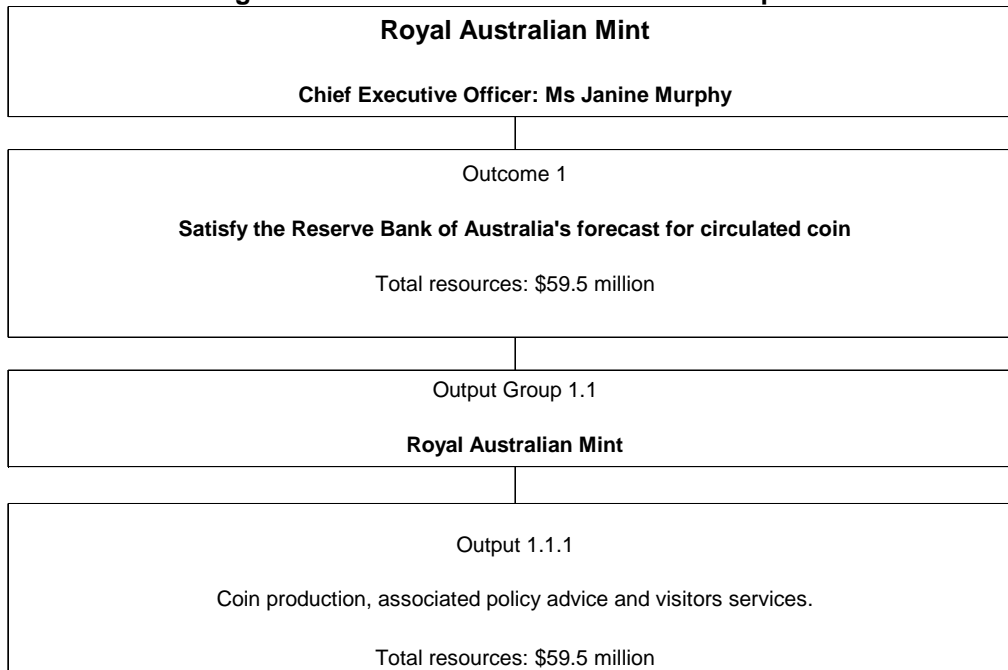
Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 'Agency outcome and output groups' lists the outcome statement and output group for the Mint.

The Mint has not made any changes to its outcome or output since the *Portfolio Budget Statements 2007-08*.

Figure 2: Contributions to outcome and outputs



Revised performance information — 2007-08

The Mint has not made any changes to its performance information since the *Portfolio Budget Statements 2007-08*.

Section 3: Budgeted financial statements

The budgeted departmental and administered financial statement and related notes for the Mint are in this section. The financial statements are produced for 2006-07 (actual results), 2007-08 (revised budget estimate) and three forward years. The financial statements should be read in conjunction with the accompanying notes.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

There has been no change to the Mint's 2007-08 budgeted operating surplus of \$1.0 million as outlined in the *Portfolio Budget Statements 2007-08*. The increase in goods and services revenue since the 2007-08 Budget relates to funding received for new measures funded through seigniorage. This income is offset by increases in employees, suppliers and depreciation expenses related to the same measures. Refer to Table 1.2 and Table 1.4 for further details of these measures.

The Mint's net asset position of \$93.8 million represents an increase of \$24.1 million from the 2007-08 Budget. The increase is primarily due to equity injections of \$12.7 million associated with measures and the effects of a revaluation of the coin collection and property, plant and equipment in 2006-07.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

This statement provides a picture of the expected financial results for the Mint by identifying full accrual expenses and revenues, which indicates the sustainability of the Mint's finances.

Budgeted departmental balance sheet

This statement shows the financial position of the Mint. It helps decision-makers to track the management of assets and liabilities.

Budgeted departmental statement of cash flows

Budgeted cash flows, as reflected in the statement of cash flows, provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental statement of changes in equity — summary of movement

This statement shows the budgeted movement in equity, from the operating result, changes in revaluations and injections of equity from capital appropriations.

Departmental capital budget statement

This statement shows all planned departmental capital expenditure, whether funded through capital appropriations for additional equity, or funded from internal sources.

Departmental property, plant, equipment and intangibles — summary of movement

This statement shows budgeted acquisitions and disposals of non financial assets during the Budget year.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

This schedule identifies the main revenue and expenses administered on behalf of the Australian Government.

Schedule of budgeted administered cash flows

This schedule identifies the cash flows administered on behalf of the Australian Government.

**Table 3.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME					
Revenue					
Goods and services	60,196	58,817	58,342	58,305	57,427
Interest	613	480	490	499	499
Rents	177	185	189	193	193
Total revenue	60,986	59,482	59,021	58,997	58,119
Gains					
Other	152	-	-	-	-
Total gains	152	-	-	-	-
Total income	61,138	59,482	59,021	58,997	58,119
EXPENSE					
Employees	11,765	9,618	8,436	10,627	10,735
Suppliers	45,215	12,557	11,300	10,097	10,013
Depreciation and amortisation	1,206	1,867	2,841	3,705	3,648
Write-down of assets and impairment of assets	774	-	-	-	-
Net losses from sale of assets	5	-	-	-	-
Other	1,089	34,422	33,887	33,723	33,723
Total expenses	60,054	58,464	56,464	58,152	58,119
Operating result before Income Tax	1,084	1,018	2,557	845	-
Income Tax expense	40	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	1,044	1,018	2,557	845	-

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	16,444	16,444	16,686	17,169	17,652
Receivables	12,713	14,206	16,405	17,564	17,564
Total financial assets	29,157	30,650	33,091	34,733	35,216
Non-financial assets					
Infrastructure, plant and equipment	12,830	39,801	51,439	49,228	46,761
Intangibles	314	275	248	229	220
Inventories	60,123	20,123	20,000	20,000	20,000
Deferred tax asset	856	856	856	856	856
Other non financial assets	11,492	11,492	11,492	11,492	11,492
Total non-financial assets	85,615	72,547	84,035	81,805	79,329
Total assets	114,772	103,197	117,126	116,538	114,545
LIABILITIES					
Payables					
Suppliers	972	1,539	1,246	1,246	1,346
Tax liabilities	677	677	677	677	677
Deferred tax liabilities	825	825	825	825	825
Other payables	44,003	3,266	5,042	2,991	1,000
Total payables	46,477	6,307	7,790	5,739	3,848
Provisions					
Employees	3,359	3,137	3,047	3,490	3,388
Total provisions	3,359	3,137	3,047	3,490	3,388
Total liabilities	49,836	9,444	10,837	9,229	7,236
EQUITY					
Contributed equity	45,444	73,243	83,222	83,397	83,397
Reserves	13,917	13,917	13,917	13,917	13,917
Retained surpluses or accumulated deficits	5,575	6,593	9,150	9,995	9,995
Total equity	64,936	93,753	106,289	107,309	107,309
Current assets	89,329	50,822	53,140	54,782	55,265
Non-current assets	25,443	52,375	63,986	61,756	59,280
Current liabilities	48,784	989	1,018	1,226	1,297
Non-current liabilities	1,052	8,455	9,819	8,003	5,939

**Table 3.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	172,108	162,327	159,238	159,247	158,987
Other cash received	177	185	189	193	200
Total cash received	172,285	162,512	159,427	159,440	159,187
Cash used					
Employees	10,778	9,840	10,308	10,184	10,387
Suppliers	86,817	35,788	34,348	33,959	34,053
Cash to the Official Public Account	59,568	113,629	111,467	111,473	111,291
Net GST paid	2,692	2,255	2,062	2,341	1,973
Total cash used	159,855	161,512	158,185	157,957	157,704
Net cash from or (used by) operating activities	12,430	1,000	1,242	1,483	1,483
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	4	-	-	-	-
Total cash received	4	-	-	-	-
Cash used					
Purchase of property, plant and equipment	3,150	28,799	14,076	1,175	1,000
Total cash used	3,150	28,799	14,076	1,175	1,000
Net cash from or (used by) investing activities	(3,146)	(28,799)	(14,076)	(1,175)	(1,000)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	1,132	27,799	13,076	175	-
Total cash received	1,132	27,799	13,076	175	-
Net cash from or (used by) financing activities	1,132	27,799	13,076	175	-
Net increase or (decrease) in cash held	10,416	-	242	483	483
Cash at the beginning of the reporting period	6,028	16,444	16,444	16,686	17,169
Cash at the end of the reporting period	16,444	16,444	16,686	17,169	17,652

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	5,575	13,917	-	45,444	64,936
Adjusted opening balance	5,575	13,917	-	45,444	64,936
Income and expense					
Net operating result	1,018	-	-	-	1,018
Total income and expenses	1,018	-	-	-	1,018
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	27,799	27,799
Sub-total transactions with owners	-	-	-	27,799	27,799
Estimated closing balance as at 30 June 2008	6,593	13,917	-	73,243	93,753

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	11,015	27,799	13,076	175	-
Represented by:					
Purchase of non-financial assets	11,065	28,799	14,076	1,175	1,000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	11,015	27,799	13,076	175	-
Funded internally by departmental resources	50	1,000	1,000	1,000	1,000
Total	11,065	28,799	14,076	1,175	1,000

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment property	Buildings	Specialist military equipment	Infrastructure and plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	-	-	-	12,878	-	2,251	-	15,129
Accumulated depreciation	-	-	-	-	(48)	-	(1,937)	-	(1,985)
Opening net book value	-	-	-	-	12,830	-	314	-	13,144
Additions:									
by finance lease	-	-	-	-	28,799	-	-	-	28,799
Depreciation/amortisation expense	-	-	-	-	(1,828)	-	(39)	-	(1,867)
As at 30 June 2008									
Gross book value	-	-	-	-	41,677	-	2,251	-	43,928
Accumulated depreciation	-	-	-	-	(1,876)	-	(1,976)	-	(3,852)
Estimated closing net book value	-	-	-	-	39,801	-	275	-	40,076

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Goods and services	98,320	104,076	101,417	101,125	101,225
Total revenues administered on behalf of Government	98,320	104,076	101,417	101,125	101,225
Total income administered on behalf of Government	98,320	104,076	101,417	101,125	101,225

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

The Mint does not have any administered assets and liabilities.

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

The Mint has not had any changes to administered cash flows

Table 3.10: Schedule of administered capital budget

The Mint does not have any administered capital.

Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

The Mint does not have any administered property, plant, equipment or intangibles.

NOTES TO THE FINANCIAL STATEMENTS

Departmental

Basis of accounting

The Mint's budgeted statements have been prepared on an accrual basis and in accordance with:

- Australian Government's financial budgeting and reporting framework;
- Australian Accounting Standards (AAS), being the Australian Equivalent to International Reporting Standards (AEIFRS); and
- Consensus Views of the Urgent Issues Group.

The Mint's budgeted statements have been prepared on an accrual basis and in accordance with historical cost convention, except for certain assets which are at valuation.

Budgeted departmental income statement

Revenues

Revenue is derived from the sale of numismatic coin, the production of circulating coin and the sale of coin like products. The amount of revenue earned in any one year is dependent upon the demand for such products by the Reserve Bank of Australia and the coin collecting market.

Expenses

Employees

This includes wages and salaries, superannuation, provision for annual leave and long service leave and workers compensation.

Depreciation and amortisation

Depreciable assets are written off over their estimated useful lives. Depreciation is calculated using the straight-line method.

Other

Other expenses include the cost of goods sold.

Budgeted departmental balance sheet

Non-financial assets

Inventory

Inventories held for resale are at the lower of cost and net realisable value. Work in progress and finished goods are brought to account to include direct costs and a proportion of direct labour and overhead. All precious metals are purchased and brought to account at cost.

Provisions and payables

Employees

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave, as all sick leave is non-vesting.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows in respect of all employees.

Asset valuation

Australian Government agencies are required to value property, plant and equipment and other infrastructure assets using the fair value method of valuation.

Departmental capital budget statement

This shows proposed capital expenditure for the ongoing replacement program of non-financial assets. This asset replacement program has been funded by capital appropriation.

Administered

Seigniorage is collected by the Mint on behalf of the Australian Government. Seigniorage represents the difference between the face value of coinage sold to the Reserve Bank of Australia and its cost of production to the Mint. Seigniorage is treated as an administered item within the Mint's administered budget statements.

