

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2015-16

Finance Portfolio
27-28 May 2015

Department/Agency: Department of Finance

Outcome/Program: 2/2.2

Topic: Scoping Studies – The Mint

Senator: Ludwig

Question reference number: F90

Type of question: Written

Date set by the committee for the return of answer: Friday, 10 July 2015

Number of pages: 2

Question:

The Government has flagged a number of government owned asset sales with scoping studies announced as part of the 2015-2016 budget – www.finance.gov.au/procurement/scoping-studies

These assets included:

- Defence Housing Australia (DHA)
- Australian Hearing Services (AHS)
- The registry services of the Australian Securities and Investments Commission (ASIC)
- The Royal Australian Mint

With regard to the Mint scoping study:

www.finance.gov.au/procurement/scoping-studies/scoping-study-terms-of-reference-royal-australian-mint/

1. Would you be able to lay out a time frame for the scoping study?
2. Why was it identified as an asset that may be able to be sold?
3. How much revenue is raised by the agency annually?
4. How much do you anticipate the agency would generate at sale?
5. Who has been appointed to provide commercial consultation for the project?
 - a) How were they selected?
6. Who has been appointed to provide legal advice on the scoping studies?
 - a) How were they selected?

As part of the terms of reference several areas are identified for examination, I'd like to ask a few questions with regard to the following areas:

- Reduce regulation/red tape
 - Assist small business
 - Reduce the tax burden on the business sector
7. How does the privatisation of the Mint reduce regulation or red tape?
 8. How does the privatisation of the Mint assist small business?
 9. How does the privatisation of the Mint reduce the tax Burden on business?

Answer:

1. The Government announced the scoping study as part of the 2014-15 Budget, and the report of the scoping study was considered by the Government as part of the 2015-16 Budget.
2. As part of the Smaller Government Reform agenda, scoping studies were commissioned into the future operations of a number of government businesses, including the Royal Australian Mint. Scoping studies provide key information and recommendations to assist the Government's decision-making on how key services are best delivered in the future.
3. The Royal Australian Mint's 2013-14 Annual Report states that the seigniorage revenue to the Commonwealth Budget was \$83.4 million in 2013-14. Seigniorage is the difference between the face value of a circulating coin and the cost of producing, distributing and retiring it from circulation.
4. The Government announced on 11 May 2015 that the Royal Australian Mint would be retained in Government ownership in its current form because it is operating as an effective business and it is well-regarded by its international peers.
5. As announced by the Minister for Finance on the 21 August 2014, CIMB Corporate Finance were appointed as the Business Adviser to the scoping study following a competitive procurement process.
- 5 a) The Business Adviser was selected following an open approach to market for business advisory services.
6. As announced by the Minister for Finance on the 21 August 2014, King & Wood Mallesons were appointed as the Legal Adviser to the scoping study following a competitive procurement process.
- 6 a) In accordance with the Legal Services Directions 2005, the Legal Adviser was selected following a pre-qualified approach to market using the Attorney General's Legal Services Multi-Use List for legal advisory services.
7. – 9. The Royal Australian Mint is being retained in Government ownership in its current form.