

## SUMMARY

### Opening Statement to the Standing Committee on Government Operations and Estimates, David Dingwall, October 19, 2005

The Royal Canadian Mint is Canada's national mint and mandated to produce circulation coinage and manage the supporting distribution system. It is a \$324 million dollar commercial corporation (as listed under Part II and Schedule III of the *Financial Administrative Act*), operating in a competitive environment.

Mr. David Dingwall was appointed to his position as President/CEO of the Mint in March 2003. When he was appointed to the position, it was made clear to Mr. Dingwall by the Board and the Shareholder, to make this commercial operation profitable. **As a result of Mr. Dingwall's initiatives, the Mint became profitable, and all expenses were covered by the operating revenues of the Mint. In effect, the Mint no longer had to rely on taxpayers to cover its operating expenditures.**

- In 2.5 years, the Mint's revenue increased by over \$100 million
- In 2004, the Mint had a pre-tax profit of \$15.9 million and paid a \$1 million dividend to the Government of Canada
- By August 2005, the Mint posted 22 consecutive months of profit.

**Operating like a business requires building partnerships, identifying and reaching out to new markets, various other marketing initiatives and the related expenses.** The overall cost of the Office of the President for the year 2004 was \$747,597, of which 72% accounts for salaries. All expenses were identified and categorized within the cost centre, in line with best practices in financial management in leading corporations around the world.

**Contrary to the statements made in the House, all expenses came from the operating revenue of the corporation, not from taxpayers' dollars.**

The cost centre is comprised of:

- Salaries and benefits – 72% of the cost centre
- Travel, meal, hospitality (foreign) – 12.7% - to open and to build new markets for the Mint – to forge the relationships necessary to create and maintain sustainable partnerships with the Mint's customers.
- Business travel (domestic) – 5.3% – to meet with existing and potentially new customers, suppliers, financial institutions and various other marketing and branding initiatives
- Office expenses (courier, freight, telephone, direct mail campaigns, etc.) – 3.8%
- Training, seminars/workshops, recognition and rewards – 1.7%
- Hospitality (domestic) – 1.5% - hosting existing and prospective clients for working lunches/dinners
- Memberships, vehicle – 1.5% - part of Mr. Dingwall's remuneration and approved by the Board on appointment.
- Meals (domestic) – 1.5% - included a leadership conference for Mint employees, as well as union executive and membership, to build the internal environment necessary to support the competitive business strategy; as well as a business seminar involving 28 people – to provide a venue for valuable discussion and direction for strategic growth of the organization.