

GOLD CORPORATION
2002-2003 ANNUAL REPORT

CONTENTS

	Page
Statement of Compliance	2
The Year in Brief	3
Chairman's Review	4
Group Profile	7
Group Structure Chart	9
Senior Management	10
Report on Operations	11
Board of Directors	22
Corporate Governance	24
Output Measures	28
Performance Indicators	30
Certification of Performance Indicators	33
Certification of Financial Statements	34
Financial Estimates	35
Freedom of Information	36
Precious Metal Prices	38
Auditor General's Opinions	
Financial Statements	
Group Directory	

27 November, 2003

The Hon. N. D. Griffiths, LL.B, MLC
Minister for Housing and Works;
Racing and Gaming;
Government Enterprises;
Land Information.
10th Floor, 216 St George's Terrace
PERTH WA 6000

STATEMENT OF COMPLIANCE

In accordance with the *Financial Administration and Audit Act 1985*, we hereby submit for your information and for presentation to Parliament, the Annual Report of Gold Corporation for the year ended 30 June 2003.

The Report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.

P J UNSWORTH
Chairman

M E HARBUZ
Executive Director

THE YEAR IN BRIEF

- Gold Corporation recorded an operating loss of \$1.3 million in 2002-03 before statutory contribution and provisions for slow-moving and obsolete inventory. After statutory contribution benefit (income tax benefit equivalent) and the provision for inventory, a loss of \$2.3 million was incurred, compared with a loss of \$986,000 in the previous year.
- The new coin and blank manufacturing facility, *Campbell-Forrest House*, was opened at the historic Perth Mint site in January. Named after the Mint's founding fathers, the new building also houses the marketing, design, e-commerce, public affairs and sales administration departments.
- Gold Corporation significantly expanded its precious metals blank manufacturing capacity, with the installation of a silver blank manufacturing plant.
- The number of visitors to The Perth Mint Shop and Exhibition increased by 6.4%, despite a significant drop in international visitor numbers caused by the combined impact of the Iraq War, the Bali bombing and the outbreak of Severe Acute Respiratory Syndrome (SARS).
- The Corporation released several successful commemorative coin issues, including Buckingham Palace-approved designs celebrating The Queen's Golden Jubilee and Prince William's 21st birthday. The Australians at War Coin and Medallion Tribute Series of pure silver coins, medallions and miniature replica service medals, and the Golden Pipeline 100th Anniversary silver coin, also proved popular with collectors.
- Perth Mint Depository again exceeded budget due primarily to demand for precious metal investment products in a changing and uncertain investment environment.
- The Australasian precious metals refining and fabrication operations of AGR Joint Venture (50% Gold Corporation) and Johnson Matthey (Aust) Ltd were merged to form one of the world's largest single-site gold refiners, AGR Matthey. Gold Corporation holds 40% of the merged entity, together with Johnson Matthey (Aust) Ltd (20%) and Australian Gold Alliance (40%). For the period 1 July 2002 to 2 October 2002, AGR Joint Venture reported an operating profit before taxation of \$3.8 million, while for the period 3 October 2002 to 30 June 2003, AGR Matthey reported a loss of \$3.1 million, reflecting one-off rationalisation and integration costs arising from the merger. The Newburn refinery processed 359 tonnes of fine gold and 143 tonnes of fine silver.
- Gold Corporation and The Perth Mint won several prestigious awards, including three Western Australian Tourism Awards and a Silver WS Lonnie Award for Excellence in Annual Reporting.

CHAIRMAN'S REVIEW

Gold Corporation's operating performance for the year ended 30 June 2003 was impacted by a number of abnormal costs and events, which contributed to the Group recording a disappointing \$2.3 million loss.

The result was affected by one-off rationalisation and integration costs associated with the merger of the Corporation's 50%-owned precious metals refining and fabrication business, AGR Joint Venture, with Johnson Matthey (Aust) Ltd, in October 2002.

While AGR Joint Venture recorded a \$3.8 million profit for the three-month period leading to the merger, the new partnership, AGR Matthey, sustained a \$3.1 million loss for the nine-month period ended 30 June 2003.

Although profitable at an operating level, AGR Matthey's loss was attributable to redundancy payments, asset write-downs associated with duplication of business equipment and leases, rationalisation of premises, factories, plant and equipment, and the introduction of new business systems.

Despite its difficult beginnings, rationalisation benefits will accrue in the current year and AGR Matthey is well placed to consolidate its position as Australia's sole, and one of the world's leading, precious metal refiners.

Like most Australian tourist attractions, The Perth Mint was adversely affected by the sharp decline in international visitors due to the Iraq War, the Bali bombing and the outbreak of Severe Acute Respiratory Syndrome (SARS). However, a targeted advertising and marketing campaign succeeded in boosting local, intrastate and interstate visitors, leading to an overall 6.4% increase in total visitors for the year.

Among the positive events for Gold Corporation in 2002-03, one of the most notable was the official opening of the new coin and blank manufacturing facility, *Campbell-Forrest House*, in January 2003. Named in honour of The Perth Mint's two founding fathers – Sir John Forrest, who lobbied the British Government for the Mint's establishment in the late 19th century, and John Francis Campbell, the Mint's first and longest-serving chief officer - the building's name was chosen from a list of suggestions submitted in a staff competition. The winning entry was put forward by The Perth Mint's gold pourer and tour guide, Greg Cooke.

The completion of *Campbell-Forrest House* eased long-existing cramped conditions in the 104-year-old Perth Mint factory building, and opened up space for the installation of dedicated silver blank manufacturing plant and equipment, purchased from AGR Matthey. This significantly expanded the Mint's precious metals blank production capacity and created a major opportunity for growth in the years ahead.

During the year, The Perth Mint released several successful, limited edition, commemorative coin issues, including Buckingham Palace-approved coins celebrating The Queen's Golden Jubilee and Prince William's 21st birthday. A series of pure silver coins, medallions and miniature replica service medals honouring the men and women of Australia's defence forces was well received. Several coin issues sold out, generating significant secondary market interest, including the Golden Pipeline 100th Anniversary silver coin, issued to commemorate the centenary of Western Australia's Goldfields Water Supply Scheme.

Perth Mint Depository again exceeded budget due primarily to demand for precious metal investment products in a changing and uncertain investment environment. The depository business was extended in May 2003 with the launch of the Perth Mint Gold Quoted Product (PMG). PMG is structured as a call warrant under the Australian Stock Exchange (ASX) Business Rules and enables investors effectively to buy and sell gold on the ASX through their stockbrokers. Each PMG entitles investors to one hundredth of a troy ounce of fine gold at any time before the series expiry date of 31 December 2013.

Gold Corporation fulfilled its community service obligations by supporting the fundraising activities of a range of charities, schools, clubs and non-profit organisations during the year. The Corporation also supported the Australian Gold Council's inaugural Gold Week by holding an Open Day, which attracted more than 3,000 people. As always, considerable effort was taken to maintain the impeccable presentation standards of the heritage-listed Perth Mint building and grounds for the enjoyment of current and future generations.

A highlight of the year was the Mint's success in winning three awards, including the *Major Tourist Attractions* category, in the 2002 Western Australian Tourism Awards. Wins in three successive years in the *Heritage and Cultural Tourism* and *Tourism Retailing* categories meant that the Mint has been inducted into the Hall of Fame in these categories at the 2003 Awards.

On behalf of the Directors, I wish to pay special tribute to Mr Don Mackay-Coghill, who retired as the Corporation's Chief Executive Officer on 30 June 2003. During his 17 years at the company's helm, Don oversaw the transformation of The Perth Mint into an internationally renowned specialist precious metals mint and tourist attraction. He was responsible for launching the Australian Nugget coin on world bullion markets and drove Gold Corporation's participation in the Sydney 2000 Olympic Coin Program. The Board joins me in wishing Don well in his retirement.

In turn, I extend a warm welcome to Don's successor, Mr Ed Harbuz, who was Managing Director of the South African Mint Company (Pty) Ltd for almost seven years until 2001, and is a former Group Managing Director of Cullinan Holdings Ltd, one of South Africa's oldest industrial companies. Ed has the rare combination of a thorough knowledge of minting and strong financial management credentials. The Board believes the Corporation is extremely fortunate to have secured his talents.

I also welcome newly-appointed Chief Financial Officer, Mr Richard Hayes, who joined the Corporation on 1 March 2003 from AGR Matthey, where he was Chief Operating Officer, and before that, Chief Financial Officer with AGR Joint Venture.

The Gold Corporation Executive Team has commenced development of a Strategic Plan aimed at securing Group profitability in a much-changed environment. While the precious metals investment and collector markets remain challenging, volatile and competitive, the Board is confident that the Corporation is well-placed to move forward, building on a number of strategic developments initiated during the past year, and the Mint's proud achievements over the course of 104 years.

Special thanks to my fellow Board members, and to the staff and management of Gold Corporation, for your dedication and hard work throughout the year.

P J UNSWORTH
Chairman
20 November, 2003

GROUP PROFILE

MISSION STATEMENT

The mission of Gold Corporation is:

to provide high quality refining, processing and other services to the gold industry and to develop and market globally, innovative, value-added precious metal products at a commercial rate of return acceptable to the shareholder.

Gold Corporation's history began more than a century ago with the opening of The Perth Mint on 20 June 1899. The Mint was established as a branch of Britain's Royal Mint to refine the increasing quantities of gold being discovered in Western Australia's eastern goldfields and to coin it into sovereigns and half-sovereigns for the Crown.

Today, the Corporation is Australia's leading precious metals refining, minting and value-adding Group, providing high quality services and precious metal products to domestic and international markets.

The Corporation is the holding company of two wholly owned subsidiaries, the Western Australian Mint and GoldCorp Australia. It provides central services to the Group, including treasury, bullion services and settlement, accounting, personnel management, business development, information systems, public affairs, government relations, security and records management. Some treasury services are also offered to external clients.

The Corporation was created by the *Gold Corporation Act 1987* on 30 June 1988 and is wholly owned by the Government of Western Australia. The *Act* formalised the merger of the Western Australian Mint (also known as The Perth Mint) and GoldCorp Australia.

GoldCorp Australia was formed in 1986 to manage the redevelopment of the Western Australian Mint and to mint and market Australia's first legal tender precious metals bullion coin program internationally, under a unique agreement with the Commonwealth of Australia.

GoldCorp Australia is a significant participant in international markets for value-added precious metal investment and collectable coin products, producing and marketing a wide range of legal tender bullion and collector coins, and precious and base metal medallions, and collectables.

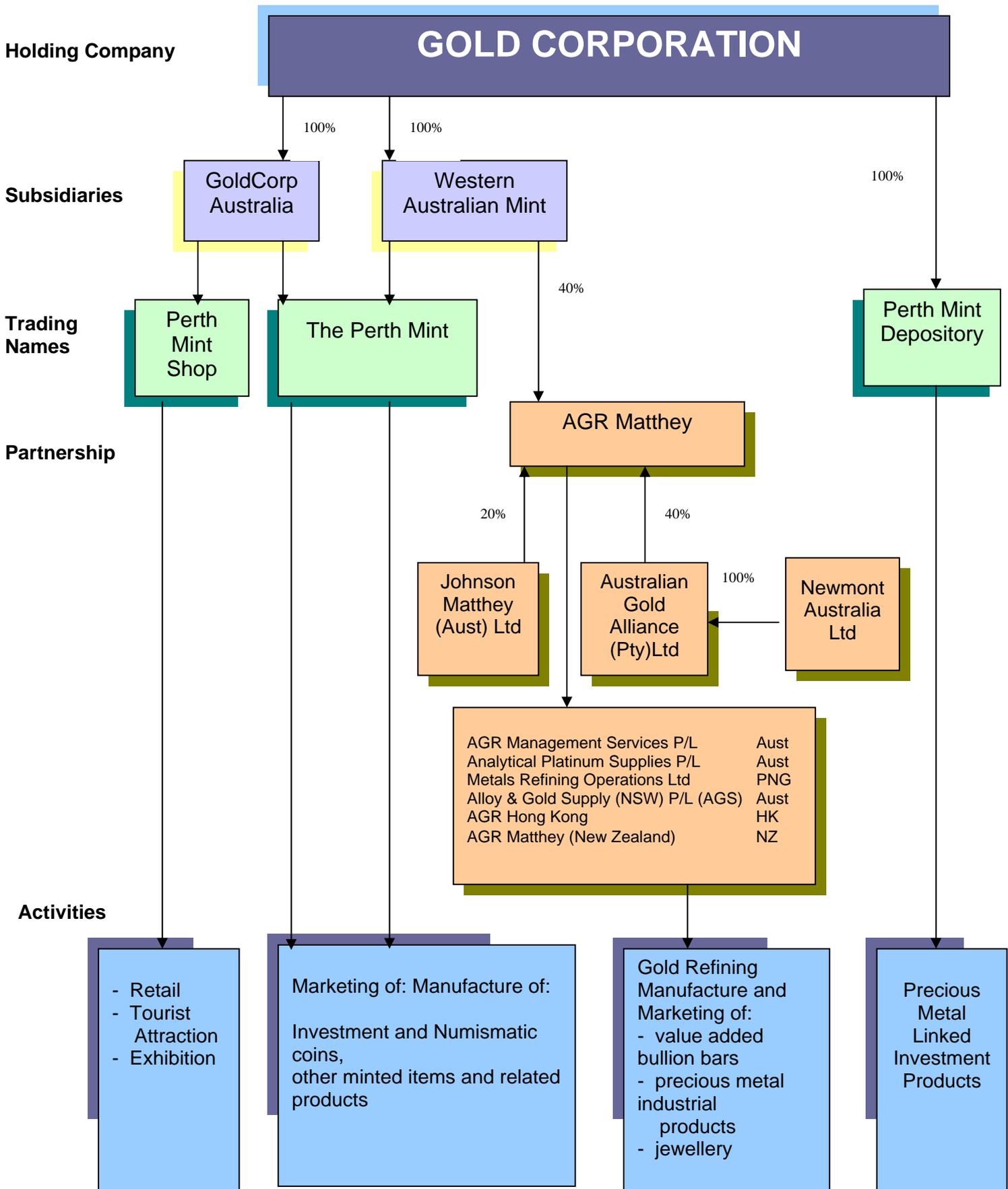
The Corporation has a 40% interest in AGR Matthey, one of the world's largest gold refiners.

Gold Corporation has one wholly owned international operating subsidiary, Perth Mint (Hong Kong) Limited, and representatives in Europe, Hong Kong and Japan.

FUNCTIONS

Gold Corporation's functions, as described in sections 10, 36 and 49 of the *Act*, include:

- providing high quality processing services to the precious metals industry;
- adding value to Australia's precious metals before export;
- generating consumer interest in, and demand for, precious metals;
- promoting and developing markets for gold; and
- providing international standard storage and safekeeping facilities for precious metals and other valuables.



SENIOR MANAGEMENT (at 30 June 2003)

GOLD CORPORATION

Chief Executive Officer:	Don Mackay-Coghill
Chief Executive Officer Designate:	Edward Harbuz
Chief Financial Officer:	Richard Hayes
Manager, Human Resources:	Susan Coutts-Wood
Manager, Business Development and Joint Company Secretary:	Michael Kile
Group Accountant and Joint Company Secretary:	Anne Melville
Manager, Treasury Operations:	Nigel Moffatt
Manager, Corporate Governance & Risk Management	Christopher Mumme
Manager, Communications and Public Affairs:	Alison Puchy

GOLDCORP AUSTRALIA

General Manager:	Veronica Maguire
Manager, Perth Mint Shop	Leonie Mirmikidis

WESTERN AUSTRALIAN MINT

Operations Manager:	Justin Kees
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AGR MANAGEMENT SERVICES PTY LTD*

Managing Director:	Brian Bath
Chief Financial Officer & Executive Director:	John Shephard
Executive General Manager, Jewellery & Industrial Products	Graeme Williamson

*Australian Gold Refineries Management Services (AGRMS) is owned 40% by the Western Australian Mint, 40% by Australian Gold Alliance Pty Ltd (a wholly owned subsidiary of Newmont Australia Ltd) and 20% by Johnson Matthey (Aust) Ltd. AGRMS manages AGR Matthey, pursuant to the provisions of the Partnership Agreement.

REPORT ON OPERATIONS

FINANCIAL SUMMARY

Gold Corporation recorded an operating loss of \$1.3 million in 2002-03 before statutory contribution and provisions for slow-moving and obsolete inventory. After statutory contribution benefit (income tax benefit equivalent) and the provision for inventory, a loss of \$2.3 million was incurred, compared with a loss of \$986,000 in the previous year.

No statutory contribution will be paid to the Western Australian Government in respect of the 2002-03 fiscal year.

Since its establishment in 1988, Gold Corporation has made statutory contribution and dividend payments to the Western Australian Government of \$27 million.

The Corporation also pays royalties to the Commonwealth annually on all its Australian legal tender coin sales. An amount of \$1.2 million will be paid in this fiscal year, bringing to \$12.2 million the total royalty payments to the Commonwealth since fiscal 1991-92.

Payments to the State and Federal Governments since the Corporation's inception now total \$39.2 million, or an average annual payment of \$2.6 million.

The Corporation's capital expenditure for the year was \$2.9 million, the majority of which was spent on the purchase of new equipment for the coining division.

GROUP SUBSIDIARIES

GOLDCORP AUSTRALIA

GoldCorp Australia's major products are precious metal coins and medallions produced by The Perth Mint. The main coin programs have legal tender status under the Australian *Currency Act 1965* and are manufactured and marketed by formal agreement with the Commonwealth Government. The Commonwealth receives a royalty on each coin sold by the Group.

The current range of coins includes the Australian Nugget gold, Australian Koala platinum, Australian Kookaburra silver and Australian Lunar gold and silver coin series. In addition to this standard annual range of coins, permission was granted for the release of special commemorative issues during 2002-03, including a bi-metal and a coloured silver coin commemorating the Jubilee of Queen Elizabeth II's Coronation, and a coloured silver coin commemorating Prince William's 21st birthday, the designs for which were approved by Buckingham Palace. A coloured silver coin commemorating the 100th anniversary of Western Australia's Golden Pipeline was also approved for release during the year.

The Perth Mint also mints coins under the authority of the Governments of the Cook Islands and Tuvalu, manufactures precious metals blanks, and produces a diverse range of medallions and special sets.

Coins and medallions are manufactured to proof and bullion (uncirculated) quality. The introduction of colour to many new coins has also seen the creation of a new category of 'proof-like' coins.

Coin and medallion sales in 2002-03 added value to 3.45 tonnes of gold (3.58 tonnes in 2001-02), 29.21 tonnes of silver (21.60 tonnes) and 0.03 tonnes of platinum (0.03 tonnes).

Investment Products

The overall market for international investment gold coins remained depressed, although sales of silver increased. The Australian Nugget's share of the world market was 9% in calendar 2002, slightly down on the previous year's 10%.

Sales of silver bullion coins increased from 542,674 oz in 2001-02 to 718,881 oz in 2002-03 as a result of growing demand in Eastern Europe and Asia. During the year, a major retail bank in Russia was appointed as a distributor of the Mint's bullion coins, and demand from this region is expected to grow substantially in the year ahead.

Numismatic Products

Sales of commemorative proof coins were the main contributor to the Numismatic Products category, providing 37% of the total contribution. The most significant commemorative programs were for The Queen's Golden Jubilee of Coronation, Prince William's 21st birthday and an Australians at War privy mark coin, medallion and miniature replica service medal issue.

Special Projects

Custom Minting and the sale of overseas coin programs such as Cook Islands issues, provided the greatest contribution for this category in 2002-03. The manufacture of precious metal blanks for other mints also made a significant contribution.

Custom Minting

Custom Minting has become an increasingly important area of business over the past two years. GoldCorp Australia secured 28 separate commissioned projects in 2002-03, many of which included multiple products. While most of the work was undertaken for clients in Taiwan and Hong Kong, contracts were also undertaken for customers in the United States, Thailand and Australia.

Precious Metal Blank Manufacturing

Late in calendar 2002, Gold Corporation purchased the silver blank manufacturing plant previously operated by AGR Matthey in Melbourne, and relocated it to Perth. This enabled the Mint to extend its precious metal blank manufacturing capability and complement its range of precious metal products.

E-Commerce

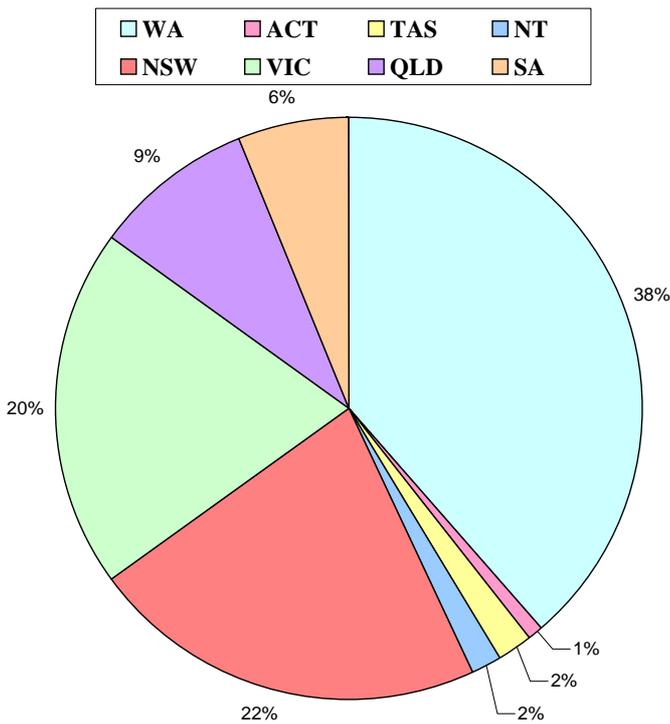
E-commerce sales and orders increased by 51% and 105% respectively during 2002-03 compared with the previous year. Promotional activities centred on the distribution of

e-newsletters, which proved effective in increasing sales, both in Australia and internationally.

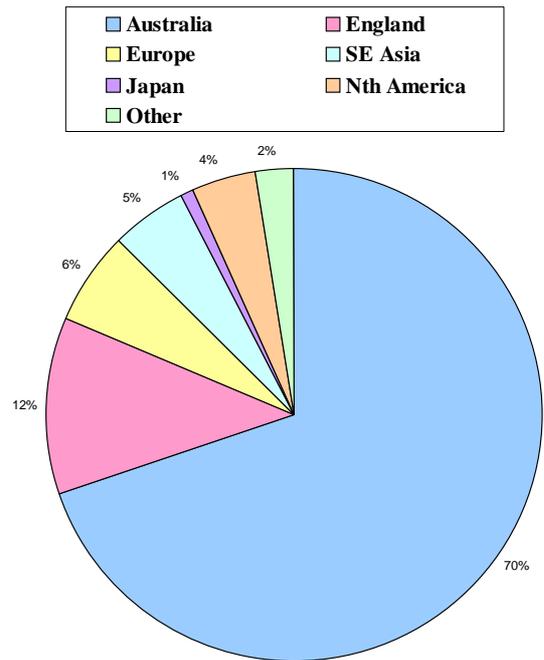
The release of lower priced coins during the year, in particular the 1/2oz silver Square Kookaburra coin, demonstrated the importance of price point to e-commerce customers. While still a relatively new channel, e-commerce was responsible for 15% of the total direct marketing contribution during the year.

The Perth Mint Shop and Gold Exhibition

Australian Visitors 2002-2003



Global Visitors 2002-2003



The Perth Mint Shop offers a wide range of precious metal products to investors, collectors, jewellery buyers and tourists. The Gold Exhibition is a premier tourist destination, the main attraction being an hourly Gold Pouring Demonstration.

During the year, international visitor numbers declined significantly due to the combined impact of the Iraq War, the Bali bombing and the outbreak of Severe Acute Respiratory Syndrome (SARS), which adversely affected trading figures. However, despite receiving fewer overseas visitors, total visitors to the Shop and Exhibition increased by 6.4%. This encouraging result was in response to a focused advertising and marketing campaign aimed at encouraging local, intrastate and interstate visitors.

The Shop and Exhibition were inundated with local visitors as a result of the Mint's participation in the inaugural Gold Week, organised by the Australian Gold Council. As part of Gold Week, an Open Day was held at the Mint on 6 April, which attracted some 3,000 people. Visitor numbers were also boosted by the Mint's involvement in the City Playground Pass school holiday program organised by the City of Perth, which attracted more than 500 additional visitors per day during the April 2003 school holidays.

In June, a week-long ‘Royal Week’ promotion, celebrating several Royal milestones, attracted many first-time visitors to the Mint. The guests were given the chance to meet ‘Queen Victoria’, played by the Mint’s historian and curator, Anthea Harris. Observing Royal protocol, the ‘Queen’, dressed in painstakingly researched garb, took tea with those who reserved a ticket. As a result of the success of this promotion, which also generated valuable media publicity, further local promotions will be undertaken in the year ahead.

Perth Mint Depository

The Corporation’s Perth Mint Depository division provides investors with one of the world’s safest locations for precious metal storage, under a Western Australian Government guarantee. The division offers three products - Perth Mint Depository Services, the Perth Mint Certificate Program and a new securitised product, Perth Mint Gold.

Perth Mint Depository Services

Perth Mint Depository Services (PMDS) offers confidential precious metal storage to international private clients, trusts and corporations seeking offshore storage and portfolio diversification. The service is promoted via the internet (www.perthmint.com.au/depository) and an international representative network. The minimum investment is USD50,000 for international clients and AUD50,000 for Australian residents.

Perth Mint Certificate Program

The Perth Mint Certificate Program (PMCP) offers international precious metal investment via a reputable international Approved Dealer network. The minimum investment is USD10,000 for USA domiciled investors, with varying minimum amounts for other regions. The Certificate is a non-negotiable but transferable warehouse receipt and not a bearer instrument.

The division’s performance exceeded budget targets once again, due primarily to renewed international investor interest in precious metals, especially in the first quarter of 2003. Contributing factors were continuing depressed international equity markets and a weaker US dollar. Political instability also intensified in the Middle East with the Iraq war, adding to investor concerns.

New PMCP certificate dealers were appointed in the USA (Euro Pacific Capital Inc) and Australia (Thornton Group (Australia) Pty Ltd).

Perth Mint Gold Quoted Product

Recent interest in securitised gold products prompted Gold Corporation to develop the Perth Mint Gold Quoted Product (PMG). This innovative instrument enables investors to buy and sell gold on the Australian Stock Exchange (ASX) through their stockbrokers. It was quoted on 16 May 2003.

Structured as a call warrant in accordance with ASX Business Rules (ASX Code – ZAUWBA), each PMG entitles investors to one hundredth of a troy ounce of fine gold on exercise at any time before the Series A expiry date of 31 December 2013. Investors who

exercise their PMGs may take physical delivery in several of The Perth Mint's gold bar or coin products.

Each PMG is fully backed by one hundredth of a troy ounce of fine gold owned by Gold Corporation. The PMG gold, most of which will be stored at The Perth Mint, is covered by a Western Australian Government guarantee under section 22 of the *Gold Corporation Act 1987*.

PMG is expected to attract interest from superannuation funds, financial planners and ASX investors seeking exposure to gold as an alternative financial asset class in a changing and uncertain investment environment.

WESTERN AUSTRALIAN MINT

AGR Matthey/AGR Joint Venture

On 3 October 2002, the AGR Joint Venture and Johnson Matthey (Aust) Ltd merged their respective Australasian operations to create a globally competitive precious metal refining and fabrication business, trading as AGR Matthey.

AGR Matthey is a partnership between the Western Australian Mint (40%), Australian Gold Alliance Pty Ltd (40%) and Johnson Matthey (Aust) Ltd (20%) and is managed by AGR Management Services Pty Ltd.

All gold refining is conducted at the Newburn refinery, Western Australia, and all precious metal fabrication is conducted at Thomastown, Victoria.

For the period 1 July 2002 to 2 October 2002, AGR Joint Venture reported an operating profit before taxation of \$3.8 million, while for the period 3 October 2002 to 30 June 2003, AGR Matthey reported a loss of \$3.1 million, reflecting one-off rationalisation and integration costs arising from the merger.

Refining

The Newburn refinery processed 359 tonnes of fine gold for the 12 months ended 30 June 2003. Total Australian fine gold refined was 225 tonnes for the year, or an estimated 83% of total domestic output. Refined fine silver output was 143 tonnes.

International demand for value added refinery products such as kilo bars and tola bars was subdued and irregular with a combined AGR JV/AGR Matthey annual production of 87 tonnes of kilo bars and 34 tonnes of tola bars. In addition, 16 tonnes of 99.999% purity gold was produced for the electronics and computer industries. The subdued demand was essentially a function of the higher gold price.

Products Division

AGR Matthey continued aggressive marketing of its product range, which consists of finished jewellery and semi-fabricated forms of gold and silver for the jewellery, electronics and building industries, together with a range of photographic products and precious metal plating chemicals.

Gold Corporation (Thailand) Limited

Gold Corporation (Thailand) Limited ceased trading during the year, following a bullion loss, which is currently the subject of an insurance claim. The residual business is now traded direct through the Perth Treasury desk.

Hong Kong

AGR Hong Kong trades precious metals and supplies precious metal products, jewellery alloys and specialty chemicals to the local market and limited areas of mainland China. The business performed reasonably in difficult circumstances affected by a declining currency and the SARS outbreak.

Metals Refining Operations

Metals Refining Operations (MRO) is a Port Moresby-based precious metals refinery, in which AGR Matthey has a 45% interest. The other major shareholders are organisations associated with the Government of Papua New Guinea. The business is focused on the direct buying and trading of alluvial gold as well as servicing the small-scale mining sector through regionally located Gold Pan offices. MRO also markets hand-made jewellery and precious metal products through the PNG Gold Shops.

Westmill

Kaltails

Gold Corporation's Westmill division holds 10% interest in the Kaltails gold tailings re-treatment project in Kalgoorlie. The project is 90% owned by Newmont Australia Ltd. Activity in the past financial year was limited to ongoing rehabilitation, the cost of which has been minimal. There is a possibility that further rehabilitation may be required in the future.

State Batteries

Westmill also controls some former State Battery sites. Most of these sites are no longer operational but some have been leased out to private operators. The principal concern with these sites is related to heavy metal contamination and public liability. In 2001, the State Government provided \$245,000 to investigate the Northampton site, which is contaminated with lead. It is envisaged that these investigations will be finalised in 2004 – 2005. A further 11 sites need to be investigated. Further funds from the State Government will be necessary.

STAFF

Total permanent and contract staff in Gold Corporation and WA Mint increased from 164 (158 permanent and 6 part time) to 167 (157 full time and 10 part time). Nine employees based at AGR Matthey refinery and employed by WA Mint are included in the numbers. Increased staff numbers were in WA Mint and in part-time employment in Gold Corporation.

At 30 June 2003, permanent and temporary contract staff were assigned as follows (2002 figures in brackets);

Gold Corporation	35	(34)
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		17
Western Australian Mint	90	(88)
GoldCorp Australia	37	(38)
Perth Mint (Hong Kong) Ltd	05	(04)

Staff employed in Australia fell into the following broad categories;

Salaried	84	(81)
Wages	77	(77)

There were 161 staff (158) based in Western Australia. Overseas staff are all residents of the countries concerned.

The proportion of women on the staff in Western Australia was 48.39% (46.8%). The number of women in middle and senior management or equivalent positions (Peromnes Grade 8 and above) has risen to six (four).

Employees from non-English speaking backgrounds comprised 15.05% (18.1%) of staff in Australia.

Gross staff turnover was 15% (18.2%) for the year. The avoidable turnover rate (ie the rate excluding expired contracts, retirements and redundancies) increased to 7 % (6.5%).

Annual leave hours per person have declined by a net 6% in the last 12 months. A reduction of accrued long service leave was partially due to payouts on redundancy.

The abolishment of WA Workplace Agreements saw 14 employees continuing on an Individual Contract. There are currently 57 (47) staff employed under engineering, clerical and security awards.

There was some minor industrial activity throughout the year caused by the delay in reaching an agreement with the CSA. An agreement was reached with the union in June 2003 and subsequently registered.

Following negotiations with three unions (CSA, AMWU & LMHU) three industrial agreements were registered with the WA Industrial Relations Commission. These agreements will expire on 31 December 2003. Negotiations with all three unions will commence in the first quarter of the financial year to enable agreements to be registered and commence in January 2004.

An equal opportunity complaint dating from 1999 was dismissed by the Equal Opportunity Tribunal in November 2002.

The lost time injury rate decreased to 11.92 (13.1) lost time injuries per million hours worked. Two long term claims were settled at the end of the financial year. There are no outstanding claims coming into the new financial year.

Personnel services to AGR Management Services Pty Ltd were discontinued on 31 January 2003, payroll services continued on a reduced fee basis until 30 June 2003.

COMPLAINTS POLICY AND CUSTOMER SERVICE CHARTER

Gold Corporation recognises the paramount importance of good service to its customers. As a public statement of commitment to service and complaint handling, the Corporation's Complaints Policy and Customer Service Charter embody the following elements:

- A documented and whole-of-organisation commitment to the efficient and fair resolution of complaints.
- Fairness to the complainant.
- Adequate staff resources, with a high level of delegated authority.
- A speedy and courteous response.
- No charge to the complainant for complaint handling.
- A capacity to determine and implement remedies.
- Systematic recording of complaints and their outcomes.
- Analysis of complaints so that recurring problems can be addressed.
- Annual reviews of the complaint handling system.

The essential elements of the Customer Service Charter are outlined in a personal letter from the Chief Executive Officer, which conveys to customers Gold Corporation's strong commitment to service and quality throughout the organisation.

Out of the total of 17,782 wholesale and retail orders processed (many of which included multiple products), 68 complaints were received, most of which related to goods damaged in transit.

INDUSTRY AND COMMUNITY PARTICIPATION

As part of its functions under the *Gold Corporation Act 1987*, the Corporation is obliged to encourage industry and community interest in precious metals and the Australian gold industry.

In 2002-03, AGR Matthey was a major sponsor of Australia's premier gold forum, the Australian Gold Conference. The conference, arranged by the Chamber of Minerals and Energy of Western Australia Inc., was held in Perth in April. AGR Matthey was also a sponsor at Diggers and Dealers, held in Kalgoorlie in August 2002.

AGR Matthey is an associate member of the Chamber of Minerals and Energy of Western Australia Inc, the Association of Mining and Exploration Companies and the Australian Gold Council.

The Perth Mint is a member of the Western Australian Chinese Chamber of Commerce Inc. It is a Platinum Member of the Perth Convention Bureau and a member of the Meetings Industry Association of Australia, the Association of Perth Attractions, Museums Australia, the Inbound Tour Operators Association, Tourism Council Australia and the Royal Western Australian Historical Society.

Gold Corporation is an Associate Member of the Australian Gold Council, and a member of the Chamber of Commerce and Industry of Western Australia, the Western Australian

Chapter of the Australia Arab Chamber of Commerce & Industry Inc., the Australian Institute of Management and Standards Australia.

As part of its continual effort to promote The Perth Mint as a tourist attraction, the Mint participated in a number of trade shows during the year. These included the Japan Australia Mission, held in Tokyo, Osaka, Nagoya and Fukuoka in February, the Australian Tourism Export Council conference held in Perth in May, and the Australian Tourism Exchange, held in Melbourne in June. In addition to promoting the Mint, participation in such initiatives was a tangible and practical demonstration of the Mint's support for the Western Australian tourism industry.

The Mint participated in a range of Australian and overseas exhibitions aimed at showcasing its coins, medallions and collectables to distributors and the general public. These included the Australian Numismatic & Dealers Association Coin Fairs in Melbourne in October 2002, Sydney in April 2003 and Brisbane in May 2003, the American Numismatic Association Coin Show in New York in July 2002, the Malaysia Coin Fair in Kuala Lumpur in September 2002, the World Money Fair in Switzerland in January 2003, the Singapore Coin Fair in March 2003 and the Tokyo Coin Fair in April 2003. The Mint showcased its range of premium collectables at gift fairs in Sydney in November 2002 and March 2003, and was represented at Licensed Post Office conferences in Melbourne, Sydney and Perth in August 2002. The Mint also promoted its new Citizenship Medallions at the Australian Local Government Association conference in Alice Springs in November 2002.

The Perth Mint Shop and Exhibition again sponsored the WA Cricket Association's Gold Cup Awards for the year's best Western Australian cricketers.

Production of The Perth Mint's newsletter, *Australian Numismatic Post*, continued in 2002-03. This was mailed, together with Perth Mint product catalogues, to the Mint's extensive national and international direct mail database four times during the year.

AWARDS

For the third successive year, The Perth Mint won the *Heritage and Cultural Tourism* and *Retail Tourism* categories in the Western Australian Tourism Awards. As a result, the Mint was inducted into the Hall of Fame in these two categories at the 2003 WA Tourism Awards ceremony. The Mint also won, for the first time, the *Major Tourist Attractions* category.

Gold Corporation's 2002 Annual Report won a Silver *W.S. Lonnie Award* for excellence in public sector reporting. This was the fifth successive year in which the Corporation had been honoured in the Awards, having won Gold in 2001, Bronze in 2000, Silver in 1999 and Bronze in 1998.

SECTION 175ZE OF THE *ELECTORAL ACT 1907 (WA)*

1 Section 175ZE of the *Electoral Act 1907 (WA)* requires a public agency to include a statement in its annual report detailing all expenditure incurred by or on behalf of the agency during the financial year in relation to:

- a** advertising agencies;
- b** market research organisations;
- c** polling organisations;
- d** direct mail organisations; and
- e** media advertising organisations.

2 Details of this expenditure are as follows:

- a** total expenditure: \$542,187
- b** in relation to each class of expenditure -

- i** amount of expenditure:

advertising agencies	\$343,086
market research organisations	Nil
polling organisations	Nil
direct mail organisations	\$92,304
media advertising organisations	\$106,797

- ii** details of persons, agencies or organisations to whom the expenditure was paid:

advertising agencies	
- Mindfield Group	\$21,696
- Bowtell Clarke & Yole	\$165,550
- H2O & Partners	\$31,351
- Linx Advertising Inc	\$9,160
- Unique Advertising Ltd	\$115,329
market research organisations	Nil
polling organisations	Nil
direct mail organisations	
- Lasermail	\$92,304
media advertising organisations	
- Media Decisions	\$95,517
- Marketforce Productions	\$11,280

BOARD OF DIRECTORS

CHAIRMAN

PETER UNSWORTH CA, B.Com

Peter Unsworth was appointed Chairman of Gold Corporation, effective from 1 July 2001. A Chartered Accountant and corporate finance specialist, Mr Unsworth has extensive experience as a public and private company director, and is a director of AGR Matthey. Formerly an Executive Director of Western Australian stockbroking company Paterson Ord Minnett Ltd, his career has included six years with international accounting firm Coopers & Lybrand (now PricewaterhouseCoopers) in Perth and Sydney and six years with the Perth Stock Exchange Ltd. Mr Unsworth has been on the Board of Gold Corporation for seven years.

DIRECTORS

VALERIE DAVIES MAICD

Communications specialist Valerie Davies is the principal of One.2.One Communications Pty Ltd and a Director of Iluka Resources Ltd and Integrated Group Ltd. Ms Davies has broad experience in marketing, management and communication, having worked in newspapers, television and corporate video. The 1997 Telstra Business Woman of the Year now specialises in strategic planning, coaching and mentoring on business, communication and life skills. Ms Davies has been on the Board of Gold Corporation for two years.

M EDWARD HARBUZ B Sc (Eng), MBL

Ed Harbuz was appointed Chief Executive Officer of Gold Corporation on 1 July 2003. Mr Harbuz was Managing Director of the South African Mint Company (Pty) Ltd for almost seven years until 2001 and Group Managing Director of Cullinan Holdings Limited, one of South Africa's oldest industrial companies. Previous to that he was Chief Executive of Cullinan Refractories and Managing Director of Steetley Refractories in the United Kingdom. A dual British and South African citizen, Mr Harbuz holds a Master of Business Leadership from the University of South Africa and a BSc (Engineering Electrical) from the University of Natal.

PETER LALOR LL.B

Peter Lalor is the Executive Chairman and Chief Executive Officer of Sons of Gwalia Ltd., one of Australia's largest and most successful mining companies. Mr Lalor is a law graduate from the University of Western Australia. He has significant legal and commercial experience and has been actively involved in Perth's business and industry sectors for many years. Mr Lalor is a past President of the Chamber of Minerals and Energy of Western Australia Inc. and Vice-President of the Minerals Council of Australia. He is a director of the Australian Gold Council and a member of the Board of the Scitech Discovery Centre and the Western Australian Government's Premier's Science Council and State Development Forum. Mr Lalor has been on the Board of Gold Corporation for 14 years.

JOHN LANGOULANT B.Ec (Hons)

John Langoulant is the Western Australian Under Treasurer, a position he has held since June 1995. Prior to this appointment, he worked for 18 years in State and Federal Treasury Departments, developing and implementing economic and financial policies. More than a decade of this experience was with the Federal Treasury in Canberra. Mr Langoulant is also Chairman of the Western Australian Treasury Corporation and a member of the Commonwealth's Financial Reporting Council. Mr Langoulant has been on the Board of Gold Corporation for eight years.

DON MACKAY-COGHILL

Don Mackay-Coghill retired as Chief Executive Officer of Gold Corporation on 30 June 2003 after 17 years leading the Corporation. Mr Mackay-Coghill emigrated from South Africa in 1986 to take up the dual positions of Chief Executive Officer of GoldCorp Australia and Managing Director of the Western Australian Mint. Before that, he had a 15-year career with International Gold Corporation (Intergold), being appointed Chief Executive, Worldwide, in 1979. During his time at Intergold, Mr Mackay-Coghill was responsible for the international marketing of the Krugerrand, which created the first global market for bullion coins. Mr Mackay-Coghill is Chairman of AGR Matthey. Mr Mackay-Coghill has been on the Board of Gold Corporation for 17 years.

MARTINE POP PhD EEC Commercial Law

Martine Pop had more than 12 years of credit, risk management and control management experience with Macquarie Bank and Challenge Bank, in senior and executive positions. Ms Pop worked for more than six years as an Executive Consultant with Ernst & Young, providing risk management and corporate management/governance advisory services to the private and public sectors. She is on the board of the Australian Rail Track Corporation and is the Chairperson of the Western Australian Meat Industry Authority. Ms Pop is a past director of SBS and The Grain Pool of WA. Ms Pop is also on the Audit, Risk and Credit Committee of AGR Matthey. Ms Pop has been on the Board of Gold Corporation for seven years.

CORPORATE GOVERNANCE

FUNCTIONS OF THE BOARD

The Board of Directors is the governing body of Gold Corporation. The *Gold Corporation Act 1987* empowers the Board to determine policies for the Corporation and its subsidiaries, and requires the Board to:

- develop and expand the Corporation's business for the benefit and to the greatest advantage of the people of Australia;
- operate in accordance with prudent commercial principles; and
- strive to earn a commercial rate of return on its capital.

The Board's authority is limited by the provisions in the *Act* and by Ministerial direction.

The Board is committed to sound corporate governance principles, high standards of legislative compliance, and financial and ethical behaviour. The Board regards directorial and managerial conduct seriously and as an integral part of sound governance practices. In accordance with that, the Board has established and committed itself to a Statement of Business Principles and a Corporate Governance Charter.

The Board acknowledges its accountability to the Corporation's only shareholder, the Government of Western Australia.

Board Membership

The Gold Corporation Board comprises executive and non-executive Directors. It has a majority of independent non-executive Directors, including the Chair.

During the 2002/03 financial year, the Board consisted of five non-executive Directors: Mr Peter Unsworth, Mr Peter Lalor, Ms Martine Pop, Ms Valerie Davies and the Under Treasurer of the State of Western Australia, Mr John Langoulant, who was an *ex officio* non-executive Director. Mr Don Mackay-Coghill (Chief Executive Officer of Gold Corporation and Managing Director of GoldCorp Australia and the Western Australian Mint) was the only executive Director of the Board.

Apart from the Under Treasurer, each of the non-executive Directors was appointed by the Government of Western Australia, on the nomination of the Treasurer, for three-year terms commencing 1 July 2001.

Mr Peter Unsworth, Mr Don Mackay-Coghill and Ms Martine Pop (appointed 7 November 2001) were also members of the AGR Joint Venture Board (a 50-50 partnership between the Western Australian Mint and Newmont Australia Ltd). The other Directors of the AGR Joint Venture were Mr Andrew Strelein, Mr Darren Morcombe and Mr Bruce Mackay (all appointed by Newmont Australia Ltd). On 3 October 2002, the shareholders of the AGR Joint Venture and Johnson Matthey (Aust) Ltd (JMA) combined their existing Australian and New Zealand businesses. The expanded business, trading as AGR Matthey, had the following Directors appointed: Mr Peter Unsworth and Mr Don Mackay-Coghill (appointed by Gold Corporation), Mr Andrew Strelein and Mr Darren Morcombe (appointed by Newmont Australia Ltd) and Mr Robert Frost and Mr Barry Doherty (appointed by Johnson Matthey (Aust) Ltd).

Independent Advice

The Corporation's Directors can seek independent professional advice on Board matters at the Corporation's expense, with the approval of the Chairman. No such advice was sought during the year.

Directors' Meetings

There were six meetings of the Directors of Gold Corporation, one meeting of the Directors of the AGR Joint Venture and five meetings of the Directors of AGR Matthey during the year ended 30 June 2003. The number of meetings attended by each Gold Corporation Director is indicated below:

DIRECTOR ATTENDANCE			
	Gold Corporation	AGR Joint Venture	AGR Matthey
P J Unsworth	6	1	5
D Mackay-Coghill	6	1	5
P K Lalor	4	N/A	N/A
J L Langoulant	6	N/A	N/A
M D F Pop	6	1	N/A
V Davies	4	N/A	N/A

N/A Not Applicable

Board Committees

The Board has established a number of committees, chaired by independent non-executive Directors, to assist in the execution of its duties, including an Audit Committee, Credit Committee (amalgamated during the year to form the Audit, Risk and Credit Committee) and Remuneration and Allowances Committee.

Each committee member has only one vote and each resolution must be passed by unanimous agreement. In the event that agreement cannot be reached, the matter is referred to the Board for resolution.

Audit, Risk and Credit Committee

The former Audit Committee and Credit Committee were amalgamated to form the Audit, Risk and Credit Committee on 7 November 2002. The combined Committee embraces the functions of each of the former committees. It advises the Board on the quality, integrity, reliability and adequacy of the Corporation's information, accounting, and control systems. It actively monitors Group risk management to ensure it is comprehensive and integrated with key processes such as divisional decision making, project management and planning. It acts as a communications interface between the Board and the Corporation's auditors. It also assists the Board in developing and implementing credit policy, procedures and controls required to ensure the Corporation operates in accordance with prudent commercial principles, and monitors the Group Prudential Management Policy. The policy deals with all operational and financial risk management issues, and insurance compliance matters including Treasury dealing authorities, counter-party risk evaluation, credit application procedures and credit approval authorities, and ensures that adequate risk control measures are in place in the Group's divisions.

The Audit Committee met twice during the year, the Credit Committee met twice during the year and the new Audit, Risk and Credit Committee met four times. The number of meetings attended by each member of the various Committees was as follows.

ATTENDANCE			
	Audit Committee	Credit Committee	Audit, Risk & Credit Committee
M D F Pop	2 (Chair)	N/A	4 (Chair)
P J Unsworth	2	2 (Chair)	4
J Sentow	2	2	2
A P Melville	2	2	4
C J Mumme	N/A	2	3
R G Hayes	N/A	N/A	2

N/A Not Applicable

Mr J Sentow resigned as Chief Financial Officer of the Corporation on 3 January 2003. Mr R G Hayes was appointed Chief Financial Officer on transfer from AGR Matthey on 1 March 2003. Ms A P Melville is Group Accountant and Joint Company Secretary and Mr C J Mumme is Manager, Corporate Governance & Risk Management.

Remuneration and Allowances Committee

The Board of Directors delegates authority for determining conditions of employment to the Remuneration and Allowances Committee. The Committee's responsibilities include determining senior staff salary adjustments, alterations to core conditions of employment and incentive bonus schemes.

The Remuneration and Allowances Committee consists of two non-executive Directors and the Chief Executive Officer.

Membership of the Committee remained unchanged during 2002-03. It comprised:

P J Unsworth (Chair)	-	Non-executive Director
P K Lalor	-	Non-executive Director
D Mackay-Coghill	-	Chief Executive Officer

MANAGEMENT COMMITTEES

Risk Management

Risk Management is essential for good corporate governance, sound management principles and effective internal controls.

The definition of 'Business Risk' used by Gold Corporation is 'the likelihood that an event or action will adversely affect Gold Corporation's ability to achieve its objectives'. The Corporation's Business Risk Management procedures are aimed at maximising the results of positive events as well as minimising the impact of negative events.

On a quarterly basis, the Board reviews reports on group financial risk, credit and audit matters, occupational safety and health, environmental issues and security. Division managers report on the identified major risk issues relating to their areas of responsibility. A detailed analysis of these risks is also incorporated into the annual Group Business Plan.

Occupational Safety and Health

Mr Mumme, Manager, Corporate Governance and Risk Management, coordinates Occupational Safety and Health issues within the Corporation. Line management is responsible for Occupational Safety and Health at site level. The coordinator's role is to ensure that agreed policies, procedures and standards are implemented throughout the organisation. The Occupational Safety and Health Committee meets on a regular basis, with five formal meetings held during the year.

The 2002-03 financial year saw two Lost Time Injuries compared with one and seven in the previous two years. These incidents represented 83 hours lost for the year compared with 62 and 718 hours lost in the preceding two years. There is an ongoing focus on safety throughout the organisation, with the aim to improve further the current satisfactory trend.

OUTPUT MEASURES

Under the *Treasurer's Instructions* 904 and 905, a statutory authority is required to provide appropriate output measures and performance indicators in its Annual Report, namely:

- Government-desired outcome(s) for each output;
- key efficiency indicators for each output, relating outputs to consumed inputs;
- key effectiveness indicators for each outcome, relating outputs to achieved outcomes; and
- comparative results for the output measures of quantity, quality, timeliness and cost.

Given the above Instructions and taking into consideration the Corporation's functions under the *Gold Corporation Act 1987*, the Corporation's outcomes are:

- **high quality precious metal refining;**
- **value-added precious metal product manufacture and marketing; and**
- **a commercial rate of return on its equity.**

The key effectiveness indicators for the above outcomes are:

- the estimated proportion of Australian fine gold output per year by the Corporation's 40% owned precious metals refinery, AGR;
- the Australian Nugget's annual share of the world gold bullion coin market;
- the annual value added to precious metals in (i) coin production and (ii) other precious metal products (eg blanks);
- the Corporation's annual return on equity, (i) before and (ii) after abnormal items; and
- the average daily number of visitors to The Perth Mint Shop.

The Corporation's outputs are:

- **precious metals refining services; and**
- **precious metal product sales.**

The key efficiency indicators for the above outputs are:

- the Corporation's trading results as a proportion of sales revenue;
- the Corporation's expenditure as a proportion of total revenue; and
- the cost per ounce of refining gold expressed as an index.

The Corporation's key effectiveness and efficiency indicators since 1998-1999 are tabulated on pages 32 and 33 of this Report.

Under the *Treasurer's Instructions*, output measures describing quantity, quality, timeliness and cost are also to be included in a statutory authority's Annual Report for each output identified above. An output measure analysis is presented below:

OUTPUT MEASURE ANALYSIS

OUTPUT MEASURE	REFINING SERVICES		PRODUCT SALES		GROUP TOTAL	
	Actual \$M	Budget \$M	Actual \$M	Budget \$M	Actual \$M	Budget \$M
QUANTITY <i>(Note 1)</i>	1	2	26	28	27	30
COST <i>(Note 2)</i>	N/A	N/A	29	28	29	28
QUALITY	Gold and silver bars produced by The Perth Mint and AGR Matthey (AGR Joint Venture) are accredited for their accurate weight and purity by the London Bullion Market Association (LBMA), Tokyo Commodities Exchange (TOCOM) and the Comex Division of the New York Mercantile Exchange (Comex).		The weight and purity of all Australian legal tender precious metal coins manufactured by The Perth Mint are described in the <i>Currency Act 1965 (CTH)</i> . The Corporation has installed processing and management systems to ensure it meets these statutory specifications.		The Corporation sells some 90% of its precious metal coins and products in international markets. The Corporation is committed to maintaining the product quality standards described opposite to protect its international market status.	
TIMELINESS	AGR Matthey (AGR Joint Venture) melts, samples and assays primary precious metal doré within two business days of receipt at the Perth refinery. This turnaround time is equivalent to the most efficient international industry standards.		The Corporation's minting and marketing divisions operate in an international commercial environment and must be timely with regard to product releases and manufacture to remain competitive.		The Corporation complies with standard international two-day settlement terms on its precious metal and precious metal product purchases and sales.	

Note 1: The Group quantity measure is the actual trading profit and other revenue for the fiscal year, compared with the financial estimate in the Corporation's 2002 Annual Report. Refining Services' income is derived from the Group's investment in the AGR Joint Venture and AGR Matthey partnerships. Income from the partnerships is included as a single line item in the Group Statements of Financial Performance. Further information is presented in the Group Statements of Financial Performance and Note 2 of the Financial Statements.

Note 2: The cost measure of each output is the actual total expenditure for the fiscal year, compared with the financial estimate in the Corporation's 2002 Annual Report.

PERFORMANCE INDICATORS

The mission statement of Gold Corporation is: to provide high quality processing, refining and other services to the gold industry and to develop and market worldwide, innovative, value-added precious metal products at a commercial rate of return acceptable to the Western Australian Government.

Under the *Treasurer's Instructions* 904 and 905, a statutory authority is required to provide appropriate output measures and performance indicators in its Annual Report, namely:

- Government-desired outcome(s) for each output;
- key efficiency indicators for each output, relating outputs to consumed inputs; and
- key effectiveness indicators for each outcome, relating outputs to achieved outcomes.

Given the above Instructions and taking into account the Corporation's functions under the *Act*, its Government-desired outcomes are:

- high quality precious metal refining;
- value-added precious metal product manufacture and marketing; and
- a commercial rate of return on its equity.

EFFECTIVENESS INDICATORS

The key effectiveness indicators for the above outcomes are presented below.

		2002-03	2001-02	2000-01	1999-00	1998-99
1	Estimated proportion of Australian fine gold production refined by AGR <i>(Note 1)</i>	83%	68%	65%	62%	58%
2	Global market share of Australian Nugget gold bullion coin: <i>(Note 2)</i>	9%	10%	10%	6%	5%
3	Coin programs - value added to gold, silver, platinum & palladium: <i>(Note 3)</i>					
	(a) Total premium income:	\$14.0m	\$13.0m	\$15.1m	\$17.9m	\$11.4m
	(b) Total premium income expressed as a percentage of precious metal value:	19.9%	19.8%	28.2%	21.7%	10.4%
4	(a) Return on equity before abnormal items: <i>(Note 4)</i>	(5.9%)	(1.9%)	(11.1%)	12.4%	12.0%
	(b) Return on equity after abnormal items:	(5.9%)	(1.9%)	(11.1%)	12.4%	26.4%
5	Average daily number of visitors to The Perth Mint Shop: <i>(Note 5)</i>	315	295	326	322	309

Notes:

- 1 *This figure represents 100% of AGR Matthey's share of total Australian refined fine gold production in the fiscal year. AGR Matthey processed 225 tonnes (or 83%) of Australia's total fine gold production in 2002-03. This is based on AGR Matthey's records and an estimate of total Australian fine gold production (270 tonnes) provided by the Australian Bureau of Agricultural and Resource Economics.*
- 2 *Based on World Gold Council data for calendar 2002.*
- 3 *The calculation is the total premium income (amount of income received above metal cost) for all fiscal year legal tender coin sales, which is also expressed as a percentage of the value of the precious metal content of the coins. The effectiveness indicator includes all Australian legal tender coins, as well as coins produced for other countries. A significant volume of non-coin precious metal product (eg medallions and coin blanks) was produced also during the fiscal year. The total premium income (amount of income received above metal cost) earned on these non-coin product sales was \$3.2 million (2002 - \$847,469).*
- 4 (a) *The percentages show Group return on equity at the end of the respective fiscal year, based on the operating result before abnormal items and statutory contribution in lieu of Commonwealth income tax.*
 (b) *The percentages show Group return on equity at the end of the respective fiscal year, based on the operating result after abnormal items and before statutory contribution in lieu of Commonwealth income tax.*
- 5 *Daily visitor traffic is recorded and the annual number of visitors divided by the number of trading days.*

EFFICIENCY INDICATORS

Given the *Treasurer's Instructions* and taking into account the Corporation's functions under the *Act*, its outputs are:

- precious metal refining services; and
- precious metal product sales.

The key efficiency indicators for the above outputs are presented below.

		2002-03	2001-02	2000-01	1999-00	1998-99	
All figures are percentages (except item 3)							
1	Trading results (gross margin) as a proportion of sales revenue:	(Note 1)	7.2%	9.6%	19.3%	15.9%	3.9%
2	Expenditure as a proportion of total revenue:	(Note 2)	10.2%	13.7%	27.4%	19.2%	4.3%
3	Gold refining cost per ounce expressed as an index:	(Note 3)	43	62	58	66	66

Notes:

- 1 *The percentages show the proportion of Group sales revenue represented by the trading result for the respective financial year.*
- 2 *The percentages show the proportion of Group total revenue – trading and other – represented by total expenditure as shown in the Statements of Financial Performance for the respective financial year.*
- 3 *The cost per ounce is the annual total cost divided by the number of fine ounces of gold refined by the Group, expressed as an index, with the 1994-1995 year indexed as 100. The decrease in 2002-03 was as a consequence of increased throughput.*

CERTIFICATION OF PERFORMANCE INDICATORS

In our opinion, the Performance Indicators for Gold Corporation and its subsidiaries contained in this report are based on proper records, are relevant and appropriate for assisting users to assess the performance of Gold Corporation and its subsidiaries, and fairly represent the performance of the Group for the year ended 30 June 2003.

P J UNSWORTH
Chairman

M E HARBUZ
Executive Director

20 November, 2003

CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of Gold Corporation and the accompanying consolidated financial statements have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985 (WA)* from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2003, and the financial position as at 30 June 2003.

At the date of signing, we are not aware of any circumstances which would render the particulars included in these financial statements misleading or inaccurate.

P J UNSWORTH
Chairman
Officer

M E HARBUZ
Executive Director

A P MELVILLE
Principal Accounting

20 November, 2003

FINANCIAL ESTIMATES

The following financial estimates for 2003-04 are based on Gold Corporation's budget and are included to satisfy the requirements of Treasurer's Instruction 953.

	\$000
Total revenue	280,292
Total expenditure	277,564
Operating profit before statutory contribution	2,728
Statutory contribution expense ^{Note}	926
Operating profit after statutory contribution	1,802
Retained earnings	18,704

Note: The estimated statutory contribution in the 2003-04 budget will be reduced by the tax losses carried forward from previous financial years.

FREEDOM OF INFORMATION

No applications were lodged at Gold Corporation under Freedom of Information (FOI) legislation in 2002-03.

FREEDOM OF INFORMATION STATEMENT

This information statement has been prepared by Gold Corporation pursuant to Part 5 of the *Freedom of Information Act 1992 (WA)* and guidelines issued by the Office of the Information Commissioner on 13 May 1994.

THE CORPORATION

Gold Corporation was established by the *Gold Corporation Act 1987* and the Minister responsible for the Corporation is the Hon. Nick Griffiths LLB MLC, Minister for Housing and Works; Racing and Gaming; Government Enterprises; and Land Information. Details of the Corporation's mission statement, functions, structure and management are available elsewhere in this report.

The Corporation has no policy role in government, makes no laws or regulations except in relation to the conduct of its own affairs, and administers no schemes that confer benefits upon or place imposts on the public.

Section 6 of the *Act* empowers the Corporation's Board of Directors "... to determine the policy of Gold Corporation, the Mint and GoldCorp in relation to any matter and to control the affairs of Gold Corporation and each of its subsidiaries..."

The Corporation's Board is committed to sound corporate governance principles, high standards of legislative compliance and ethical business practice.

DOCUMENTS

The Corporation keeps documents and files relating to its administration and business activities.

A number of these documents can be inspected only under the *Freedom of Information Act 1992 (WA)* (FOI).

Documents that are available for purchase are: *90 Golden Years (published in 1989)*; *The Perth Mint Numismatic Issues 1986 – 1996 (published in 1996)*; *Striking Gold: 100 Years of The Perth Mint (published in 1999)*; and *A Century of Minting Excellence – The History of Australian Coin Production at The Perth Mint (published in 1999)*.

Documents that can be obtained free of charge include Perth Mint brochures and catalogues, media statements, annual reports and *The Australian Numismatic Post* newsletter. Back issues of *The Australian Nugget Journal*, which ceased publication in February 2001, are also available. These can be obtained on request by mail to GPO Box M924, Perth, Western Australia, 6843, or The Perth Mint website, www.perthmint.com.au

FOI EXEMPTION

A document is exempt if its disclosure would reveal information about:

- gold or other precious metal received by Gold Corporation from a person, or held by Gold Corporation on behalf of a person, on current account, certificate of deposit or fixed deposit; or
- a transaction relating to gold or other precious metal received or held by Gold Corporation.

FOI PROCEDURES AND ACCESS

It is the aim of the Corporation to make information available promptly and at the least possible cost, and whenever possible, documents will be provided outside the FOI process.

If information is not routinely available, the *Freedom of Information Act 1992 (WA)* provides the rights enabling the public to apply for documents held by the Corporation.

Access applications have to (i) be in writing; (ii) provide sufficient information to enable identification of the requested documents; (iii) provide an Australian address to which notices can be sent; and (iv) be lodged at the Corporation, together with any application fee payable.

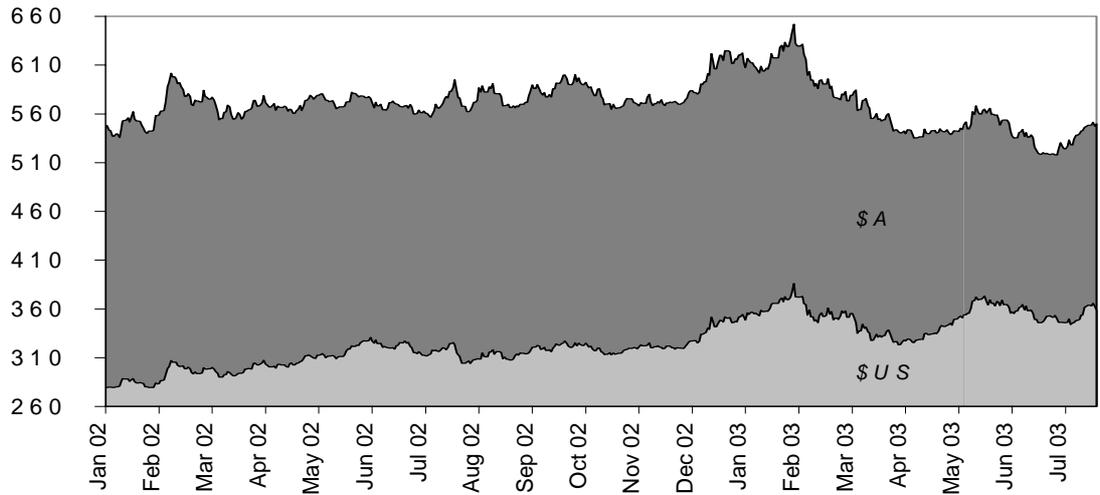
Applications will be acknowledged in writing and the applicant will be notified of the decision within 45 days.

Applicants who are dissatisfied with a decision of the Corporation may request an internal review. Application should be made in writing within 30 days of receiving the notice of decision. Applicants will be notified of the outcome of the review within 15 days.

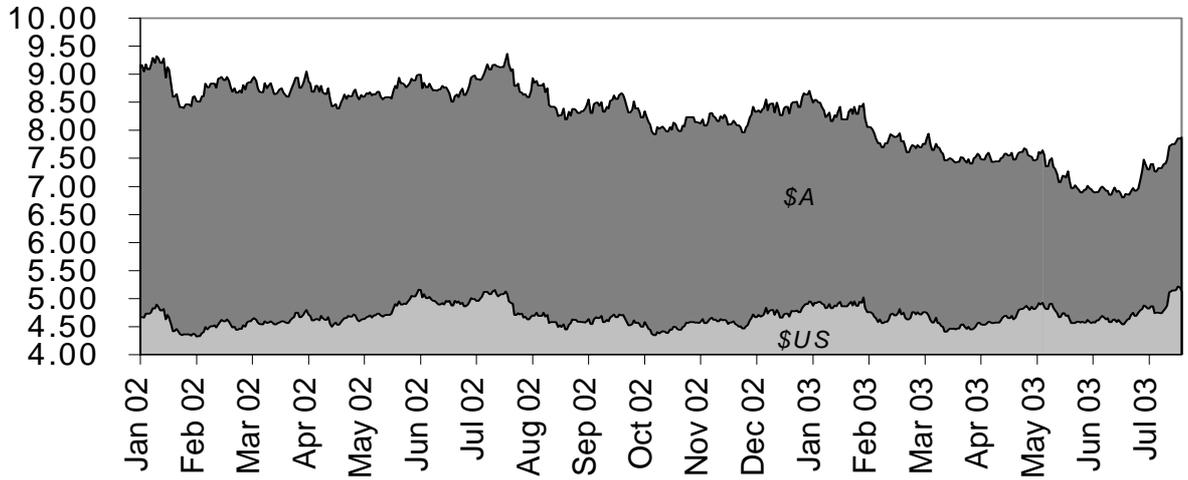
FOI inquiries or applications should be made to the FOI Coordinator, Ms Diana Hartigan, Executive Assistant to the Chief Executive Officer, Gold Corporation, 310 Hay Street, East Perth, WA 6004, telephone (08) 9421 7222, facsimile (08) 9221 7031, email: dianah@goldcorp.com.au. Inquiries or applications may also be directed to the Manager, Human Resources, Ms Susan Coutts-Wood.

PRECIOUS METAL PRICES PER OUNCE

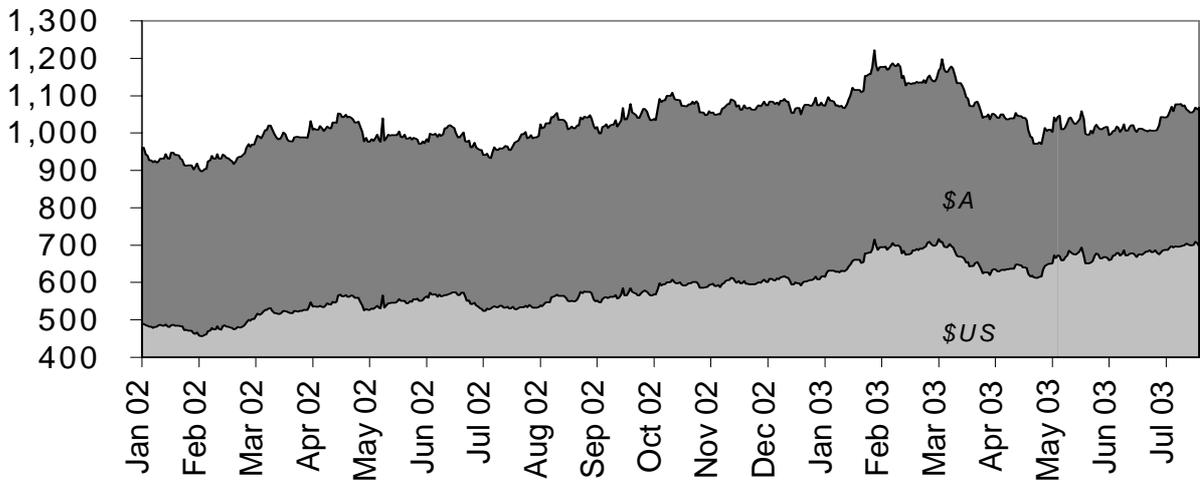
GOLD



SILVER



PLATINUM



GROUP DIRECTORY

GOLD CORPORATION

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E-mail: info@perthmint.com.au

Website: www.perthmint.com.au

Contacts: Edward Harbuz, Chief Executive Officer

Diana Hartigan, Executive Assistant to the Chief Executive Officer

PERTH MINT DEPOSITORY

Perth Mint Buildings
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 Contacts: Nigel Moffatt
 Anita Wehrli

GOLDCORP AUSTRALIA

THE PERTH MINT

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 E-mail: leoniem@goldcorp.com.au
 Contact: Leonie Mirmikidis

WESTERN AUSTRALIAN MINT

AGR MATTHEY

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 Chris Michnik, Personal Assistant to the Chief Executive Officer

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Contact: Stephen Chak

Papua New Guinea

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Waigani NCD Papua New Guinea
Tel: (675) 325 2647
Fax: (675) 325 2959
Contact: John Auna

CORPORATE DIRECTORY

DIRECTORS

P J Unsworth	(Chairman)
V Davies	(Non-executive)
M E Harbuz	(Executive)
P K Lalor	(Non-executive)
J L Langoulant	(Non-executive)
D Mackay-Coghill	(Non-executive)
M D F Pop	(Non-executive)

COMPANY SECRETARIES

B M Suchecki
A P Melville

REGISTERED OFFICE

Perth Mint Buildings
310 Hay Street
East Perth
WA 6004
Australia

Telephone: (618) 9421 7222
Facsimile: (618) 9221 2258
E-mail: info@goldcorp.com.au

Postal Address: GPO Box M924
Perth WA 6843
Australia

Website: www.perthmint.com.au

BANKERS

Westpac Banking Corporation

MINISTER

The Hon. N. D. Griffiths, LL.B, MLC
Minister for Housing and Works; Racing and Gaming; Government Enterprises; Land Information.

STATUTE

Gold Corporation was established under the *Gold Corporation Act 1987*.