



**National Council of  
Women of New Zealand**

Te Kaunihera  
Wahine O Aotearoa

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**Submission to the Reserve Bank on the  
Silver Coin Review: 5c Coin**

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 42 nationally organised societies. It has 33 branches throughout the country attended by representatives of those societies and some 150 other societies. The Council's function is to serve women, the family and the community at local, national and international levels through research, study, discussion and action.

Ten specialist Standing Committees, working through various forms of correspondence, study issues relating to their particular subjects and, with input where possible from the general membership, prepare submissions on legislation and discussion documents. The Parliamentary Watch Committee monitors changes to legislation and makes oral submissions before the Select Committees of Parliament.

Following a meeting with members of the Reserve Bank, four questions were asked of the membership, through our monthly publication, *The Circular*, and also to an associated younger group via email:

1. Should our coinage include a five cent coin?
2. How would the removal of the five cent coin affect your shopping habits?
3. What is the key (defining) issue that means there should be a five cent coin?
4. What do you do with five cent coins now?

Responses were received from 19 branches (12 based in the North Island and 7 in the South Island), two Nationally Organised Societies, one Standing Committee, and 13 email group responses.

While the responses were not unanimous, more (~85%) favoured the retention of the five cent coin than its removal. Those who advocated its removal indicated they tended to use eftpos or credit cards and they found its size to be a nuisance, especially those with arthritic fingers.

Most argued for retention on the basis of the impact on prices and inflation should there be no five cent coin. Examples given included:

- the current \$1.05 cost per bottle of milk delivered, and generally paid for in cash
- the cost to purchase a single postage stamp \$0.45
- parking meters
- \$0.75 bus fare.





The five cent coin is also seen as part of the tools used by parents to teach their children mathematics and also to introduce them to the idea of saving. A number of the responses indicated that five cents were saved for their children and grandchildren.

Many people operate a coin jar – the uses were primarily to accumulate money for savings, or donating to charity – or put the coins in mission boxes, or the charity boxes on the counters in many retail outlets such as Farmers, and The Warehouse. They are also used on coin trails when money is being raised for a particular event, and as the least coin in many collections such as the Fellowship of the Least Coin.

Most people commented that the removal of the coin would not affect their shopping habits. Those members who shopped frequently but for few items felt that they would be forced to buy in bigger amounts or less often to benefit from rounding. Many commented that there would be two groups particularly affected – the elderly and children. The daily walk to purchase the paper, loaf of bread or milk would occur less frequently, and have a consequential effect on the health and social contact of some.

The key reason for retention was the impact on prices. Even those who were not in favour of retaining the five cent coin expressed concern that prices would effectively rise. The impact of any increase in essential – particularly food – items would have a greater impact on those in the lower income brackets or those with less discretionary income, and those who do not use eftpos or credit cards and are therefore affected by rounding practices.

Two responses also indicated the potential to increase the occurrence of fraud. When change is required the amount has to be rung on the till, but where whole dollar amounts are involved it is easier for the transaction to be fudged.

The five cent coin has uses other than for its monetary value – its thinness makes it useful as a screwdriver, particular as these items can no longer be carried onto planes in handbags.

Concern was also expressed that, should the five cent coin be removed from our currency, there would be a creeping devaluation of the least coin (ie the ten cent coin) and this would then be abolished.

In conclusion, NCWNZ supports the continuation of the five cent coin as its removal is likely to decrease the purchasing power of those with little discretionary income.

Christine Low  
National President

Beryl Anderson  
Immediate Past President