



Proposed Changes to Silver Coinage – Analysis of Public Submissions

Reserve Bank of New Zealand

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Date: February 2005
Ref No: 1421001

Table of Contents

Introduction	2
Overview of Responses	4
Comparison With Results of Survey Amongst the General Public	7
Detailed Analysis of Responses	10
Appendix I.....	18

Introduction

Background The Reserve Bank of New Zealand is proposing to modernise the nation's coinage.

The proposed changes include:

- Reducing the size of silver coins
- Changing the materials used to plated steel, which will reduce the weight of the coins and reduce the cost of manufacture
- Remove the 5 cent coin from circulation.

The Bank has made a public announcement about possible changes, published a discussion booklet, and invited public submissions on the changes proposed. The Bank has indicated it will accept submissions until 4 February 2005.

The Bank is anticipating that it will receive submissions from:

- The general public
- Businesses
- Special interest groups, including the Retailers Association.

Objectives The main purpose of inviting public submissions is to uncover any issues not identified in earlier research undertaken by the Bank.

This specific objectives of this project to analyse the public submissions received are to:

- Develop a framework within which to analyse submissions received from the three groups detailed under Background above
- Undertake analysis of submissions received from the general public.

Analytical Approach

Briefly, the approach taken can be summarised as follows:

- ACNielsen reviewed the first 100 submissions and developed a list of codes (this is included as Appendix I). This list is based on:
 - The themes we identified as most commonly occurring in the submissions
 - Specific areas the Bank required feedback about.

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Introduction, continued

- ACNielsen reviewed all the submissions received up to 4 February 2005 and coded each so the incidence of each theme listed can be quantified.
- ACNielsen linked the unique identifying number of each submission with the name of the person making the submission (where supplied) and codes identifying the nature of the submission made.
- Full names (where supplied) were data entered and any instances of duplicate or multiple submissions were identified and corrected. Where identical submissions were made, we removed copies and only counted each submission once. In one instance there were 3 submissions from the same person, two letters that were identical and one email containing the same information as the letters. This submission has been entered once only.

Reporting Conventions

We have reported results without manipulating data in any way. Results have been presented in a way that allows comparisons between different categories of submitter, however, submissions from all submitters have been treated as being of equal weight and/or importance in our analysis.

It must be noted that public submissions reported in this document are not a random survey. In a random survey, a selection of people are invited to participate in the survey process, with qualifying criteria set in advance so that the resulting sample is representative of the population being surveyed. A public submissions process provides an opportunity for anyone who wishes to express an opinion or provide feedback about an issue to do so. In a public submissions process there are no selection criteria applied, and hence the results may not be representative of the opinions or attitudes of the total population of New Zealanders.

To provide context for the results of this particular public submissions process, we have included a comparison with results from a random survey of New Zealanders undertaken on behalf of the Bank in January 2004.

Submissions From Small Businesses

Of the 1,284 form letters, 917 were from one type of small business. These businesses tend to be owner/operator businesses and the Bank's view is that these submissions should be included amongst those from private individuals, rather than amongst those from businesses.

Accordingly, the submissions reported in this document include that one category of small business.

Overview of Responses

Response A total of 2,050 responses from the general public were received by 4 February 2005.

The proposition to remove the 5 cent coin is the aspect that generated the largest response. Of the 2,050 submissions analysed:

- 95% (1,957) expressed an opinion about removing the 5 cent coin (of which 1,284 (66%) were from form letters)
- 21% (435) expressed an opinion about downsizing silver coins
- 15% (298) expressed an opinion about plated steel coinage.

Overview of Opinions Responses have been examined to identify the proportions of submissions expressing an opinion in favour of, opposed to, or neutral in regard to each of the three propositions using two bases. These are:

- The proportions for/against based on all submissions received
- The proportions for/against based on the number of submissions where an opinion was expressed about the specific proposition.

As there are a large proportion of submissions that do not express an opinion about using plated steel and/or downsizing silver coins, our view is that including them in the base for calculating proportions for and against dilutes the results. Hence the detailed results in the following section of this report show the proportions of submissions using both bases.

Based on the number of submissions where an opinion was expressed about the specific proposition, those with an opinion are:

- More likely to be **opposed to** (87%) **removing the 5 cent** coin than in favour (12%)
- More likely to be **in favour of** (63%) **downsizing** coins than opposed (34%)
- More likely to be **in favour of** (55%) using **plated steel** coins than opposed (41%).

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Overview of Responses, Continued

**Main
Comments
Relating to
Downsizing
Coins**

Many stated their general endorsement of downsizing coins, in particular the **50 cent coin appears to be considered too bulky and too heavy** by many (cited in 130 submissions in total, and in 47% of those in support of the proposition to downsize coins).

Some (75 submissions) commented on **smaller coins** being **too similar in size**. While this was one of the main comments made by those opposing downsizing of silver coins (made by 27% of those opposed) it was also expressed by about one in ten (11%) of those in support.

The potential **impact on vending machines and meters** is another commonly made comment, with 60 submissions citing this. While only a small minority (4%) of those who support downsizing cited this aspect, 32% of those opposed to downsizing made comments about the impact on vending machines and meters.

**Main
Comments
Relating to
Plated Steel
Coins**

The comment most frequently made in relation to changing to plated steel coins was **a desire to keep the coins the same, and not to change anything about them** (53 submissions made this comment, 39% of those opposed to plated steel coins and 4% of those who support this change).

Some (36 submissions) stated a **preference for** coins made out of silver, copper tin, or other metals that are **respected materials**, and which have “a bit of class”. These comments were mainly made by those in opposition to plated steel coins (24% of those opposed), however, a few (4%) of those in support made similar comments.

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Overview of Responses, Continued

Main Comments Relating to Removing 5 Cent Coins

The comment most frequently made in relation to removal of 5 cent coins is in relation to **prices increasing**. Comments about prices increasing were made in 1,546 submissions – 90% of those opposed to removing 5 cent coins commented on this aspect, however only a small minority (3%) of those supporting this proposal made similar comments. Of the 1,546 people who commented on this aspect, 1,281 were form letters.

Many (1,423 submissions) commented that the 5 cent coin has **real meaning and worth to many, especially children**, for things such as lolly purchases, charitable donations and savings. Over eight in ten (83%) of those opposed commented on this aspect. . Of the 1,423 people who commented on this aspect, 1,233 were form letters.

An **adverse impact on those on low incomes** was commented on in 442 submissions – 26% of those opposed commented on this aspect. All the people against the proposition commented on this aspect.

Main Other Comments

Some submissions included specific comments in relation to design preferences and suggestions, in particular:

- 49 submissions expressed a desire to see the kiwi and/or silver fern retained or included.
- 39 submissions asked for retention of the tuatara in the design

Comparison With Results of Survey Amongst the General Public

Survey Amongst the General Public

In January 2004, two hundred face to face interviews were undertaken with a random selection of the general public in Wellington City. This sample of the general public was reflective of the views of all New Zealanders 15 or more years of age.

The purpose of this research was to gauge the level of public support for proposals to:

- Replace current silver coins (50, 20, 10 and 5 cent coins) with smaller, lighter coins
- Remove the 5 cent coin from circulation.

Participants in this research were shown an information pack about the proposal, and blank coins of a similar size and weight to those proposed.

Based on the results of this survey, we concluded that:

- A majority of New Zealanders supported a proposal to replace current silver coins with smaller, lighter coins. Sixty percent of participants in this survey indicated they thought it would be a good idea to change coins, after being shown examples of what the new coins could look like and having the opportunity to see and touch them
- Financial savings was the main trigger to acceptance of change identified in this survey, and the fact that coins would be lighter was an aspect that had appeal for many
- Barriers to change identified were:
 - A preference or liking for the current set of coins
 - The new coins would be too small or too light and hence too easy to lose
 - Some expressed concerns about how easy it would be to differentiate between coins if they were smaller
- Almost seven in ten (68%) percent reacted positively to a proposal to withdraw the 5 cent coin from circulation
- The main reason for supporting withdrawing the 5 cent coin from circulation is that they don't have any value and are useless (eight out of ten of those who supported the proposal). Some of those in favour cited their reasons as; the 5 cent coin is too small, and they are too easy to lose
- The main reason for opposing withdrawing the 5 cent coin from circulation are perceptions that prices will round up and things will more expensive (eight out of ten of those opposed).

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Comparison With Results of Survey Amongst the General Public, Continued

Comparison of Survey and Public Submissions Results Comparisons of the results from the public submissions and the survey of public opinion are shown in the following tables.

The results in relation to the proposal to downsize coins are very similar.

Differences in the balance of support or opposition expressed are evident in the results in relation to the proposal to remove 5 cent coins, however the reasons for support or opposition to this proposal appear very similar. Many of those opposed to this proposal appear to have concerns about prices rising as a result of rounding up.

Comparison of Reactions to Smaller/Lighter Coins

	Survey Results	Public Submissions
In favour	60%	<ul style="list-style-type: none"> • 63% downsizing • 55% plated steel
Opposed	37%	<ul style="list-style-type: none"> • 34% downsizing • 41% plated steel
Main reasons for supporting proposal	<ul style="list-style-type: none"> • Preference for lighter coins • Financial savings 	<ul style="list-style-type: none"> • Preference for smaller /lighter coins • 50 cent coin too bulky/heavy
Main reasons for being opposed	<ul style="list-style-type: none"> • Preference for current coins • Smaller coins too small, too easy to lose, too difficult to differentiate 	<ul style="list-style-type: none"> • Potential impact on vending machines/meters • Smaller coins too similar in size • 5c coin is already too small/don't make too small

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Comparison With Results of Survey Amongst the General Public, Continued

Comparison of Reactions to Removal of 5 Cent Coins

	Survey Results	Public Submissions
In favour	68%	12%
Opposed	28%	87%
Main reasons for supporting proposal	<ul style="list-style-type: none"> • Don't have value/useless • Too small/too easy to lose 	<ul style="list-style-type: none"> • Nuisance/unnecessary/ too small
Main reasons for being opposed	<ul style="list-style-type: none"> • Prices will round up /things will be more expensive 	<ul style="list-style-type: none"> • Prices will round up/ things will be more expensive • Has really meaning and worth to many • Bad for business • Adversely affect the low incomes

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Detailed Analysis of Responses

Downsizing Silver Coins

Support Versus Opposition

Detailed responses to the proposition to downsize silver coins are shown in the tables below.

Downsizing Silver Coins (Base: All submissions)

	Total	General Public				
		Email	Individual letter	Subtotal	Schools/Students	Form Letter
Base (n)	2,050	456	124	580	186	1,284
For	13%	46%	27%	42%	17%	0%
Against	7%	14%	27%	17%	24%	0%
Neutral	1%	3%	3%	3%	0%	0%
No opinion given	79%	37%	42%	38%	60%	100%

Downsizing Silver Coins (Base: Those who gave an opinion on this aspect)

	Total	General Public				
		Email	Individual letter	Subtotal	Schools/Students	Form Letter
Base (n)	435	286	72	358	75	2
For	63%	73%	47%	68%	41%	0%
Against	34%	23%	47%	28%	59%	100%
Neutral	4%	4%	6%	4%	0%	0%

Summary of Responses, Continued

Additional Information Provided and/or Reasons for Support or Opposition

While some only gave an opinion for or against the proposal, others provided additional information to explain their opinion, or to take advantage of the opportunity to provide direct feedback to the Bank. The table below shows a summary of the information and opinions provided.

	For	Against	Neutral
Base (n)	273	146	16
Make all smaller/lighter - esp 50c/far too bulky, heavy	47%	1%	0%
New coins all of too similar a size eg. shape or corrugated edge, hole	11%	27%	31%
Gives sizing recommendation	7%	2%	19%
Don't downsize 10c/5c size is too small/Don't make too small	5%	20%	6%
Impact on vending machines/meters should be considered	4%	32%	13%
Should be even smaller/thinner than proposed	2%	0%	0%
Create thinner \$1 & \$2 coins	2%	0%	0%
Make coins lighter but still the same size	2%	6%	6%
Concerned re confusion caused by changes	1%	10%	19%
Waste of time/money	0%	16%	6%
Other	2%	3%	0%
No reason given	35%	26%	38%

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Summary of Responses, Continued

Plated Steel Coins Support Versus Opposition

Detailed responses to the proposition to use plated steel coins are shown in the tables below.

Plated Steel Coins (Base: All submissions)

	Total	General Public				
		Email	Individual letter	Subtotal	Schools/Students	Form Letter
Base (n)	2,050	456	124	580	186	1,284
For	8%	27%	15%	24%	12%	0%
Against	6%	12%	23%	14%	21%	0%
Neutral	1%	2%	1%	2%	1%	0%
No opinion given	85%	59%	61%	60%	66%	100%

Plated Steel Coins (Base: Those who gave an opinion on this aspect)

	Total	General Public				
		Email	Individual letter	Subtotal	Schools/Students	Form Letter
Base (n)	298	186	48	234	63	1
For	55%	66%	40%	60%	37%	100%
Against	41%	29%	58%	35%	62%	0%
Neutral	4%	5%	2%	5%	2%	0%

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Summary of Responses, Continued

Additional Information Provided and/or Reasons for Support or Opposition

While some only gave an opinion for or against the proposal, others provided additional information to explain their opinion, or to take advantage of the opportunity to provide direct feedback to the Bank. The table below shows a summary of the information and opinions provided.

	For	Against	Neutral
Base (n)	165	125	12
Substantial cost saving	12%	1%	17%
Gives particular coin colour/makeup suggestions	10%	4%	8%
Make coins out of silver, copper, tin etc/respected metals/have a bit of class	4%	24%	8%
Keep size and weights the same/Don't change anything	4%	39%	0%
Must be durable/corrosion resistant	2%	8%	17%
Concerns about confusing 'reddish' coins with gold coins	2%	7%	0%
Need security features to prevent counterfeiting	1%	1%	0%
Must be deformation resistant	1%	0%	0%
Would lose reputation of housing heaviest coins in the world	0%	3%	0%
Waste of time/money	0%	7%	8%
Plating won't look good/oxidation	0%	6%	0%
Plating will wear off/chip	0%	4%	0%
Aluminum coins - don't like them/become misshapen	0%	2%	8%
No reason given	69%	23%	50%
Other	1%	2%	0%

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Summary of Responses, Continued

Removal of 5 Cent Coins Support Versus Opposition

Detailed responses to the proposition to remove 5 cent coins are shown in the tables below.

Remove 5 Cent Coin From Circulation (Base: All submissions)

	Total	General Public				
		Email	Individual letter	Subtotal	Schools/Students	Form Letter
Base (n)	2,050	456	124	580	186	1,284
For	11%	38%	15%	33%	19%	0%
Against	84%	41%	76%	49%	78%	100%
Neutral	1%	2%	5%	2%	2%	0%
No opinion given	5%	18%	5%	16%	2%	0%

Remove 5 Cent Coin From Circulation (Base: Those who gave an opinion on this aspect)

	Total	General Public				
		Email	Individual letter	Subtotal	Schools/Students	Form Letter
Base (n)	1,957	372	118	490	183	1,284
For	12%	47%	15%	39%	19%	0%
Against	87%	51%	80%	58%	79%	100%
Neutral	1%	2%	5%	3%	2%	0%

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Summary of Responses, Continued

Additional Information Provided and/or Reasons for Support or Opposition

While some only gave an opinion for or against the proposal, others provided additional information to explain their opinion, or to take advantage of the opportunity to provide direct feedback to the Bank. The table below shows a summary of the information and opinions provided.

	For	Against	Neutral
Base (n)	228	1,712	17
The 5c coin is a nuisance/unnecessary/too small	39%	0%	6%
Introduce 25c coin to counteract removal of 5c - Can then remove 10/20/50c	13%	2%	6%
Need to ensure rounding occurs on the total price/that prices don't rise/sensible rounding	5%	1%	6%
Waste of time/money	5%	1%	6%
5c coins are an inconvenience to bank/stores - often brought in big numbers	4%	0%	0%
The cashless society is the way of the future	3%	0%	0%
Prices will rise/5% price increases/95c will go to \$1	3%	90%	29%
Has real meaning and worth to many - especially children eg lollies, charitable donations/savings	1%	83%	29%
Need a campaign to donate 5c coins to charity	0%	0%	0%
Although 5c is worth less than it used to be so are all the other coins/devaluation could go too far, will 10c be next	0%	3%	0%
Other modern countries still have the 5c equivalent /is not 'modern' to get rid of it	0%	3%	0%
Our set of coins isn't more logical and coherent without 5c/is an integral part/not a cashless society yet	0%	4%	6%
A step towards the cashless society	0%	0%	0%

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Summary of Responses, Continued

	For	Against	Neutral
Base (n)	228	1,712	17
Adversely affect those on low incomes	0%	26%	0%
The claim that great savings will result is spurious/Outweighed by other factors	0%	2%	0%
Use less expensive metal for 5c	0%	1%	0%
Bad for business	0%	54%	0%
No reason given	40%	3%	47%
Other	2%	1%	6%

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Summary of Responses, Continued

Other Comments A summary of other comments and suggestions is shown in the table below.

	Number
Base (n)	2,050
Would like to see the kiwi/sliver fern back on 20c coin	49
Keep Tuatara design	39
Design suggestions	35
Agree with the introduction of \$5 coin/gold coin	33
Get rid of 10/20/50c as well/other coin removal suggestions	28
Prefer not to have the Queen on our coins	25
Good to keep the same designs	15
Get coin sizes in line with Australia/50c like Australia/Common currency	14
Rework the whole currency eg \$10 becoming \$1 etc/rename it	14
Have Edmund Hilary/famous NZers on our coins	14
Withdrawing/reminting is costly	8
Standardise coin sizes and weights with Japan/EU etc and use their coin handling tools/meters/vending machines	5
Concerns about management of the change - too fast/too slow	5
Keep the Monarch's head on coins	5
Should scale back the quantity of coins available to increase the value	2
Do not agree with introduction of \$5 coin	1
No reason given	1794
Other	52

Appendix I

CODING FRAME FOR PUBLIC SUBMISSIONS RELATING TO CHANGES TO NEW ZEALAND'S SILVER COINAGE

Q1 Opinion of downsizing silver coins

- A
- Are you;
 - For
 - Against
 - Neutral
 - No answer/opinion given
- B
- Why?.....
 - 1 Make all smaller/lighter - esp 50c / far too bulky, heavy
 - 2 Create thinner \$1 & \$2 coins
 - 3 Make coins lighter but still the same size
 - 4
 - 5 Impact on vending machines/meters should be considered
 - 6 Gives sizing recommendation
 - 7 New coins all of too similar a size
 - 8 Should be even smaller/thinner than proposed
 - 9 Waste of time/money
 - 10 Don't downsize 10c/ 5c size is too small/ Don't make too small
 - 97 No reason given
 - 98 Other
 - 99 Don't know

Q2 Opinion of plated steel coins

- A
- Are you;
 - For
 - Against
 - Neutral
 - Not answered/no opinion given
- B
- Why?.....
 - 1 Keep size and weights the same
 - 2 Must be durable/ corrosion resistant
 - 3 Must be deformation resistant
 - 4 Need security features to prevent counterfeiting
 - 5
 - 6 Gives particular coin colour/makeup suggestions
 - 7 Make coins out of silver, copper, tin etc/ respected metals/ have a bit of class
 - 8 Concerns about confusing 'reddish' coins with 'gold' coins
 - 9 Waste of time/money
 - 10 Plating will wear off/chip

- 11 Plating won't look good/ Oxidation
- 12 Aluminium coins - don't like them/become misshapen
- 97 No reason given
- 98 Other
- 99 Don't know

Q3 Opinion of withdrawal of 5c coin

- A
- Are you;
 - For
 - Against
 - Neutral
 - Not answered/no opinion given

- B
- Why?.....
- 1 Introduce 25c coin to counteract removal of 5c - Can then remove 10/20/50c
 - 2 The 5c coin is a nuisance/unnecessary/too small
 - 3 5c coins are an inconvenience to banks/stores - often brought in in big numbers
 - 4 Need a campaign to donate 5c coins to charity
 - 5 The cashless society is the way of the future
 - 6 Need to ensure rounding occurs on total price/ that prices don't rise
 - 7 Prices will rise/5% price increases/95c will go to \$1
 - 8 Adversely affect those on low incomes
 - 9 Waste of time/money
 - 10 Although 5c is worth less than it used to be, so are all the other coins
 - 11 Other modern countries still have their 5c equivalent/is not 'modern' to get rid of it
 - 12 Our set of coins isn't more logical and coherent without the 5c/is an integral part
 - 13 A step towards the cashless society
 - 14 Has real meaning and worth to many - esp children
 - 15 The claim that great savings will result is spurious/Outweighed by other factors
 - 16 In a cashless society there are greater profits for the banks
 - Bulk handling was made difficult by \$1 and \$2 coins/Removal of 5c will not affect
 - 17 this
 - 97 No reason given
 - 98 Other
 - 99 Don't know

Q4 Other suggestions;

- 1 Standardise coin sizes and weights with Japan/EU etc and use their coin handling tools/meters/vending machines
- 2 Get coin sizes in line with Australia/50c like Australia/Common currency
- 3 Prefer not to have the Queen on our coins
- 4 Rework the whole currency eg \$10 becoming \$1 etc/ rename it
- 5 Agree with the introduction of \$5 coin/gold coin
- 6 Do not agree with introduction of 5c coin
- 7 Should scale back the quantity of coins available to increase the value
- 8 Concerns about management of the change - too fast/too slow
- 9 Have Edmund Hilary/famous Nzers on our coins
- 10 Get rid of 10/20/50c as well
- 11 Would like to see the kiwi back on 20c coins

- 12 Withdrawing/reminting is costly
- 13 Keep 'tuatara' design
- 97 No reason given
- 98 Other
- 99 don't know

Q5 Name
 Email address/Address

Q6 **Which?**
 1 General Public - email
 2 General Public - Individual letter
 3 General Public - Form letter
 4 General Public - Schools/Students