



Making Money

by Tricia Glensor

We use money to buy the things we need – and the things we want. But how much do you know about the money we use in New Zealand?



Where does New Zealand money come from?

The Reserve Bank is in charge of producing the money we use in New Zealand. (The Reserve Bank is owned by the New Zealand Government.)

What does New Zealand money look like?

New Zealand has five different banknotes (\$5, \$10, \$20, \$50, and \$100) and five different coins (10 cents, 20 cents, 50 cents, 1 dollar, and 2 dollars). The Reserve Bank began producing new notes in 2015, so now we have a mix of old notes and new notes.

Why do banknotes and coins get changed?

1. Prices change

New Zealand used to have 1 cent, 2 cent, and 5 cent coins, as well as 10 cent, 20 cent, and 50 cent coins. Now you can't buy things for 1 cent, 2 cents, or 5 cents any more, so those smaller coins are no longer needed.



2. Money wears out

New Zealand also used to have \$1 and \$2 banknotes, but people used these notes a lot and they wore out quickly. In 1991, the \$1 and \$2 notes were replaced with coins because coins last longer.



New Zealand banknotes used to be made from paper, but this changed in 1999. Since then, they have been printed on polymer, which is a type of plastic. Polymer is much stronger than paper, and it lasts a lot longer. This means that we don't need to print new banknotes so often.

3. People like money to look interesting

In the early 1990s, the Reserve Bank decided to change the design of New Zealand's banknotes to make them look more attractive and up to date. They asked people what pictures they wanted on the notes.

Most people wanted images of things that reminded them of New Zealand and things that people overseas would see as "Kiwi". The images on our notes were changed to include well-known New Zealanders, as well as more birds and plants from New Zealand.

In 2015, the Reserve Bank updated the design of the banknotes. The images on the new notes are similar to the old notes, but the colours are brighter.



People from other countries liked the new notes so much that the New Zealand \$5 note was named Banknote of the Year in an international competition.

4. Money needs to be secure

Sometimes people try to make copies of banknotes. The Reserve Bank adds security features (things that help to keep something safe) to banknotes to make it much harder for people to do this.

What are some security features on our banknotes?

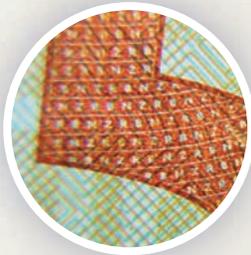
- 1 Every banknote has its own serial number. This number is printed twice on the front of each note.

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- 2 Parts of the new notes are printed with special raised ink. You can feel this if you run the tip of your finger over the note.



- 3 There is some tiny printing that you can only see with a strong magnifying glass. For example, inside the large 5, the letters RBNZ (Reserve Bank of New Zealand) are printed many times.



- 4 There are some "hidden" images. If you hold the note up to the light, you can see a fern shining through the middle of the bird on the left-hand side of the note. You will also be able to see shapes on the front and back of the note that fit together to make a hidden number. It's the same as the value of the note.



- 5 Inside the clear "window" on the right-hand side of the note, there are holograms. (Holograms are shiny images that reflect light and change as you move them.) In the \$5 note, the holograms are of a fern, a map of New Zealand, and the hoiho (the same bird you can see on the left-hand side of the note).



What happens to old banknotes?

Banknotes should last for six or seven years. When they are damaged or too old to be used again, they are shredded (cut up into tiny pieces by a machine). The shredded notes are recycled and made into useful plastic items. So who knows? Maybe that \$2 plant pot started life as a pile of \$50 banknotes!



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