

CHANGEOVER TO DECIMAL CURRENCY

Statement by the Prime Minister, Mr. Harold Holt

Tomorrow we arrive, after years of discussion, planning and organisation, at a landmark in our financial and commercial history.

It marks the introduction of a new system of money - dollars and cents - which will finally bring this country into line with the vast majority of the world's people, 95 per cent. of whom already use decimal currency.

The change will be closely watched by official observers from the United Kingdom and New Zealand. New Zealand will be introducing its own decimal currency system in 1967. The United Kingdom has understudied a report received from a special committee set up to report on the advisability of a decimal system for the United Kingdom.

In Australia, the new currency will carry substantial advantages in its train. For example :-

- . Increased efficiency for Australian commerce and industry;
- . Methods of teaching money arithmetic in the Australian schools will be streamlined and simplified. More time will be available for teachers and students to concentrate on other aspects of their work;
- . Our exporters will "speak the same tongue" as most of their trading partners and should be all the more welcome for it;
- . Many migrants and tourists will be assisted by it.

Not all of these factors will show themselves overnight. The greatest gains may take a number of years to show themselves fully. To many of us, decimal currency will seem somewhat strange for a time after the familiar pounds, shillings and pence.

We should not become unduly concerned. Certainly nobody will automatically lose money in the conversion to decimal currency.

This point seems to be worrying a number of people who apparently feel they will lose twopence in every shilling when their savings are converted to decimal currency.

They may set their minds at rest on this point. It is not true.

The misconception arises from the mistaken belief that because the one cent is the nearest full-cent value to one penny, a cent and a penny are exactly the same thing. But in fact they are significantly different, one cent being worth one and one-fifth pennies. This means that ten cents is worth exactly one shilling and not tenpence as some people seem to think.

One shilling will be converted exactly into ten cents and ten shillings will be converted exactly into one dollar. There will be no loss to anybody on these conversions.

Gains from Decimal Currency

The nation has already made three important gains from decimal currency.

First, we have introduced much-needed coinage reform, which has brought a completely integrated set of coins of common sense size. We are going to find them much more convenient for our daily cash transactions.

Secondly, we now have new and distinguished designs for our notes and coins, which more faithfully reflect the spirit of the nation.

Thirdly, we have built a highly efficient Royal Australian Mint to help produce the new coins. Its performance is well up to expectation but it is proving an asset in another useful direction. In keeping with our "new look" coins and notes, the new Mint is a notable tourist attraction in Canberra, and is the only Mint in the world which freely opens its front door and observation areas to the general public.

The Cost of Decimal Currency

Progress has its price and decimal currency must be paid for, particularly in the short term. Machine conversion, for example, will cost \$54 million (£27 million) - the bulk of the changeover cost. However large though this figure appears, it is some £10million below the original official estimate of cost.

There are some 500,000 machines to be converted to decimal operation. They range from cash registers to taximeters; from petrol pumps to adding machines. These will be converted in carefully planned, nationally co-ordinated programmes.

This work is estimated to take up to two years, according to the business machine companies which have contracted to carry it out.

We believe, however, that the companies will be able to speed their work and we hope that Australia will be operating solely in decimal currency some months before the two-year period is up. We shall be doing what we can to achieve this.

Tomorrow's Events

Changeover day may produce some temporary inconveniences. These may prove unavoidable in a change of this magnitude.

The careful planning of the Decimal Currency Board, supplemented by parallel and co-ordinated planning in so many important sectors of the community, from banks to business houses, from retail stores to government departments should do much to minimise these. Changeover day should go smoothly, even quietly.

If it does so, it will be a tribute to our maturity as a people who can welcome progress and can co-operate successfully for its achievement even when it brings the need for adjustment in our daily routines.

CANBERRA,

13th February, 1966