

## Exchange rate changes to the New Zealand dollar before it was floated on 4 March 1985

*Includes pre-1973 rates*

Date	Event	Comment
4 March 1985	NZD allowed to float against all currencies.	
19 July 1984	Foreign exchange market re-opens.	
18 July 1984	NZD devalued by 20%	
15 July 1984	the foreign exchange market is closed.	
5 August 1983	RB quoted rate of exchange with USD, able to vary during the day with market forces.	
8 March 1983	NZD devalued 6% against TWI currencies, slight revaluation against AUD.	Devaluation resulted from AUD devaluation by 10%
23 June 1982	Crawling peg suspended and a fixed exchange rate against a basket of currencies is introduced.	
21 June 1979	A flexible exchange rate system ("crawling peg") is introduced.	Between this date until the suspension of the crawling peg in 1982 several adjustments to the NZ Dollar were made averaging 0.5% per month, to compensate for differences between NZ inflation rates and those of its trading partners. The Reserve Bank begins publication of a reference trade weighted exchange rate index.
21 August 1978	Foreign exchange market reopens.	
18 August 1978	Suspension of trading for all currencies except USD.	
6 January 1978	Suspension lifted	
5 January 1978	Suspension of trading for all currencies except Sterling, US and Canadian Dollar.	The suspension followed instability in the exchange market due to the announcement that the US Treasury and Federal Reserve Bank would be intervening the markets to support the US dollar.
3 August 1977	AUD devalued 1.5% against their basket.	
20 December 1976	NZD revalued 2%. Overall,	

	the 1976 adjustments led to depreciation of 0.78% against the basket.	
30 November 1976	NZD devalued 2.73% against basket, resulting in appreciation of 12.7% against AUD.	
29 November 1976	AUD devalued 17.5%, trading suspended.	
10 August 1975	NZD devalued 15%.	
25 September 1974	NZD devalued 9% against all currencies except AUD. NZD revalued 3% against AUD.	The devaluation followed the move by Australia to devalue their currency by 12% and to cease the fixed link between AUD and USD.
9 September 1973	NZD revalued 10%.	
9 July 1973	NZD revalued 3.24%.	NZ terminates link with the US Dollar. The value of the NZ Dollar is now determined daily by a fixed basket of currencies of major trading partners
March 1973	USD float	
The information below includes exchange rates		
February 1973	NZD revalued to NZD 1.00 = USD 1.3511	USD devalued 10%, NZ maintained parity with gold and thus USD via revaluation of par rate.
June 1972	£Stg and 17 other currencies (excl. USD) float.	
December 1971	NZD pegged to USD, NZD 1.00 = USD 1.1952 (Smithsonian Agreement)	Under the Smithsonian Agreement NZ elected the US Dollar as their intervention currency and peg, severing its fixed link to the Sterling.
21 November 1967	NZD devalued 19.45% against USD. NZD 1.00 = USD 1.12 (or NZD 1.00 = 0.99531 grammes of fine gold)	£Stg devalued against USD, NZ retained parity with AUD by devaluing against USD. NZ's exchange rate was unaltered until 1971.
10 July 1967	Decimal currency introduced. NZD 1.00 = USD 1.39045 (or NZD 1.00 = 1.23565 grammes of fine gold)	
30 April 1962	Telegraphic transfer sell rates were quoted at £NZ 100 = £Stg 100 = £A 124	Other TT sell rates were quoted as: £NZ 1.00 = USD 2.7756 = New French francs 13.49 = Swiss francs 11.98 = Netherlands guilders 9.94 = £South African 1.9748
31 August 1961	The £NZ is set at £NZ1 = USD 2.7809 (or 2.47130 grammes of fine gold).	NZ joined IMF, which required each currency to be quoted in terms of USD or in

	Exchange rates were quoted at £NZ100 = £Stg100 = £A125	fine gold. This relationship became a rate of exchange, as IMF required member currencies to be valued in the same terms.
30 June 1958	Telegraphic transfer sell rates were quoted at £NZ 100 = £Stg 100 = £A 124	Other TT sell rates were quoted as: £NZ 1.00 = USD 2.7678 = French francs 1151.0 = Swiss francs 11.99 = Netherlands guilders 10.40 = £South African 1.01
March 1956	Publication of the Report of the Royal Commission on Monetary, Banking, and Credit Systems. Exchange rates were quoted at £NZ 100 = £Stg 100 = £A 125	The Royal Commission found that "the exchange rate should be kept stable, adjustments being made only to meet special circumstances."
15 April 1955	Telegraphic transfer sell rates were quoted at £NZ 100 = £Stg 100 = £A 124	Other TT sell rates were quoted as: £NZ 1.00 = USD 2.7616 = French francs 964.0 = Swiss francs 12.05 = Netherlands guilders 10.48 = £South African 1.01
18 September 1949	Parity maintained between £NZ and £Stg although the £Stg was devalued by 30.5% against the USD.	
19 August 1948	£NZ revalued by 25%, effectively restoring the exchange rate to £NZ 100 = £Stg 100	
August 1934	Establishment of the Reserve Bank of New Zealand	The Reserve Bank Act 1933 required the Bank to provide Sterling on demand in exchange for Reserve Bank notes, and to maintain reserves equal to 25 percent of total notes on issue. The sterling exchange standard was maintained until its suspension on 6 December 1938.
20 January 1933	Exchange rate fixed at £NZ 125 = £Stg 100	
1931	Exchange rate depreciates to £NZ 110 = £Stg 100	
To 1914	Exchange rate fixed at £NZ 100 = £Stg 100	Exchange rate parity with the Sterling was maintained up to the outbreak of the first world war, when the gold standard was effectively abrogated under the Banking Amendment Act 1914.

## References:

- 1- New Zealand Exchange Rates pp.207-211 Reserve Bank of New Zealand Bulletin, August 1976, Volume 39 No. 7
- 2- Hodgetts, B. Chronology 1960-1990 pp.232-253 Monetary policy and the New Zealand financial system 3rd ed. (Wellington: RBNZ, 1992)