

RESERVE BANK OF FIJI



50th Anniversary of Decimal Currency in Fiji

Preamble

2019 marks the 50th anniversary of the introduction of the currency now known world over as the Fijian dollar and cents. The introduction on 13 January 1969 also marked the conversion of the Fijian currency from the old British imperial system of pounds, shillings and pennies to the decimal system of units related by the powers of 10. Referred to as currency decimalisation, such conversions swept the globe around the time much akin to the widespread adoption and conversion of distance and weight measure from imperial to metric. Our decimal currency has the advantage of being easier to understand therefore convenient to use and aligns our currency with globally accepted systems.

The cessation of the British imperial currency system represented the severance of an emotional link with the British crown. These changes were considered crucial steps taken as Fiji journeys forward as an independent nation. Fiji gained independence on 10 October 1970, 21 months following decimalization.

In celebrating the 50th anniversary of decimal currency in Fiji, we take a look back at the history of the Fijian currency evolving from the pre-decimal currency days to today's currency in circulation. The current Fijian currency banknote and coins was first launched in 2012 and is referred to as the "flora and fauna" series.

Currency History

Exchange in the early 19th Century



Before European traders and sailors came to Fiji, bartering between different tribes formed the foundation of Fijian commerce. At first European traders used barter trading iron implements, muskets, gun powder, steel blades, scissors, tobacco and liquor in return for sandalwood and beche-de-mer.

Barter came to an end with increasing European settlement and associated introduction of western ideas of financial and economic organisation and management. From as early as the 1860s, paper money and coins made

their appearance in what was described as a 'bewildering potpourri of currencies and notes'. These included British sovereigns, American and Mexican dollars, Bolivian half dollars, French francs, Russian roubles, Turkish gold coins and mohurs from India. These various forms of currency including those privately issued by commercial banks operating in Fiji at the time were accepted as mediums of exchange and were circulated and passed over shop counters daily.

A vital attribute of currency is credibility and acceptability. This acceptance is derived from the credibility and financial standing of the issuer of the currency, in most cases the sovereign or the Government of a country. In monetary jargon, this is called 'backing' for the currency. Attempts by the Ratu Cakobau Government to issue currency was reportedly rejected as being of suspect value. Members of the public were not convinced the Government had the gold and silver to back up the currency.

In 1874, Britain agreed to take over the responsibility for the governance of Fiji. With the establishment of a new form of Government, drawing on the British experience, Fiji's monetary affairs began to assume a degree of soundness.

Era of the Fijian Pennies, Shillings & Pounds



In 1914, the Government established the Currency Board with the sole right to issue currency notes and coins in the colony. For nearly 60 years, the Currency Board was the focal point of Fiji's currency system. English coins were used at first. In 1934, the Currency Board introduced Fiji's first coinage of pennies and shillings, which were manufactured at the Royal Mint in London.

The pennies and halfpennies, made of copper mixed with nickel, had a distinctive feature - a hole through the centre. In World War II, these became popular souvenirs with American soldiers based in Fiji. The other denominations were sixpences, shillings and two shillings made from 50 percent silver. At the time of the first coin issue, Fiji got a consignment of notes from Thomas De La Rue and Company (now known as De La Rue Currency) based out of the United Kingdom which became the sole notes to be legal tender, meaning they became the only money to be accepted in Fiji in exchange for goods and services.

Notable early Currency Issues



In 1936, Fiji was one of the few Commonwealth countries to mint a one penny coin featuring the name of King Edward VIII, who abdicated in one of the great constitutional dramas of the 20th Century.

In 1947, 12-sided nickel and brass three penny bits made their appearance and were minted until 1967.

The Second World War caused disruptions and presented challenges for issuing currency. During the war, Fijian coins had to be minted in San Francisco, USA instead of the Royal Mint in London. The San Francisco coin-makers produced halfpennies and pennies in brass, and sixpence, one shilling and two-shilling pieces in 90 percent silver.

At one stage during the war, with the acute shortage of metal, the Government Printer printed a supply of notes in one shilling and two-shilling denominations and some Fijian one penny notes were printed in Australia.

In 1942 when some of the normal notes became scarce, the Reserve Bank of New Zealand agreed that the New Zealand £1 and £5 notes, being printed by the Commonwealth Bank of Australia, be overprinted for use, by the Government Printer.

The British system of measuring currency in pounds, shillings and pence remained in circulation until 1969, and is now commonly referred to as pre-decimal currency.

Conversion to Decimal Currency

It took two years of planning and public education to organise the change to decimal currency. The new notes and coins arrived by ship. They were stored in a vault adjacent to Albert Park at the imposing Government Buildings which had replaced the modest wooden structure on the site of the Anglican Cathedral. The heavily guarded vault was crammed with millions of dollars' worth of the new currency awaiting circulation.

13 January 1969 officially marked the day the Government proclaimed that the unit of currency in Fiji was the dollar and that the pounds, shillings and pennies would be withdrawn gradually. Fiji's currency structure became the 1c, 2c, 5c, 10c and 20c coins, and the \$0.50, \$1, \$2, \$5, \$10 and \$20 notes.

Post offices, postal agencies, shops and businesses exchanged the old currency for the new at the banks. The banks in turn exchanged old notes for new at the Currency Board vault. The *Rogovaka*, a Government ship, sailed with an armed guard to distribute the currency in the outer islands.

Plans were made for the disposal of the pounds, shillings and pence. As they went out of circulation, destruction and disposal followed a carefully organized sequence. Notes were counted and mutilated – the final act in removing their value – and then, under the watchful eyes of a specially appointed Board of Survey, millions of notes went up in smoke as they were destroyed. Then official certificates of destruction were issued. According to one estimate, the Government Printer's incinerator could consume about £250,000 worth of notes a day. However, the notes did not always burn easily and they had to be turned constantly to ensure their full destruction.

Several tons of coins were sold to the Royal Mint in London and the Royal Australian Mint, to be melted for use in the manufacture of new currency. Some three penny bits ended up in the canvas bags on the pilot boat *Seniceva*, to be dumped into the sea outside the Suva Reef. There is no treasure trove waiting to be discovered, as the coins were tipped loose over a wide area of deep water.

Significant Currency Changes

Following independence in 1970, Fiji began to develop rapidly. There was fresh spirit and vitality as the country assumed responsibility for its own affairs. With economic development and progress, it became evident that the Currency Board was no longer adequate. Fiji needed a new organization with an enlarged role. Apart from the administration of money supply, there were reserves of foreign currency to administer, a commercial banking system to supervise and many related economic matters to address. The organization eventually established to perform these functions was the Central Monetary Authority, which was established in 1973, and it's now predecessor, the Reserve Bank of Fiji (RBF) established in 1984.

The Fijian Currency has gone through various changes over the years. Some of the notable changes include the coining of the 50 cents and the one dollar notes in 1975 and 1995, respectively. In November 1995, a \$50 note denomination was introduced, followed by a new set of notes in 2007 including the new \$100 denomination, in varying sizes, primarily as an aid for the visually impaired.

In February 2009, a new set of smaller and lighter coins was introduced following closely on the heels of the cessation of the 1 and 2 cent coins in October 2008. This change was largely driven by rising metal prices at the time and the move continues to result in millions of dollars of savings from currency production costs as well as improve efficiency in cash handling, security and transportation. The larger size coins of 5, 10, 20 and 50 cents as well as the 1 and 2 cents were demonetized in April 2009 and sold abroad for their metallic content.

In December 2012, Fiji launched a completely new family of notes and coins. This included historic currency design changes – the replacement of Her Majesty Queen Elizabeth II's portrait with local flora and fauna designs on all note and coin denominations, introduction of Fiji's first \$2 coin and Fiji's first polymer note in the \$5 denomination. These changes were made to promote Fiji's biodiversity, improve note durability and save on currency costs.



Over the years, Fiji's coins have been produced by the Royal Mint in London, the Royal Australian Mint, the Royal Canadian Mint and the Singapore Mint. The current coins are minted by the Royal Canadian Mint while

the notes continued to be printed by De La Rue Currency. Fiji's current currency structure comprises the 5c, 10c, 20c, 50c, \$1 and \$2 coins, and the \$5, \$10, \$20, \$50 and \$100 notes.

Commemorative Issues



A number of commemorative currency have been issued by the RBF since the decimalization of the Fijian currency. Most of the commemorative currency issues have been co-circulated along with normal circulation currency and these include:

- the first commemorative coin issued in 1975 in 1c, with a rice stalk design to commemorate the Food and Agriculture Organisation's (FAO) "Grow More Food" Campaign;
- a 50c coin issued in 1979 to commemorate FAO's "Sugar for the World" Campaign & 100th Anniversary of Arrival of the Girmityas in Fiji;
- a 5c coin issued in 1995, with a fish design to commemorate FAO's "Harvest from the Sea" Campaign;
- the first commemorative millennium (Y2K) banknotes of \$2 and \$2,000 issued in 1999, featuring the first President of Fiji, the late Ratu Sir Penaia Ganilau and the then President of Fiji, the late Ratu Sir Kamisese Mara, respectively. The \$2,000 banknote is currently Fiji's highest legal tender banknote available for sale at the RBF Numismatic Centre;
- a 20c coin issued in 2003 to commemorate the South Pacific Games (SPG) held in Fiji, with the SPG logo on the reverse;
- a 50c coin issued in 2013 to commemorate the 2012 London Paralympics High Jump Gold Medal win by Mr Iliesa Delana; and
- the iconic circulation of the \$7 banknote and 50 cent coin in 2017, commemorating Fiji's first gold medal at the Summer Olympics, when the Fiji Sevens Team won gold at the 2016 Rio Olympics.

These commemorative issues have quickly become collector's items, and are available for sale at the RBF Numismatic Centre, Podium Level 2 RBF Building, Pratt Street, Suva. Further details can be obtained from the RBF website www.rbf.gov.fj

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