

7. Exchange Rates



1.00 NZD	=	0.789571 AUD
New Zealand Dollars		Australia Dollars
1 NZD = 0.789571 AUD		1 AUD = 1.26651 NZD

How do I maximise the Australian dollars I get for my New Zealand dollars?

By doing the following things you can maximise the amount of Australian dollars when converting New Zealand dollars. Depending on your circumstances, you might want/need to do things differently.

- Open a bank account in Australia so that you can convert your funds entirely electronically rather than using physical cash or travellers cheques.
- Don't use a bank to convert your money unless you happen to be one of their best customers - you will typically get a much better exchange rate and pay no commission by using a foreign currency specialist.
- If you are moving large sums of money, you can reduce the uncertainty involved in the exchange rate between the New Zealand dollar and the Australian dollar by using more advanced currency market tools like forward contracts and market orders to lock in a known rate. If you are unfamiliar with these, you can talk to a foreign currency specialist about your options.

Get the Best exchange rate:

The goal here is simple: to get as many Australian dollars for your New Zealand dollars as possible.

- Please, please do not take large sums of cash or travellers' cheques! You are literally wasting money by doing so. The best way to convert anything other than the smallest sums of money is to send it via telegraphic transfer (TT).
- Open an Australian bank account before leaving New Zealand so that you can minimise the amount of cash you need to take with you.
- Don't use a bank to convert your money! Use a specialist foreign exchange company to get a better exchange rate and to avoid high bank fees.

Of course, you can wait until you get to Australia before opening an account. This will be easier if you prefer a bank that doesn't allow you to open an account online from New Zealand. You can still use the advice below about converting your New Zealand dollars to Australian dollars as it isn't dependent on opening an account before you leave New Zealand.

Converting Your Money To Australian Dollars:

Surprisingly few people seem to realise that there is quite a lot of choice when converting money into another currency. Many people just go with their first instinct - to use a bank. Don't do that! Unless you happen to be a very important customer, you will not get a good deal from your bank. Typically they will give you a pretty bad rate, and then charge you a commission on top of that!

The reason you want a bank account before converting your money is to avoid dealing with cash. Conversion rates for cash are often *much* worse than when dealing with electronic funds. For this reason, you should aim to convert as little physical cash as possible and send the converted funds directly to your new bank account.

References:

Exchange Rates - www.xe.com/ucc/