

# Another dollar that has appreciated

**It was worth 10 bob when printed in 1913, but Australia's first banknote is now valued in the millions.**

Tony Walker

A rare piece of Australian post-colonial history goes on sale on Wednesday in the form of the first Commonwealth banknote, described by its marketers as the "Holy Grail of numismatists" and estimated to be worth \$3.5 million.

This would be the highest price paid for an Australian stamp, coin or banknote, and reflects growing interest in collectables as a hedge against volatility in equities, property and other investment markets.

Belinda Downie, the principal of Coinworks, which is marketing the Federation era 10-shilling banknote that was unveiled by then Labor prime minister Andrew Fisher in 1913, believes the note should be bought by a financial institution and put on public display.

"What value do you put on something like this?" she says. "This reflects a great moment in our history."

The banknote will go on display at the World Stamp Expo in Melbourne between May 10 and May 15. It will also be commemorated by the issue of two stamps by Australia Post and a coin by Perth Mint this month.

Labor's republican tendencies were reflected in the first notes, which lacked the king's likeness, as did the new "kangaroo" stamps.

Commonwealth stamps were also a Fisher initiative.

Mr Fisher was responsible for having the Australian coat of arms redesigned to incorporate a shield depicting the six Australian states. He insisted it form a prominent part of the new banknote design.

An Australian scene was required to adorn the back.

The constitution empowered the Commonwealth to legislate with respect to "currency, coinage and legal tender".

But state governments, a conservative opposition and the banks themselves (banks in the various states had issued their own legal tender) had



Judith's souvenir ... The Commonwealth of Australia's first banknote is up for sale.

resisted Mr Fisher's attempts to introduce a Commonwealth-denominated banknote.

Labor's election in 1910, when it secured control of both houses of Parliament, enabled passage of The Australian Notes Bill.

A competition for designs for the 10-shilling, £1 and £5 notes was

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Belinda Downie, Coinworks

promulgated in the *Government Gazette* of November 1910, but the designs submitted were deemed inadequate, and security printers Bradbury Wilkinson & Co of London were engaged to engrave the first dies.

Ms Downie, who is selling the note on the instructions of McGrathNicol, the voluntary administrators for coin dealer John Pettit, said the note's signif-

icance transcends its importance as a collector's item.

"This is an enduring symbol of a time when Australia was emerging as a nation," she said. "I don't see it so much as a banknote, but as a glorious piece of Australian."

"It's been described as the Holy Grail of numismatics, but I believe that is too confining. It has far greater appeal."

Australia's first banknotes were printed on May 1, 1913 at a warehouse on Flinders Lane in Melbourne in the presence of Mr Fisher, the Governor-General, Lord Denman, his children, the governor of the Commonwealth Bank of Australia, Denison Miller, and Melbourne's lord mayor.

Lord Denman's five-year-old daughter, Judith, was given the honour of hand-numbering the first note M000001. This was presented to her by Mr Fisher.

The note disappeared from view until Anne Judith Denman's personal effects were sorted in 1999 after her death in 1987. It was discovered in a letter file in her desk in a contemporary government house envelope marked in pencil "Judith's 10/- Note May 1st 1913".

The banknote was sold by her estate

to an English dealer for an undisclosed sum. It was sold in 2000 to a Sydney businessman for \$1 million, a record price then for an Australian numismatic item.

It was sold again in 2008 for \$1,909,000 by International Auction Galleries (Queensland). This latest sale will mark the fourth time it has changed

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hands since it was given to Judith Denman in 1913.

Ms Downie of Coinworks said that in her valuing of the 1913 10-shilling note, she had looked at the statistical record of other sales of rare numismatic items, including a 1920 gold sovereign or the 1930 proof penny, whose value derives in part from the Great Depression year of its coinage.

Ms Downie expects widespread interest in the note from private collectors. She was allocating a six-month sale window, but she would be surprised if it did not sell more quickly.

"This coin is one of the enduring symbols of Fisher's prime minister-ship," she says.

Mr Fisher himself purchased notes M000004 and M000005, for which he paid face value with a sovereign from his pocket. These notes were sold at auction in London by Stanley Gibbons in the early 1970s.

The 10-shilling note was controversial when first issued. It was feared such a low value note would spread disease.

A writer in *The Age* of July 12, 1913 commented: "What provision has been made to quarantine notes that have passed through the fingers of Sydney people now stricken with small-pox."

The notes were nicknamed "Fisher's flimsies" by the press of the day.

Ten shillings was slow to gain public acceptance as £1 had previously been the lowest denomination in circulation.

The overprint, half sovereign, was applied to subsequent printing to reinforce the banknote's merit in the public's mind.

## ASOS' offer of fast fashion a hit

Lisa Carapiet-Fanous

Australia has taken out the top spot again as the largest territory contributing to online fashion retailer ASOS's international sales.

Globally, British-based ASOS's retail sales were up 34 per cent to £352.3 million (\$529 million), with international sales up 39 per cent.

The company refuses to put a monetary figure on Australia's retail sales alone, but the nation's desire for fast fashion at affordable prices means ASOS receives an order from Australia every six seconds. This time last year it was every nine seconds.

"Australia has always been good at timed events," ASOS chief executive Nick Robertson told *The Australian Financial Review*. "You've been at the top for the best part of two years. I don't think that can sustain because we have the US and Germany creeping up quickly now."

Mr Robertson said full-year retail sales are forecast to be about £735 million and likely profit is estimated at £52 million.

By the end of 2014 or early 2015, ASOS is aiming to tick over £1 billion in sales. For the half year to February 28, retail gross margin was down 60 basis points to 49.5 per cent due to savings in stock clearance and promotional price markdowns. Profit before tax and exceptional items rose 11 per cent to £25.7 million.

ASOS makes its money selling affordable clothing and accessories that arrive on the doorstep within days. Bricks and mortar retailers in Australia are feeling the pressure to differentiate themselves either through in-store experiences or price – an area in which locals have historically done poorly.

With the likes of Zara, H&M, Topshop and Uniqlo entering the market and thriving, as well as a huge e-tailing following, retail expert Michael Baker says there is significant bleeding from Australian retailers' bottom lines. "It's accelerating a process that has been going on for a while now," he said.

A strong Australian dollar, a lack of choice in brands and a "transient 20-something generation" account

for ASOS's strong performance locally, Mr Robertson said. "The internet is enabling customers who have lived in closed markets ... to be able to do a lot of things they haven't been able to do. One of the benefits is around price. Our price in Europe is killing all competitors. That's a choice that Australian retailers have made over the years. Some of it I get because of logistics, but other bits are driven by profit as opposed to appropriate pricing," he said.

Last year, following the launch of Australia's own dedicated website, ASOS opened its first non-UK office in Sydney, which employs eight people who look after public relations, social media and locally focused editorial.

ASOS operates in five strategic country targets: Britain, the United States, Australia, France and Germany. Its next focus is "tactical" countries – China and Russia.

While the Russian arm is soft-launching on Wednesday, China's access to ASOS is taking a little more legwork and will launch in October this year.

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