

Worth a mint, to coin a phrase

Forget banknotes or stamps – they're made of paper. For real capital appreciation, try the holey dollar, writes **Tony Walker**.

Belinda Downie is sitting at an alcove table in Donovan's restaurant on Melbourne's waterfront with a display of old coins worth several million dollars in front of her.

They will be auctioned later today in what will be the most valuable sale of Australian coinage in years, if not ever.

Amid the wine glasses and cutlery and a journalist's tape recorder as the world passes by on the beachfront outside, Downie is explaining the history and provenance of the rarest examples of Australian coinage, including the 1813 "Hannibal" holey dollar, the 1852 Adelaide pound and an 1813 "Colonial Dump".

Collectively these three coins along with others – which are being passed back and forth in their transparent packages over the lunch table – are worth more than \$1 million at auction, by Downie's own estimates.

She should know: as principal of Coinworks she's been dealing in rare coins for more than two decades.

The question is, why would someone pay \$600,000 for a coin minted in Lima, Peru, in the early 19th century, brought to Australia by governor Lachlan Macquarie and "re-engineered" with suitable colonial engravings by a convicted forger, William Henshall, who punched a hole in it, creating a separate disc known as the Colonial Dump in the process.

When "minted" in the then colony of NSW, the holey dollar carried a face "with a hole in it" value of five shillings and the Colonial Dump 15 pence.

Cleverly, Macquarie Group has re-engineered the holey dollar for its own logo.

The "millionaires' factory" bank might also have learned something from the man whose name it bears. Macquarie turned a profit on the silver dollars he imported from the Spanish empire – 40,000 of them – from the 15 pence gleaned from the sale of the "silver dumps".

So to the question of why?

Downie explains that collectors and, increasingly, a select breed of investors have recognised that rare coins bring better returns than various categories of investment, includ-



Top: Belinda Downie with the holey dollar worth up to half a million dollars; above, an 1852 Adelaide pound; left, an equally rare 15 pence coin.

Photos: ARSINEH HOUSPIAN

ing other collectables such as art and also property, shares and bonds.

"One client acquires coins like she acquires property. She sees coins as an asset," Downie says. Her own clientele, she says, tends to be people in private business who are investors in tangible assets that can be viewed and touched, such as property and collectables.

The Cooper review, which recommended allowing collectables as part of self-managed superannuation funds under strict conditions, proved a boon for her business, as it has for other rare items people put in their private collections.

She mentions that the holey dollar was sold to a Queensland collector at

an auction in 1988 for \$39,000, changed hands in 2007 to a Sydney private collector for "around" \$200,000, and is now on the market with a reserve estimate of \$450,000-\$600,000.

If it sells for \$450,000, this would represent compound interest of 10.7 per cent on its 1988 selling price, according to Downie, not a bad return on what might be regarded as a "minted" item that is pretty much indestructible and has the added virtue of real scarcity value.

Stamps, by contrast, are flimsy objects and subject to deterioration.

The Hannibal holey dollar is one of only two in existence. The other is in the State Library of NSW.

Is it possible there's another "holey

dollar" lurking in someone's basement? I ask. "There could be," Downie replies. "But the industry has developed a reasonable profile over the past 10 to 15 years. People are very aware."

The story of how the Hannibal holey dollar – by far the rarest of the breed – came into existence is worth retelling because it explains why this particular coin is so sought-after.

It was struck in the Lima mint in 1810 from silver mined in the Andes and brought to Australia in 1813 by Macquarie to provide local currency in a fledgling colony then in a raucous stage of its development.

Indeed, it was not far removed from the influence of the NSW "rum corps", whose traditions linger to this day in the behaviour of Macquarie Street politicians of various persuasions.

What makes the Hannibal holey dollar unique is that local engravers in Lima defied the wishes of colonial Spain, where Joseph Bonaparte had recently been installed by his brother, Napoleon, as king.

Instead of incorporating a flattering image of the new monarch on the minted silver coins, the engravers reproduced an unflattering and mulish imaginary portrait of Joseph, referred to as the "Hannibal head".

The provenance of the coin about to be auctioned adds to its mystique. It was allegedly discovered in a bushranger's cache in Van Diemen's Land in 1880 and passed to Sir John Lefroy, governor of the colony.

It was next sighted at Spink Coin Auctions in London in 1980 as the property of an H. Pegg.

It was sold again, this time by Spink Auctions Australia in 1988, where it was bought by the aforementioned private Queensland collector, before being sold privately in 2007 to a Sydneysider.

The first known depiction of Australia's initial coin came in a pencil drawing in 1883 in the *Numismatic Chronicle*, published in London.

Speaking of numismatics, the word first came into English use in 1829 and referred to the phrase "of coins".

The phrase itself derived from the French numismatiques and the Latin numismatis, meaning "coin".

Whatever the origins of the study and collection of coins, a piece of Australian history goes on sale and, like the words uttered by Long John Silver's parrot, it also happens to be a "piece of eight".

■ **Tony Walker is the AFR's international editor.**

Pyne denies uni caps

Joanna Mather

Labor has condemned the federal opposition's "born to rule mentality" following reports that the Coalition is considering recapping university places and raising student fees by 25 per cent to help fill a \$70 billion budget black hole.

Labor began lifting restrictions on university enrolments in 2010 and since then an extra 150,000 students have started degrees.

News Ltd reported on Saturday that the opposition was considering reinstating limits on numbers in a move that could save \$2.6 billion over five years, as well as allowing a 25 per cent increase in fees.

Trade Minister Craig Emerson, appearing on the ABC on Sunday, said the reported cuts reflected the Liberal Party's "born to rule mentality". Opposition spokesman Christopher Pyne denied the reports, saying the Coalition had no such plans and that it supported the removal of the cap.

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Tuckey joins trawler row

Mathew Dunckley

A total overhaul of the nation's fisheries management is needed in the face of the threat posed by super-trawlers such as the one headed for Tasmania, says former Howard government fisheries minister Wilson Tuckey.

Plans by Seafish Tasmania to bring super-trawler Magiris from Europe have sparked concerns from fishermen and environmentalists.

Mr Tuckey said he was not concerned by "so-called environmental issues" but rather the maintenance of adequate fish stocks.

He said such vessels should not be permitted in Australian waters.

"That European super-trawlers have so reduced the fish stocks of the more benevolent oceanic environment that they are prepared to sail half way around the world for a minuscule quota of low-value fish should be raising alarm bells throughout Australia," he said.

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