

Unlocking the mystery of Australia's first coin

While the Holey Dollar may not yet be a household name, its familiarity is set to soar with the 200th anniversary of its striking in 2013.

To the uninitiated the Holey Dollar is simply the coin with the hole in it. The coin that confounds reason and logic in that it glaringly shows a date other than the year it was created. (1813)

To the informed the Holey Dollar is the nation's first domestic coin.

Its standing is further enhanced by rarity, for fewer than 300 are known to exist. Of those nearly 100 are housed in institutions leaving a balance of about 200 pieces available to collectors.

The Macquarie heritage – the Holey Dollar

Governor Lachlan Macquarie governed the penal colony of New South Wales from 1810 to 1822.

The arrival late in 1812 of a shipment of 40,000 Spanish Silver Dollars presaged one of the most famous icons of Macquarie's era, the Holey Dollar.

Designed to resolve the colony's chronic currency shortage Macquarie had a small circle cut from the middle of each silver dollar with a machine.

The resulting Holey Dollar rim – shaped like a donut – was re-stamped with a value of five shillings, the year 1813, and the issuing authority of New South

Wales to become Australia's first currency, the 1813 Holey Dollar.

The circular inner disc punched out of the centre was re-stamped with a crown, the year 1813, the issuing authority and the value of fifteen pence and became the 1813 Dump.



This clever measure provided an immediate 25 per cent profit on the purchase of the coins, doubled the number of new coins and drastically reduced the likelihood of their being taken out of the colony.



Belinda Downie

Welcome to the 40th edition of Heads Up.

We have closed off this financial year with record sales; a 40 per cent increase over the previous.

That success can be attributed to many factors, not the least of which is the calibre of material that we offer. And our team of people that come together to deliver a level of expertise that is second to none in the industry.

Coinworks attracted solid attention in the media in the second week of June. You can read all about it on our web site.

In this edition of Heads Up we are unlocking the mystery surrounding Australia's first coin the 1813 Holey Dollar. And we present some basic rules for investing in the industry.

This is capped off with a superb range of high calibre rarities.

Belinda Downie
Managing Director

The 1813 Holey Dollar is a fascinating coin, and there are many instances where I think it is just plain misunderstood.

Most coins are struck from blank pieces of metal cut to the required shape. The Holey Dollar is the exception. It was created from another coin – a Spanish Silver Dollar – that had been struck and released into circulation many years prior to 1813.

The original coin, the Spanish Dollar, is the prime influence on the ultimate value of a Holey Dollar.

Type	Monarch	Portrait	Legend	Dates	Number
1	Ferdinand VI	no portrait	FERDND	1757	1
2	Charles III	Charles III	CAROLUS III	1773 to 1788	30
3	Charles III	Charles III	CAROLUS III	1789	2
4	Charles III	Charles III	CAROLUS IV	1789 to 1790	12
5	Charles III	Charles III	CAROLUS III	1791 to 1808	202
6	Charles III	Continental Charles III	CAROLUS III	1793 to 1805	6
7	Joseph Bonaparte	Ferdinand VII	FERDIN VII	1808 to 1810	18
8	Joseph Bonaparte	Imaginary	FERDIN VII	1810	2

Classification by Type of known surviving Holey Dollars

First step - What is the Type?

There are eight distinctly different types of Holey Dollars, defined by the date of the original Spanish Dollar and the design details depicted on it (the legend and the portrait). Rarer types are highly prized.

Second step – What is the quality of the original coin?

Quality is an important consideration in determining the value of any coin, Holey Dollar or otherwise. But with the Holey Dollar there is a twist.

The quality of the original Spanish Dollar has to be considered in relation to the date it was struck. The earlier the date the greater chance of wide circulation before it was holed in 1813.

So a premium quality Type 2 Holey Dollar, (dated let's say 1788) will be a far more valuable piece than a Type 5 Holey Dollar (let's say dated 1805) in comparable quality. The reason is simply that the 1788 Spanish Dollar had potentially 25 years of circulation before it was holed, the 1805 only 8 years of potential wear.

Third step - What is the Mint?

The Spanish Dollar was the world's greatest trading coin in the late 18th and 19th centuries and was struck at the Spanish Mints operating in Mexico, Lima, Madrid, Seville, Potosi, Guatemala, Santiago in Chile and Santa Fe de Bogota in Colombia.

The Mexico Mint was a prolific producer of silver coinage. Holey Dollars converted from Mexico Mint Silver Dollars are, as a consequence, reasonably readily available and are found in 76 per cent of examples.

Holey Dollars with ties to other mints are highly prized. To this day no Holey Dollars have been found with ties to Chile and Columbia and only one piece to Guatemala, held in the Montreal Museum. Four examples have ties to the Madrid Mint and two to the Mint in Seville.

Of the remaining mints, 12 per cent pertain to Lima and 9 per cent to Potosi.

Rarer Mints are highly prized.

Step Four – What is the quality of the countermarks and how are they stamped?

The final assessment of the value of a Holey Dollar means looking at the extent of its circulation after it was created in 1813. This means looking at the countermarks, the details New South Wales, the date 1813 and the denomination five shillings stamped around the inner circular edge of the Holey Dollar.

Examining the countermarks of the known surviving Holey Dollars clearly shows the haphazard way in which they were stamped.

A handful of Holey Dollars have been found in which the countermarks are vertically aligned. There is some suggestion that they may have been especially struck and as such are highly prized.

We hope that we have cleared up some of the mysteries surrounding this remarkable piece of Australian.

Coin	1919 Type 5 Square Penny
Quality	Brilliant FDC
Rarity	One of four sighted at public auction
Provenance	Spink Auctions 1986, Noble Auctions 2007
Price	\$145,000



The 1919 Type 5 Square Penny is a sound investment piece. Viewed as the glamour piece of those coins struck in 1919, it always commands buyer attention – the catalyst for growth.

The prime reason for the ‘glamour’ is its rarity. Only four 1919 Type 5 Square Pennies have appeared at auction over the past 35 years, one of which has been defaced by graffiti and from our perspective therefore out of the buying equation. A secondary reason for the ‘glamour’ status is that it has a unique kookaburra (reverse) design.

And this coin comes with a fine pedigree. Its first auction appearance occurred in 1986, offered alongside the now famous 1920 Type 1 Square Halfpenny. (Both coins were picked up by the same buyer who paid \$3600 for the Type 5 and \$19,500 for the Type 1.)

The buyer liquidated both coins at auction in 2007, the Type 5 selling for \$92,000 and the Type 1 for \$382,120.

Coin	1921 Type 2 Square Halfpenny
Quality	Uncirculated
Rarity	An average appearance at public auction of once every three years
Provenance	Coinworks Private sale 2004
Price	\$265,000



Australia’s Square Kookaburra coins are an industry success story and while many readers may assume their success to be a recent phenomenon, the coins have been in demand for decades.

The Melbourne Mint tested two designs for a Square Halfpenny, the first struck in 1920 and the second in 1921.

There are three examples of the 1920 Square Halfpenny in private hands. We know of ten examples of the 1921 Square Halfpenny. These figures give a clear indication of the scarcity of the Kookaburra Square Halfpenny (of any year).

Our experience has shown that once collectors have a Square Penny in their holding, they ultimately look to acquire the Halfpenny. Securing a Halfpenny dated 1920 poses serious problems for most collectors because of its extreme scarcity and its hefty price tag (\$725,000).

This places the 1921 Square Halfpenny smack in the spotlight as their only option. That’s why this coin is important – and always in huge demand.

Coin	1935 Proof Penny
Quality	Superb FDC
Rarity	One of the finest 1935 Proofs, which gives it a seriously high rarity ranking
Provenance	Coinworks private sale 1997
Price	\$62,500



The Perth Mint and the Royal Australian Mint in Canberra are today both prolific producers of proof coins specifically designed and sold to collectors as part of a commercial enterprise.

While it is a natural assumption that Australia's pre-decimal proofs were struck on a similar basis, **the reality is that this is far from the truth.**

The Melbourne Mint struck circulating coins for Treasury in each of the 38 years between 1916 and 1953. Proofs, however, were only struck to sell to collectors in eight of those years. (See table below)

The 1935 Proof Penny was one such 'commercial' proof striking making it a highly significant and historically important issue. The mintage was a mere 100 pieces.

While we might sight one 1935 Proof Penny at auction every twelve months, that incidence gives no consideration to quality.

Factor in the exceptional quality of this coin and you will be waiting years to find a comparable piece.

It is in our opinion one of the finest known Proof 1935 Pennies, with full original copper brilliance and superb mirror fields.

Be advised that this coin was sold by us in 1997 and has remained in the one holding ever since.

No.	Year	No coins	Description	Mintage
1	1916	4 coin	silver specimen-proof set	25
2	1927	1 coin	silver proof florin	400
3	1934	6 coin	silver & copper proof set	40
4	1935	2 coin	copper proof penny & halfpenny	100
5	1937	1 coin	silver proof crown	100
6	1938	6 coin	silver & copper proof set	70
	1938	1 coin	silver proof crown	55
7	1939	1 coin	copper proof halfpenny	40
8	1953	5 coin	silver & copper specimen-proof set	12

Chart: Proofs struck at the Melbourne Mint between 1916 and 1953 on a commercial basis

Coin	1886 Melbourne Mint Proof Sovereign
Quality	Brilliant FDC
Rarity	One of two known
Provenance	Strauss Collection (comes with original coin tag), Murdoch Collection sold Sothebys London 1903, Barrie Winsor 2005
Price	\$180,000



This stunning piece of gold, dated 1886, is a proof striking of a Younghead St George Sovereign.

It is an extremely rare coin. In fact the entire sector to which this coin belongs is excruciatingly scarce.

Collectors looking to acquire a proof specimen of a Younghead St George sovereign are faced with a nightmare of limited opportunities. You have this coin – and very few other options.

Only three Younghead St George proof issues have ever been sighted ... 1871S, 1880S and the one offered here, the 1886M.

For those that are assuming that there are probably quantities of each date available to the market - think again. The nightmare continues when you look at the known sightings. Two examples are known of the 1886M and the 1880S. And the 1871S is unique.

So the reality for collectors is this. If you want a proof example of a St George Young Head Sovereign you have a pool of five examples only – AND THIS IS ONE OF THEM.

As a point of comparison, in a career that has spanned nearly forty years I have probably handled between sixty to seventy Square Pennies, bought and sold dozens of quality Holey Dollars and even more of the Colonial Dump.

I could count on the fingers of two hands the number of Cracked Dies that I have sold and that's no surprise given its tiny original mintage.

Now while it is not my intention to either demean these rarities or undermine their potency as an investment force.

My point here is that in the same 40-year time frame I have only ever sold two Younghead St George Proof Sovereigns, they being the 1871 and this coin, the 1886.

Aside from the rarity of this piece it has an enviable pedigree – and is simply stunning to look at.

The Queen Victoria Younghead portrait appeared on Australia's sovereigns from 1871 to 1887 inclusive. Two reverse designs were used during this period, the Shield and the St George and the Dragon designs. The Sydney Mint operated throughout this era, with the Melbourne Mint coming into operation in 1872.

Coin	1930 Penny
Quality	good Fine / about Very Fine
Rarity	Maybe 50 examples of the 1930 Penny would be offered at auction annually
Provenance	Coinworks private sale 1995
Price	\$23,500



Acquiring Australia's famous 1930 Penny involves three easy steps.

First up, take a good look at the coin using the naked eye. If it is aesthetically pleasing then you can move on to the second step and check out the design details under magnification to ensure accuracy of grading. (The pearls, the central diamond, the edges etc) Once you are satisfied with the grading, take a look at the price and ensure that you are being offered value for your money.

This coin is extremely pleasing to the naked eye, with handsome toning. Furthermore it is accurately graded with six clear pearls and one side of the central diamond on the obverse and strong upper and lower scrolls and nice beading on the reverse.

And price watchers will note that it is being offered at a value-packed price.



Coin	1922/21 Overdate Threepence
Quality	about Extremely Fine/good Extremely Fine
Rarity	Of the highest rarity as one of the finest known examples of Australia's key-date threepence
Provenance	Carol Jaggard, IAG Auction 2002, IAG Auction 2009
Price	\$115,000



The 1922/21 Overdate Threepence is recognised as one of Australia's great Commonwealth rarities ... the nation's rarest threepence. Its notoriety and scarcity means that it packs a powerful (investment) punch.

This particular example is one of the finest known. In fact it is NUMBER TWO in the pecking order for Overdate Threepences, provenanced to Carol Jaggard.

The Jaggards have been numismatic dealers for over 40 years. That a member of the Jaggard family chose to include this coin in a personal collection is an affirmation of its status.

While there is conjecture within the industry as to how the famous '2' over '1' came to be struck, the controversy has only fuelled demand, underpinning solid price growth.

Testimony to the respect with which top quality 1922/21 Overdates are held, the finest known example sold last year at auction for more than \$150,000. It should also be noted that even examples that are well worn are valued at around \$9000.



Coin	1932 Proof Penny
Quality	Brilliant FDC
Rarity	One of two known
Provenance	Australian Coin Auctions 2002, private sale to the Madrid Collection
Price	\$125,000



The industry has always acknowledged that there are proofs. And that there are 'super' proofs; so named because they are simply breathtaking in the quality of their strike. This 1932 Proof Penny is one such 'super' proof.

Superb FDC quality, with meticulous clarity and depth of striking, it was said to have been especially struck for Roy Farman, close colleague of Ray Jewell.

Its quality is exceptional, it is the finest (by far) of the two known examples of the 1932 Proof Penny.

More than this however we regard it as one of the finest Proof George V Pennies around.

With such accolades you would expect a brilliant track record at auction and this coin certainly lives up to its expectations. Featured as the sole cover item on the catalogue of Australian Coin Auctions February 2002 Auction, it fetched \$36,000 on a pre-auction estimate of \$9000.

As a closing statement when Manager of Australian Coin Auctions, Chris Meallin heard that we had acquired exclusive rights to sell the Madrid Collection, his first response was to query whether we had that "stunning 1932 Proof Penny" for sale. Great coins are simply never forgotten.



Coin	1924 Proof Threepence
Quality	Superb FDC
Rarity	One of perhaps five known
Provenance	Ex Noble Numismatics 2001, private sale to the Madrid Collection 2004
Price	\$57,500



This coin comes with a solid track record at auction. On its first and only public offering in 2001, aggressive bidding activity saw the coin sell for \$10,120 on a pre-auction estimate of \$8000.

If we think about it, the rules associated with successful numismatic investment haven't altered for the last sixty-plus years. Rare coin investors have always targeted quality and have always sought out rarity and they have found both traits (quality and rarity) in the silver proof coins of George V.

Their tiny original mintages have underpinned consistent growth and a price stability that few other investment sectors could match. That so few specimens appear on the market means there is never a chance that you will have a flood of coins coming out to dampen prices.



How to invest in Rare Coins and Banknotes

If you are planning to invest in rare coins or banknotes, find someone with the knowledge and industry expertise to work with you, so that your investment objectives are more likely to be fulfilled.

And follow these simple basic rules.

- 1. Concentrate on market areas with strong records of capital growth.** Success breeds success. It is an old adage but it is tried and true. Square Pennies, pre-decimal proofs, pre-decimal banknotes, quality colonial material... they have all shown positive growth through both buoyant and gloomy economic times.
- 2. Ask for financial data on the item.** (Or on the sector to which it belongs) Has it come up at auction before? How many times? And the prices realised? What is its current price in the latest Industry Guide? They are simple questions, the answers of which are very revealing.
- 3. Strive for quality. And don't compromise.** Don't accept the coin with the gigantic edge knock that has been discounted to a level that is within your price range. Or the banknote that has been repaired or is offered with pin holes. If you can't maximise quality in the area you are seeking, find another area that will suit your budget.
- 4. Check out the quality ranking.** Ask where it rests in the scheme of things. A coin or note does not have to be the finest known to show positive growth, but if its quality ranking is in the lower strata, growth may be weak and liquidity compromised. If the dealer cannot supply the quality ranking, find someone who can before deciding on whether or not it is an investment likely to provide a positive return.
- 5. Check out the provenance.** If the dealer cannot supply the background information on the coin or banknote, find someone who can. This is information that buyers need to know.