



# Senator **GERARD RENNICK**

LNP Senator for **Queensland**

Grant Hehir  
Auditor-General for Australia  
GPO Box 707  
CANBERRA ACT 2601



22 March 2021

Dear Mr Hehir

I write regarding Australia's gold reserves held with the Bank of England. I believe the lack of controls and accountability surrounding their storage and use is a cause for concern.

I recently received answers to my Budget Senate Estimates Questions on Notice (October 2020), to the Reserve Bank of Australia, and found that an audit of Australia's gold reserves has only been conducted twice in over twenty years. In addition, when audited, only between 7-9 per cent of Australia's gold reserves were physically sighted.

Considering the importance of gold reserves for the stability of our currency, a proper stock take of Australia's reserves should take place on a regular basis. Australia's gold reserves are currently worth in the region of \$6 billion. It is simply unacceptable for such infrequent audits to occur.

Therefore, I write to request that as the head of the nation's independent auditing authority, you put in place the practice of annually auditing Australia's gold reserves. This would involve sighting 100 per cent of Australia's gold and matching it to the gold bar serial numbers held by the Reserve Bank of Australia. Currently the RBA has complete control over how they use our gold and they should be held accountable for this, especially with the practice of gold lending currently in place.

Conducting an annual audit would also bring the Reserve Bank of Australia into line with the Australian Auditing Standard ASA 501, which states that a physical inventory count should take place once a year when practicable.

I hope you will consider my request, as gold reserves are an important asset for our country and I believe that the right steps should be taken to ensure their safe storage and use as an asset of the Australian people.

Kind regards,

**Gerard Rennick**  
LNP Senator for Queensland