

Appendix 33

Trust Fund Report 2000/2001

Various special trust funds have been created under Division 3 of the *Fisheries Management Act 1994*. The Minister can expend monies held in these trust funds for the purposes authorised by the Act. Draft expenditure budgets are provided to the relevant Ministerial advisory council for advice.

The activities that are funded by each of these special trust funds are outlined below. Expenditure estimates include a number of assumptions relating to allocated shared costs, overheads and flow of benefits from projects to different programs.

Recreational Fishing (Freshwater) Trust Fund

The trust funded 18 projects in 2000/2001.

Enhanced departmental fish production

Expenditure: \$275,000

Government hatcheries at Narrandera Fisheries Centre, Gaden Trout Hatchery, Dutton Trout Hatchery and Port Stephens Fisheries Centre received funding to boost production of native fish species (trout cod, Murray cod, golden perch, silver perch and Australian bass) and salmonid species (Atlantic salmon, brook trout, brown trout and rainbow trout). Funds were used for additional staffing, additional operational expenditure and for capital items including a new broodstock shed, pond construction and equipment.

Carp Assessment and Reduction Program (not licence funded)

Expenditure: \$40,000

The Carp Assessment and Reduction Program includes the Carp Production Incentive Scheme which boosts the commercial harvest of carp, research into carp control, and provision of advisory information on carp impacts and control. Funds were for incentive scheme payments and advisory activities and materials.

Field operations

Expenditure: \$485,000

Ongoing funding was provided for six additional fisheries officer positions. Additional operational funding to all inland fisheries districts enhanced the levels of compliance and advisory services available. Funds were provided for staffing, for operational expenses such as vehicle running, boats and travel, and for additional equipment.

Freshwater fishing fee administration

Expenditure: \$249,000

Administration of the licensing system ensures the efficient servicing of enquiries from licence sales agents and licensed recreational fishers. It also provided for financial management and audit requirements, data management for compliance, research and advisory purposes, and payment of the 5 percent agent's commission to standard agents.

Purchase of native fish from private hatcheries

Expenditure: \$152,000

Angling clubs, councils and community groups received dollar for dollar funding to increase the numbers of Murray cod, golden perch and Australian bass stocked in NSW. The program supported private hatcheries, increased stocking rates and increased compliance with reporting requirements for stocking groups.

- Recreational advisory and education program** Expenditure: \$171,000
 This program provided advisory information to organised angling groups, licence sales agents and stocking groups, and supported the Advisory Council on Recreational Fishing and the Recreational Fishing Freshwater Trust Expenditure Committee. Advisory material, including signage, brochures, and booklets were also funded. Fishing clinics were held at Government hatcheries.
- Statewide angler survey** Expenditure: \$2,000
 This program funded data entry concerning recreational fishers.
- Effectiveness of stocking research** Expenditure: \$202,000
 This encompassed research into effective marking techniques for hatchery produced fish, surveys of fish populations in key impoundment fisheries, trial stocking programs and presentation of results at angling group meetings, committee meetings and conferences.
- Angler catch monitoring** Expenditure:\$194,000
 The Trust provided for monitoring of the angler catch at selected fishing competitions and special Angler Catch Research Program events and analysis of catch rates, species compositions and size distributions and comparisons with previous events. Results reported to angler groups, committee meetings and conferences. Funding was paid for staffing, operational expenses, and equipment.
- Recreational fishing expenditure survey** Expenditure:\$34,000
 This program investigated the value of the recreational fishery in the Snowy Mountains region. The project provided detailed estimates of expenditure by anglers in the Snowy Mountains region, as well as some estimates of involvement in the trout fishery and other freshwater fisheries in NSW. A consultant undertook the project and produced a report.
- Eastern (freshwater) cod stockings** Expenditure: \$23,000
 Eastern freshwater cod is an endangered species found in the Richmond and Clarence River systems. This program purchased fingerlings for a conservation stocking program.
- Small project enhancement program** Expenditure: \$nil
 No activities funded in 2000/2001
- Impoundment access program** Expenditure: \$21,000
 Increased access to impoundments for anglers will increase angling opportunities, decrease pressure on wild fish stocks and stimulate regional employment and economic activity. A project officer was part funded to negotiate improved access to major impoundments that are currently 'out of bounds' for anglers. Access to Thompson's Creek Dam near Lithgow and Imperial Lake, near Broken Hill, was arranged for recreational fishers. Another opening, for Umberumberka Lake, near Broken Hill will commence in two years time. NSW Fisheries is in discussions with key NSW Government agencies to obtain access for recreational fishers to other major water storages in the Wollongong, Sydney and Newcastle metropolitan areas.

Fishcare volunteer program

Expenditure: \$139,000

More than 70 Fishcare Volunteers provide information and advisory services to anglers at popular regional fishing locations by conducting field surveys, participating in training future volunteers and helping NSW Fisheries to run fishing clinics and community expos. These were two-day training and equipping programs for new Fishcare volunteer groups in Armidale and Yass, and ongoing servicing of existing groups in the Snowy Mountains, Bathurst, Grafton and Wollongong regions was funded.

Regional fish habitat

Expenditure: \$113,000

Protection, restoration and rehabilitation of fish habitat will enhance the sustainability of recreational fisheries in inland regions. Two conservation managers were funded to ensure that the habitat implications of modifying bridges, causeways, roads and culverts; and water releases from dams were considered in a range of activities, including development approvals, water management plans and riverine management.

Fishway passage/weir removal

Expenditure: \$196,000

Barriers to fish passage are one of the primary threats to native fish populations. A project officer was part funded to investigate and implement improved fish passage at man-made barriers in inland regions. The Trust allocated \$100,000 as seed funding for the State Fishway program, which supplemented funds carried forward from last financial year to provide for construction of fishways at key barriers to fish migration and for the decommissioning of discontinued weirs.

Innovative fishway development

Expenditure: \$26,000

New techniques in fishway construction will reduce the cost of providing fish passage at barriers, and increase the potential for tackling the problem. Funding provided for operational expenses to investigate the effectiveness of a new fishway design by using radio tracking equipment to track fish movements and discover the time and distance that individual fish migrate upstream and to determine numbers of fish available for recreational fishers.

Fish conservation education module

Expenditure: \$24,000

Funding was provided to develop a fish conservation education module for use by the Fish Care Volunteer Program and for workshops for the angling community on fish conservation issues. Better educational and advisory materials are used to improve recreational fishers' knowledge of conservation issues relevant to the fish they catch.

RECREATIONAL FISHING (FRESHWATER) TRUST FUND

	Total Approved 2000/2001* \$'000	Expenditure 2000/2001 \$'000	Carry Forward \$'000
Enhanced departmental fish production	403	275	128
Carp assessment and reduction program	204	40	164
Field operations	594	485	109
Freshwater fishing fee administration	327	249	78
Purchase of native fish from private hatcheries	200	152	48
Recreational advisory and education program	231	171	60
Statewide angler survey	16	2	14
Effectiveness of stocking research	391	202	189
Angler catch monitoring	340	194	146
Recreational fishing expenditure survey	55	34	21
Eastern (freshwater) cod stockings	25	23	2
Small project enhancement program	18	...	18
Impoundment access program	69	21	48
Fishcare volunteer program	304	139	165
Regional fish habitat	132	113	19
Fish passage/weir removal	233	196	37
Innovative fishway development	26	26	...
Fish conservation education module	24	24	...
Total	3,592	2,346	1,246

* The 'total approved 2000/2001' consists of allocations from the trust fund in 2000/2001 and amounts carried forward from 1999/2000.

Recreational Fishing (Saltwater) Trust Fund

Recreational fishing areas

Expenditure: \$344,000

This program was established to identify areas to improve recreational fishing opportunities and to better protect our marine habitat. 2600 nominations for fishing areas were received following the call for public expressions of interest in January. The recreational fishing areas selection process has been overseen by the Advisory Council on Recreational Fishing.

Compliance

Expenditure: \$312,000

This program provided continuing funding for compliance activities, funding nine officers from the licence implementation on March 23 until 30 June 2001. During that early period, NSW Fisheries undertook about 50,000 quality inspections of anglers including licence checks, with a licence compliance rate of around 71 percent across the State.

Marine recreational management

Expenditure: \$41,000

Management activities funded from the saltwater trust include consultation and correspondence with fishing clubs and other key stakeholder groups, responding to angler inquiries and collation of submissions on key issues. NSW Fisheries maintains a database of over 596 NSW based clubs.

Marine recreational research

Expenditure: \$91,000

Research activities include a pilot program entering the details of recreational fishers onto a database, and cross checking accuracy and reliability of records. The Saltwater Trust also funded components of the game fish tagging program including purchase and distribution of tags and data entry; and components of the Estuarine Creel Survey programs including analysis of survey data.

Fishing fee establishment

Expenditure: \$491,027

The establishment of the general recreational fishing fee included a variety of set-up, consultation, information and advisory programs. Setting up the new fee system included the expansion of the licence sales agent network, establishment of the exemption certificate scheme, website sales development and licence design. The information and advisory programs featured coastal and inland radio, regional and Sydney press (including non-English speaking editions) and fishing magazines. The education awareness campaign also included advisory flyers and signage as well as stickers and posters for licence sales agents. Funds were expended to advertise and select a committee of anglers to assist with the implementation of the general fee. The committee communicated extensively with angler associations, clubs and individuals in each of eight regions of NSW to provide advice on the fishing industry's view of trust fund expenditure.

Fishing Fee Administration Costs

Expenditure: \$164,367

The cost of administering the saltwater component of the fee was kept below the guaranteed 10 percent of the total fee revenue and covered running costs associated with maintaining the licence sales network, licence printing, postage and 5 percent standard agent commissions.

Fishcare volunteer program

Expenditure: \$Nil

The NSW Fishcare volunteer program is being expanded to include saltwater areas.

RECREATIONAL FISHING (SALTWATER) TRUST FUND

	Total Approved	Expenses	Carry
	2000/2001	2000/2001	Forward
	\$'000	\$'000	\$'000
Recreational fishing areas	583	344	239
Compliance	312	312	...
Marine recreational management	41	41	...
Marine recreational research	106	91	15
Fishing fee establishment	655	655	...
and administration costs			
Fishcare volunteer program	60	...	60
Total	1,757	1,443	314

Commercial Fishing Trust Fund

Expenditure on commercial fishery related activities comes primarily from consolidated revenue, but is supplemented with funding from the commercial fishing trust. In 2000/2001 the trust fund contributed \$3 million to departmental activities related to commercial fishing.

The main programs for this financial year were:

Abalone

Trust Contribution: \$910,600

Three thousand seven hundred shares have been issued in this fishery and in the year 2000/2001 there were 38 shareholders. Expenditure for this fishery during the period 2000/2001 was \$1,073,570 with industry contributing \$910,600 to the cost. The remainder represents a flow of benefits to recreational fishers and an efficiency saving recommended by the Independent Pricing And Regulatory Tribunal. Services funded include five dedicated compliance officers servicing the fishery and a focused research and management program.

Lobster

Trust Contribution: \$533,800

There are 10,234 shares in the lobster fishery with individual shareholdings ranging from 12 to 204 shares. Management fees in 2000/2001 were \$58 per share. NSW Fisheries spent \$938,394 dollars in managing the fishery with industry contributing \$533,800 to the costs. The remainder represents a flow of benefits to recreational fishers and an efficiency saving recommended by the Independent Pricing And Regulatory Tribunal. The lobster industry funds one dedicated lobster compliance officer and focused research and management activities.

Fish Receiver

Trust Contribution: \$230,000

Deregulation of the NSW Fish Marketing system occurred in 1999. Currently there are 85 registered fish receivers and 82 restricted registered fish receivers. During the year a review of fish receiver permit conditions was completed. The review identified areas for improved compliance, which included the mandatory reporting by registered fish receivers of instances where Eastern Rock Lobster Fishery tags become detached.

Other commercial fisheries

Trust Contribution: \$1,326,000

NSW Fisheries provides policy, regulation, compliance and regulatory services for 10 defined commercial fisheries: abalone, lobster, estuary general, estuary prawn trawl, ocean hauling, ocean fish trawl, ocean prawn trawl, ocean trap and line, inland carp and yabby, and the sea urchin and turban shell fisheries. Management of these fisheries is achieved through an integrated team approach across the department, especially between fishery management, research and compliance areas.

Over the past 12 months transfer criteria have been introduced for the ocean hauling and ocean trap and line fisheries to facilitate restructure and enhance viability. The introduction of an additional management framework called Category 2 share management will provide increased security and husbandry of the State's fisheries resources.

The preparation of the environmental impact statements and fishery management strategies has begun, overseen by the new 17 member Fisheries Resource Conservation and Assessment Council.

Independent chairs were established for each of the commercial fishery management advisory committees.

Devastating floods on the north coast of the State resulted in massive fish kills, and the closure of the Macleay and Richmond Rivers to commercial and recreational fishing activities. While both rivers will be partially reopened for fishing on 1 July 2001, they are being constantly monitored to determine when the fishing bans can be completely lifted.

Field activities have focussed on educating and advising commercial fishers on commercial management rules, and have helped maximise voluntary compliance and provided high quality support services to our clients.

Each commercial fishery has benefited from fishery specific research projects aimed at providing a more sustainable fishery through improvements to fishing methods, and collection of data to assist in future management decisions.

COMMERCIAL FISHING TRUST FUND

	Expenditure \$'000	Trust Fund Contributions \$'000
Abalone	1,074	910
Lobster	938	534
Fish receivers	332	230
Other commercial fisheries	9,311	1,326

By the end of 2005 the Government will develop and implement a fair and transparent cost-recovery framework for category two share management fisheries. This framework will be subject to extensive industry consultation. During this period the total amount of money collected for NSW Fisheries, for its existing management services, will not increase without the support of the relevant management advisory committee. Within this commitment CPI will be applied to fees and charges from July 1 each year. After 2005, the costs that have been identified as attributable to the industry will be progressively introduced over a further three-year period.

Fish Conservation Trust Fund

The Fisheries Conservation Trust fund receives fees related to the assessment of development applications, and processing eight dredging and reclamation permits and marine vegetation permits. Small projects supported from the trust in 2000/01 were:

Entrance strategy for Deep Creek

Expenditure: \$2,000

Funds were provided to enable Nambucca Shire to prepare a management strategy for the Deep Creek entrance.

Floodgates on lower Macleay River

Expenditure: \$Nil

The Trust allocated \$20,000 to assist Kempsey Shire Council to purchase equipment required to modify the high priority floodgates. The fishers of the Macleay valley and NSW Fisheries have been actively seeking changes to current floodplain management because of the impact of floodgates and other structures on fish populations and water quality. There are over 180 floodgates within the lower Macleay floodplain, of which over 30 have been identified as having a high priority for active management.

FISH CONSERVATION TRUST FUND

	Total Approved 2000/2001 \$'000	Expenditure 2000/2001 \$'000	Carry Forward \$'000
Entrance strategy for Deep Creek (Nambucca Shire)	2	2	Nil
Floodgates on lower Macleay River (Kempsey Shire)	20	Nil	20
Total	22	2	20

Aquaculture Trust Fund

Expenditure on activities relating to aquaculture is funded from a combination of consolidated revenue and Aquaculture Trust Fund contributions. In 2000/2001 this trust fund contributed \$208,916 to the department's activities of aquaculture management.

During the 2000/2001 financial year an annual fee was introduced for aquaculture permit holders. This followed a report by the Centre for International Economics estimating that NSW Fisheries spent \$6.1 million providing services to the NSW aquaculture industry. The report recommended that the Government should recover \$3.6 million from the industry. In June 2000, implementation of a new cost recovery framework was deferred for five years to provide time for NSW Fisheries and the industry to consider all the relevant issues in depth.

Programs that were part funded from the Trust include aquaculture administration, GIS oyster lease mapping and the introduction of lease bonds.

Charter Fishing Trust Fund

The Charter Fishing Trust Fund commenced in 2001 and did not fund any activities during the financial year. The Charter Fishing Trust Fund incurred expenditure liabilities for the implementation costs of the charter boat licence scheme that will be recovered during the next financial year.

Trust Fund Revenues and Expenditure

The following table summarises the revenue received and expenditure in each of the various special fisheries trust funds:

Trust Fund	Major Sources	Balance 1 July 2000 \$'000	Received \$'000	Expenditure \$'000	Carried forward \$'000
Recreational Fishing (Freshwater)	Freshwater fishing fee, NSW Government carp program	803	2,827	2,575	1,055
Recreational Fishing (Saltwater)	General recreational fishing fee	17	2,845	1,757	1,105
Commercial Fishing	Licence fees and management charges	1,008	3,159	3,000	1,167
Fish Conservation	Permit fees and fees for services	133	46	22	157
Aquaculture	Permit and lease fees	(115)	887	223	549
Charter Fishing	Licence fees		164	nil	164

Please note that the trust funds are included in the departmental audited financial statements (See note 16 of financial statement). The information included within this section is additional information, provided in addition to the audited financial statements of NSW Fisheries.

Appendix 34

Audit Committee

NSW Fisheries' audit committee met on four occasions during 2000/2001. The audit committee consists of Director of Fisheries, Deputy Director, Director Fisheries Services, Director Corporate Services, Director Policy, Director Aquaculture and the Principal Manager Administration & Finance. The department's internal and external auditors are also invited to attend committee meetings.

The department's Strategic Audit Plan is reviewed annually by the audit committee to ensure that all operations of the agency are assessed and monitored. The department's internal audit program is performed by the Internal Audit Bureau.

Major audit activities performed during the period included a review of accounting control arrangements at Port Stephens and Batemans Bay and a review of procedures and practices relating to aquaculture administration.