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1<sup>st</sup> December 2005

The Honourable Ian MacDonald, MLC  
Minister for Primary Industries  
Level 30 Governor Macquarie Tower  
1 Farrer Place  
Sydney, NSW, 2000

**Re: Assets Procured for Projects funded by Recreational Fishing Trust Funds**

Dear Minister,

Assets or capital equipment items bought with public moneys are accountable and there are strict rules for their use and disposal. Essentially, they generally belong to the project for which they were purchased and their use should be for that project. Upon completion of the project, these capital items are not transferable to other areas, but remain in control of the department in which the project was affiliated or associated with. They are also not available for private use.

Likewise, equipment of capital items bought for projects funded from the various recreational fishing trusts surely belong to the relevant trust fund, and should only be used for the project for which it was purchased, and must revert back to the relevant trust upon completion of the project. We have concerns that the use of equipment purchased for projects funded from recreational fishing trust fund moneys is not being monitored and may be open to abuse. Our concerns at this stage revolve around the procedures that are in place regarding the use of such items.

**Capital Items funded by Trusts**

What are the rules and/or regulations DPI Fisheries must follow with respect to all capital items bought for projects from funds from either of the recreational fishing trusts?

If there are none, why are these items considered different from capital items bought in other Governmental areas?

## **Asset Registers**

Is an asset register kept of all capital items of major and minor equipment bought from funds from either of the recreational fishing trusts?

If not, then why not?

Who is the officer accountable for the maintenance of trust funded project assets? Is this officer totally fulfilling their responsibilities?

If capital items are recorded in an asset register, is this asset register a separate register or part of the DPI Fisheries asset register?

If not a separate register, then why not?

What are the regulations regarding

- the depreciation of various types of items;
- their residual value once depreciated,
- how they are reported in the annual report as part of the Trust funds; and
- their removal from any asset register when sold or scrapped?

## **Asset Identification by Project**

Is it possible to determine which items have been purchased for a particular project, or how many items of a particular type have been purchased out of recreational fishing trust funds?

If this information is not readily accessible, then why not?

How many and of what types of vehicles have been purchased from funds from the recreational trust funds? How many boats have been bought from these funds?

For which projects were they purchased?

## **Contractual use of specific project assets in other projects**

What procedures and controls are in place to ensure that major equipment are used solely for the project for which they were purchased?

If they are used for other projects, is there a back charge process?

What procedures are in place to:

- monitor and record their usage; and
- ensure these items are not used for private use?

## **Status of Project assets at the completion of the Project**

What happens to major items such as vehicles, boats and underwater video equipment upon completion of the project for which they were purchased?

Does this equipment remain the property of the relevant recreational fishing trust and to be made available for other projects?

What of joint managed projects with other institutions that are funded from recreational fishing trust funds, how is the usage of this equipment monitored and regulated?

### **Control over Project Assets where they are sublet/contracted to other projects**

Have DPI Fisheries been informed of, or are they aware of any, instances of use of major items bought for specific recreational fishing trust funded projects being used for other projects or even personal use?

### **Annual Asset Verification of Trust Funded Owned Assets.**

How often is the asset register physically verified by sighting of the assets in the field?

If this period is greater than twelve months is a cyclical verification procedure in place to ensure all of the trust funded assets are physically verified at least once in the regulation period?

What process is in place to ensure all trust funded assets are fitted with a permanent identification tag which is clearly visible and can be referred back to an asset register?

How is the condition of the asset established and recorded when verified in the field?

Are the officers completing the verification qualified to ascertain the condition of the asset?

What procedures are in place where it is established the asset is not in a ready for use state.

Who has the authority to estimate of the repair costs and to proceed with repairs if an asset is damaged?

Who has authority to and is responsible for the write-off of an asset if it is damaged beyond economical repair?

### **Asset Identification Tags**

Do the identification tags clearly show the information relating to the asset for example:

- project name;
- origin of the funds;
- project number;
- location;
- date of purchase;
- date installed ready for use;
- completion date of the project; and

- the title/function of the officer with custody of the asset during the project?

### **Where held and what security at completion of project**

What provisions have been made for the retrieval of all trust funded/owned assets at the completion of the project?

What procedures have been put in place to ensure the assets are secure and will not deteriorate while they are stored awaiting assignment to another project or sale?

Is the custody of these assets the responsibility of one senior department officer?

### **Project Funding Agreement**

Does the "Project Funding Agreement" clearly state that assets procured for and to be used during the project remain the property of the trust fund?

If the project is not fully funded by the trust/s how is the ownership of the assets determined?

### **Cost of the Assets**

What procedures are in place to ensure that where the asset is not purchased as a single complete item all of the component parts of the asset must be listed with their individual cost? For example boat, motor, trailer and integral fittings. Where later integral fittings have been added, eg biminis, hardtops etc what procedures are in place to ensure the details of these purchases are included in the asset register clearly showing the date of the purchase?

Where part of the asset has failed and is replaced what procedures are in place to ensure the asset register shows the approved disposal and the replacement?

### **Insurance of the assets during their life**

What procedures are in place to ensure all project assets are adequately insured during their life in the project and while stored awaiting disposal?

The use of equipment items purchased for projects funded from recreational fishing trusts by other projects either within DPI or with joint research institutions, is not only questionable but also reduces the effective life expectancy of the equipment. Then there are administrative and jurisdictional problems of and damage, maintenance and so forth,

with subsequent financial responsibilities. All this basically reduces the cost-effectiveness of the recreational fishing trust dollar, and these trusts may be seen as a way of cost shifting for the benefit of other projects, and even other institutions. Procedures need to be in place to ensure these items are used by the projects for which they were purchased, and subsequently by the recreational trusts from which they were funded.

Yours sincerely

Phillip Ingram  
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