



Commissioner for Better Regulation

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Travis Dowling
Executive Director, Fisheries Victoria
Department of Economic Development, Jobs, Transport and Resources
Level 23, 1 Spring St
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Dear Mr Dowling

I would like to thank the staff of Fisheries Victoria in the Department of Economic Development, Jobs, Transport and Resources for working with my team on the preparation of the Regulatory Impact Statement (RIS) for the *Fisheries and Fisheries (Fees, Royalties and Levies) Amendment (Recreational Fishery Licence) Regulations 2016*.

As you know, the Commissioner for Better Regulation is required to provide independent advice on the adequacy of analysis presented in Regulatory Impact Statements in Victoria, under section 10 of the *Subordinate Legislation Act 1994*. It is important to emphasise that this role is not to provide a view on the merits of any policy or regulatory change, but to advise on the adequacy or otherwise of a RIS. To be adequate, a RIS must be logical, draw on relevant evidence, be transparent about any assumptions made and be proportionate to the proposal's expected effects. It also needs to provide a suitable basis for public consultation.

I am pleased to advise you that the final version of the RIS received by us on 23 February meets the adequacy requirements of the Act.

In providing this advice, I note that the *Fisheries (Fees, Royalties and Levies) Regulations 2008* are due to sunset in 2018. Given this, the fee amendments proposed in this RIS will commence on 1 July 2016 and be in place for approximately two years, before the regulations sunset.

Unlike many other fees which are set on a cost recovery basis, the primary purpose of charging a fee for a recreational fishing licence (RFL) in Victoria is to fund discretionary expenditure on recreational fishing facilities and programs.

The analysis in this RIS focusses on the proposal to increase RFL fees significantly in order to fund the Government's decision to substantially increase expenditure on recreational fishing facilities and programs. In the first instance, an increase in the price of a RFL would be expected to reduce demand for RFLs. However, as explained in the RIS, the Department believes that this impact will be minor and more than offset by higher RFL fee revenue due to an increase in the number of

recreational fishers. Overall, under the Department's preferred option, an additional \$3.8 million is expected to be raised in 2017/18 (the final year of the fee regime), on top of the \$7.2 million already projected for that year, resulting in total revenue of approximately \$11 million.

While the Department has data on the number of RFL sales, the Department has very limited data available about other key aspects of recreational fishing, including:

- the number of different people who purchase RFLs in a given year (as distinct from the number of RFL sales made in a given year – for example, one person could purchase multiple 2 day licences over the course of a year);
- the total number of people who fish recreationally (i.e. legal plus unlicensed, illegal recreational fishers); and,
- fishers' responses to changes in the fees for different licences, including how price affects changes in the level of unlicensed recreational fishing.

These data limitations have meant that the Department has had to make assumptions about matters critical to the analysis in the RIS. These assumptions are clearly explained in the RIS and feedback on them is specifically sought.

In preparing this RIS, the Department has endeavoured to gather views from the sector on fishers' willingness to pay higher RFL fees in return for greater recreational fishing related expenditure. While the RIS notes that the feedback suggests that there is a high level of willingness to pay, consultation has taken place almost exclusively through recreational fishing peak bodies. As such, there remains some uncertainty as to whether this willingness to pay would be replicated across all fishers, including those who purchase licences casually or infrequently, (such as 2 (proposed 3) or 28 day licence holders). Feedback is therefore specifically sought in the RIS from any others in the community who feel their views might not be represented in the consultation done to date.

In addition to this, feedback from the community is sought on a range of other aspects in the RIS, such as whether more needs to be spent to improve recreational fishing opportunities in Victoria and how broadly a discount should be applied for licences purchased online. Such feedback will be especially important given the imminent sunset of the *Fisheries (Fees, Royalties and Levies) Regulations 2008* in 2018 and the sunset of the *Fisheries Regulations 2009* in 2019. Due to the amount of revenue raised through the RFL regime, the *Fisheries (Fees, Royalties and Levies) Regulations 2008* are classified as high impact and will therefore require a proportionately in-depth level of analysis in the RIS that is prepared at that time. OCBR welcomes the Department's commitment in this RIS to conduct a comprehensive evaluation and notes that this will be essential to enable an adequate RIS to be prepared in 2018.

Should you wish to discuss any subsequent changes to the proposed regulations with us, please don't hesitate to contact me on (03) 9092 5800.

Yours sincerely



Anna Cronin
Commissioner for Better Regulation