

Regulatory Impact Statement

Recreational Fishery Licence Fees

March 2016

This Regulatory Impact Statement has been prepared in accordance with the requirements of the *Subordinate Legislation Act 1994* and the *Victorian Guide to Regulation*.

Regulatory Impact Statement

In accordance with the *Victorian Guide to Regulation*, the Victorian Government seeks to ensure that regulations are well targeted, effective and appropriate, and that they impose the lowest possible burden on Victorian businesses and the community.

The Regulatory Impact Statement (RIS) process involves an assessment of regulatory proposals and allows members of the community to comment on proposed regulations before they are finalised. Such public input provides valuable information and perspectives, and improves the overall quality of regulations.

This RIS has been prepared to facilitate public consultation on the proposed Fisheries and Fisheries (Fees, Royalties and Levies) Amendment (Recreational Fishery Licence) Regulations 2016 (the proposed Regulations). The proposed amendments contain changes to the fees for recreational fishery licences. The proposed Regulations amend two existing sets of Regulations—the Fisheries (Fees, Royalties and Levies) Regulations 2008, which set out the fees for recreational fishery licences, and the Fisheries Regulations 2009, which will include some incidental amendments to support better enforcement. A copy of the proposed Regulations is available as part of this RIS.

Submissions are now invited on the proposed Regulations. Unless requested by the author, all submissions will be treated as public documents and may be made available to other parties.

Written comments and submissions should be forwarded by no later than 5:00 PM on 19 April 2016:

Recreational Fishery Licence RIS
Fisheries Victoria
Department of Economic Development, Jobs, Transport and Resources
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This report was prepared for the Department of Economic Development, Jobs, Transport and Resources by Regulatory Impact Solutions Pty Ltd.

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Abbreviations

the Act – Fisheries Act 1995

the current Regulations – refers to both the Fisheries (Fees, Royalties and Levies) Regulations 2008 and the Fisheries Regulations 2009

the proposed Regulations – Fisheries and Fisheries (Fees, Royalties and Levies) Amendment (Recreational Fishery Licence) Regulations 2016

CBR – Commissioner for Better Regulation

CPI – Consumer Price Index

DEDJTR – Department of Economic Development, Jobs, Transport and Resources

FV – Fisheries Victoria, a branch within DEDJTR responsible for policy and administration of regulation of fisheries

GSP – Gross State Product

MCA – Multi-criteria Analysis

NCC – National Competition Council

PV – Present Value

Premier's Guidelines – Subordinate Legislation Act 1994 Guidelines

RFGP – Recreational Fishing Grants Program

RFL – Recreational Fishery Licence

RIS – Regulatory Impact Statement

Summary

Summary of regulatory impact statement

Department of Economic Development, Jobs,
Transport and Resources

Fisheries and Fisheries (Fees, Royalties and
Levies) Amendment (Recreational Fishery Licence)
Regulations 2016

Has the CBR assessed the RIS as meeting the Victorian Guide to Regulation requirements?	Yes																								
Form of regulatory change proposed in this RIS																									
<input type="checkbox"/> The establishment of new regulations <input checked="" type="checkbox"/> The amendment of existing regulations	<input type="checkbox"/> The replacement of sunseting regulations																								
The problem and objectives of the proposed intervention	Affected sector(s) of the public																								
<p>The objective of the proposed changes is to raise more revenue through RFL fees that will be used to fund initiatives and programs to enhance recreational fishing opportunities in Victoria.</p> <p>All RFL fees go to the RFL Trust Account to fund initiatives and programs for the benefit of recreational fishing. Since licence fees were last increased in 2008 (RFL fees are not automatically indexed), demands on the RFL Trust Account have increased significantly.</p> <p>Key recreational fishing stakeholders and the Victorian Government believe that these areas need further investment for increased net returns, and justify a higher level of licence revenue funding.</p>	<p>The changes will directly affect recreational fishers who are required to hold a licence</p> <p>RFL agents will be positively affected, as commission amounts (set at 6 per cent) will increase in line with price increases. Partly offsetting this, retailers will be affected by possible shifts to online RFL sales. Retailers will also be affected by the new offences related to failure to return unused licences and issuing falsely-dated licences.</p>																								
Key regulatory changes	Costs and benefits																								
<p>The proposed Regulations will set new fees for RFLs in 2016/17 and 2017/18. For 2016/17, prices will be as follows:</p> <table border="1"> <thead> <tr> <th>RFL type</th> <th>Current fee</th> <th>Proposed new fee</th> <th>% change</th> </tr> </thead> <tbody> <tr> <td>3 year licence</td> <td>\$66.00</td> <td>\$95</td> <td>44</td> </tr> <tr> <td>1 year licence</td> <td>\$24.50</td> <td>\$35</td> <td>43</td> </tr> <tr> <td>28 day licence</td> <td>\$12.00</td> <td>\$20</td> <td>67</td> </tr> <tr> <td>2/3 day licence</td> <td>\$6.00</td> <td>\$10</td> <td>67</td> </tr> <tr> <td>Group licence</td> <td>\$24.50</td> <td>\$35</td> <td>43</td> </tr> </tbody> </table> <p>It is proposed to change the current 2 day licence to a 3 day licence to better accommodate fishing on long weekends. There will also be a discount of 5 per cent for 1 and 3 year licences bought online.</p> <p>From 2017/18, fees will be converted to fee units and be subject to annual indexation according to the value of fee units set by the Treasurer under the <i>Monetary Units Act 2004</i>.</p>	RFL type	Current fee	Proposed new fee	% change	3 year licence	\$66.00	\$95	44	1 year licence	\$24.50	\$35	43	28 day licence	\$12.00	\$20	67	2/3 day licence	\$6.00	\$10	67	Group licence	\$24.50	\$35	43	<p>The proposed changes will raise additional estimated revenue in 2016/17 of \$3.3 million and in 2017/18 of \$3.8 million. This will be paid by licensed recreational fishers.</p> <p>The beneficiaries of the proposed changes will also be recreational fishers, as the additional RFL revenue will be used to fund initiatives and programs from the RFL Trust Account. Expenditure from the Trust Account is approved by the Minister, in accordance with the Act, to enhance recreational fishing opportunities.</p>
RFL type	Current fee	Proposed new fee	% change																						
3 year licence	\$66.00	\$95	44																						
1 year licence	\$24.50	\$35	43																						
28 day licence	\$12.00	\$20	67																						
2/3 day licence	\$6.00	\$10	67																						
Group licence	\$24.50	\$35	43																						

Alternative options considered	
<p>This RIS identifies and assesses alternative options for increasing RFL revenue: by expanding the types of recreational fishers required to contribute to RFL fee revenue, and changing the structures of licence types. These alternative options were compared with the proposed fee increases against criteria of additional revenue generated, horizontal and vertical equity, effectiveness and administrative complexity. The proposed fee increases were found to be preferred, mostly because they retain the current exemptions (which recognise ability to pay by exempt groups) and will be simple to implement and administer (noting that the changes are subject to the remaking of the 2008 and 2009 regulations in 2018 and 2019 respectively).</p> <p>Fisheries Victoria identified further options: to replace the current all-waters, all-species, all-methods licence with separate licences for fishing in inland waters, bays and inlets, abalone, rock lobster and marine finfish, plus a combined licence; and an option to set fees based on volume of catch. These were considered to be too complex and costly to administer and were therefore not considered further.</p>	
Who was consulted	Explain position
Stakeholder reference group	<p>In 2014, a Recreational Fishery Licence Stakeholder Reference Group provided advice regarding potential changes to RFL pricing and related compliance arrangements. Stakeholder Reference Group membership comprised organisations including, VRFish, Australian Fishing Trade Association, Futurefish Foundation, Boating Industry Association Victoria, Charter Boat Association, Australian Trout Foundation, Chair State-wide Recreational Fishing Roundtable Forum and a non-DEDJTR fisheries researcher. The valuable advice from this group formed the basis of the new fees now proposed and the various alternative options considered in this RIS. There was broad support among these stakeholders for increasing RFL revenue to better support initiatives and programs for recreational fishers, although some different views about the price of a 3 year licence.</p>
Further stakeholders consulted for this RIS	<p>In the preparation of this RIS, views of a smaller number of stakeholders (three fishing organisations and one individual recreational fishery researcher) were sought. These views included:</p> <ul style="list-style-type: none"> • support for extra revenue available for recreational fishing initiatives in the short term, particularly in light of the failure of RFL revenue to keep up with CPI increases, subject to a full review of the effectiveness of the program in the longer term • support for a 3 day licence to replace the current 2 day licence, which exists in NSW and supports fishers on long weekends • support for a 5 per cent discount for 1 and 3 year licences bought online • concern over increasing the price of a 3 year licence proportionately more than the 1 year licence. Initially, a price of \$100 for a 3 year licence was discussed, however stakeholders considered this was too high compared to the proposed 1 year licence price—this price would mean a 3 year licence would cost 95 per cent of three separate 1 year licences, compared to the current equivalent price being only 90 per cent. Fisheries Victoria considered the arguments for this and now proposes a 3 year licence price of \$95 and \$90 when bought online.
Are regional areas specifically adversely affected?	No
Contact for Enquiries	RFL.RIS@ecodev.vic.gov.au

Other matters

It is noted that the proposed fees include a degree of cross-subsidisation: those fishers required to be licensed pay for the RFL revenue that is enjoyed by all recreational fishers (i.e., including those that are exempt for holding a licence). Ordinarily, such cross-subsidisation should be avoided. However, in this case it is noted that taken as a group, over an individual's lifetime, most recreational fishers will be in both a licensed category and an exempt category. The nature of many of the initiatives and programs funded from RFL revenue are also long-term in perspective, meaning that the benefits will be enjoyed for a long time after the money has been spent. The categories therefore do not necessarily reflect different groups of recreational fishers, but different points in their fishing lives. Fees that apply only to licensed fishers reflect the time of their lives they are most able to pay such fees. For these reasons, concerns about cross-subsidisation are considered not significant, although still present for some situations.

The estimated additional licence revenue is sensitive to the assumptions made, particularly the assumption that there will be no material change in the number of licences issued in response to the price increase, and the proportion of purchases made online will increase in line with recent trends. This is an inherent limitation of the analysis in this RIS. Lack of relevant data means that the Department has relied on assumptions regarding potential behavioural responses of fishers and the effectiveness of compliance activities. Given that the proposed changes are being made ahead of a more comprehensive examination of broader regulatory arrangements when the current regulations sunset in 2018 and 2019, the Department considers this analysis sufficient. Nevertheless, stakeholder views will be important to test the reasonableness of these assumptions.

Based on feedback from stakeholder representative groups, Fisheries Victoria believes there is a high degree of willingness to pay additional fees, and a high likelihood of those fees funding initiatives and programs that have a net benefit to the sector. This RIS is an opportunity to outline the factors underlying the proposed additional revenue and to seek feedback from recreational fishers about their willingness to pay and the value they place on the types of initiatives to be funded from the additional revenue. Affected parties are invited to comment on these matters.

The Department notes that the relevant Regulations that are to be amended sunset in 2018 and 2019, and therefore will be subject to a detailed assessment process when remade, through a regulatory impact statement. This will include assessing the impacts of the proposed fee increases in relation to changes in licence numbers, change in non-compliance and enforcement effort.

To the extent data allows, the Department will use this information and a more detailed policy analysis to assess the required longer term RFL revenue. It is noted, however, that subject to changes implemented through the remaking of the regulations, the current proposal to set RFL prices in fee units (from 2017/18) will ensure RFL revenue keeps pace with inflation.

The Department is already undertaking evaluation of social and economic benefits of previous investment in improving recreational fishing opportunities in Victoria including, for example, improving the efficiency and effectiveness of fish stocking and the provision of new or improved infrastructure and facilities. This work is intended to guide future investment decisions for recreational fishing licence revenue to those areas where it can deliver the greatest benefit to the recreational fishing sector and the Victorian community more broadly. The Department expects that such evaluation practices will become a permanent feature of this investment program.

Ahead of the sunset of the 2008 and 2009 regulations (and parallel consideration of the overall regulatory framework that applies to recreational fishing), Fisheries Victoria intends to undertake a full review of the regulations before they sunset. This review will include consultation with RFL stakeholders and will specifically consider:

- the policy principles that will inform judgment about future design of RFLs and associated fees, including the case for government regulation and the specific activities funded by fees

- a comprehensive analysis of the underlying costs and benefits (both public and private) of the government's activities related to recreational fishing (administration, managing the sustainability of fishing and promoting the interests of the recreational fishing sector). This will include a more formal assessment of the willingness of recreational fishers to pay for improved recreational fishing opportunities and infrastructure.

The Department will closely monitor the impacts of the proposed fee increases over the next two years to assist in informing this broader review.

Input from stakeholders

A primary function of the RIS process is to allow the public to comment on the proposed Regulations before they are finalised. Public input provides valuable information and perspectives and improves the overall quality of regulations. Accordingly, feedback on the proposed Regulations is welcomed and encouraged.

Stakeholders may wish to comment on the following questions posed throughout the RIS:

- Do you agree that recreational fishers should contribute to the costs associated with improving access and quality of recreational fishing in Victoria?
- Do you think that more needs to be spent to improve recreational fishing opportunities in Victoria?
- What recreational fishing initiatives and programs have you benefited from, and what types of initiatives and programs would you like to see more of or less of?
- Do you think initiatives funded through the RFL Trust Account have been effective in improving the quality and quantity of recreational fishing?
- Will the proposed fee increases, and additional funding of initiative and programs, make you more or less likely to purchase a recreational fishing licence? Will you increase or reduce the amount of recreational fishing you do?
- Is there a willingness among recreational fishers to pay higher fees to fund more investment in the sector? Is this willingness dependent on the types of initiatives and programs likely to be funded by the additional revenue, and if so, what types of initiatives should be preferred?
- Do you support changing the current 2 day licence to a 3 day licence, to better match the needs of some fishers?
- Do you agree that a discount equivalent to around 5 per cent should be provided for online purchases of 1 year and 3 year licences? Should an online discount be provided for 3 and 28 day licences?
- Do you believe there will be other impacts of the proposed fee increases that have not been discussed in this RIS?
- Are there other ways that fees could be structured to increase revenue in a way that is fairer or simpler?
- Are there other factors that should be taken into account when assessing and comparing alternative options for raising additional RFL revenue?
- Is the relative importance given to the additional revenue raised, equity, effectiveness and administrative complexity in comparing different options appropriate?
- Are there likely to be consequences of any of the options that have not been reflected in the above assessment?
- How else could the merits of the different options be compared?

The consultation period for this RIS will be 35 days, with written comments required by 5:00 PM on 19 April 2016.



Commissioner for Better Regulation

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25 February 2016

Travis Dowling
Executive Director, Fisheries Victoria
Department of Economic Development, Jobs, Transport and Resources
Level 23, 1 Spring St
Melbourne VIC 3000

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

1. Background

1.1 Legislative framework

The *Fisheries Act 1995* (the Act) establishes a modern legislative framework for the regulation, management and conservation of Victoria's fisheries.

Many fish species are valued by fishers and/or fish consumers and are used for commercial, recreational or subsistence purposes. The community also values fish and aquatic ecosystem habitats for environmental and other non-consumptive uses.

Recognising that recreational fishing brings significant benefit to fishers, regional communities and the economy, Victoria's system of fisheries resource management aims to:

- ensure recreational fishing is sustainable in the long-term and optimises returns to recreational fishers and the community
- recognise within the licensing framework the right to take fish
- monitor and enforce licence requirements, including through research, education and enforcement to ensure compliance with fishery regulations
- enable government to continue to improve recreational fishing opportunities while balancing the other uses of the resource.

The Act recognises the need to manage the State's fish stocks while at the same time allowing people to enjoy their right to fish as a legitimate recreational activity.

The key objectives of the Act, which relate to recreational fishing, include:

- management, development and use of Victoria's fisheries and associated aquatic biological resources in an efficient, effective and ecologically sustainable manner
- protecting and conserving fisheries resources, habitats and ecosystems including the maintenance of aquatic ecological processes and genetic diversity
- promoting quality recreational fishing opportunities for the benefit of present and future generations
- facilitating access to fisheries resources.

The key elements of the framework for managing fisheries in Victoria are shown in Figure 1A.

Figure 1A – Framework for fisheries management

Set total sustainable catch	All sectors		
	Recreational	Commercial	Aboriginal
Allocate access	Open access (licensing applies)	Limited access (commercial entitlements)	Traditional owners
Access entitlements	Harvest managed within general limits and targets, with clear decision rules	Harvest managed within specific limits, with performance indicators, and clear decision rules	Estimated take provided for within the harvest strategy
Harvest strategy	Output or input controls	Output or input controls	Input controls
Management tools			

← Management planning involving stakeholders →

The Government's approach is to secure fisheries for the long term, generating economic and social benefits for our communities.

The Government, in partnership with the recreational fishing sector, conducts research across Victoria to monitor fish stocks and fish habitats.

Under the Act, a person cannot take or attempt to take fish from marine waters or inland waters, or use or possess recreational fishing equipment in, on or next to Victorian waters, unless he or she is authorised to do so directly under the Act, or by holding a recreational fishery licence.

The Fisheries Regulations 2009 set out the conditions under which recreational fishing may occur in Victoria (such as types of equipment, areas where fishing may occur and catch limits). The Fisheries (Fees, Royalties and Levies) Regulations 2008 set out the levies and fees to be paid for a recreational fishery licence.

Under the current Regulations, there are two types of recreational fishery licences issued – a recreational fishery licence (issued to individuals) and a group licence issued in a small number of special cases, such as when a group of disadvantaged persons fish recreationally on one occasion only.¹ There are only around 25 group licences issued each year.

1.2 Recreational fishing is important to all Victorians

The Victorian Government believes that supporting recreational fishing in Victoria is beneficial for the community as it:

- is a pursuit of leisure for a large number of Victorians
- has cultural significance to many Victorians
- contributes to overall economic activity, especially in regional Victoria, including a contribution from potential tourism attraction and, in particular, spending in local areas.

Allowing and supporting high quality recreational fishing in Victoria is a significant economic activity.

A November 2015 study² concluded that the direct expenditure on recreational fishing in Victoria was \$2.6 billion in 2013/14. It found that the *net* benefit (i.e. after taking account of the costs of fishing) of recreational fishing in 2013/14 was \$622 million.

It was estimated that the recreational fishing industry contributed 16,257 direct jobs in Victoria in 2013/14, with around 34,000 jobs when indirect impacts are taken into account.

The net present value of recreational fishing over the next 20 years was estimated at \$91.2 billion in terms of total output, and \$50.8 billion in terms of value added to the economy.

1.3 Target One Million policy

The Victorian Government has committed to delivering its *Target One Million* plan for recreational fishing, which will get more Victorians fishing more often (increase the number of fishers to one million by 2020).

Measures to support achievement of *Target One Million* include:

- halt commercial netting in Port Phillip and Corio Bays over eight years
- establish Fisheries Victoria as a Statutory Authority

¹ Group licences are not common, and the actual costs associated with administration of the licence and the impact of the fishing undertaken by the group will be different in each case. The issue of a Group licence is discretionary by the Department, and is based on the particular circumstances of a proposed recreational fishing event.

² The study was undertaken by Ernst & Young, commissioned by VRFish. It is available on the VRFish website. The results are based on extensive primary market research.

- pursue reciprocal licence arrangements with New South Wales
- ban netting at the mouths of rivers in the Gippsland Lakes
- establish a Better Fishing Facilities Fund
- increase fish stocking to 5 million fish per year
- implement a marine species stocking program
- open recreational trout cod fisheries in Beechworth
- stock barramundi into Hazelwood Pondage
- allocate 'Stronger Fishing Club' grants
- deliver school education and children's fishing programs.

The election commitment included a \$35 million plan to phase out commercial netting, upgrade fishing clubs and increase the number of recreational fishers to one million by the year 2020. This funding commitment comprised: \$20 million to support phase out of commercial netting; a \$10 million Better Fishing Facilities Fund to develop new recreational fishing reefs, improve boat launching facilities and access to waterways, and install fish cleaning tables and fish aggregating devices; and \$5 million to assist fishing clubs (with grants up to \$2000 each) to promote membership.

Target One Million will primarily draw funds from non-RFL sources, including appropriations announced in the 2015/16 State Budget and departmental reprioritisation. Consistent with the *Fisheries Act 1995*, RFL revenue will continue to be used to fund initiatives and programs to improve recreational fishing. As described in section 3.3 of this RIS, RFL revenue, including that raised from the proposed fee increases, may be directed to several of the above areas, which would clearly assist in meeting the *Target One Million* objectives.

1.4 Purpose of this Regulatory Impact Statement

This Regulatory Impact Statement (RIS) formally assesses the proposed Fisheries and Fisheries (Fees, Royalties and Levies) Amendment (Recreational Fishery Licences) Regulations 2016 against the requirements in the *Subordinate Legislation Act 1994* and the *Victorian Guide to Regulation*.

The proposed Regulations deal with increases to RFL fees.

As required by the Subordinate Legislation Act, this RIS:

- outlines the objectives of the proposed Regulations
- explains the effects of the proposed Regulations on various stakeholders
- assesses the costs and benefits of the proposed Regulations and other practical means of achieving the same objectives.

A primary function of the RIS process is to allow the public to comment on the proposed Regulations before they are finalised. Public input provides valuable information and perspectives and improves the overall quality of regulations. Accordingly, feedback on the proposed Regulations (Attachment D) is welcomed and encouraged.

2. RFL fees

2.1 The need for RFL fees

To be a successful part of our way of life, recreational fishing requires effective management of fish stocks, provision of infrastructure to ensure access to recreational fishing, and ongoing research, education, and enforcement to ensure its sustainability. Most of these elements cannot be done efficiently by individual fishers – there is a need for coordination of these activities, and the Victorian Government has an important role to play. By having a licensing system with the collection of licence revenue dedicated to further improving recreational fishing opportunities, the Government can work with the sector to coordinate crucial investment to further support this form of fishing and, therefore, optimise its net benefit to the community. The following figure sets out how the existence of recreational fishing has a number of consequential impacts, and how these impacts create a need for funding.

Figure 2A – Consequential impacts of recreational fishing

Impact of recreational fishing	Consequential funding needs
Economic and social benefits associated with recreational fishing	Impacts depend on availability and access, as well as quality of fishing. Initiatives and programs may enhance the economic and social benefits achieved.
Creates need for provision of supporting recreational fishing infrastructure	Investment in infrastructure that is efficient
Impacts on sustainability of activity and relationship to other types of fishing (commercial, aboriginal) and ecological value of fish	Impacts are managed through licensing and other controls (catch and size limits, controls on equipment). Costs associated with licence administration, education and enforcement, and managing and monitoring fisheries. Funding also required for fish restocking.
Need for research to identify trends, inform funding priorities, determine fish stocks and infrastructure needs, improve fishing quality and balance competing demands	Research is undertaken by government and the sector.

The management of recreational fisheries and the provision of facilities, infrastructure, services and products to benefit recreational fishers is costly. The need for all of these services and products continues to grow, but recreational fishers do not rely on Government to fund their private activities. Recreational fishers in Victoria have a history of contributing funds, through their licence fees, to be used to further support and enhance the quality of recreational fishing in Victoria. This benefits the social and economic activities across the state.

Under the Act, all fees and levies received in relation to Recreational Fishery Licences are paid into the Recreational Fishing Licence Trust Account. Money in the Trust Account can only be used for the purpose of improving recreational fishing, which includes covering costs and expenses incurred in the administration of recreational fishery licences and the Trust Account.

The RFL Trust Account was established in 2000/01 following the introduction of the All-Waters Recreational Fishery Licence on 15 July 1999. Prior to this, the RFL only covered recreational fishing in streams, rivers and impoundment/lakes and Rock Lobster in marine waters. The All-Waters RFL extended the licensing regime to all forms of recreational fishing in all of Victoria's marine, estuarine and fresh waters. In the lead up to the introduction of the All-Waters RFL, recreational fishers were consulted on, and expressed support for (amongst other things), the establishment of a dedicated RFL trust account into which all licence revenue would be paid.

Every year a portion of the fees and levies paid for recreational fishery licences is allocated to Recreational Fishing Grants Program (RFGP) projects that directly improve recreational fishing in Victoria. The Minister for Agriculture must approve the expenditure of funds from the RFL Trust Account for this purpose.

The RFGP has three tiers of project spending:

- a Small Grants Program, continually open to fund small projects up to \$5,000
- a Large Grants Program for projects from \$5,001 to \$100,000 (per year for up to three years)
- a Commissioning Program for large priority projects, generally in excess of \$100,000.

The figure below sets out expenditure from the Trust Account for 2014/15.

Figure 2B – Spending from the Recreational Fishing Licence Trust Account

Disbursements 2014/15	Amount
Recreational Fishing Grants Program and other projects (payments to 83 projects)	\$2,245,023.43
Fisheries Enforcement & Education Branch	\$2,002,094.71
Fish Stocking The purchase and liberation of native and salmonid fish to stock into Victorian rivers	\$857,657.27
VRFish	\$424,977.80
Fishcare Victoria Inc.	\$185,760.00
Community Information Recreational Fishing Grants Program/Recreational Fishing Licence disbursement reporting related advertising & publicity	\$21,975.56
Recreational Fishing Licence (RFL) 6% sales commissions Applicable to sales commissions incurred during 2013/14, paid in 2014/15 financial year	\$213,759.25
Costs and expenses incurred in the administration of RFLs	
Salaries and on-costs	\$443,630.13
Business, corporate & other levies (common domain access levy, OH&S levy, training & development levy, centre leader levy, CBD accommodation and workstation charge, computer internal lease costs)	\$284,361.68
Professional and contract services	\$158,621.60
Agency labour hire	\$108,333.76
Postal expenses, parking, vehicle hire, accommodation, printing, stationery, telephones, banking charges, office equipment, software maintenance, external learning and IT assistance	\$61,488.84
Recreational Fishing Grants Working Group Sitting fees, sustenance, accommodation, vehicle hire, venue hire, and personal expenses.	\$6,979.04
Snobs Creek Strategic Planning Sitting fees, sustenance, accommodation, vehicle hire, venue hire and personal expenses	\$62,000.00
GST payable	\$989.40
Total disbursements for the year	\$7,077,652.47

2.1.1 Administration of Recreational Fishing Grants Program

Departmental staff are involved in supporting the Recreational Fishing Grants Working Group, managing the Small, Large and Commissioning grants programs, project monitoring and reporting, and licence administration functions. The annual Commissioning grants program funds significant projects (e.g. Million Murray cod into Lake Eildon) costing at more than \$100,000 per annum, whereas the Small grants program, which is open year-round for applications, funds projects of up to \$5,000.

The Recreational Fishing Grants Working Group (a non-statutory body) comprises eight members appointed by the Minister for Agriculture. Membership includes eight recreational fishers (plus an independent Chairperson) who collectively provide a range of knowledge, experience and views regarding recreational fishing from across the State. The Working Group assesses all grant applications, determines priorities and makes recommendations to the Minister on how RFL revenue should be expended.

Recommendations take into account commitments under Fishery Management Plans and any Ministerial directions.

The Large Grants program, being the bulk of the grants funding, provides funding for projects in the following project areas:

- recreational fishing access and facilities
- recreational fisheries' sustainability and habitat improvement (including fish stocking)
- recreational fisheries-related education, information and training
- recreational fisheries research.

Applications for Large Grants (up to \$100,000 per year, for up to three years) are assessed both quantitatively and qualitatively (ranked 1 to 5) by the Working Group against appraisal criteria including:

- To what extent will the project's outcome/s clearly benefit and/or improve Victoria's (or site specific) recreational fishing?
- Is there a clear case for RFL holder support for the project based on priorities identified through the online survey of licensed anglers?
- Is the proposed project realistic and practical?
- Has the applicant defined the project's outcome/s and how they would demonstrate that they have been achieved?
- Are the project costs and benefits derived from the project equitably distributed?
- Is there sufficient support for the project from both internal and external stakeholders?
- Is there a reasonable level of financial and/or in-kind contributions from other sources?

2.1.2 Funding for Fisheries Officers

There are currently 74 Fisheries Officer positions within FV that provide fisheries education and enforcement work; about 60 per cent of their time is involved in the provision of these services to the recreational sector. The funding allocated from the RFL Trust Account funds the equivalent of 13 of these positions (18 per cent).

The decision to fund Fisheries Officer positions was made when the All-Waters Recreational Fishery Licence was introduced in 1999. Prior to this, the RFL only covered recreational fishing in streams, rivers and impoundment/lakes and Rock Lobster in marine waters. The All-Waters RFL extended the licensing regime to all forms of recreational fishing in all of Victoria's marine, estuarine and fresh waters. There was support at the time for an increase in recreational fishing compliance/enforcement activities by way of more Fisheries Officer positions. As the change to the All-Waters RFL mainly affected bay, beach and estuarine (salt water) fishers, ten additional Recreational Fisheries Officers were subsequently appointed and deployed to key locations for coastal Victoria and Port Phillip Bay and Westernport.

All Fisheries Officers provide services to the recreational fishing sector and interact with recreational fishers through:

- investigating recreational fishing-related offences and prosecuting where necessary
- collecting intelligence related to recreational fishing offences
- participating in recreational fishing-related educational activities with school groups and the broader recreational fishing community
- advising fisheries management on issues relating to recreational fishing
- assisting Fisheries Victoria's Fisheries Management and Research Unit on matters relating to recreational fishing
- contact with recreational fishers in the field
- attending angling club meetings
- attending recreational fishing-related shows, family fishing events, forums and clinics
- attending fish stocking/liberation events
- liaising with grant recipients regarding the successful completion of infrastructure type projects under the annual Recreational Fishing Grants Program (Large Grants)
- responding to recreational fishing issues raised from the 13FISH Offence Reporting Line
- producing recreational fishing-related media releases/distributing booklets, pamphlets
- engaging with culturally and linguistically diverse communities.

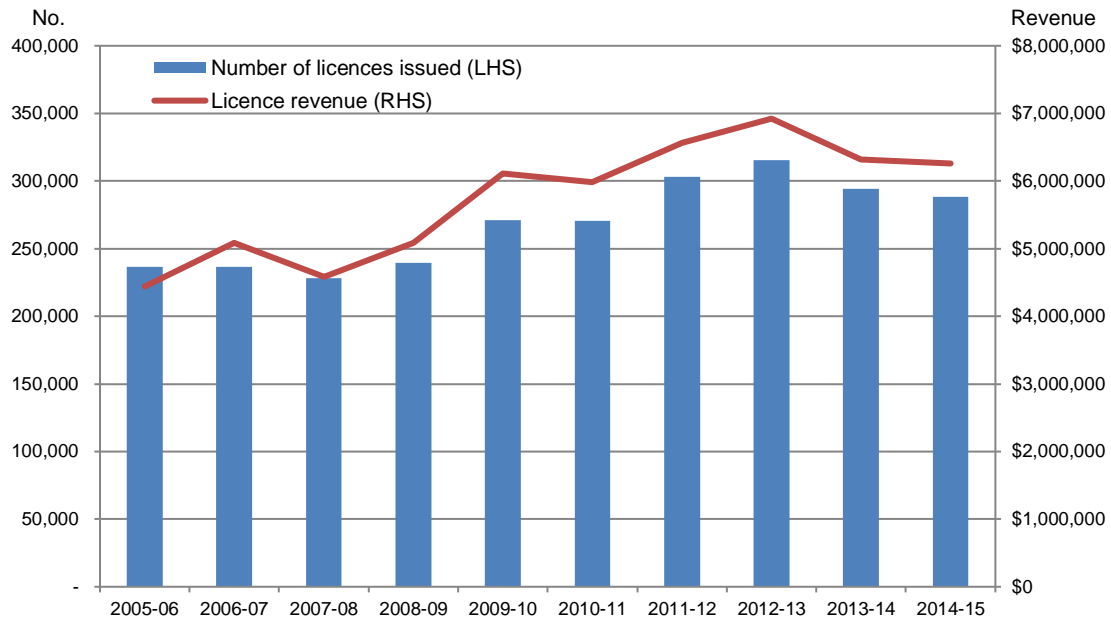
The total number of enforcement and education contacts of Fisheries Officers with recreational fishers exceeded 45,000 in 2014/15. In addition, Fisheries Officers conducted 7,487 advisory contacts with recreational fishers (up from around 4,500 only two years ago), attended 92 angling club meetings, 108 fish stocking events and 257 recreational fishing related shows, forums and clinics. Further information is available in the annual report provided to parliament on the Trust Account, also available on the DEDJTR website.

The amount of time that is spent on routine patrolling and on targeted compliance operations is set using an intelligence-based risk assessment approach that, for the recreational sector, will prioritise non-compliance with output controls (e.g. exceeding the daily catch limit) rather than only conducting licence checks.

2.2 Why do RFL fees need to increase?

In 2014/15, there were over 288,000 recreational fishery licences issued in Victoria.³ This is an increase of around 20 per cent since the current levies and fees were last adjusted in 2008.

Figure 2C – Licence numbers and fee revenue, 2005/06 to 2014/15



More than 45 per cent of RFLs were purchased online in 2014/15; the balance was purchased through authorised retail outlets and departmental offices.

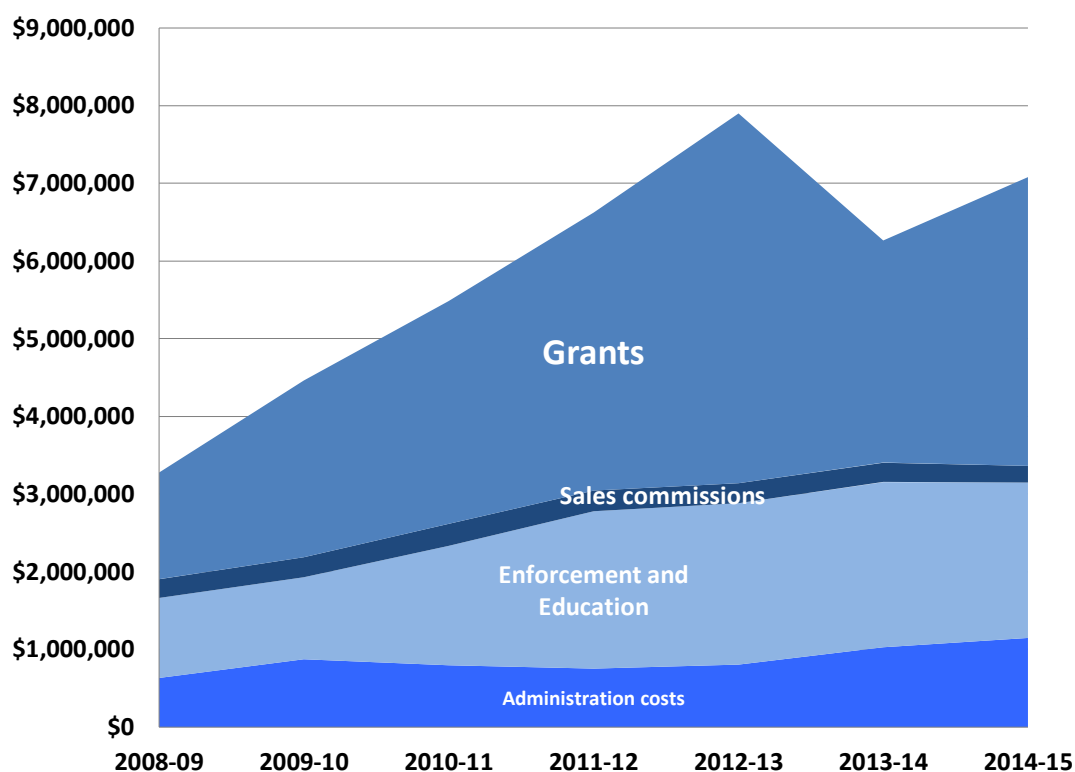
Importantly, not all recreational fishers require a licence, and therefore the revenue generated from RFL fees is derived from only a segment of all fishers. The total number of recreational fishers is not measured, but is likely to be much higher than the number licensed. Many of these are exempt from holding a licence (under 18 years of age, or over 70 years of age, or holders of relevant seniors or pensioner cards). As the population grows and ages,⁴ a higher proportion of recreational fishers are likely to be in the over 70 years group.

Since licence fees were last increased in 2008, demands on the RFL Trust Account have increased significantly. As shown in Figure 2D, expenditure on administration costs and sales commissions has been relatively stable over this time. Recreational fisheries-related education and enforcement expenditure has increased moderately. However, the funding allocated to recreational fishing initiatives and programs via grants has increased by nearly 200 per cent.

³ Licence duration varies from 2 days to 3 years, so the number of licences issued in a single year does not equal the number of individuals licensed to fish in any year.

⁴ The State's population is expected to grow from 5.6 million to 10 million over the next 40 years. The proportion of the population aged 65 years and older is projected to increase from 14 per cent to 22 per cent by 2051. Source: *Victoria in Future* (2015) Department of Environment, Land, Water and Planning.

Figure 2D – Expenditure of licence fee revenue 2008/09 to 2014/15



A survey of licensed Victorian recreational fishers in 2009 identified the top priorities for funding including:

- fishing stocks and the need to restock rivers
- pest control and removal of noxious species
- recreational fishing infrastructure (jetties, fish cleaning tables)
- environmental concerns including clean waterways and pollution in general, climate change and effects of drought
- increased recreational fisher access to suitable fishing locations, and
- better enforcement of licensing requirements.

For regulations imposing fees or charges, a RIS should demonstrate the need for the Government's provision of services or regulatory activity that will give rise to the need for the charges. Views expressed by the State-wide Recreational Fishing Roundtable Forum and by recreational fishers who attended regional forums over the past years, have supported changes to the current licence pricing to facilitate greater investment to further improve recreational fishing opportunities in Victoria. Some infrastructure initiatives, such as building/enhancing jetties/piers, as well as community fishing days and catch a carp events are designed to attract families and new participants to recreational fishing.

Key recreational fishing stakeholders and the Victorian Government believe that a higher level of licence revenue is required and justified for funding initiatives and programs to enhance recreational fishing opportunities.

There are some key examples of where intervention, through RFL Trust Account expenditure, has proven successful or identified need for further action:

- Since 1999, five Gippsland inlets have been closed to commercial fishing and netting has been removed from Westernport. Therefore, fish stock monitoring and assessment is focused on the recreational fishing sector. Recreational fishers have accepted that much

of the costs of these programs and of implementing fisheries management plans for these waters should now come from the RFL Trust Account.

- Similarly, the removal of commercial fishing from all inland waters in the early 2000s has opened the way for some newly stocked recreational fisheries for native fish species – e.g. golden perch and Murray cod in Kerang lakes. This entails increased costs in enforcement, education, stocking, monitoring and assessment.
- There are still significant unmet challenges in assessing the recreational harvest component of the abalone and rock lobster fisheries. Producing reliable catch estimates for these fisheries has been a high priority in the respective fishery management plans for over 10 years.
- Recreational fishers have expressed strong support for the creation of new recreational fisheries, based on stocking Australian bass, estuary perch, Macquarie perch and trout cod in inland waters and prawns in Gippsland – i.e. Lake Tyers.
- There is great interest in expanding the recreational fishing reefs program in Port Phillip Bay, Gippsland Lakes, offshore waters and other marine inlets and inland waters.

There have been increasing numbers of initiatives and programs that have applied for grants over recent years, and while being regarded as having a likely net benefit to the recreational fishing sector, have not been funded due to the limited amount of funds available.

Attachment C outlines the number and total value of funding proposals for each program category in 2014/15 that were assessed as having a net benefit, but that did not proceed because of limited funds.

Consultation with key representatives in the sector has confirmed that there is a demand for a higher level of revenue and expenditure to support the expected quality of recreational fishing. This is particularly in light of the fact that RFL fees have not increased since August 2008.

The Government believes that additional spending from the RFL Trust Account will be beneficial for the sector and for the community as a whole. The Government believes that increasing total revenue from recreational fishery licences by around \$3-4 million per annum is appropriate, to fund recreational fishing initiatives and programs, while maintaining licence administration and enforcement services.

Questions for stakeholders

Stakeholder views are sought on what amount of RFL revenue is appropriate and their willingness to pay for a higher level of recreational fishing initiatives and programs. In particular, stakeholders may wish to comment on the following questions:

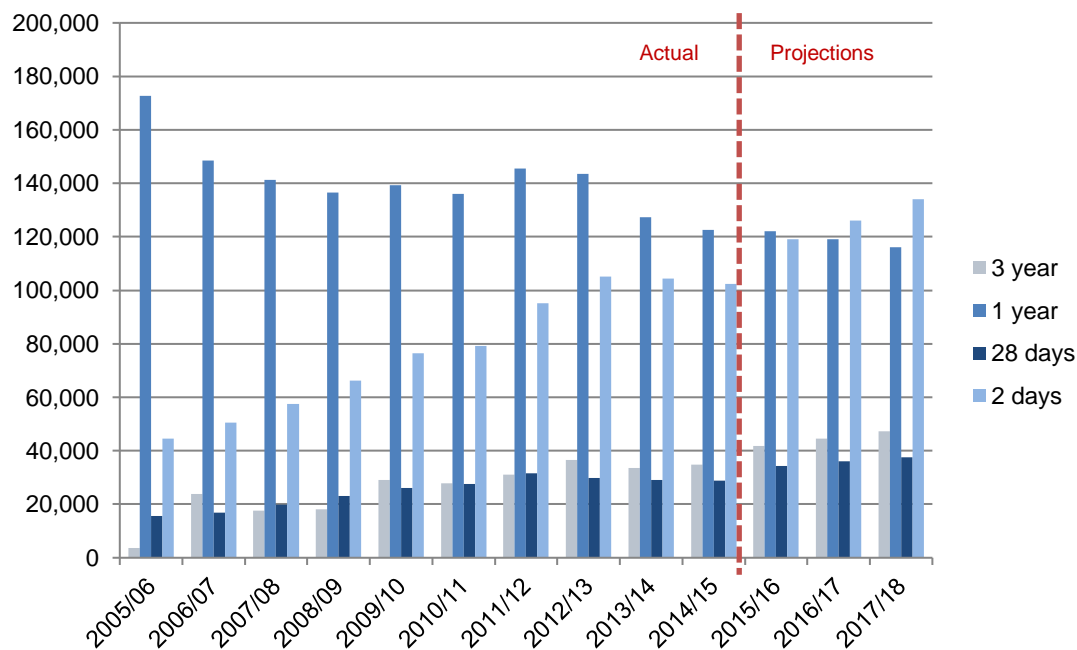
- Do you agree that recreational fishers should contribute to the costs associated with improving access and quality of recreational fishing in Victoria?
- Do you think that more needs to be spent to improve recreational fishing opportunities in Victoria?
- What recreational fishing initiatives and programs funded through the RFL Trust Account have you benefited from, and what types of initiatives would you like to see more of or less of?
- Do you think initiatives and programs funded through the RFL Trust Account have been effective in improving the quality and quantity of recreational fishing?

3.Objectives and options

3.1 Base case – what will happen if fees are not changed

The Department estimates that, if there were no changes to the current fees, there would continue to be growth in RFL sales and overall revenue as the population increases. The Department estimates that the number of RFL licences would reach around 334,700 by 2017/18. Projections for each licence type is shown in Figure 3B.

Figure 3B – RFL licence numbers by type



Rather than just project total licence numbers, each licence type was projected separately, which captures trends in movements between licence types (e.g., there has been an ongoing shift from 1 year licences to 3 year licences, this is assumed to continue). These estimates were based on projections to 2017/18 of a long-term linear trend taken over the period 2005/06 to 2014/15. Applying a long-term trend might over-estimate the number of licences and thus revenue collected. This is a necessary simplification; there are likely to have been other factors that have affected the number of licences each year, however Fisheries Victoria is not aware of any other specific information that might explain past or future changes in the volume and mix of licences, in the absence of any specific information about the drivers of licence numbers, a long-term trend is appropriate, which smooths out year by year volatility. Fisheries Victoria is reasonably confident that the estimated number/mix of licences and thus revenue is a 'best estimate'.

While demographic changes are likely to affect participation in recreational fishing, this is unlikely to have a noticeable impact in the short term and has therefore not been specifically estimated in this analysis. This will likely be considered in the more detailed assessment that will occur as part of remaking of the regulations, which sunset in 2018 and 2019.

The current Regulations set out the RFL fees as follows:

Figure 3C – Current RFL fees

RFL type	Price
3 year licence	\$66.00
1 year licence	\$24.50
28 day licence	\$12.00
2 day licence	\$6.00
Group licence	\$24.50

These fees are currently scheduled to continue until April 2018, at which point the Regulations will need to be remade.

This means that under the base case, RFL revenue would reach around \$7.2 million in 2017/18, as shown in the table below.

Figure 3D – RFL revenue projections by licence type

RFL type	Revenue projections		
	2015/16	2016/17	2017/18
3 year licence	\$ 2,752,200	\$ 2,937,000	\$ 3,115,200
1 year licence	\$ 2,989,000	\$ 2,915,500	\$ 2,842,000
28 day licence	\$ 410,400	\$ 432,000	\$ 450,000
2 day licence	\$ 714,000	\$ 756,000	\$ 804,000
Total revenue	\$ 6,865,600	\$ 7,040,500	\$ 7,211,200

Note that group licences are not included in the above projections. These represent a very small category, which vary considerably from year to year.

In recent years, the total revenue from RFL sales, together with interest income, has been less than the amount of expenditure from the RFL Trust Account. This has been achieved from drawing on the Trust Account balances from previous years. The balance of the Trust Account as at 30 June 2015 was \$4.8 million, however forward commitments for approved initiatives is around \$4.4 million. This means in the future, Trust Account expenditure will not be able to exceed RFL sales revenue as it has in recent years.

3.2 Objective

The objective of the proposed Regulations is that RFL fee revenue is increased to fund initiatives and programs that will have a net benefit to the recreational fishing sector and the community more broadly.

3.3 Proposed fee increases

The following table sets out the proposed increases to the RFL fees. Importantly, the changes include a proposal to change the current 2 day licence to a 3 day licence.

The new fees would apply from 1 July 2016. From 2017/18, the fees would also increase in line with the value of fee units set by the Treasurer for increases to all fees covered by the *Monetary Units Act 2004*.⁵

Figure 3E – proposed RFL fees

RFL type	Current fee	Proposed new fee	% change
3 year licence	\$66	\$95 (6.8 fee units from 2017/18)	44
1 year licence	\$24.50	\$35 (2.51 fee units from 2017/18)	43
28 day licence	\$12	\$20 (1.43 fee units from 2017/18)	67
2/3 day licence	\$6	\$10 (1 fee unit from 2017/18)	67
Group licence	\$24.50	\$35 (2.51 fee units from 2017/18)	43

As noted later in this RIS, it is proposed that the fees remain as dollar values for 2016/17 before being converted to an equivalent number of fee units from 2017/18 onwards. The fee units included in the table above and in the draft Regulations assume the value of a fee unit in 2016/17 of \$13.97. This was based on the annual rate of increase set by the Treasurer last year (2.75 per cent). A new annual rate, and value of fee units for 2016/17, is yet to be determined, but is expected shortly. The fee units in the final Regulations will be adjusted to take account of this.

The proposed fee increases mean there will be a higher percentage increase on the shorter duration (3 day and 28 day) licences. However, the change in duration of the 2 day licence to become a 3 day licence provides a benefit for many fishers in this group. Fisheries Victoria understands, through recent consultation with stakeholders, that many casual fishers buy a 28 day licence (or two 2 day licences) in circumstances such as fishing over a long weekend. The change to a 3 day licence means that people in this situation may end up paying less. More generally, casual fishers who may have previously only fished for two days (with a fee of \$6) may now make use of the longer licence and fish for three days (meaning the *effective* fee increase for this group is only 11 per cent).

Earlier consultation with the then RFL Stakeholder Reference Group in February 2014 led to a consensus around the pricing of the 2 day (now 3 day), 28 day, and 1 year RFLs. Costs for the short term licences in particular, are very low and represent a very small component of total fishing related costs. Therefore, the proposed increases are unlikely to have a significant financial impact on fishers, or on their fishing decisions. These proposed fees were considered by stakeholders to better reflect the willingness to pay in relation to each licence category, as well as better matching how licences are used.

A consensus was not reached on the pricing of the 3 year RFL during the 2014 consultation. The majority of the group at the time supported a \$100 price, while others considered a lower increase (to around \$80) appropriate to encourage fishers to purchase a 3 year licence. More recent consultation with key recreational fishing stakeholders to inform this RIS agreed that there should be at least some improvement to the price incentive to encourage anglers to purchase the 3 year licence, as opposed to occasionally buying a 1 year licence.

Fisheries Victoria considered the implications of the effective discounts of a 3 year licence compared to buying three successive 1 year licences. Currently, a 3 year licence provides a discount of around 90 per cent from the cost of three 1 year licences. To maintain this rate of discount, a 3 year price of \$95 would be needed. Without knowledge of how a reduction in the discount would affect licence choice, and with the government's policy to support more people fishing, more often, a 3 year price of \$95 was considered appropriate.

⁵ The proposed Regulations would change the fees from money amounts into fee units to allow annual indexation under the Monetary Units Act.

The Group licence has historically been set at the same price as the 1 year licence. There is no proposal to change this basis for setting the Group licence fee.

While these increases are significant, it is noted that the current fees have not changed since 2008. Had these fees been expressed in fee units and therefore increased in line with inflation over this period, the fees would currently be \$79 for a 3 year licence, \$29 for a 1 year licence, \$14 for a 28 day licence and \$7 for a 2 day licence; with a further automatic increase in 2016/17. Therefore, the proposed increases are much smaller in real terms since they were last set.

All other things being equal, an increase in the price of recreational fishing licences would lead to a decrease in demand for them. While data limitations prevent an accurate estimate of this demand response, Fisheries Victoria believes that the proposed increases to the RFL fees will not have a material overall impact on the number of RFLs purchased each year. This is because:

- RFL prices are very small compared to other costs associated with recreational fishing, and are therefore unlikely to be a material factor in the decision to fish
- To the extent that the higher fee may be a slight disincentive to fish, the additional revenue generated will be used through the Trust Account to improve the opportunities and incentives to participate in recreational fishing around the state
- To the extent that the price increases may lead to a tendency for a small proportion of fishers to fish illegally (i.e., continue to fish without purchasing a licence), Fisheries Victoria believes that such behaviour is likely to be minor, because RFL prices are a very small component of overall fishing costs.

In addition, it is proposed that for the 3 year and 1 year RFLs, a discount of around 5 per cent will be provided for purchases online. The discount is not offered for the two lower-priced RFL options. There may be merit in considering this, as from Fisheries Victoria's perspective, savings associated with online purchases should be broadly the same for all licence types, and providing a lower price for 1 and 3 year licences bought online further affects the relative price changes impacting on different licence types.

Fisheries Victoria considers there is a sound basis for creating an incentive towards anglers buying longer-term licences, rather than occasionally buying shorter-term ones. Longer term licences provide a known revenue stream into the future and therefore enable better strategic management of total RFL revenue and expenditure than the short term licences. It is also noted that the key objective of *Target One Million* is to get 'more people fishing, more often'. Fisheries Victoria considers that the proposed pricing structure across the different licence durations will assist in encouraging higher participation rates among licensed fishers, as the per day cost of the longer term licences is considerably less than the shorter licences.

To the extent that administrative savings may exceed the potential forgone revenue of the 5 per cent discount, these would be passed back to recreational fishers as additional funding available through the Trust Account.

Figure 3F – proposed RFL fees for online purchases

RFL type	Current fee	Proposed new fee (online only)	% change
3 year licence	\$66	\$90 (6.44 fee units)	36
1 year licence	\$24.50	\$33 (2.36 fee units)	35

In addition to creating an incentive towards anglers buying longer-term licences, the discount recognises both the lower administrative costs of issuing licences purchased online (a small impact), but more importantly online purchases allow Fisheries Victoria to more easily and more efficiently collect additional information about recreational fishing.

It is also noted that due to the lower price of the shorter-term licences, a discount equivalent to around 5 per cent would represent an immaterial amount in absolute dollar terms.

Feedback is welcomed on how the discount for online purchases has been proposed, and in particular whether (and how) a discount should apply to all licence types.

The volume of RFLs bought online has increased significantly since 2008 (from around 12 per cent to over 45 per cent). By offering a discount for online purchases, there is likely to be additional shifts from over the counter purchases to online purchases. Fisheries Victoria estimates that this will result in up to 60 per cent of 3 year and 1 year licences being purchased online by 2017/18 (based on extrapolation of past trend).

Overall, the proposed new fees are expected to generate total RFL sales revenue as follows:

Figure 3G – additional revenue under the proposed fee increases

	2016/17	2017/18*
Total revenue	\$10,366,330	\$11,000,554
Additional revenue over base case	\$3,325,830	\$3,789,354
Percentage revenue increase over base case	47%	53%

* Note that the 2017/18 figures include a further (assumed) 2.75% increase (which is the current annual rate set by the Treasurer) to incorporate the indexation of fee units. The Treasurer's next determination of fee units is scheduled for April 2016.

The estimated additional licence revenue is sensitive to the assumptions made, particularly the assumption that there will be no material change in the number of licences issued in response to the price increase, and the increase in the proportion of purchases made online following recent trends. The Department has also assumed that there is no material change in the types (duration) of licences preferred by fishers. In practice, the fee changes might result in some fishers choosing licences of different durations, which may affect the demand for licences and use of fishing infrastructure – for example, fewer people purchasing a licence.⁶

This is an inherent limitation of the analysis in this RIS. Lack of relevant data means that the Department has relied on assumptions regarding potential behavioural responses of fishers and the effectiveness of compliance activities. Given that the proposed changes will be made ahead of a more comprehensive examination of future licence arrangements, the Department considers this analysis sufficient. Nevertheless, stakeholder views will be important to test the reasonableness of these assumptions.

The additional RFL revenue will be used to fund a range of initiatives in areas such as:

- better fishing facilities, for example, jetties, improving boating facilities, improving access to waterways, and new fishing reefs
- fish production and stocking in existing and new fisheries/waterways
- school education and children's fishing programs
- angler diary program, trout opening festival, stronger fishing clubs grants.
- supporting buyout of commercial fishing access licences
- conducting more public forums for recreational fishers and Fisheries Victoria to exchange ideas on ways to further improve recreational fishing.

It is not possible to know in advance the particular initiatives that will be funded, as this is subject to established assessment and decision processes. However, directing the additional RFL revenue to several of the areas listed above will clearly assist in meeting the *Target One Million* objectives.

⁶ Although, it is noted that this impact is not in itself a concern for the analysis in this RIS. For example, if there are fewer fishers than expected due to the proposed changes, or a shift to short-duration licences, these both will result in less revenue collected, but will also mean that there is less demand for additional funding for fishing infrastructure and other initiatives.

In providing feedback on whether there is a willingness among recreational fishers to pay higher fees, people may wish to comment on whether this willingness is dependent on the types of initiatives likely to be funded by the additional revenue, and if so, what types of initiatives should be preferred.

The proposed Regulations also introduce two measures, designed to assist in mitigating the risk of illegal fishing or avoidance of paying the fee. These measures are:

- prohibiting licence agents from issuing a licence with a date and time prior to the time the licence is purchased
- introducing a new offence for the failure of an agent to return unissued licences if requested by the Secretary.

The first measure ensures that a person cannot purchase a licence after being caught without a licence and purport that it was valid at the time of the illegal fishing. There is no data to suggest this is currently a common practice, however the potential may increase slightly in response to the new fees. Penalties are proposed for breaches in the form of a fine: 20 penalty units (around \$3,033 in 2015/16) for an agent issuing a licence with a false purchase date. In addition, the second measure will allow the Department to direct that an agent return any unissued licences—this would only be used rarely and where there was a risk of the licences being misused, such as when an agent has been found to have falsely-dated a licence. There is a penalty for agents who do not return unissued licences following a direction to do so: 20 penalty units. These penalties are intended to strengthen the existing compliance approach by discouraging improper conduct, rather than impose new obligations.

3.3.1 Groups affected

The proposed increases to RFL fees will directly affect recreational fishers and related businesses. Recreational fishers will be required to pay a higher fee for their licence. A small number of fishers may choose to pay less, for example by changing the type (duration) of licence they purchase. This is most likely to occur for fishers who currently fish over a long weekend using a 28 day licence or two 2 day licences; these fishers will now be able to purchase a 3 day licence for a lower price than they currently pay.

Recreational fishers currently exempt from holding a licence will not be directly affected by the fee changes. All recreational fishers will benefit indirectly through the additional programs that will be funded from the additional revenue.

The changes also indirectly affect other parties. Greater financial support for recreational fishing will have flow-on benefits for the economy, particularly regional economies.

There are unlikely to be material impacts on related businesses (for example, fishing tackle retail). While the increase in licence prices effectively removes money from the sector, it is all returned to the sector by supporting initiatives and programs to improve recreational fishing opportunities. Overall, the level of demand for licences should remain similar to the status quo. The changes to prices are also occurring at a time when recreational fishing activity is growing, so economic activity for related businesses is still expected to grow overall.

3.3.2 Economic, social and environmental impacts

The overall impact of the proposed fee increases is expected to have a positive economic impact as:

- recreational fishing makes a positive contribution to the economy and well-being of Victorians
- the increase in licence fees to fund more initiatives and programs to further improve recreational fishing experiences in Victoria is advocated by the sector.

The decisions on funding individual initiatives and programs from the RFL Trust Account are based on an assessment of the benefits of each proposal and the overall net benefit to the community.

Fisheries Victoria believes that there is likely to be an overall positive impact on economic and social outcomes in Victoria. Notably, these include:

- the increase in the licence prices will support initiatives and programs that improve the quality of, and incentives for, recreational fishing, which in turn should support increased participation and greater economic activity
- the changes will not impede Victorians participating in recreational fishing
- the changes are expected to have a neutral environmental impact.

Fisheries Victoria notes that a higher level of initiatives and programs funded from RFL revenues is likely to exhibit declining marginal benefit. As the decision process for prioritising RFL Trust Account expenditure is rigorous and takes into account likely net benefits, every *extra* initiative which is funded returns *less* in the way of benefit to the community than the previous project (i.e., initiatives will be funded that would otherwise miss out if there was less money available). Thus, there is declining marginal benefit in the funding of initiatives and programs. However, each initiative is still expected to result in a net benefit.

3.3.3 Impacts on competition and small business

RFL fees do not restrict competition, and the proposed fee increases are not expected to have material impact on competition.

As the fee increases relate only to recreational licences, there will not be any direct impact on businesses, particularly small businesses.

There will be impacts on retailers/agents selling RFLs, most of which are small businesses. There are around 586 retailers in Victoria. These retailers receive a commission of 6 per cent of sales, and as such will receive an increase in commission revenue in line with the proposed fee increases. This increase will be less than the percentage increase in fees overall, as there remains an ongoing shift between licence types and an increase in online purchases. However, overall, total commission revenue to retailers as a group is expected to increase by around \$40,000 per year. Retailers will also be affected by changes to RFL prices (requiring updates to the prices charged, although this will be minimised by information sheets provided by Fisheries Victoria), and the new offences related to failure to return unused licences and issuing falsely-dated licences.

Question: Do you agree with the proposed discount equivalent to around 5 per cent for online purchases of 1 year and 3 year licences? Should an online discount be provided for 3 and 28 day licences?

3.4 Other means of achieving the objectives

In the case of RISs prepared for fees and charges, the range of different options will be narrower than for other types of regulations, and is likely to include consideration of different levels of service provision that are to be funded through fees and charges; different types of fee structures; and different levels of cost sharing.

3.4.1 Alternative options as to amount of additional revenue raised

An alternative is a lower level of overall revenue to be collected, with a consequential reduction in initiatives and program expenditure.

Such an option would be to increase the licence prices by a smaller amount, for example, to raise an additional \$1.8 million in 2016/17 (total revenue from RFLs of \$8.9 million). The licence prices needed to generate this revenue are set out below:

- 3-year licence – \$85
- 1-year licence – \$30
- 28-day licence – \$15
- 3-day licence – \$8

While this has a smaller direct impact on licence holders, it is difficult to directly assess whether this is a better outcome than the proposed price changes. This is because the

relative benefits of a smaller revenue increase depend on the likely magnitude of benefits of the particular initiatives and programs that can be funded from the revenue. However, while such an approach would collect a lower level of overall revenue and therefore fund fewer initiatives than would be funded under the preferred option, there would be a higher overall economic return on that expenditure, as the expenditure would be more likely to go to initiatives with higher net economic benefits.

Based on feedback from stakeholder representative groups, Fisheries Victoria believes there is a high degree of willingness to pay additional fees to fund initiatives and programs that will have a net benefit to the sector. It is acknowledged that these representative groups may not reflect the views of all recreational fishers, and as such this RIS invites all recreational fishers to comment on whether, and to what extent, there is a willingness to pay higher fees to support increased funding of recreational fishing initiatives.

While this option is included in the following analysis, this option is included primarily for discussion purposes and stakeholder comment is encouraged.

3.4.2 Alternative options as to the structure of fees

The key alternative options assessed in this RIS go to different fee structures or designs that will generate the same level of additional revenue as the proposed fee increases. This means different ways the revenue could be collected across the recreational fishing community.

Fisheries Victoria has identified and assessed the following alternative options:

- **Expanding the categories of recreational fishers required to hold a licence** (i.e., remove current exemptions) would allow the revenue requirement to be spread over a greater number of fishers. There are two sub-options in this approach—the same fees for all fishers, or a concession rate (of half the standard fee) for those currently exempt.⁷

It is difficult to precisely estimate the fees required under these options, as the number of recreational fishers is not precisely known. Further, within the licensed fisher categories and the currently exempt categories, there is limited information about how frequently an individual fisher would fish each year (i.e., it is not known how many short term licences a single fisher purchases each year).

However, based on a number of simplifying assumptions an indicative fee structure has been identified. It is acknowledged that if such an option was to be adopted, substantial further work would need to be undertaken to better understand the implications of requiring currently exempt fishers from having to purchase a licence. For example, for the purposes of this analysis, it is assumed that the rate of participation in fishing for the current exempt classes is similar to those that require a licence, and that the distribution across licence types would also be the same. These are unlikely to be similar in practice.

Figure 3H – Fees under alternative option to expand fishers requiring a licence

RFL type	Current fee	Fee if no exemptions	Fee if exempt classes become concession classes*
3 year licence	\$66.00	\$50.00	\$70.00
1 year licence	\$24.50	\$17.50	\$24.50
28 day licence	\$12.00	\$10.00	\$12.50
2/3 day licence	\$6.00	\$5.40	\$6.40

* The fee paid for the new concession classes would be half that standard fee shown.

⁷ Persons under 18 would not be included in any option, as they are exempt under the Fisheries Act. The classes of exempt persons that would be brought into the fee structure are persons over 70 years of age, and persons exempt due to their holding a relevant pension or concession card.

Both of these options are designed to raise \$10.4 million in 2016/17 and around \$11.0 million in 2017/18, the same as the proposed fee increases.

As can be seen, under the option for same fee for all recreational fishers, current licensed fishers would face a lower fee than is currently paid. Where currently exempt persons are required to pay a concession amount, existing licensed fishers would still face a small increase in fees.

These options recognise that all recreational fishers will benefit from the additional funding through the RFL Trust Account. This option also recognises that over time, with an ageing population, the burden of funding the Trust Account expenditure will fall on a declining proportion of recreational fishers, and as such there is some argument for all fishers to contribute.

- **Changing the licence duration structure to a single 1 year licence.** This option would recognise that the current fee structure may unintentionally distort fishing activity by having different fees for arbitrary time periods, and the length of the licence may not reflect the amount of fishing undertaken by that fisher each year (e.g., a fisher that fishes on two separate days greater than 28 days apart pays the same as a fisher that fishes for 28 consecutive days).

Introducing a single 1 year licence for all fishers would require a fee as set out below. Similar to the above options, the ability to precisely estimate the fee required is not possible with the available information as it is not known how frequently a fisher may buy multiple short-term licences, or how such a fee structure may induce changes in fishing activity.

Figure 3I – proposed RFL fees

RFL type	Current fee	Proposed new fee (for 1 year)	% change
3 year licence	\$66 .00 (for 3 years)	\$33	50 (if purchased each year)
1 year licence	\$24.50		35
28 day licence	\$12.00		75 (if only 1 bought per year)
2 day licence	\$6.00		450 (if only 1 bought per year)

As can be seen, all fishers in all licence types would pay a higher fee to meet the revenue target, however fishers who currently buy more than three 28-day licences or more than six 2-day licences within the same year would pay less under this option.

Fisheries Victoria acknowledged a further option: to replace the current all-waters, all-species, all-methods licence with separate licences for fishing in inland waters, bays and inlets, abalone, rock lobster and marine finfish, plus a combined licence. This is similar to the Western Australian licence structure (see Attachment A), and would allow differential fees to be set for the different licence types. While this approach is conceptually feasible, in practice, the department does not have sufficient data and understanding of interactions between fishing types to be able to construct a fee structure that is reliable and appropriate. A new system of licensing may also need to be considered where a fisher may wish to hold multiple licences. Fisheries Victoria believes this approach would be administratively cumbersome and costly, and would likely divert more of the Trust Account funds away from grant-funded initiatives and programs. Therefore, it was determined that such an approach was not feasible in the context of this RIS.

Similarly, options that involve fees based on volume of catch were considered to be too complex and costly to administer and were therefore not considered further.

Questions for stakeholders

This RIS provides an opportunity to outline the factors underlying the proposed additional revenue and to seek feedback from recreational fishers about their willingness to pay and the value they place on the types of initiatives and programs that may be funded from the additional revenue. Affected parties are invited to comment on these matters, as well as the broader objective of the need to generate additional revenue for the RFL Trust Account. In particular, stakeholders may wish to respond to the following questions:

- Will the proposed fee increases, and associated additional funding of initiatives and programs, make you more or less likely to purchase a recreational fishing licence? Will you increase or reduce the amount of recreational fishing you do?
- Do you support changing the current 2 day licence to a 3 day licence, to better match the needs of some fishers?
- Do you agree with the proposed discount equivalent to around 5 per cent for online purchases of 1 year and 3 year licences? Should an online discount be provided for 3 and 28 day licences?
- Do you believe there will be other impacts of the proposed fee increased that have not been discussed in this RIS?
- Are there other ways that fees could be structured to increase revenue in a way that is fairer or simpler?

In providing feedback on whether there is a willingness among recreational fishers to pay higher fees, people may wish to comment on whether this willingness is dependent on the types of initiatives and programs likely to be funded by the additional revenue, and if so, what types of initiatives and programs should be preferred.

4. Comparative assessment of options

4.1 Assessment framework

The proposed fee increases and the alternative options identified in the previous section are:

- The proposed new fees (set out in section 3.3 above) – these fees would increase RFL revenue by \$3.3 million in 2016/17 and \$7.1 million over the next two years
- Alternative 1 – remove current exemptions. This would enable a small increase in the price of a licence, but require all recreational fishers (including concession card holders and those over 70 years of age) to purchase a licence, thereby generating the same increase in total revenue as the proposed fees
- Alternative 2 – remove current exemptions but introduce a concession price (at half the standard price) for recreational fishers currently exempt. Fees would be set to achieve the same increase in total revenue as the proposed fees
- Alternative 3 – remove 2 day, 28 day and 3 year licences, requiring all licences to be 1 year licences at a single flat fee (current exemptions would remain in place). Fees would be set to achieve the same increase in total revenue as the proposed fees
- Alternative 4 – increase fees to achieve a smaller overall increase in RFL revenue. Fees would be set to achieve an increase of \$1.8 million in 2016/17 and \$3.8 million over the next two years. Current exemptions would remain in place.

These options have been assessed using a multi-criteria analysis (MCA).

Under this type of analysis, each option is scored against a number of criteria. The primary criterion used to compare options is the extent to which the option will raise the additional revenue required to fund additional Trust Account initiatives and programs. As discussed elsewhere in this RIS, there is limited information to reliably determine whether the proposed amount of discretionary revenue raised is 'optimal', however this criterion will reflect the government's objectives in supporting further measures to support recreational fishing. This criterion can therefore be interpreted as capturing the relative 'benefits' of each option.

The criteria used to assess the options have also been designed to compare how well each option generates additional revenue in terms of the broad policy principles of equity (both horizontal and vertical equity), effectiveness and administrative complexity. These are described further in the table below.

The primary purpose of the proposed fee changes is to provide additional funding to the Trust Account. Therefore this criterion has been provided a high weighting of 50 per cent in the analysis. The Department considers the other criteria to be equally important, so each of the other criteria has been weighted as 12.5 per cent in the overall assessment. In practice, this means each option is scored for each criterion out of either 50 or 12.5, and then scores are added for a total score for each option.

The 'base case' (i.e., if no changes were made to the Regulations) is set as a zero score, with each option scored with a positive or negative score, depending on the extent to which it is considered worse than or better than the base case. The scores are based on a qualitative assessment, informed by policy judgment and Fisheries Victoria's experience in the sector.

For this RIS, the criteria used to compare the options are shown in Figure 4A, being based on the objectives of the regulations.

Figure 4A – Assessment criteria

Criterion	Description	Weighing
Increased revenue	This criterion reflects to extent to which the option is able to raise the additional revenue considered necessary to increase funding for initiatives and programs to support recreational fishing through the Trust Account	50%
Horizontal Equity	Horizontal equity refers to treating people in similar situations in similar ways. In the case of cost recovery, horizontal equity refers to those who benefit from activities, or those that contribute to the need for regulation, having to pay the associated costs. This improves equity because it avoids the situation where all taxpayers have to pay the associated costs regardless of whether or not they benefit from – or give rise to the need for – the government activity/regulation. Horizontal equity also avoids cross-subsidisation between different groups. There is no data on the extent to which the various options will best align the financial contributions from different groups of licence holders with the benefit that they derive from activities funded from the Trust Fund, therefore a qualitative assessment has been undertaken.	12.5%
Vertical Equity	Distribute licence costs equitably among beneficiaries. This criterion measures overall fairness of licence fees between recreational fishers. A positive score means licence fees better reflect the relative ability of different fishers to pay.	12.5%
Effectiveness	Simple, transparent, and support licence compliance. This criterion measures whether each option effectively achieves the objectives for recreational fishing (including compliance with licensing).	12.5%
Administrative Complexity	Licences are easy to administer, determine eligibility, enforce compliance and monitor. Administrative simplicity and cost (including administration costs for currently exempt recreational fishers).	12.5%
TOTAL		100%

The following table assesses the proposed fee increases and the alternative options against each of these criteria, and produced a total score for each option. The total scores are interpreted such that a positive score represents an improvement over the base case, while a negative score represents an overall worse outcome.

Criterion	Proposed fee increases	Alternative 1 (remove exemptions)	Alternative 2 (make exemptions a concessional rate)	Alternative 3 (single 1 year licence fee)	Alternative 4 (smaller increase in fees)
Increased revenue	<p>This option meets the government's intended objective to increase revenue by around \$7.1 million over the next two years.</p> <p>Score: 50/50</p>	<p>This option meets the government's intended objective to increase revenue by around \$7.1 million over the next two years.</p> <p>Score: 50/50</p>	<p>This option meets the government's intended objective to increase revenue by around \$7.1 million over the next two years.</p> <p>Score: 50/50</p>	<p>This option meets the government's intended objective to increase revenue by around \$7.1 million over the next two years.</p> <p>Score: 50/50</p>	<p>This option only partially meets the government's revenue objective.</p> <p>Score: 25/50</p>
Horizontal Equity	<p>Revenue is raised by only a proportion (those that require a licence) of all recreational fishers (the beneficiaries of the Trust Account expenditure). This suggests a degree of cross-subsidisation, however the consequences of this are limited (see discussion below). This option therefore achieves broadly the same outcome in terms of horizontal equity as the base case, and is scored a zero.</p> <p>Score: 0/12.5</p>	<p>Licence fees fully reflect those that benefit from the RFL revenue. There are some small cross-subsidies associated with how well licence types reflects amount of fishing, and exemption for under 18 year olds. However this represents a clear improvement in terms of horizontal equity compared to the base case. It is noted that while RFL revenue funds the entire Trust Account, there remain some costs related to recreational fishing that are funded directly by government (funded outside the Trust Account).</p> <p>Score: 6/12.5</p>	<p>Licence fees reflect those that benefit from the RFL revenue, although a large group would only pay a concessional amount. There are some small cross-subsidies associated with how well licence types reflects amount of fishing, and exemption for under 18 year olds. In terms of horizontal equity, this option represents a mid-point between the proposed option and alternative 1, and is therefore scored accordingly.</p> <p>Score: 3/12.5</p>	<p>Broadly the same as the proposed option, although at the margin slightly worse than the base case as licence fees will no longer include the ability to match fees to the amount of fishing. There is likely to be some increased cross-subsidisation from fishers who only fish for a small period each year, who would offset some of the impact on more frequent fishers.</p> <p>Score: -1/12.5</p>	<p>Same as the proposed fee option – i.e., this option would not change the group from which the revenue is raised.</p> <p>Score: 0/12.5</p>

Criterion	Proposed fee increases	Alternative 1 (remove exemptions)	Alternative 2 (make exemptions a concessional rate)	Alternative 3 (single 1 year licence fee)	Alternative 4 (smaller increase in fees)
Vertical Equity	<p>Fee increases are broadly proportionate to the current fee amounts. Current exemptions (which have long recognised ability to pay) are retained. Compared to the base case, licensed fishers pay more which is a negative impact on their ability to pay, although the magnitude to the increases do not present a significant variation to the base case. This option therefore scores a slightly negative score.</p> <p>Score: -1/12.5</p>	<p>The largest impact of this option is for the large group of currently exempt fishers, who would be required to pay a fee (or alternatively may be discouraged from fishing). These groups are those least able to pay for their activities due to limited income opportunities. While removing exemptions would require pension card holders and older fishers to hold a licence, the effect on vertical equity is unclear, as the cost of a RFL represents a relatively minor part of the overall costs of recreational fishing. Therefore this option receives a slightly negative score to reflect it is likely to be a slightly worse outcome compared to the preferred option.</p> <p>Score: -2/12.5</p>	<p>The largest impact of this option is for the large group of currently exempt fishers, who would now be required to pay a fee (or discouraged from fishing). These groups are those least able to pay for their activities due to limited income opportunities. While the concession recognises their ability to pay, it represents an additional cost for this group. Overall, this option scores between the proposed option and Alternative 1.</p> <p>Score: -1.5/12.5</p>	<p>All licence types would be subject to a fee increase. However, the shorter-term licences would be subject to a proportionally higher fee increase than the 1 or 3 year licences. The cost of a licence in many cases will be a second order consideration, made after a decision of the optimal amount of fishing activity to undertake. Therefore, to the extent that some people only buy the shorter-term licences due to their ability or willingness to pay, this option would be a slightly worse outcome than the proposed fees.</p> <p>Score: -3/12.5</p>	<p>As this is similar to the proposed fee increases (which retain the current fee structures) but a smaller increase, this option would have a minor negative impact on vertical equity, but less than the proposed fee option.</p> <p>Score: -0.5/12.5</p>
Effectiveness	<p>The proposed fee increases present no material change in the effectiveness of the RFL regime. There is unlikely to be any material increase in non-compliance.</p> <p>Score: 0/12.5</p>	<p>The Department considers that this option may lead to a materially higher level of non-compliance.</p> <p>Score: -2/12.5</p>	<p>The Department considers that this option may also lead to a materially higher level of non-compliance.</p> <p>Score: -2/12.5</p>	<p>This option presents broadly no material change in the effectiveness of the RFL regime. However, for some fishers the change may result in fishing licences that do not suit their needs and may lead to an increase in non-compliance.</p> <p>Score: -2/12.5</p>	<p>The fee increases in this option present no material change in the effectiveness of the RFL regime. There is unlikely to be any material increase in non-compliance.</p> <p>Score: 0/12.5</p>

Criterion	Proposed fee increases	Alternative 1 (remove exemptions)	Alternative 2 (make exemptions a concessional rate)	Alternative 3 (single 1 year licence fee)	Alternative 4 (smaller increase in fees)
Administrative Complexity	<p>The fee structure is simple to administer and implement – effectively preserves the current arrangements.</p> <p>Score: 0/12.5</p>	<p>The Department considers that a high degree of administrative complexity would be involved in bringing in a large number of additional people into the licensing regime that are currently exempt. In the two years remaining before the regulations sunset, it is regarded as not worth pursuing this option at this time due to the high transition costs.</p> <p>Score: -6/12.5</p>	<p>The Department considers that a high degree of administrative complexity would be involved in bringing in a large number of additional people into the licensing regime that are currently exempt. In the two years remaining before the regulations sunset, it is regarded as not worth pursuing this option at this time due to the high transition costs.</p> <p>Score: -6/12.5</p>	<p>This option may offer some opportunities to streamline licensing arrangements. This is expected to be minor. Further, transition arrangements would be needed for those that already hold 3 year licences, meaning that special transitional arrangements would be in place for the remainder of the current Regulations. Overall, this option represents a small positive impact for the remainder of the current Regulations.</p> <p>Score: 3/12.5</p>	<p>The fee structure is simple to administer and implement – effectively preserves the current arrangements.</p> <p>Score: 0/12.5</p>
Overall score	49/100	46/100	43.5/100	47/100	24.5/100

The above assessment of alternative options indicates that, while the alternative approaches may offer an improvement over the base case, the proposed fee increases are superior to the alternatives. This is primarily due to the proposed fees generating the additional revenue while retaining the current licence structure (licence durations) and exemptions, which reflect ability to pay, and the ability to more effectively implement the proposed changes.

The overall scores in the above analysis are close, suggesting that variations in the weightings given to each criterion, or different judgements about the scores of each option, could change the outcome. For example, a much lower weighting given to the additional revenue to be raised may alter the outcome in favour of small fee increases. The Department therefore seeks feedback on its assessment of the advantages and disadvantages of these options.

It is noted that the proposed fees include a degree of cross-subsidisation: those fishers required to be licensed pay for the RFL revenue that is enjoyed by all recreational fishers (i.e., including those that are exempt for holding a licence). Ordinarily, such cross-subsidisation should be avoided. However, in this case it is noted that taken as a group, over an individual's lifetime, most recreational fishers will be in both a licensed category and an exempt category. The nature of many of the initiatives and programs funded from RFL revenue are also long-term in perspective, meaning that the benefits will be enjoyed for a long time after the money has been spent. The categories therefore do not necessarily reflect different groups of recreational fishers, but different points in their fishing lives. Fees that apply only to licensed fishers reflect the time of their lives they are most able to pay such fees. For these reasons, concerns about cross-subsidisation are considered not significant, although still present for some situations.

To the extent data allows, the Department will use this information and a more detailed policy analysis to assess the required longer term RFL revenue. It is noted, however, that subject to changes implemented through the remaking of the regulations, the current proposal to set RFL prices in fee units (from 2017/18) will ensure RFL revenue keeps pace with inflation.

The Department is already undertaking evaluation of social and economic benefits of previous investment in improving recreational fishing opportunities in Victoria including, for example, improving the efficiency and effectiveness of fish stocking and the provision of new or improved infrastructure and facilities. This work is intended to guide future investment decisions for recreational fishing licence revenue to those areas where it can deliver the greatest benefit to the Victorian community. The Department expects that such evaluation practices will become a permanent feature of this investment program.

Ahead of the sunset of the 2008 regulations (and parallel consideration of the overall regulatory framework that applies to recreational fishing), Fisheries Victoria intends to undertake a full review of all regulations before they sunset. This review will specifically consider:

- the policy principles that will inform judgment about future design of RFLs and associated fees, including the case for government regulation and the specific activities funded by fees
- a comprehensive analysis of the underlying costs and benefits (both public and private) of the government's activities related recreational fishing (administration, managing the sustainability of fishing and promoting the interests of the recreational fishing sector). This will include a more formal assessment of the willingness of recreational fishers to pay for improved recreational fishing opportunities and infrastructure.

The Department will closely monitor the impacts of the proposed fee increases over the next two years to assist in informing this broader review.

Questions for stakeholders

Stakeholder views are sought on how alternative options have been assessed. In particular, stakeholders may wish to respond to the following questions:

- Are there other factors that should be taken into account when assessing and comparing alternative options?
- Is the relative importance given to additional revenue, equity, effectiveness and administrative complexity appropriate?
- Are there likely to be consequences of any of the options that have not been reflected in the above assessment?
- How else could the merits of the different options be compared?

5. Implementation and evaluation

5.1 Implementation plan

The following implementation plan has been developed to support implementation. It recognises that the proposed fee increases retain the current licence structures and mechanism, and that the proposed increases apply to 2016/17 and 2017/18, after which the fee regulations will sunset and be subject to a larger review.

Figure 5A – Implementation plan

Issue	Relevant information
Communication with regulated entities	Fisheries Victoria will provide relevant information to interested parties ahead of the changes through existing channels. This will include notices to sales agents, information on the department website, communications with key sector representatives and in printed material regularly provided to the sector.
Transitioning to the new regime	<p>Ideally, all fees should be expressed in terms of fee units as defined under the Monetary Units Act. This allows the value of a fee unit to be determined each year in accordance with the annual rate determined by the Treasurer. This in effect provides for automatic indexation of fees amounts to allow for inflation as well as considerations of efficiency of services.</p> <p>The proposed amendments convert the RFL fees to fee units. However, fees cannot be set at less than 1 fee unit, and the proposed fee amount for the 3 day licence is less than the current value of a fee unit. It is therefore proposed that the conversion to fee units be delayed until 2017/18 to provide a transition, after which time the 3 day licence will be set at 1 fee unit.</p>
Achieving compliance	<p>There are sound enforcement mechanisms in place for the collection of licence fees, as the payments must be made prior to issuing a licence and there are monthly reconciliations against authorised licence sales. FV, therefore, does not expect any enforcement issues associated with the collection of fees per se.</p> <p>However, there remains scope for people to avoid obtaining a licence altogether, or obtain a licence based upon false information. Therefore, the proposed Regulations include a number of new provisions to assist in minimising avoidance.</p> <p>These new provisions include:</p> <ul style="list-style-type: none"> • if requested, require authorised outlets to return all recreational fishery licences that have not been issued • prohibit licences to be issued bearing a time and date prior to when the licence was purchased. <p>These new provisions will attract penalties. These penalties have been developed in accordance with the government's policy.</p>
Establish clear accountabilities between the Department and regulator	N/A
Implementation risks and monitoring	DEDJTR will be responsible for monitoring implementation, tracking progress and addressing unforeseen implementation issues as they arise. This will include ongoing stakeholder engagement during implementation to help identify and manage issues.

5.2 Evaluation

While the expected impact of these fee increases would ordinarily warrant a detailed evaluation strategy to assess the impact of the fee increases, the Department notes that the Regulations that are to be amended by these proposed changes themselves sunset in January 2018, and the entire RFL arrangements will be subject to a detailed assessment process prior to that date.

Within this context, the impact of the proposed fee increases will be incorporated into the comprehensive review of the Regulations. It is noted that this review must occur during 2017, and therefore a full assessment of price changes from 2016/17 may be limited. To the extent data allows, the Department will use this information and a more detailed policy analysis to assess the required longer term RFL revenue.

The Department is already undertaking evaluation of social and economic benefits of previous investment in improving recreational fishing opportunities in Victoria including, for example, improving the efficiency and effectiveness of fish stocking and the provision of new or improved infrastructure and facilities. This work is intended to guide future investment decisions for recreational fishing licence revenue to those areas where it can deliver the greatest benefit to the recreational fishing sector and the Victorian community more broadly. For some individual initiatives and programs funded from the Trust Account there is usually an evaluation component written into the actual project. For example, Fisheries Victoria led projects centred on artificial reefs, fish stocking and inland waterway habitat improvement projects. These evaluations assist in an overall assessment of the benefits of the Trust Account. The Department expects that such evaluation practices will become a permanent feature of this investment program.

Ahead of the sunset of the fee Regulations (and parallel consideration of the overall regulatory framework that applies to recreational fishing), Fisheries Victoria intends to undertake a full review of all regulations before they sunset. This review will include consultation with RFL stakeholders and will specifically consider:

- the policy principles that will inform future design of RFLs and associated fees, including the case for government regulation and the specific activities funded by fees
- a comprehensive analysis of the underlying costs and benefits (both public and private) of the government's activities related to recreational fishing (administration, managing the sustainability of fishing and promoting the interests of the recreational fishing sector). This will include a more formal assessment of the willingness of recreational fishers to pay for improved recreational fishing opportunities and infrastructure. The Department considers that a more detailed measurement of willingness to pay will draw on people's experiences with the proposed fee increases, and will therefore inform an assessment on the impacts of the fee increases.

Fisheries Victoria will draw on relevant data and analysis to build a robust evidence base.

The Department will closely monitor the impacts of the proposed fee increases over the next two years to assist in informing this broader review. Part of the evaluation strategy specific to these proposed fee increases will include consulting recreational fishers on the impacts of the new prices on their fishing activities. Fisheries Victoria will consult through the ten regional recreational fishing forums it holds each year, as well as through the Statewide Recreational Fishing Roundtable (SRFR), which meets quarterly. The SRFR provides an opportunity to identify areas of agreement on strategic issues, and aims to facilitate the development of policy options that will assist Fisheries Victoria to achieve its strategic vision. It also provides an opportunity to identify information and knowledge gaps, including research needs.

In addition, Fisheries Victoria will continue to monitor RFL sales to determine:

- if the actual sales of licences aligns with the projected numbers, including within different licence categories and shifts between licence types, as this may affect the level of revenue and likely demand for associated recreational fishing initiatives and programs, and may inform decisions about revenue targets in future years
- if the assumed ongoing shift to online RFL sales meets expectations, which may affect revenue collected, and also indicate the impacts on sales agents.

6. Consultation

In 2014, a Recreational Fishery Licence Stakeholder Reference Group provided advice regarding potential changes to RFL pricing and related compliance arrangements. Stakeholder Reference Group membership comprised organisations including, VRFish, Australian Fishing Trade Association, Futurefish Foundation, Boating Industry Association Victoria, Charter Boat Association, Australian Trout Foundation, Chair State-wide Recreational Fishing Roundtable Forum and a non-DEDJTR fisheries researcher.

The valuable advice from this group formed the basis of the new fees now proposed and the various alternative options considered in this RIS. There was broad support among these stakeholders for increasing RFL revenue to better support initiatives and programs for recreational fishers.

In the preparation of this RIS, views of a smaller number of stakeholders (three fishing organisations and one individual recreational fishery researcher) were sought. These views included:

- support for extra revenue available for recreational fishing initiatives in the short term, particularly in light of the failure of fee revenue to match CPI increases, subject to a full review of the effectiveness of the program in the longer term
- support for a 3 day licence to replace the current 2 day licence, which exists in NSW and supports fishers on long weekends
- support for a 5 per cent discount on 1 and 3 year licences bought online
- concern over increasing the price of a 3 year licence proportionately more than the 1 year licence. Initially, a price of \$100 for a 3 year licence was discussed, however stakeholders considered this was too high compared to the proposed 1 year licence price—this price would mean a 3 year licence would cost 95 per cent of three separate 1 year licences, compared to the current equivalent price being only 90 per cent. Fisheries Victoria considered the arguments for this and now proposes a 3 year licence price of \$95.

Views were also raised about changes to retailer commissions, however this would require changes to the Fisheries Act and is therefore outside the scope of this RIS.

Fisheries Victoria conducts annual Regional Recreational Fishing Forums (in conjunction with VRFish) to obtain feedback from recreational fishers on their priorities for improving recreational fishing around Victoria. Feedback provided by these forums is used to shape or guide the thinking of Fisheries Victoria on how to best deliver on these stakeholder's expectations. This is also used to guide the deliberations of the Recreational Fishing Grants Working Group, whose role is to provide advice to the Minister (responsible for fisheries) on priorities for the expenditure of RFL Trust Account funds – as governed by section 151B (3)(a) of the *Fisheries Act 1995* (i.e. for the purpose of improving recreational fishing).

A primary function of the RIS process is to allow the public to comment on the proposed Regulations before they are finalised. Public input provides valuable information and perspectives and improves the overall quality of regulations. Accordingly, feedback on the proposed Regulations is welcomed and encouraged. Feedback is particularly sought from people that consider they are not represented by the bodies consulted to date. This may include anglers who only fish occasionally, or people that are considering taking up fishing for the first time.

The consultation period for this RIS will be 35 days, with written comments required by no later than 5:00 PM on 19 April 2016.

Attachments

Attachment A: Recreational Fisheries Licence fees in other jurisdictions

Jurisdiction	Licence prices	Exemptions/Concessions	Other
NSW	<p>\$7 - 3 days \$14 - 1 month \$35 - 1 year \$85 - 3 years</p>	<p>a. Persons under the age of 18 b. adults assisting a person under the age of 18 to take a fish using a single rod or to take prawns using a single dip or scoop net c. persons fishing in a private dam with a surface area of two hectares or less d. an Aboriginal person e. the holder of a Centrelink Pensioner Concession Card f. current Pensioner Concession Card issued by the Department of Veterans' Affairs g. Commonwealth Department of Veterans' Affairs Gold Treatment Card endorsed "Totally and Permanently Incapacitated"(TPI) h. Commonwealth Department of Veterans' Affairs Gold Treatment Card endorsed "Extreme Disablement Adjustment" (EDA) i. letter from the Commonwealth Department of Veterans' Affairs stating that the person receive a disability pension of 70 per cent or higher, or an intermediate pension. j. Holders of Senior's Cards, Health Care Cards and Repatriation Health Cards do not receive exemption.</p>	<p>All money raised by the NSW Recreational Fishing Fee is placed into the Recreational Fishing Trusts and spent on improving recreational fishing in NSW.</p>
Western Australia	<p>All licences are for 1 year. Recreational Fishing from Boat - \$30.00 Rock Lobster - \$40.00 Abalone - \$40.00 Marron - \$40.00 Freshwater Angling - \$40.00 Net Fishing (set, haul, throw) - \$40.00 a 10 per cent discount applies for more than 1 licence per transaction.</p>	<p>Half fees apply for persons: (a) under the age of 16 years (b) who hold a Seniors Card issued by the Office of Seniors Interests (c) who receive: (i) an age, disability support or widows pension or allowance under the Social Security Act 1991 of the Commonwealth; (ii) a pension under the Coal Industry Superannuation Act 1989; (iii) a pension as a widow of a member of the forces, a service pension or the special rate of pension as a person who is totally and permanently incapacitated, under the Veterans Entitlements Act 1986 of the Commonwealth; or (d) who are the spouse, de facto partner, widow or widower of a person referred to in paragraph (c), or if who were the de facto partner of a person referred to in paragraph (c) immediately before their death. Aboriginal people following an aboriginal tradition are exempt for a licence fee</p>	<p>All the money generated from recreational fishing licences is reinvested in initiatives that directly benefit recreational fishing in Western Australia.</p>

Jurisdiction	Licence prices	Exemptions/Concessions	Other
Tasmania	<p><i>Sea fishing licence</i> (lasts for defined season) \$52.85</p> <p>Inland Fisheries Licence Five season, 1 rod \$351 Five season, 2 rods \$421 Full season, 1 Rod \$73.50 Full season, 2 rods \$88.50 28 days, 1 rod \$58.50 28 days, 2 rods \$66.00 7 days, 1 rod \$37.50 7 days, 2 rods \$45.00 48 hours, 1 rod \$22.50 48 hours, 2 rods, \$30.00</p>	<p>\$30.20 fee for Commonwealth Pension card holders, Government-issued Seniors Card holders and persons under 16 years). Health Care Card holders are not eligible for concession.</p> <p>Pensioners, Seniors and Juveniles received discounted fees.</p>	<p>Proceeds from licence fees go to Fishwise Fund which funds activities that improve education and the management of recreational fisheries.</p>
Queensland	<p>Anglers do not require a licence to fish recreationally across most of Queensland; however, the Stock Impoundment Scheme requires anglers who fish in certain Queensland dams to purchase a permit.</p>		
South Australia	<p>No licence is required for recreational fishing, although registration is required for rock lobsters.</p>		
Northern Territory	<p>Anglers do not require a recreational fishing licence in the Northern Territory.</p>		
ACT	<p>Recreational fishing in the public waters of the ACT does not require a licence.</p>		

Attachment B: Payments to Recreational Fishing Grants Program and other projects during 2014/15

Note: payments made in 2014/15 included new projects commenced as well as projects commenced in prior years that have payments remaining.

Projects initially announced in 2007/08		
Large Grants Program		
Evaluate and validate the utility of Research Angler Diary programs as a cost-effective monitoring and stock assessment tool for the management of small recreational fisheries. Balance of 10% of funding. Total project funding of \$270,000.	\$27,000.00	Department of Environment and Primary Industries, Fisheries Victoria
Sub-Total	\$27,000.00	
Projects initially announced in 2008/09		
Large Grants Program		
Improve the sustainability of sand flathead stocks in Port Phillip Bay and across Victoria. Balance of 10% of funding. Total project funding of \$300,000.	\$30,000.00	Department of Environment and Primary Industries, Fisheries Victoria
Sub-Total	\$30,000.00	
Projects initially announced in 2009/10		
Commissioning Grants Program		
Develop a premier Murray cod fishery at Lake Eildon. Balance of 10% of funding. Total project funding of \$800,000.	\$80,000.00	Department of Environment and Primary Industries, Fisheries Victoria
Large Grants Program		
Increase fish habitat in the lower Loddon River, Macoma main channel to Kerang Weir and lower Pyramid Creek. Balance of 10% of funding. Total project funding of \$150,100.	\$15,010.00	North Central Catchment Management Authority
Sub-Total	\$95,010.00	
Projects initially announced in 2010/11		
Large Grants Program		
Spawning sources, movement patterns, and nursery area replenishment of spawning populations of King George whiting in south-eastern Australia - closing the life history loop. 90% instalment of year two funding. Total project funding of \$126,000.	\$57,600.00	University of Melbourne
Establish a reliable supply of Catfish fingerlings to restore Victoria's catfish recreational fishery. 90% of year three funding. Total project funding of \$133,920.	\$43,560.00	Native Fish Australia
Sub-Total	\$101,160.00	
Projects initially announced in 2011/12		
Large Grants Program		
Define the spawning needs of calamari in Port Phillip Bay. Balance of 10% of funding. Total project funding of \$199,078.	\$19,907.80	Department of Environment and Primary Industries, Fisheries Victoria
Create a new Estuary perch recreational fishery in south-west Victoria. Balance of 10% funding. Total project funding of \$150,000 over three years.	\$15,000.00	Department of Environment and Primary Industries, Fisheries Victoria
Establish a new Australian Bass recreational fishery in the Nicholson River. Balance of 10% funding. Total project funding of \$100,000 over three years.	\$10,000.00	Department of Environment and Primary Industries, Fisheries Victoria
Assess the post-release survival of southern bluefin tuna from recreational fishing (Tasmania and Victoria). Balance of 10% of funding. Total project funding of \$69,460.	\$7,640.60	Institute for Marine and Antarctic Studies - University of Tasmania

Improve recreational fisher access and facilities along the Goulburn River, Shepparton. Balance of 10% of funding. Total project funding of \$25,000.	\$2,500.00	Goulburn Broken Catchment Management Authority
Produce & distribute a 'Victorian Fishing Trail' brochure for the seasoned recreational fisher. Balance of 10% of funding. Total project funding of \$11,900.	\$1,190.00	Department of Environment and Primary Industries, Fisheries Victoria
Produce and distribute a 'Kayak fishing in Victoria' educational brochure. Balance of 10% of funding. Total project funding of \$10,095.	\$1,009.50	Department of Environment and Primary Industries, Fisheries Victoria
Sub-Total	\$57,247.90	
Projects initially announced in 2012/13		
Large Grants Program		
Install 120 large wood structures in the Mitchell, Nicholson, Tambo and Snowy Rivers. 90% instalment of year three funding. Total project funding of \$300,000.	\$90,000.00	East Gippsland Catchment Management Authority
Develop and implement a consistent method for assessing the sustainability of Murray cod in the Murray Darling Basin. 90% instalment of year two funding. Total project funding of \$150,000.	\$45,000.00	Greenfish Consulting Pty Ltd
Victorian 'Fishers for Fish Habitat' Program. 90% instalment of year three funding. Total project funding of \$114,000 over three years.	\$34,200.00	Department of Environment and Primary Industries, Arthur Rylah Institute
Fishcare 'Fish Right' workshops – conduct 450 junior recreational fisher workshops across Victoria. 90% instalment of year three funding. Total project funding of \$113,500 over three years.	\$32,850.00	Fishcare Victoria Inc.
Monitor the Chinook salmon fish stocking program at lakes Purrumbete and Bullen Merri. 90% instalment of year three funding. Total funding of \$115,667 over three years.	\$31,608.00	Lake Purrumbete Angling Club Inc.
Growing the success of Macquarie Perch breeding for future stocking into Victorian waterways. 90% instalment of year two funding. Total project funding of \$58,510 over two years.	\$13,500.00	Monash University
Broken River Weir (Broken River) Fish Migration Initiative (Feasibility and Design phase). Balance of 10% of funding. Total project funding of \$45,000.	\$4,500.00	Goulburn Broken Catchment Management Authority
Sub-Total	\$251,658.00	
Projects initially announced in 2013/14		
Commissioning Grants Program		
Better Recreational Fishing Through Informed Fish Stocking (stocking an additional 1,110,000 fish over 3 years, fish surveys, development of an on-line fish stocking search engine, and captive breeding of Macquarie perch). 90% instalment of year one funding. Total project funding of \$990,600.00 over three years.	\$290,700.00	Department of Environment and Primary Industries, Fisheries Victoria
Wild Trout Fisheries Management Program (investigate the likely cause(s) of the decline in wild trout fishing in Victoria and, where possible, improve wild trout fishing through informed fisheries management interventions). 90% instalment of year one funding. Total project funding of \$560,000.00 over three years.	\$229,500.00	Department of Environment and Primary Industries, Fisheries Victoria
2014/15 Communication and Compliance Products (production of a series of communication products and measuring devices to provide recreational fishers with up-to-date information on Fisheries regulations). 90% instalment of year one funding. Total project funding of \$230,981.61 over one year.	\$207,883.45	Department of Environment and Primary Industries, Fisheries Victoria
Sub-Total	\$728,083.45	
Large Grants Program		
Understanding the economic contribution of recreational fishing to the State of Victoria (Ernst & Young). 90% instalment of year one funding. Total project funding of \$100,000.00 over one year.	\$90,000.00	VRFish
Mitta Mitta River Habitat Rehabilitation Project- Eskdale to high water mark of Lake Hume. 90% instalment of year one funding. Total project funding of \$266,981.82 over three years.	\$81,114.55	North East Catchment Management Authority

Improving Recreational Fishing Access at Konongwootong Reservoir. 90% instalment of year one funding. Total project funding of \$231,818.18 over three years.	\$73,636.36	Wannon Water Corporation
Assessing the benefits of instream habitat works for fish populations in the Goulburn catchment. 90% instalment of year one funding. Total project funding of \$76,000.00 over one year.	\$68,400.00	Goulburn Broken Catchment Management Authority
Renewed Fish Habitat for both Native & Trout Fishing in King River NE Victoria. 90% instalment of year one funding. Total project funding of \$190,226.82 over three years.	\$64,245.68	King Valley Tourism Association
Fitzroy River Recreational Fishing Access Project, including the construction of an all abilities access fishing platform. 90% instalment of year one funding. Total project funding of \$60,460.80 over one year.	\$54,414.72	Fitzroy River Public Purposes Reserve
Putting Locals First - Construct two all abilities access fishing platforms at Spring Creek. 90% instalment of year one funding. Total project funding of \$54,545.45 over one year.	\$49,090.91	Surfcoast Shire
Fecundity and egg quality of dusky flathead (<i>Platycephalidae fuscus</i>) in East Gippsland, Victoria. 90% instalment of year one funding. Total project funding of \$49,638.75 over one year.	\$44,674.88	Charles Sturt University
Construct two all ability access fishing platforms and install two in-stream log structures in the Tarra River Estuary, Tarraville. 90% instalment of year one funding. Total project funding of \$39,440.00 over one year.	\$35,496.00	West Gippsland Catchment Management Authority
Improving access to and evaluating the effectiveness of a Merri River Estuary Fish Habitat Hotspot. 90% instalment of year one funding. Total project funding of \$80,181.82 over three years.	\$34,036.36	Glenelg Hopkins Catchment Management Authority
Upper Ovens River In-stream Habitat Restoration Project, Harrietteville. 90% instalment of year one funding. Total project funding of \$35,222.50 over one year.	\$31,700.25	Harrietteville Community Forum Inc.
Native Fish Habitat Enhancement in the Lower Broken Creek between Numurkah and Nathalia. 90% instalment of year one funding. Total project funding of \$68,727.27 over two years.	\$30,927.27	Goulburn Broken Catchment Management Authority
Construct angler access stairs at Boggaley Creek, 13 km from Lorne. 90% instalment of year one funding plus balance of funding. Total project funding of \$30,720.58.	\$30,720.58	Association of Geelong & District Angling Clubs Inc.
Evaluating the status of the Murray crayfish recreational fishery in Victoria. The project will focus on waterways of northern Victoria where Murray crayfish are known to occur, including the Mitta Mitta, Kiewa, Ovens and Goulburn rivers. 90% instalment of year one funding. Total project funding of \$65,818.18 over three years.	\$29,209.09	Nature Glenelg Trust
Upper Coliban Recreation Area Foreshore Access Track. 90% instalment of year one funding. Total project funding of \$28,982.27 over one year.	\$26,329.50	Coliban Region Water Corporation
Construct an all abilities fishing platform and increase fish habitat in the Tarwin River estuary/Andersons Inlet at Tarwin Lower. 90% instalment of year one funding. Total project funding of \$34,150.00 over two years.	\$23,355.00	West Gippsland Catchment Management Authority
Gellibrand River Blackfish Population Assessment. 90% instalment of year one funding. Total project funding of \$22,147.27 over one year.	\$19,932.55	Corangamite Catchment Management Authority
Install a further 90 Seal the loop' fishing line disposal bins around Victoria. 90% instalment of year one funding. Total project funding of \$60,000.00 over three years.	\$18,000.00	Zoological Parks And Gardens Board
Install a solar light above the Swan Bay boat ramp. 90% instalment of year one funding. Total project funding of \$11,677.00 over one year plus additional \$1,780.00 for approved project variation.	\$13,457.00	Association of Geelong & District Angling Clubs Inc.
Install a solar light above the Clifton Springs boat ramp. 90% instalment of year one funding. Total project funding of \$11,677.00 over one year.	\$10,509.30	Association of Geelong & District Angling Clubs Inc.
Quantifying the recreational catch and effort from the Corio Bay region of Port Phillip Bay. Balance of 10% of funding. Total project funding of \$80,000.	\$8,000.00	Department of Environment and Primary Industries, Fisheries Victoria
Sub-Total	\$837,250.00	
Small Grants Program		
Family Come and Try Fishing Day	\$5,500.00	Nathalia Angling Club

Community Fishing Festival	\$5,020.00	Yarra Valley Fly Fishers
Determining population structures of mulloway in Western Victoria	\$5,000.00	Nature Glenelg Trust
Fishing in Greater Shepparton	\$5,000.00	City of Greater Shepparton
It's 'Fishing Country' brochure project	\$5,000.00	Moira Shire Council
Sustainable Fishing Exhibit	\$5,000.00	Warrnambool Offshore & Light Game Fishing Club
Maximising quality and reducing incidental mortality of tuna workshops	\$4,992.50	Panaquatic Health Solutions
Homeless Community Fishing Program	\$4,954.55	The Salvation Army
Maximising quality and reducing incidental mortality of tuna – extension	\$4,925.00	Panaquatic Health Solutions
Green Tackle Guide	\$4,818.18	Fishcare Victoria Inc.
Thresher shark, best practice catch, handling and release	\$4,545.45	VRFish
Young Future Leaders at National Recreational Fishing Conference	\$4,545.45	VRFish
Southern Fly Fishers Open Day	\$4,495.00	Southern Fly Fishers
Junior Fishing Experience	\$4,000.00	Port Franklin Tennis Club
Estuary perch Weigh Your Catch rulers	\$3,909.09	Fishcare Victoria Inc.
Mates Day on the Bay	\$3,772.73	Futurefish Foundation
Schools Fishing Program	\$3,454.55	Colac Otway Shire
Hook Line & Sinker Fishathon	\$3,172.23	City of Wodonga
Light over fish cleaning table Limeburners Boat Ramp	\$3,154.55	Association of Geelong & District Angling Clubs Inc.
Lake Meran Family Fishing Fun Day	\$3,050.00	Lake Meran Public Purposes Committee
Family Fishing Day	\$2,980.00	Underra Angling Club
Catch a Carp Day March 2015	\$2,948.62	Riverside Golf Club
Come & Try Fishing Day	\$2,933.00	Wangaratta Fly Fishing Club
Live native fish display at 4x4 Fishing and Boating Expo	\$2,575.00	Native Fish Australia Inc.
Conduct a fishing stand at Agricultural Show	\$2,500.00	Yarram Agricultural Society
Light over fish cleaning table at Clifton Springs	\$1,954.55	Association of Geelong & District Angling Clubs Inc.
Boating and fishing safety course	\$2,010.00	Venus Bay Angling Club
The Ron Nelson Memorial Junior fishing Clinic 2014	\$1,618.18	Association of Geelong & District Angling Clubs Inc.
Come and Try Fishing Day	\$1,572.00	Port Welshpool Working Group Inc.
Come and Try Fishing Day	\$1,477.27	Bogong Outdoor Education Centre
NE Rivers access works information pamphlet	\$1,125.00	Australian Trout Foundation Inc.
Kids Fishing Day	\$1,008.00	Ballarat District Anglers Association
Know Your Limits signage	\$913.00	Lake Purrumbete Angling Club
Fishcare Fun Day	\$900.00	Bemm River Angling Club

Footings for weigh gantry at Apollo Bay	\$818.18	Association of Geelong & District Angling Clubs Inc.
Come and Try Junior Fishing Event	\$632.00	Donald Angling Club
Junior Angler Workshop	\$540.00	Twin Rivers Business & Tourism Association
Come and Try Fishing Weekend	\$400.00	Dunlop Bayswater Angling Club
Come and Try Fishing Family Day	\$400.00	Fishcare South West Inc.
Sub-Total	\$117,614.08	
Disbursements net of GST	\$2,245,023.43	

Attachment C: 2014/15 Recreational Fishing (Large) Grants Program – data on projects not funded

The following table lists the number of applications and total values of project application made in 2014/15 that were assessed as having a net benefit to the sector, but there was insufficient funding available. The department considers this shows the indicative scale of additional projects that could be funded in the future that would have an overall net benefit.

Project Category	Number of projects not funded	Total \$ sought (GST inc)
Education, Information & training	2	\$67,562
Access & Facilities	9	\$887,076
Research	6	\$518,084
Sustainability & Habitat Improvement	6	\$784,515
Total	23	\$2,257,237

STATUTORY RULES 2016

S. R. No. /2016

Fisheries Act 1995

Fisheries and Fisheries (Fees, Royalties and Levies) Amendment (Recreational Fishery Licence) Regulations 2016

The Governor in Council makes the following Regulations:

Dated:

Responsible Minister:

JAALA PULFORD

Minister for Agriculture

Clerk of the Executive Council

Part 1 - Preliminary

1 Objectives

The objectives of these Regulations are –

- (a) to amend the Fisheries Regulations 2009—
 - (i) to provide further in relation to exemptions from the requirement to hold a recreational fishery licence under the **Fisheries Act 1995**; and
 - (ii) to insert offences in relation to recreational fishery licences; and
- (b) to amend the Fisheries (Fees, Royalties and Levies) Regulations 2008—
 - (i) to amend the application fee for a group recreational fishery licence; and
 - (ii) to amend the levies payable for recreational fishery licences; and
 - (iii) to provide for reduced levies for certain recreational fishery licences.

2 Authorising provisions

These Regulations are made under sections 151A and 153 of the **Fisheries Act 1995**.

3 Commencement

(1) These Regulations, except Division 2 of Part 3, come into operation on 1 July 2016.

(2) Division 2 of Part 3 of these Regulations comes into operation on 1 July 2017.

Part 2 – Amendments to the Fisheries Regulations 2009

4 Exemptions from requirement to hold recreational fishery licence

For regulation 66(2) of the Fisheries Regulations 2009¹ **substitute—**

“(2) In this regulation—

Senior’s Card means—

- (a) a Victorian Senior’s Card issued by the Victorian Government, other than a Senior’s Business Discount Card issued by the Victorian Government; or
- (b) a Senior’s Card issued by the Government of another State or a Territory.”.

5 New regulation 67B inserted

In Division 4 of the Fisheries Regulations 2009, before regulation 68 **insert—**

“67B Definition

In this Division *authorised person* means a person authorised by the Secretary to issue a recreational fishery licence under section 45(2) of the Act.”.

6 New regulations 69AA and 69AAB inserted

After regulation 69 of the Fisheries Regulations 2009 **insert—**

“69AA Offence to fail to return unissued recreational fishery licences

- (1) The Secretary may, in writing, request an authorised person to return any unissued recreational fishery licences given to the person by the Secretary.
- (2) An authorised person must comply with a request under subregulation (1) within 14 days after receiving the request.
Penalty: 20 penalty units.

69AAB Offence to issue recreational fishery licence with incorrect date and time

An authorised person must not issue a recreational fishery licence that specifies a date or time which is before the date on which, or the time at which, the licence was issued.

Penalty: 20 penalty units.”.

Part 3-Amendments to the Fisheries (Fees, Royalties and Levies) Regulations 2008

Division 1-Fees and levies for 1 July 2016 to 30 June 2017

7 Fees payable for group recreational fishery licences

- (1) In the heading to regulation 24 of the Fisheries (Fees, Royalties and Levies) Regulations 2008², after “for” insert “group”.
- (2) In regulation 24(1) of the Fisheries (Fees, Royalties and Levies) Regulations 2008 for “\$24.50” substitute “\$35”.

8 Levies payable for recreational fishery licences

- (1) For regulation 25(2) of the Fisheries (Fees, Royalties and Levies) Regulations 2008 substitute—
 - “(2) For the purposes of section 151(1) of the Act, the following levies are prescribed—
 - (a) for a recreational fishery licence with a duration of 3 years, \$95;
 - (b) for a recreational fishery licence with a duration of 1 year, \$35;
 - (c) for a recreational fishery licence with a duration of 28 days, \$20;
 - (d) for a recreational fishery licence with a duration of 3 days, \$10.
 - (2A) Despite subregulation (2)(a) and (b), the levy prescribed for the purposes of section 151(1) of the Act for a recreational fishery licence that is applied for online through the website administered by the Department of Economic Development, Jobs, Transport and Resources is—
 - (a) for a recreational fishery licence with a duration of 3 years, \$90;
 - (b) for a recreational fishery licence with a duration of 1 year, \$33.”.
 - (2) In regulation 25(3) and (4) of the Fisheries (Fees, Royalties and Levies) Regulations 2008, for subregulation (2), substitute “subregulation (2) or (2A)”.

Division 2-Fees and levies from 1 July 2017

9 Fees payable for group recreational fishery licences

- In regulation 24(1) of the Fisheries (Fees, Royalties and Levies) Regulations 2008² for “\$35” substitute “2.51 fee units”.

10 Levies payable for recreational fishery licences

(1) In regulation 25(2) of the Fisheries (Fees, Royalties and Levies) Regulations 2008—

- (a) in paragraph (a) for “\$95” **substitute** “6.8 fee units”;
- (b) in paragraph (b) for “\$35” **substitute** “2.51 fee units”;
- (c) in paragraph (c) for “\$20” **substitute** “1.43 fee units”;
- (d) in paragraph (d) for “10” **substitute** “1 fee unit”.

(2) In regulation 25(2A) of the Fisheries (Fees, Royalties and Levies) Regulations 2008—

- (a) in paragraph (a) for “\$90” **substitute** “6.44 fee units”;
- (b) in paragraph (b) for “\$33” **substitute** “2.36 fee units”.

ENDNOTES

¹ Reg.4: S.R. No. 2/2009 Reprint No. 1 as at October 2013. Reprinted to S. R. No. 18/2013. Subsequently amended by S. R. Nos. 168/2013, 5/2014, 96/2014 and XX/2016.

² Reg.7(1): S. R. No. 4/2008. Reprint No. 1 as at 1 April 2014. Reprinted to S. R. No. 5/2014. Subsequently amended by S. R. No. 96/2014, 12/2015 and XX/2016