
Review of the Victorian Recreational Fishing Peak Body

December 2020

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Chair of the VRFish Review Steering Committee



Introduction

This report provides a summary of the outcomes of the VRFish Review Working group. This working group was set up in October 2020 following recommendations in the 2019 review of the Victorian recreational fishing licensing system. This review identified concerns amongst recreational fishing stakeholders that VRFish may not be effectively and efficiently advocating for, and representing, the Victorian fishing community. The review recommended a more intensive review of VRFish should be undertaken in 2020 with the aim of ensuring that the organisation broadly consults with the wider recreational fishing community in providing advice to government and advocating for the sector.

Following 7 meetings of the VRFish Review Working group, a number of recommendations have been prepared. This report summarises these recommendations for consideration by both VRFish and government.

Background

The Victorian Recreational Fishing Peak Body Ltd (VRFish) is the representative body that advocates for, and represents, recreational fishers in Victoria. VRFish was established in 1995, after a Parliamentary Committee recommended that a peak body be set up to be the voice of a recreational fishing sector. VRFish members include representation from regional, metropolitan, inland, marine & all age groups and cultural backgrounds that take advantage of recreational fishing in Victoria. It is a not for profit organisation that is funded annually with \$500,000 grant from Victorian Recreational Fishing Licence (RFL) revenue that is provided under a 4-year agreement with the State of Victoria (Appendix 1). VRFish also has the capacity to apply for state and federal funds to support projects that align with the VRFish Strategic Plan (Appendix 2).

In 2019, the Victorian Fisheries Authority (VFA) commissioned Marsden Jacob Associates to undertake a review of the Victorian recreational fishing licensing system. The report (Appendix 3) identified concerns amongst recreational fishing stakeholders that VRFish may not be effectively and efficiently advocating for, and representing, the Victorian fishing community. The 2019 review recommended a more intensive review of VRFish should be undertaken in 2020 with the aim of ensuring that the organisation broadly consults with the wider recreational fishing community in providing advice to government and advocating for the sector. This report summarises the findings of the 2020 review.

A small working group with an independent chair was set up in October 2020 to evaluate how effectively VRFish represents, and advocates, for recreational fishers in Victoria. The first task for the group was to develop a Terms of Reference (Appendix 4) that was agreed upon and used to guide discussion in the seven meetings held via a video conferencing platform.

An online survey was conducted by the VFA and distributed to a broad spectrum of Victorian recreational fishers and stakeholders over a two-week period from 27

October to 10 November 2020. The survey asked a series of questions seeking feedback on whether the general fishing public believe their aspirations, values and voices are heard and considered by VRFish when providing advice to the Government.

Almost 2900 responses were received, and this information provided valuable insights to inform the review. The results of the survey (Appendix 5) assisted the working group to consider those areas requiring change to better deliver VRFish priorities of advocacy, consultative arrangements and representation of Victorian recreational fishers.

Throughout the process views within the group were divided and the value of membership came under question by two members of the VRFish Review Working Group. As a result, Terry George from the Australian Trout Foundation and David Kramer from Future Fish Foundation decided to leave the group at the 6th meeting. They have prepared recommendations of their own and these are attached as Appendix 6. All contributions have been considered by the Chair and VFA through the working group process.

Recommendations

The following findings and recommendations were agreed upon at the final meeting of the working group on 17 December. This meeting was not attended by David Kramer or Terry George who had previously decided to resign from the working group.

Governance and accountability

Recent efforts by VRFish to improve diversity on the Board and turnover of membership tenure were noted. Diversity and regular, staged renewal of Boards leads to better governance, decision making and policy outcomes. It is noted that VRFish have recently established a Governance Nomination Committee to oversee that governance of fairness and transparency are integral through the nomination process. The working group agreed that further reform is needed regarding VRFish Board membership. For example, several current Board members have been on the Board for 10-15 years and gender balance needs addressing.

Recommendation 1

Amend the Board constitution through consultation and support from VRFish members to reflect best practice Australian Institute Company Director guidelines (Appendix 7). It is recommended that 3 directors are appointed, and 6 directors are voted in by members in 2021.

Recommendation 2

Address gender balance on the Board by providing improved opportunities for members of the Women In Recreational Fishing (WIRF) network to be appointed.

Recommendation 3

Ensure Directors do not specifically represent organisations but rather have interests across a range of different fisheries, expertise/skills and culturally diverse backgrounds and/or regions of Victoria.

Advocacy

VRFish has had staff/personnel changes in the second half of 2020. As a result, a new advocacy position has been created and appointed on a full-time basis.

Recommendation 4

Continue to provide regional representation and advocacy that is inclusive and representative of regional fishers and groups. This should be done through a formalised structure which has regional leadership with direct linkage to advocacy and policy making processes. As an example, leadership within internal VRFish reference groups.

Recommendation 5

Ensure greater and continued emphasis on advocacy campaigns to support recreational fishing and protect the sector from threats to fishing and that align with the VRFish Strategic Plan objectives. Examples include southern bluefin tuna, intervalley transfers, animal welfare and multicultural fishing access.

Performance and Reporting

VRFish reporting against the current funding agreement is of a high standard as reported by the VFA.

Recommendation 6

Document specific and accountable key performance measures for both the organisation and reference groups that are reported to the VFA and to VRFish membership so it is clear that views and feedback from anglers are considered and integrated into advocacy and policies.

Recommendation 7

Actively engaged with the VFA in developing policy, management and advocacy priorities for VRFish to consider when it develops and implements its annual business plan. These will help VRFish priorities and the VFA strategic direction to align.

Funding and expenditure

VRFish has managed its financial resources conservatively over the last two financial years. Some of this has been due to staffing levels and maternity leave of past staff.

Recommendation 8

The VRFish budget has a defined allocation of funds for advocacy programs from its existing budget to ensure its core work is effectively resourced. A target of fifty percent of annual grant funds is to be spent externally i.e. outside staffing, operations and Board support. In addition, 10-30% of grant funds to contribute directly to advertising campaigns.

Recommendation 9

Should excess VRFish funds remain after the end of a financial year, VRFish and the VFA to convene and VRFish to consider returning a % of unused funds back to the RFL Trust. It is appropriate that VRFish maintain a level of contingency funding for the next financial year, in the order of 8-12 weeks trading, as next funding cycles/instalment payment do not commence immediately upon each new financial year.

Recommendation 10

Ensure unspent core funds are used for core business such as advocacy and not projects such as leadership development or economic valuation studies. These projects are important but should be funded from other sources such as the RFL Trust, a separate VFA grant, and or the Fisheries Research Development Corporation.

Appendices

1. VRFish Grant agreement 2016-2020 and Grant Agreement Extension 2020-21
2. VRFish Strategic Plan 2020-24
3. Victorian Recreational Fishing Licence Review December 2019
4. VRFish Review Working Group Terms of Reference

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5. VRFish Review Summary of Survey Results
 6. Recommendations for VRFish Review 2020 provided by Future Fish Foundation and Australian Trout Foundation
 7. Australian Institute of Company Directors governance principles and tools

GRANT AGREEMENT: 2016/17 - 2019/20

The State of Victoria

through the

**Department of Economic Development, Jobs, Transport
and Resources**

and

**Victorian Recreational Fishing Peak Body Ltd
(trading as VRFish)**

ABN: 47 068 111 624

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Date

2020

The State of Victoria ("the State") through its Department of Economic Development, Jobs, Transport and Resources ("the Department")
1 Spring Street, Melbourne, Victoria, 3002

and

Victorian Recreational Fishing Peak Body Ltd (trading as VRFish)
ABN: 47 068 111 624
PO Box 538, Williamstown, Victoria, 3016

Background

- A. When the State collects money in the form of fees, levies or charges, the monies collected are deemed to belong to Government (on behalf of the people of Victoria). Government is required to demonstrate to the Parliament that such monies that are allocated to an organisation are spent in an effective and appropriate manner.
- B. The portfolio agency responsible for the State's fisheries issues recreational fishing licences and group recreational fishing licences under s 45 and s 46, respectively, of the *Fisheries Act 1995* (Vic) (**the Act**).
- C. Section 151B(2) of the Act requires that levies and application fees received in respect of recreational fishery licences are paid into the Recreational Fishing Licence Trust Account established by the Minister pursuant to s 151B (1) of the Act (**Trust Account**).
- D. Section 151(3) (a) of the Act provides that amounts determined by the Minister may be paid out of the Trust Account for the improvement of recreational fishing.
- E. The Minister has determined to pay funding to VRFish from the Trust Account, subject to the terms and conditions set out in this agreement and schedules.
- F. The State of Victoria and the Minister responsible for the Act (**Minister**) require the application of efficient and effective governance arrangements and business practices in relation to the expenditure of Grant raised under the Act.
- G. The Department, through Fisheries Victoria, is responsible for the implementation of the Act, the objectives of which (**Objectives**) are to:
 - (a) provide for the management, development and use of Victoria's fisheries, aquaculture industries and associated aquatic biological resources in an efficient, effective and ecologically sustainable manner;
 - (b) protect and conserve fisheries resources, habitats and ecosystems including the maintenance of aquatic ecological processes and genetic diversity;
 - (c) promote sustainable commercial fishing and viable aquaculture industries and quality recreational fishing opportunities for the benefit of present and future generations;
 - (d) facilitate access to fisheries resources for commercial, recreational, traditional and non-consumptive uses;

- (e) promote the commercial fishing industry and to facilitate the rationalisation and restructuring of the industry;
 - (f) encourage the participation of resource users and the community in fisheries management.
- H. The Minister has agreed to make a grant of funds to VRFish subject to the Objectives and s.151 of the Act, and subject to the terms and conditions set out in this agreement. The purpose of the Agreement is to ensure the provision of effective and efficient governance arrangements that enable the Minister and the Secretary of the Department (or delegate) to be satisfied that their public accountabilities for the collection, provision and expenditure of recreational fishery licence revenue will be met.
- I. The parties to this agreement have agreed to act in good faith in respect to their obligations under this agreement.

1. Definitions and Interpretation

1.1 Definitions

In this agreement, unless the context otherwise requires:

Act means the *Fisheries Act 1995* (Vic).

Agreement means this agreement and includes any schedules to it and any documents incorporated by reference.

Annual Budget means the annual budget prepared by VRFish in the form set out in Attachment 1 and in accordance with Schedule 4.

Annual Business Plan means the Annual Business Plan prepared by VRFish in accordance with Schedule 4.

Assets means all assets and equipment (including, without limitation, any intellectual property) purchased or leased partly or wholly with Grant funds.

Grant means the funds to be provided under this agreement and described in Schedule 1 item 3.

Grant Payment Plan means the plan set out in Schedule 3 and updated in accordance with this agreement, which specifies the Grant instalments, the dates on which the Grant instalments will be paid and the conditions precedent to payment of a Grant instalment.

Grant Period means a financial year, for example 1 July 2016 to 30 June 2017.

GST, Tax Invoice, Recipient Created Tax Invoice, and Taxable Supply where used in this agreement have the same meaning as in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and, for the purposes of this agreement, **Taxable Supply** means VRFish's obligations under this agreement.

Law means

- (a) common law; and
- (b) Commonwealth, Victorian and local government legislation, regulations, by-laws and other subordinate legislation.

Milestone Date means a milestone date set out in the Grant Payment Plan.

Minister means the Minister responsible for fisheries or her/his nominee acting on behalf of the State.

Objectives means the objectives set out in section 3 of the Act.

Parties means severally the State and VRFish.

Performance Requirement means a performance requirement set out in the Grant Payment Plan.

State means the Crown in right of the State of Victoria.

State's Representative means the person whose name and contact details are specified in Item 2 of Schedule 1.

Term means the period set out in clause 2 of this Agreement.

VRFish means Victorian Recreational Fishing Peak Body Ltd.

VRFish Outcomes means the outcomes set out in Schedule 2.

VRFish's Representative means the person whose name and contact details are specified in Item 1 of Schedule 1, or a delegate.

1.2 Interpretation

In this agreement, unless the context otherwise requires:

- (a) this Agreement, or any document referred to in this Agreement, includes any variation or replacement of any of them;
- (b) a Law includes subordinate legislation, consolidations, amendments, re-enactments, and replacements of it;
- (c) the singular includes the plural and vice versa;
- (d) a reference to a Party or a person includes the executors, administrators, successors and permitted assigns of that Party or person;
- (e) a reference to an individual or person includes a corporation, partnership, joint venture, association, governments, local government authorities and agencies;
- (f) the term 'include' in any form is not a word of limitation;
- (g) 'dollars' or '\$' refers to Australian currency;
- (h) a reference to a background recital, clause, schedule or annexure is a reference to a background recital, clause, schedule or annexure to this agreement, each of which forms part of this agreement; and
- (i) where a word or phrase is defined its other grammatical forms have corresponding meanings.

1.3 Inconsistency

If there is any conflict or inconsistency between the terms and conditions contained in the clauses of this Agreement and any part of any Schedule, then the terms and conditions of the clauses will prevail to the extent of the inconsistency.

1.4 Headings

Headings are for guidance only and do not affect the interpretation of this Agreement.

2. Term of Agreement

This Agreement commences on execution of the Agreement and ends on the date when all reports required to be submitted under this Agreement have been provided to the State.

3. Purpose of Grant

Subject to this Agreement, the State will support grants to VRFish to deliver the Outcomes as set out in Schedule 2 of this Agreement.

4. Annual Business Plan and Annual Budget

- (a) In accordance with the timelines specified at Schedule 3, VRFish must provide the State's Representative with an Annual Business Plan, including an Annual Budget, in the form set out in Schedule 4.
- (b) If the State is of the reasonable opinion that the Annual Business Plan or the Annual Budget are in any respect inconsistent with or not calculated to meet the State's expectations and requirements as set out in Schedule 4, the State will notify VRFish within 10 days of receiving the draft documents and the parties will consult together with a view to making any amendments to the Annual Business Plan or Annual Budget required to align the Annual Business Plan and/or the Annual Budget with the State's expectations and requirements as set out in Schedule 4.
- (c) Without limiting clause 7, if the Annual Business Plan or the Annual Budget proposes not to expend all of the quantum of the Grant in a Grant Period, VRFish must obtain the approval of the State to carry over any unexpended quantum of the Grant in excess of \$50,000 to the next Grant Period, which approval can be given or withheld in the State's absolute discretion.

5. Payment of Grant

5.1 Payment

- (a) Subject to the State being satisfied of VRFish's compliance with this Agreement, Grant payments shall be made to VRFish in accordance with the Grant Payment Plan and within 30 days of receipt by the State of a Tax Invoice from VRFish; and
- (b) Tax Invoices shall be issued on or about the dates set out in the Grant Payment Plan.

5.2 Conditions of payment

Without limiting clause 4, Grant payments are conditional upon:

- (a) VRFish meeting all Performance Requirements by the Milestone Dates outlined in the Grant Payment Plan; and
- (b) the State being satisfied with the Performance Requirements delivered by VRFish under the Grant Payment Plan.

6. Dates for Compliance

The State may, in its absolute discretion, extend the dates for compliance specified in the Grant Payment Plan.

7. Application of Grant and Excess Grant Funds

7.1 Application of Grant

VRFish must use the Grant in accordance with clause 3 of this Agreement and not for any other purpose, including, without limitation:

- (a) to meet debts, liabilities or obligations that relate to the period prior to the signing of this Agreement;
- (b) as security for any form of finance;
- (c) to obtain legal advice other than which is reasonably necessary to deliver the purposes of the Grant under clause 3; or
- (d) to fund legal proceedings against third parties, including the State,

unless otherwise agreed in writing by the State, which agreement can be given or withheld in its absolute discretion.

7.2 No further Grant

VRFish acknowledges and agrees that:

- (a) the Grant provided by the State as outlined in the Grant Payment Plan constitutes the full extent of the Grant to be made available to VRFish from the State under this Agreement.

7.3 Suspension of Grant Payments

- (a) The State may withhold or suspend any payment of the Grant, in whole or in part, if the State forms the reasonable opinion that VRFish has not met its obligations under this Agreement.
- (b) Without limiting clause 7.3 (a), the State may withhold or suspend a Grant payment in whole or in part, if at the due date for the payment, VRFish has not expended all of the quantum of the Grant in a Grant Period in accordance with the Annual Business Plan or the Annual Budget and cannot outline a reasonable course of action for the expenditure of Grant previously received under this Agreement.

8. Repayment of Grant

- (a) If:
 - (i) at any time the State forms the reasonable opinion that any Grant payment cannot, by reconciliation between the accounts and records maintained by VRFish, be shown to the reasonable satisfaction of the State to have been spent or committed in accordance with this Agreement; or
 - (ii) at any time the State forms the reasonable opinion that any Grant payment has been used, spent or committed by VRFish other than in accordance with this Agreement;the State may by written notice to VRFish require VRFish to repay that part of the Grant and VRFish must repay to the State the amount set out in the notice, within 28 days of receipt of the notice.
 - (b) If VRFish fails to repay the Grant in accordance with a notice issued under clause 8(a), the amount set out in the notice will be recoverable by the State as a debt due to the State by VRFish.
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- (c) The operation of this clause 8 survives the expiration or earlier termination of this Agreement.

9. GST

Each instalment of the Grant provided to VRFish under this Agreement shall be increased by an amount equal to any GST payable with respect to the Taxable Supply for which the payment is made.

10. State Requirements

VRFish shall have regard to any requirements communicated to it by the State's Representative in relation to the use of the Grant and shall comply with all reasonable directions of the State's Representative having regard to the purpose of the Grant and VRFISH's resources.

11. Publication of Grant

The State may include the name of VRFish and the amount of the Grant in any report prepared by the State on VRFish and/or its performance under this Agreement.

12. Accounts and Records

VRFish must:

- (a) ensure appropriate accounting processes and controls are applied to the Grant payments made to VRFish by the State under this Agreement; and
- (b) keep separate and complete records, and account for, all Grant payments made to VRFish by the State under this Agreement, as required by any applicable Law, including all quotations, invoices and receipts in relation to this Agreement.

12.1 Written Reports and Statements

VRFish must:

- (a) provide the State's Representative, on or prior to the dates specified in the Grant Payment Plan, with the written reports and statements specified in Schedule 4; and
- (b) comply with the financial reporting and certification requirements (if any) specified in Schedule 4.

12.2 Notification of any changes

VRFish must notify the State's Representative immediately if VRFish:

- (a) becomes aware of any change to the organisational structure of VRFish, including composition of the Board or changes in senior personnel;
 - (b) becomes aware of any significant financial or other significant event likely to adversely affect the satisfactory application of a Grant payment under this Agreement;
 - (c) becomes or takes any steps towards becoming bankrupt;
 - (d) attempts to enter into any composition or arrangement with creditors;
 - (e) takes any steps towards entry into liquidation whether voluntary or compulsory (save for the purposes of amalgamation or reconstruction);
 - (f) has a Receiver or Manager appointed to the whole or any part of its/their undertakings;
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- (g) becomes aware of any servant, agent or employee of VRFish being found guilty of misconduct in relation to the application of Grant payment under this Agreement; or
- (h) proposes any change to its Constitution.

12.3 Notice by State

The State will promptly notify VRFish of any issues of which it is aware, which could adversely impact on the performance of VRFISH of its obligations under this Agreement.

12.4 Amendments to a report or statement

If the State is of the reasonable opinion that any written report or statement is in any respect inconsistent with or not calculated to meet the State's expectations and requirements as set out in Schedules 2 and 4, the State will notify VRFish within 10 days of receiving the report or statement and consult with VRFish, with a view to making any amendments to the report or statement required to align the report or statement with the State's expectations and requirements as set out in Schedules 2 and 4.

13. State Directions

The State may, following receipt of a report under Schedule 3, give a direction to VRFish as to its accounting practices and/or expenditure of a Grant payment made under this Agreement. Such a direction shall be reasonable and consistent with Australian accounting standards, the Objectives and this Agreement.

14. Termination

14.1 Termination without fault

- (a) This Agreement may be terminated by either party at any time on giving the other party sixty (60) days written notice of a termination date.
- (b) The party electing to terminate this Agreement under clause 14.1 will pay the reasonable costs (other than loss of profit or income) necessarily incurred and substantiated by the non-terminating party that arise directly from the termination. The non-terminating party will use its best efforts to minimise any such costs arising from termination.
- (c) The total amount payable by the State to VRFish, if any, on termination of this agreement under clause 14.1 will not exceed the total amount of the Grant that would have been payable under the Agreement had it not been terminated, less any amount already paid under the Agreement.
- (d) Subject to clause 14.1(b) and (c) the State is not obliged to pay any outstanding portion of the Grant (if any) and may recover from VRFish any unspent portion of the Grant at the termination date.

14.2 Termination by the State

- (a) The State may, at any time without notice (except as otherwise stated) terminate this Agreement if VRFish:
 - (i) becomes or takes any step towards becoming bankrupt or enters or attempts to enter into any composition or arrangement with creditors or being a company enters or takes any step towards entry into liquidation, whether voluntary or compulsory (save for the purposes of

amalgamation or reconstruction) or has a Receiver or Manager appointed to the whole or any part of its undertaking; or

- (ii) is in default of any term of this Agreement and such default remains unremedied after thirty days' written notice specifying the default has been given by the State to VRFish; or
 - (iii) amends its Constitution without prior consultation with the State.
- (b) In addition to the rights of the State under clause 8, the State may also terminate this Agreement at any time without notice if:
- (i) at any time the State forms the reasonable opinion that any Grant payment cannot, by reconciliation between the accounts and records maintained by VRFish be shown to the reasonable satisfaction of the State to have been spent or committed in accordance with this Agreement; or
 - (ii) at any time the State forms the reasonable opinion that any Grant payment has been used, spent or committed by VRFISH other than in accordance with this Agreement.

14.3 No further obligation to pay Grant

Where this Agreement is terminated by the State under clause 14.2, the State:

- (a) shall not be obliged to pay VRFish any outstanding portion of the Grant (if any);
- (b) may recover from VRFish any unspent portion of the Grant; and
- (c) will take into account payments due to be paid by VRFish under contracts entered into by VRFish with third parties that are consistent with this Agreement in exercising its discretion under clause 14.3(a) and (b).

15. Dispute Resolution

15.1 Dispute Notice

- (a) A Party claiming that a dispute or disagreement has arisen under this Agreement must give a notice of dispute to the other Party, specifying the nature of the dispute.
- (b) A notice of dispute may be withdrawn at any time by the Party giving such notice.

15.2 Good Faith Discussions

Within 10 business days of the date of issue of the notice of dispute the Parties must enter into good faith discussions in an attempt to resolve the issues between them.

15.3 Referral to the Secretary

- (a) If the Parties have not resolved the dispute within 20 business days of the date of issue of the notice of dispute, either Party may refer the dispute to the Secretary for the time being of the Department of Economic Development, Jobs, Transport and Resources in the State.
- (b) The parties acknowledge and agree that the Secretary:
 - (i) will appoint an independent person in consultation with VRFish to assist the Secretary resolve the dispute, with the cost of such an appointment to be shared equally between the parties;

- (ii) may provide written directions to the Parties as to the resolution of the dispute which will be final and binding on the Parties; or
- (iii) may make such other decision as the Secretary considers appropriate, including referring the Parties to mediation.

15.4 Performance of Obligations

Notwithstanding the existence of a dispute, the Parties will continue to perform their obligations under this agreement.

16. Privacy, data protection and protected disclosures

16.1 Privacy

- (a) VRFish is bound by the Information Privacy Principles contained in the *Privacy and Data Protection Act 2014* (Vic) (PDP Act) and any applicable code of practice made under the PDP Act when performing its obligations under this Agreement in the same way and to the same extent that the Department would be bound if the Department were to perform VRFish's obligations under this Agreement.
- (b) In performing this Agreement, VRFish must:
 - i. collect, hold, use, manage, disclose and transfer Personal Information and Health Information obtained, only for the purposes of meeting its obligations under this Agreement and in accordance with the PDP Act and the *Health Records Act* (HR Act) (as applicable);
 - ii. not to do anything that would breach a Health Privacy Principle contained in the HR Act or an Information Privacy Principle contained in the PDP Act;
 - iii. comply with the HR Act and any applicable code of practice made under the HR Act;
 - iv. comply with the PDP Act and any applicable code of practice made under Division 3 of Part 3 of the PDP Act;
 - v. comply with any applicable direction, guideline, determination or recommendation made by the Victorian Commissioner for Privacy and Data Protection or the Victorian Health Services Commissioner; and
 - vi. unless VRFish is excluded from the operation of the PDP Act by s 84(2) of that Act:
 - not act or engage in any practice that contravenes a protective data security standard issued by the Victorian Commissioner for Privacy and Data Protection under s 86 of the PDP Act in respect of Public Sector Data collected, held, used, managed, disclosed or transferred by VRFish for the Department; and
 - comply with any provision of a protective data security plan developed by the Department under the PDP Act that applied to VRFish.
- (c) VRFish must also:
 - i. make sure that any person (including any subcontractor) who may deal with Personal Information, Health Information or Public Sector Data on behalf of VRFish in relation to this Agreement is made aware of the obligations in this clause 16;

- ii. immediately notify the Department if VRFish becomes aware of a breach, or possible breach, of any of the obligations in clause 16.1(b), by VRFish, or any person acting for or on behalf of VRFish (including any subcontractor) in relation to this Agreement; and
- iii. make sure that any Subcontract it enters into imposes the obligations in this clause 16.1 on the subcontractor.

16.2 Protected Disclosure Act

If the *Protected Disclosure Act 2012* (Vic) applies to VRFish, VRFish agrees to comply with and be bound by the provisions of that Act.

17. Confidentiality of Agreement

17.1 Permitted disclosure by VRFish

VRFISH must not, without the prior written consent of the State, disclose information regarding this Agreement to third parties except where:

- (a) under this Agreement it is necessary in order for VRFish to carry out its obligations or otherwise permitted;
- (b) required by any Law or court;
- (c) the information is already in the public domain;
- (d) the disclosure is to professional advisors under a duty of confidentiality; or
- (e) the disclosure is necessary for the registration or recording of documents where required.

17.2 Disclosure by the State

VRFish acknowledges and agrees that the State may be required to disclose information regarding this Agreement and/or VRFish:

- (a) under a Law;
- (b) to a court; or
- (c) to the Victorian Parliament including parliamentary committee.

17.3 Assistance by VRFish

VRFish must use all reasonable endeavours to assist the State in meeting its disclosure obligations under clause 17.2 and under any Law.

17.4 Survival

The operation of this clause 17 survives the termination of this Agreement.

18. Indemnity and Insurance

18.1 Indemnity by VRFish

VRFish must indemnify the State and its officers and employees (**Indemnified Party**) against all claims, loss (including any direct, indirect or consequential loss), liabilities or expenses (including legal costs) which any Indemnified Party suffers directly or indirectly as a result of any of the following:

- (a) the personal injury or death of any person arising out of an act or omission of VRFish or any of its employees;

- (b) loss of or damage to any property arising out of an act or omission of VRFISH or any its employees;
 - (c) a breach by VRFish of any of its obligations under this Agreement; or
 - (d) any negligent act or failure to act by VRFish or any of its employees;
- except to the extent that any such liability, loss, damage, claim, action or expense is directly attributable to the negligence of the Indemnified Party.

18.2 Insurance

VRFish must during the Term effect and maintain, and must ensure that any agent or contractor engaged by VRFish effects and maintains full levels of insurance cover relating to activities carried out by VRFish or its agent or contractor (as the case may be) under or in connection with this agreement including the insurance cover specified in Item 4 of Schedule 1. VRFish must provide copies of insurance certificates of currency with respect to its own insurance and the insurance of its relevant agents and contractors (if any), including details of limits on cover, to the State's Representative at or before payment of the first Grant instalment and thereafter, annually, upon request.

19. Status of VRFish

VRFish shall not, by virtue of this Agreement, be deemed to be an agent, contractor or partner of the State, or as having any power or authority to bind or represent the State.

20. Assignment

This Agreement, or any part of it, shall not be assigned by VRFish without the prior written consent of the State which consent may be withheld at the State's absolute discretion.

21. Notices

21.1 Giving a notice

A notice given under this Agreement must be in writing, addressed to the State's Representative or VRFish's Representative as the case may be, signed by or on behalf of the Party giving it, and may (in addition to any other method permitted by law) be hand delivered or sent by pre-paid post, pre-paid courier, facsimile or electronic mail.

21.2 Time of Delivery

A notice takes effect from the time it is received, unless a later time is specified in it. A notice will be deemed to have been received by a Party:

- (a) in the case of delivery in person or by courier, when delivered;
 - (b) in the case of delivery by post, on the second business Day after posting;
 - (c) in the case of facsimile transmission, on production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient; and
 - (d) in the case of electronic mail, on the day of transmission if the message is correctly addressed to and successfully transmitted to the receiving Party's electronic mail address and an acknowledgement of receipt is recorded on the sending Party's computer.
-

21.3 After hours communication

If any notice or document is delivered or deemed to be delivered:

- (a) after 5.00pm in the place of receipt; or
 - (b) on a day which is a Saturday, Sunday or public holiday in the place of receipt,
- it is taken as having been delivered at 9.00am on the next day which is not a Saturday, Sunday or public holiday in that place.

22. Governing law and jurisdiction

This agreement is governed by the laws of the State of Victoria. The Parties irrevocably and unconditionally submit to the jurisdiction of the courts of Victoria.

23. General

23.1 Entire Agreement

This Agreement records the entire agreement between the Parties as to its subject matter.

23.2 Variation

- (a) The State may, in writing, vary this Agreement to address any financial directions by the Treasurer under the *Financial Management Act 1994* and any other relevant policy guidelines.
- (b) Except as otherwise provided by this Agreement, the Parties must give written consent to any variation to the Agreement and a Party must give the other Party 28 days' written notice of a proposed variation to the Agreement.

23.3 Waiver

- (a) A single or partial exercise or waiver by a Party of a right provided by law or under this Agreement does not prevent any other exercise of that right or the exercise of any other right.
- (b) A waiver by a Party of a right under this agreement is only effective and binding on that Party if it is in writing and signed by the Party.

23.4 Compliance

VRFish must, in performing its obligations under this Agreement, comply with all applicable Laws.

23.5 Severability

Any provision of this Agreement which is invalid or unenforceable shall be read down, if possible, to be valid and enforceable. Where that provision cannot be read down it shall, to the extent that it is capable, be severed without affecting the remaining parts of the Agreement.

23.6 Stamp Duty

VRFish shall pay any stamp duty and any other duties and costs payable in connection with the funding and this Agreement.

.....

Luke Wilson
Lead Deputy Secretary, Agriculture and Resources

.....
(Signature of Witness)

.....
(Name of witness)

Executed by VRFish
ABN 47 068 111 624
in accordance with Section 127 of the
Corporations Act 2001

Signature of director/secretary

Name of director/secretary (print)

Signature of director/secretary

Name of director/secretary (print)

Schedule 1

1. VRFish's Representative (Clause 1.1)

Title: Chair VRFish

Address: VRFish
PO Box 538, Williamstown, Victoria, 3016

Telephone: (03) 9397 6318

2. State's Representative (Clause 1.1)

Title: Lead Deputy Secretary, Agriculture and Resources

Address: Department of Economic Development, Jobs, Transport and Resources
GPO Box 4509, Melbourne, VICTORIA, 3002

Telephone: (03) 9658 4636

Facsimile: (03) 9658 4472

3. Grant (Clause 1.1)

The amount of Grant for each financial year during the Term will be the total amount set out in the Annual Budget for that financial year, up to a maximum amount of \$447,600 (exclusive of GST), the maximum amount to be adjusted annually in accordance with the relevant consumer price index contained in the Victorian Government Budget Papers for that financial year.

4. Insurance Cover (Clause 18.2)

- (a) public liability insurance covering VRFish or any of its employees for their legal liability for personal injury, loss of or damage to property to the value of \$10,000,000 (ten million dollars) per claim, or occurrence giving rise to a claim, in respect of activities undertaken under this agreement, where occurrence means either a single occurrence or a series of occurrences if these are linked or occur in connection with one another from one original cause, as the case may be; and
- (b) professional indemnity insurance covering VRFish or any of its employees for an amount of not less than \$5,000,000 (five million dollars) per claim and in the annual aggregate; and
- (c) any agent or contractor engaged by VRFish to carry out any activity under this agreement must effect and maintain full levels of insurance to the standards specified in items (a) and (b) above, for the full term of their engagement; and
- (d) workers' compensation insurance for an amount required by Victorian State legislation.

Schedule 2. Activities and responsibilities
VRFish Performance Management Framework

Table 1: Background information

<p>Introduction</p> <p>The following matrix has been designed to assist VRFish in demonstrating progress towards the achievement of expected outcomes for VRFish.</p> <p>The matrix is designed to be a 3-tiered hierarchy linking performance measures to the overall VRFish Goal. Completion of the lower order measures are seen to culminate in the achievement, or mark progress towards the achievement, of the overall VRFish Goal as defined below.</p> <p>Hierarchy of measures</p> <p>The VRFish Goal is subdivided into VRFish Outcomes. These VRFish Outcomes are further subdivided into Success Statements. Key Performance Measures are identified for each Success Statement. These measures are designed to enable VRFish to demonstrate progress towards meeting the VRFish Outcomes and the overall VRFish Goal.</p>

VRFish Goal	<p>Engage with the broader Victorian recreational fishing community in order to provide the government with timely, informed, referenced and representative advice in relation to both statutory and non-statutory fisheries and natural resource management matters that fully reflect the diversity of views of Victoria's recreational fishers, VRFish's members and the VRFish Board, and</p> <p>Encourage the adoption of sustainable recreational fishing and provide leadership for the recreational sector in fisheries management, including through advocacy with relevant government agencies that impact on recreational fishing.</p>
VRFish Outcomes	<p>The Minister for Agriculture has determined to pay funding to VRFish from the Recreational Fishing Licence Trust Account under the terms and conditions set out in this Grant Agreement, the funding to be applied by VRFish for the purposes of achieving the following outcomes; VRFish:</p> <ul style="list-style-type: none"> A. undertakes strategic and business planning B. gathers, compiles and represents the views of the broad recreational fishing community in its advice to government, particularly with regard to legislation, policy and regulation relevant to fisheries management C. encourages the adoption of sustainable and responsible recreational fishing practices by the broad recreational fishing community, consistent with government policy and legislation D. provides leadership in contributing to fisheries management, including encouraging and facilitating the participation of the broad recreational fishing community in these activities E. provides strategic and operational advice on, and initiatives which address issues that have potential to impact the quality of and/or participation in recreational fishing in Victoria F. delivers best practice governance and accountability in business operations G. demonstrates member and stakeholder support for undertaking the role outlined in this agreement H. efficiently administers VRFish in delivering the above outcomes.

Table 2: Key Performance measures

Outcomes	Success Statements	Key Performance Measures
A. VRFish undertakes strategic and business planning	(1) VRFish has an appropriate business planning process in place that enables it to deliver the outcomes outlined in this performance management framework.	(a) A strategic plan is in place within the first year of this agreement. The strategic plan should identify and document the high level vision, objectives and actions that encompass the VRFish Outcomes as set out in this Schedule. VRFish's activities, including through the actions in the Business Plan, must meet the performance management framework in this Grant Agreement.
B. VRFish gathers, compiles and represents the views of the broad recreational fishing community in its advice to government, particularly with regard to policy and legislation relevant to fisheries and natural resource management.	(2) VRFish explains how it has sought, evaluated and consolidated the diverse spectrum of views of recreational fishers when providing advice to government on specified issues, including addressing any significant divergent views.	(a) Provide an explanation, by representative sample, of the process and outcome of consolidation actions (<i>the method of combining the views of any number of distinct stakeholders or groups into a single statement of advice on an issue</i>). Record instances of consolidated advice provided.
	(3) VRFish effectively consults with the broad recreational fishing community in representing their views to government.	(a) A representative sample of consultations initiated by VRFish must be evaluated with the participants, specifically focused on: <ul style="list-style-type: none"> i. Participant's perceived level of satisfaction with their opportunity to contribute their views, and ii. Participant's view of the relevance of issues they are being consulted on (b) Provide evidence of steps taken over the reporting period to consult across the broad recreational fishing community, including with groups not strongly engaged by VRFish previously.

Outcomes	Success Statements	Key Performance Measures
	(4) VRFish responds to all requests for advice and/or comment from the Victorian Minister responsible for and her/his department (including for all relevant matters listed in Section 3A (2) of the <i>Fisheries Act</i> 1995) within the specified timeline, unless otherwise agreed between the parties.	a) Maintain a register of advice and/or comment provided and report this to the State's Representative (including in relation to each discrete Section 3A (2) decision element (a) – (k)), including the percentage of all responses provided within the specified timelines.
	(5) VRFish provides evidence that explains how it ensures the advice and comment it provides to government is clear and includes seeking and incorporating the breadth of views held within the recreational fisher community, as follows: <ul style="list-style-type: none"> • VRFish views at the Board, State Council and/or membership level • Region of the State in which the fishers reside and/or fish • Group or organisation to which the fishers belong • Age group • Disability classification • Gender • Cultural background. 	a) Provide evidence illustrating (for a representative sample of advice) how the diversity of views gathered from across the recreational fishing sector has been assessed, compiled and presented.
	(6) VRFish demonstrates progress in broadening the diversity of its membership (in relation to the broader recreational fishing community as outlined in Success Statement (5) above) of VRFish at the membership, affiliate and State Council delegate levels.	a) Provide evidence illustrating the specific measures VRFish has taken to increase the diversity of its membership, affiliates and State Council Delegates.

Outcomes	Success Statements	Key Performance Measures
	(7) VRFish ensures issues, actions taken and outcomes from its engagement with other Victorian Government agencies, Catchment Management Authorities, Local Governments, and the Australian Government and its agencies, or any other relevant entity, are reported in writing to the State's Representative in a timely manner.	a) Maintain a register of issues, actions and the outcomes achieved from engagement with agencies and other entities.
C. VRFish encourages the adoption of sustainable and responsible recreational fishing practices by the broad recreational fishing community, consistent with government policy and legislation.	(1) VRFish evaluates the effectiveness of the advice and/or information it provides to the broad recreational fishing community about sustainable and responsible recreational fishing.	<p>Undertake evaluation (at least two annually) of selected information provided to recreational fishers and report findings. The evaluations should assess:</p> <ul style="list-style-type: none"> a) The degree of consistency in alignment of advice or information on sustainable and responsible recreational fishing to government policy and regulations; and b) The effectiveness of the communication and engagement methods used (reach and impact).
D. VRFish provides leadership in contributing to fisheries management, including encouraging and facilitating the participation of the broad recreational fishing community in these activities.	(1) VRFish actively and constructively engages in government-led fisheries management processes (and takes active measures to include its constituency in such processes).	<ul style="list-style-type: none"> a) Demonstrate active engagement in formal fishery management plan development through membership of formal governance processes including but not limited to steering committees. b) Evidence of broad and constructive recreational fishing community contribution to VRFish's participation in fishery management plan development. c) Actively engage in all state-wide and regional recreational round table forums and actively promote the participation of its members in the regional forums. d) Evidence of broad and constructive recreational fishing community contribution to VRFish's participation in water and catchment management planning development.

Outcomes	Success Statements	Key Performance Measures
E. VRFish provides strategic and operational advice on, and initiatives which address issues that have potential to impact the quality of and/or participation in, recreational fishing in Victoria.	(1) Actively generate and provide reasoned strategic and operational advice to government on and undertake initiatives that will improve the recreational fishing experience in Victorian waters.	VRFish will provide a summary of: <ul style="list-style-type: none"> • advice provided to government, and • initiatives that have improved the recreational fishing experience in Victoria.
F. VRFish delivers best practice governance and accountability in business operations.	(1) VRFish demonstrates ethical and efficient corporate governance and reporting practices at all times.	Provide the following: <ul style="list-style-type: none"> a) Reports (through the Statement of Performance described in clause 4 of Schedule 4) on all activities undertaken by VRFish. b) Documentary evidence that funding provided through the Agreement is spent strictly in accordance with the activities documented in this agreement and detailed Annual Budget presented to the State's Representative at required intervals. c) An annual audit report on funding by an accredited, independent auditor to the State's Representative according to the timetable described in Schedule 3. d) A statement of assurance that VRFish members have at all times acted in accordance with the 'Code of Conduct' for VRFish delegates (if not - report number of contraventions, including circumstances and any resultant action).
G. VRFish demonstrates member and stakeholder support for undertaking its role as outlined in this	(1) VRFish provides assurance to government of member and general stakeholder support for the manner in which it undertakes its role under this agreement.	VRFish will collaborate with The Department to design a survey that will measure the general support of Victoria's recreational fishing community for the manner in which VRFish represents their interests. The Department will

Outcomes	Success Statements	Key Performance Measures
agreement		undertake this survey across a representative sample of recreational fishers drawn from the Recreational Fishing Licence membership database. The Department will provide the results to VRFish for review and analysis. This survey is to be completed in the third year of funding under this agreement.
H. VRFish efficiently administers its organisation in delivering the above outcomes.	(1) VRFish demonstrates it has appropriate organisational functional arrangements in place to deliver outcomes.	<p>a) Provide evidence that the organisational resources and capabilities are aligned to the actions and timelines described in the Annual Business Plan (for example an appropriate mix of staff, support systems and resources for policy development and analysis, project management, communications, engagement, records management, etc).</p> <p>b) Provide evidence of an appropriate annual employee performance management system.</p> <p>c) Provide evidence of appropriate staff training and capability development processes.</p>

Schedule 3. Grant Payment Plan

Year	Performance Requirements Documents to be presented by VRFish to the State's Representative (The documents presented must be of acceptable quality to the State's Representative)	Milestone Date	Grant Payment	Percentage of Total Grant Payments for the Year	Due Date for Payment if performance requirements and Milestone Dates met to the satisfaction of the State
2016-17	a. 1. The VRFish Annual Business Plan for 2016-17 (including an Annual Budget for 2016-17) 2. The current version of the 'Code of Conduct' for VRFish delegates.	1 July 2016	First Payment	90%	Within 30 days of receipt of a Tax Invoice from VRFish and receipt of acceptable documentation.
	b. The executed Grant Agreement.	1 July 2016			
	c. 1. The audited VRFish Annual Financial Report for 2015-16 2. A VRFish Board full year report to 30 June 2016 on performance against: <ul style="list-style-type: none">- the activities and responsibilities set out in Schedule 2 of previous Agreement.- the Annual Business Plan 2015-16, including a statement on any variations on the planned programs and expenditure.	31 August 2016			
	3. A Statement from the VRFish Board (signed by the Chairperson) that verifies VRFish's performance for the previous financial year (2015-16), as outlined in Schedule 4(2).				
	d. A VRFish Board progress report to 31 March 2017 on performance against: <ul style="list-style-type: none">- the Key Performance Measures as set out in Schedule 2, and- the Annual Business Plan 2016-17, including a statement on any variations on the planned programs and expenditure.	30 April 2017	Second payment	10%	As above.
	e. Draft VRFish Annual Business Plan for 2017-18 (including a draft Annual Budget for 2017-18).	1 June 2017			

2017-18	<p>a. The VRFish Annual Business Plan for 2017-18 (including an Annual Budget for 2017-18).</p> <p>b. 1. The audited VRFish Annual Financial Report for 2016-17</p> <p>2. A VRFish Board full year report to 30 June 2017 on performance against:</p> <ul style="list-style-type: none"> - the VRFish Key Performance Measures as set out in Schedule 2, and - the Annual Business Plan 2016-17, including a statement on any variations on the planned programs and expenditure. <p>3. A Statement from the VRFish Board (signed by the Chairperson) that verifies VRFish's performance for the previous financial year (2016-17), as outlined in Schedule 4(2).</p> <p>c. A VRFish Board progress report to 31 March 2018 on performance against:</p> <ul style="list-style-type: none"> - the VRFish Key Performance Measures as set out in Schedule 2, and - the Annual Business Plan 2017-18, including a statement on any variations on the planned programs and expenditure. <p>d. Draft VRFish Annual Business Plan for 2018-19 (including a draft Annual Budget for 2018-19).</p>	<p>1 July 2017</p> <p>31 August 2017</p>	First payment	90%	Within 30 days of receipt of a Tax Invoice from VRFish and receipt of acceptable documentation.
2018-19	<p>a. The VRFish Annual Business Plan for 2018-19 (including an Annual Budget for 2018-19).</p> <p>b. 1. The audited VRFish Annual Financial Report for 2017-18</p> <p>2. A VRFish Board full year report to 30 June 2018 on performance against:</p> <ul style="list-style-type: none"> - the VRFish Key Performance Measures as set out in Schedule 2, and - the Annual Business Plan 2017-18, including a statement on any variations on the planned programs and expenditure. 	<p>1 July 2018</p> <p>31 August 2018</p>	First payment	90%	Within 30 days of receipt of a Tax Invoice from VRFish and receipt of acceptable documentation.

	<p>3. A Statement from the VRFish Board (signed by the Chairperson) that verifies VRFish's performance for the previous financial year (2017-18), as outlined in Schedule 4(2).</p> <p>c. A design for a survey (to be agreed by State's Representative) for assessing recreational fishers' support for the manner in which VRFish undertakes its role under the Agreement.</p> <p>d. A VRFish Board presents the State's Representative with a progress report to 31 March 2019 on performance against:</p> <ul style="list-style-type: none"> - the VRFish Key Performance Measures as set out in Schedule 2, and - the Annual Business Plan 2018-19, including a statement on any variations on the planned programs and expenditure. <p>e. Draft VRFish Annual Business Plan for 2019-20 (including a draft Annual Budget for 2019-20).</p>	<p>28 February 2019</p> <p>30 April 2019</p> <p>1 June 2019</p>	<p>Second payment</p> <p>10%</p> <p>As above.</p>	
2019-20	<p>a. Annual Business Plan for 2019-20 (including an Annual Budget for 2019-20).</p> <p>b. 1. The audited VRFish Annual Financial Report for 2018-19</p> <p>2. A VRFish Board full year report to 30 June 2019 on performance against:</p> <ul style="list-style-type: none"> - the VRFish Key Performance Measures as listed in Schedule 2, and - the Annual Business Plan 2018-19, including a statement on any variations on the planned programs and expenditure. <p>3. A Statement from the VRFish Board (signed by the Chairperson) that verifies VRFish's performance for the previous financial year (2018-19), as outlined in Schedule 4(2).</p> <p>c. The VRFish Board presents the State's Representative with a progress report to 31 March 2020 on performance against:</p>	<p>1 July 2019</p> <p>31 August 2019</p> <p>30 April 2020</p>	<p>First payment</p> <p>Second payment</p> <p>10%</p> <p>As above.</p>	<p>Within 30 days of receipt of a Tax Invoice from VRFish and receipt of acceptable documentation.</p> <p>As above.</p>

	<ul style="list-style-type: none">- the VRFish Key Performance Measures as listed in Schedule 2, and- the Annual Business Plan 2019-20, including a statement on any variations on the planned programs and expenditure. <p>d. Draft VRFish Annual Business Plan for 2020-21 (including a draft Annual Budget for 2020-21).</p>	1 June 2020				
2020-21	<p>a.</p> <ul style="list-style-type: none">1. The audited VRFish Annual Financial Report for 2019-202. A VRFish Board full year report to 30 June 2020 on performance against:<ul style="list-style-type: none">- the VRFish Key Performance Measures as listed in Schedule 2, and- the Annual Business Plan 2020-21, including a statement on any variations on the planned programs and expenditure.3. A Statement from the VRFish Board (signed by the Chairperson) that verifies VRFish's performance for the previous financial year (2020-21), as outlined in Schedule 4(2).	31 August 2020				

Schedule 4. Reports

1. Annual Business Plan and Annual Budget

VRFish must prepare an Annual Business Plan, including an Annual Budget, for each financial year ending on 30 June.

The Annual Business Plan and Annual Budget must set out:

- (a) a statement of VRFish's objectives, outcomes and strategic directions aligned with Schedule 2.
- (b) the expected Grant income for the financial year and show how income is to be expended on the particular activities proposed to be undertaken by VRFish.
- (c) key financial and non-financial performance indicators.

2. Audited Annual Financial Report

VRFISH must provide the State representative with an audited Annual Financial Report (including Directors of the company, company secretary, company particulars, a statement of profit & loss including all revenue and expenses, statement of financial position, statement of changes in equity, statement of cash flow, notes to the financial statements and independent auditor's report) for each financial year ending 30 June at the time specified in Schedule 3.

The Audit Opinion must be prepared at VRFish's cost by a person who is not an officer or employee of VRFish and who is:

- (a) a person who is registered as a company auditor under a law in force in the State of Victoria; or
- (b) a member of the Institute of Chartered Accountants in Australia or of the Australian Society of Practising Accountants.

VRFISH must declare that its annual audit report is prepared by a person described under (a) or (b).

3. Statement of Expenditure

VRFish must provide the State Representative with a written statement that verifies VRFish's expenditure of Grant payments in each financial year ending 30 June. The statement must be signed by the Chairperson of VRFish and provide a declaration that the funds were spent in accordance with Section 151 of the Act to achieve the goals set out in Schedule 2 of this agreement.

4. Report against the Annual Business Plan and Annual Budget and performance against Schedule 2.

VRFish must provide the State Representative with a final report against the Annual Business Plan and Annual Budget for each financial year ending 30 June in accordance with the timelines outlined in Schedule 3. The statement must be signed by the Chairperson of VRFISH and provide:

- (a) a record of implementation of the objectives, strategies and performance indicators documented in the VRFish Annual Business Plan funded by the grant that are undertaken during the full previous financial year, including any variations to the Annual Business Plan for the grant funds for that year
 - (b) a record of progress against key financial and non-financial performance measures (detailed in Schedule 2) for the grant funds
 - (c) updates on other achievements and forthcoming issues.
-

The reports must be in a form approved by the State and prepared at VRFish's cost. The reports must be of an acceptable quality to the State's Representative.

Attachment 1 Budget template

Victorian Recreational Fishing Peak Body <i>Savages Wharf</i> <i>10/158-170 Nelson Place</i> <i>Williamstown, Vic 3016</i>	
Budget Template	
	TOTAL
Income	
Grant Allocation	
Projects / Grants	
Sundry Income	
Interest Received	
VRFish Merchandise	
Fishing Lines Magazine	
Miscellaneous Income	
<i>[Other - please specify]</i>	
Total Income	
Expenses	
Membership Badges	
ASIC fees	
Auditors Fees	
Bookkeeping Fees	
Bank Fees	
Total Board Meeting	
Total Chairman's Expenses	
Total Access Committee	
Total Communication Comm	
Total Finance Comm	
Total Infrastructure Comm	
Total Water & Habitat Committee	
Equipment Maintenance	
Equipment Purchase	
Equipment Lease	
External Meeting Travel	
External Meeting- Accom/Meals	
Fishing Lines Magazine	
Boat Show	
Total Fishing Show	
Insurance	
Internet	
Office Rent- Suite	
Office supplies	
Postage- General/Stamps	
Printing & P/copying- General	
Printing&P/copying- BusCards	
Publications/Subscriptions	
Recfish- Affiliation	

BIA Affiliation	
Sundry Expense	
VRFish Project Exp	
Staff/Board- Training	
Total Staff Expenses	
Wages & Salaries	
Staff Replacement Expenses	
WorkCover Insurance	
Annual leave provision	
Total State Council Meeting Expenses	
Stationery	
Total Telephone Expenses	
Web Redesign	
<i>[Other - please specify]</i>	
Total Expenses	
Net Surplus / (Deficit)	

Extension to the GRANT AGREEMENT: 2016/17 - 2019/20 for the period 2020-21

The State of Victoria

through the

**Department of Economic Development, Jobs, Transport
and Resources**

and

**Victorian Recreational Fishing Peak Body Ltd
(trading as VRFish)**

ABN: 47 068 111 624

Executed as an extension to the Agreement on _____ day of _____ 2020.

Signed for and on behalf of the State of Victoria

.....
Travis Dowling
Chief Executive Officer, Victorian Fisheries Authority

in the presence of:

.....
(Signature of Witness)

.....
(Name of witness)

Executed by VRFish
ABN 47 068 111 624
in accordance with Section 127 of the
Corporations Act 2001



Signature of director/secretary

CHAIRMAN of the BOARD

Name of director/secretary (print)



Signature of director/secretary

Executive Officer

Name of director/secretary (print)

Schedule 1

1. VRFish's Representative (Clause 1.1)

Title: Chair VRFish

Address: VRFish
PO Box 4574, Geelong, Victoria, 3220

Telephone: (03) 5221 1104

2. State's Representative (Clause 1.1)

Title: Chief Executive Officer, Victorian Fisheries Authority

Address: GPO Box 4509, Melbourne, VICTORIA, 3002
Telephone: (03) 8392 6896

Facsimile: (03) 9658 4333

3. Grant (Clause 1.1)

The amount of Grant for each financial year during the Term will be the total amount set out in the Annual Budget for that financial year, up to a maximum amount of \$487,423 (exclusive of GST), the maximum amount to be adjusted annually in accordance with the relevant consumer price index contained in the Victorian Government Budget Papers for that financial year.

4. Insurance Cover (Clause 18.2)

- (a) public liability insurance covering VRFish or any of its employees for their legal liability for personal injury, loss of or damage to property to the value of \$10,000,000 (ten million dollars) per claim, or occurrence giving rise to a claim, in respect of activities undertaken under this agreement, where occurrence means either a single occurrence or a series of occurrences if these are linked or occur in connection with one another from one original cause, as the case may be; and
- (b) professional indemnity insurance covering VRFish or any of its employees for an amount of not less than \$5,000,000 (five million dollars) per claim and in the annual aggregate; and
- (c) any agent or contractor engaged by VRFish to carry out any activity under this agreement must effect and maintain full levels of insurance to the standards specified in items (a) and (b) above, for the full term of their engagement; and
- (d) workers' compensation insurance for an amount required by Victorian State legislation.

Schedule 2. Activities and responsibilities
VRFish Performance Management Framework

Table 1: Background information

<p>Introduction</p> <p>The following matrix has been designed to assist VRFish in demonstrating progress towards the achievement of expected outcomes for VRFish.</p> <p>The matrix is designed to be a 3-tiered hierarchy linking performance measures to the overall VRFish Goal. Completion of the lower order measures are seen to culminate in the achievement, or mark progress towards the achievement, of the overall VRFish Goal as defined below.</p> <p>Hierarchy of measures</p> <p>The VRFish Goal is subdivided into VRFish Outcomes. These VRFish Outcomes are further subdivided into Success Statements. Key Performance Measures are identified for each Success Statement. These measures are designed to enable VRFish to demonstrate progress towards meeting the VRFish Outcomes and the overall VRFish Goal.</p>

VRFish Goal	<p>Engage with the broader Victorian recreational fishing community in order to provide the government with timely, informed, referenced and representative advice in relation to both statutory and non-statutory fisheries and natural resource management matters that fully reflect the diversity of views of Victoria's recreational fishers, VRFish's members and the VRFish Board, and</p> <p>Encourage the adoption of sustainable recreational fishing and provide leadership for the recreational sector in fisheries management, including through advocacy with relevant government agencies that impact on recreational fishing.</p>
VRFish Outcomes	<p>The Minister for Agriculture has determined to pay funding to VRFish from the Recreational Fishing Licence Trust Account under the terms and conditions set out in this Grant Agreement, the funding to be applied by VRFish for the purposes of achieving the following outcomes; VRFish:</p> <ul style="list-style-type: none"> A. undertakes strategic and business planning B. gathers, compiles and represents the views of the broad recreational fishing community in its advice to government, particularly with regard to legislation, policy and regulation relevant to fisheries management C. encourages the adoption of sustainable and responsible recreational fishing practices by the broad recreational fishing community, consistent with government policy and legislation D. provides leadership in contributing to fisheries management, including encouraging and facilitating the participation of the broad recreational fishing community in these activities E. provides strategic and operational advice on, and initiatives which address issues that have potential to impact the quality of and/or participation in recreational fishing in Victoria F. delivers best practice governance and accountability in business operations G. demonstrates member and stakeholder support for undertaking the role outlined in this agreement H. efficiently administers VRFish in delivering the above outcomes.

Table 2: Key Performance measures

Outcomes	Success Statements	Key Performance Measures
A. VRFish undertakes strategic and business planning	(1) VRFish has an appropriate business planning process in place that enables it to deliver the outcomes outlined in this performance management framework.	(a) A strategic plan is in place within the first year of this agreement. The strategic plan should identify and document the high-level vision, objectives and actions that encompass the VRFish Outcomes as set out in this Schedule. VRFish's activities, including through the actions in the Business Plan, must meet the performance management framework in this Grant Agreement.
B. VRFish gathers, compiles and represents the views of the broad recreational fishing community in its advice to government, particularly with regard to policy and legislation relevant to fisheries and natural resource management.	(2) VRFish explains how it has sought, evaluated and consolidated the diverse spectrum of views of recreational fishers when providing advice to government on specified issues, including addressing any significant divergent views.	(a) Provide an explanation, by representative sample, of the process and outcome of consolidation actions (<i>the method of combining the views of any number of distinct stakeholders or groups into a single statement of advice on an issue</i>). Record instances of consolidated advice provided.
	(3) VRFish effectively consults with the broad recreational fishing community in representing their views to government.	(a) A representative sample of consultations initiated by VRFish must be evaluated with the participants, specifically focused on: <ul style="list-style-type: none"> i. Participant's perceived level of satisfaction with their opportunity to contribute their views, and ii. Participant's view of the relevance of issues they are being consulted on (b) Provide evidence of steps taken over the reporting period to consult across the broad recreational fishing community, including with groups not strongly engaged by VRFish previously.

Outcomes	Success Statements	Key Performance Measures
	(4) VRFish responds to all requests for advice and/or comment from the Victorian Minister responsible for and her/his department (including for all relevant matters listed in Section 3A (2) of the <i>Fisheries Act</i> 1995) within the specified timeline, unless otherwise agreed between the parties.	a) Maintain a register of advice and/or comment provided and report this to the State's Representative (including in relation to each discrete Section 3A (2) decision element (a) – (k)), including the percentage of all responses provided within the specified timelines.
	(5) VRFish provides evidence that explains how it ensures the advice and comment it provides to government is clear and includes seeking and incorporating the breadth of views held within the recreational fisher community, as follows: <ul style="list-style-type: none"> • VRFish views at the Board, State Council and/or membership level • Region of the State in which the fishers reside and/or fish • Group or organisation to which the fishers belong • Age group • Disability classification • Gender • Cultural background. 	a) Provide evidence illustrating (for a representative sample of advice) how the diversity of views gathered from across the recreational fishing sector has been assessed, compiled and presented.
	(6) VRFish demonstrates progress in broadening the diversity of its membership (in relation to the broader recreational fishing community as outlined in Success Statement (5) above) of VRFish at the membership, affiliate and State Council delegate levels.	a) Provide evidence illustrating the specific measures VRFish has taken to increase the diversity of its membership, affiliates and State Council Delegates.

Outcomes	Success Statements	Key Performance Measures
	(7) VRFish ensures issues, actions taken and outcomes from its engagement with other Victorian Government agencies, Catchment Management Authorities, Local Governments, and the Australian Government and its agencies, or any other relevant entity, are reported in writing to the State's Representative in a timely manner.	a) Maintain a register of issues, actions and the outcomes achieved from engagement with agencies and other entities.
C. VRFish encourages the adoption of sustainable and responsible recreational fishing practices by the broad recreational fishing community, consistent with government policy and legislation.	(1) VRFish evaluates the effectiveness of the advice and/or information it provides to the broad recreational fishing community about sustainable and responsible recreational fishing.	Undertake evaluation (at least two annually) of selected information provided to recreational fishers and report findings. The evaluations should assess: a) The degree of consistency in alignment of advice or information on sustainable and responsible recreational fishing to government policy and regulations; and b) The effectiveness of the communication and engagement methods used (reach and impact).
D. VRFish provides leadership in contributing to fisheries management, including encouraging and facilitating the participation of the broad recreational fishing community in these activities.	(1) VRFish actively and constructively engages in government-led fisheries management processes (and takes active measures to include its constituency in such processes).	a) Demonstrate active engagement in formal fishery management plan development through membership of formal governance processes including but not limited to steering committees. b) Evidence of broad and constructive recreational fishing community contribution to VRFish's participation in fishery management plan development. c) Actively engage in all state-wide and regional recreational round table forums and actively promote the participation of its members in the regional forums. d) Evidence of broad and constructive recreational fishing community contribution to VRFish's participation in water and catchment management planning development.

Outcomes	Success Statements	Key Performance Measures
E. VRFish provides strategic and operational advice on, and initiatives which address issues that have potential to impact the quality of and/or participation in, recreational fishing in Victoria.	(1) Actively generate and provide reasoned strategic and operational advice to government on and undertake initiatives that will improve the recreational fishing experience in Victorian waters.	VRFish will provide a summary of: <ul style="list-style-type: none"> • advice provided to government, and • initiatives that have improved the recreational fishing experience in Victoria.
F. VRFish delivers best practice governance and accountability in business operations.	(1) VRFish demonstrates ethical and efficient corporate governance and reporting practices at all times.	Provide the following: <ul style="list-style-type: none"> a) Reports (through the Statement of Performance described in clause 4 of Schedule 4) on all activities undertaken by VRFish. b) Documentary evidence that funding provided through the Agreement is spent strictly in accordance with the activities documented in this agreement and detailed Annual Budget presented to the State's Representative at required intervals. c) An annual audit report on funding by an accredited, independent auditor to the State's Representative according to the timetable described in Schedule 3. d) A statement of assurance that VRFish members have at all times acted in accordance with the 'Code of Conduct' for VRFish delegates (if not - report number of contraventions, including circumstances and any resultant action).
G. VRFish demonstrates member and stakeholder support for undertaking its role as outlined in this	(1) VRFish provides assurance to government of member and general stakeholder support for the manner in which it undertakes its role under this agreement.	VRFish will collaborate with The Department to design a survey that will measure the general support of Victoria's recreational fishing community for the manner in which VRFish represents their interests. The Department will

Outcomes	Success Statements	Key Performance Measures
agreement		undertake this survey across a representative sample of recreational fishers drawn from the Recreational Fishing Licence membership database. The Department will provide the results to VRFish for review and analysis. This survey is to be completed in the third year of funding under this agreement.
H. VRFish efficiently administers its organisation in delivering the above outcomes.	(1) VRFish demonstrates it has appropriate organisational functional arrangements in place to deliver outcomes.	<p>a) Provide evidence that the organisational resources and capabilities are aligned to the actions and timelines described in the Annual Business Plan (for example an appropriate mix of staff, support systems and resources for policy development and analysis, project management, communications, engagement, records management, etc).</p> <p>b) Provide evidence of an appropriate annual employee performance management system.</p> <p>c) Provide evidence of appropriate staff training and capability development processes.</p>

Schedule 3. Grant Payment Plan

Year	Performance Requirements Documents to be presented by VRFish to the State's Representative	Milestone Date	Grant Payment	Percentage of Total Payment	Due Date for Payment if performance requirements and Milestone Dates met to the satisfaction of the State
2020-21	a. 1. The VRFish Annual Business Plan for 2020-21 (including an Annual Budget for 2020-21) 2. The current version of the 'Code of Conduct' for VRFish delegates.	31 August 2020	First Payment	90%	Within 30 days of receipt of a Tax Invoice from VRFish and receipt of acceptable documentation.
	b. 1. The audited VRFish Annual Financial Report for 2019-20 2. A VRFish Board full year report to 30 June 2020 on performance against: - the activities and responsibilities set out in Schedule 2 of previous Agreement. - the Annual Business Plan 2019-20, including a statement on any variations on the planned programs and expenditure.	31 August 2020 31 August 2020			
	c. A VRFish Board progress report to 31 March 2021 on performance against: - the Key Performance Measures as set out in Schedule 2, and - the Annual Business Plan 2020-21, including a statement on any variations on the planned programs and expenditure.	30 April 2021	Second payment	10%	As above.
	d. The audited VRFish Annual Financial Report for 2020-21 1. A VRFish Board full year report to 30 June 2021 on performance against: - the VRFish Key Performance Measures as set out in Schedule 2, and - the Annual Business Plan 2020-21, including a statement on any variations on the planned programs and expenditure. 2. A Statement from the VRFish Board (signed by the Chairperson) that verifies VRFish's performance for the 2020-21 financial year, as outlined in Schedule 4(2).	31 August 2021			

Schedule 4. Reports

1. Annual Business Plan and Annual Budget

VRFish must prepare an Annual Business Plan, including an Annual Budget, for each financial year ending on 30 June.

The Annual Business Plan and Annual Budget must set out:

- (a) a statement of VRFish's objectives, outcomes and strategic directions aligned with Schedule 2.
- (b) the expected Grant income for the financial year and show how income is to be expended on the particular activities proposed to be undertaken by VRFish.
- (c) key financial and non-financial performance indicators.

2. Audited Annual Financial Report

VRFISH must provide the State representative with an audited Annual Financial Report (including Directors of the company, company secretary, company particulars, a statement of profit & loss including all revenue and expenses, statement of financial position, statement of changes in equity, statement of cash flow, notes to the financial statements and independent auditor's report) for each financial year ending 30 June at the time specified in Schedule 3.

The Audit Opinion must be prepared at VRFish's cost by a person who is not an officer or employee of VRFish and who is:

- (a) a person who is registered as a company auditor under a law in force in the State of Victoria; or
- (b) a member of the Institute of Chartered Accountants in Australia or of the Australian Society of Practising Accountants.

VRFISH must declare that its annual audit report is prepared by a person described under (a) or (b).

3. Statement of Expenditure

VRFish must provide the State Representative with a written statement that verifies VRFish's expenditure of Grant payments in each financial year ending 30 June. The statement must be signed by the Chairperson of VRFish and provide a declaration that the funds were spent in accordance with Section 151 of the Act to achieve the goals set out in Schedule 2 of this agreement.

4. Report against the Annual Business Plan and Annual Budget and performance against Schedule 2.

VRFish must provide the State Representative with a final report against the Annual Business Plan and Annual Budget for each financial year ending 30 June in accordance with the timelines outlined in Schedule 3. The statement must be signed by the Chairperson of VRFISH and provide:

- (a) a record of implementation of the objectives, strategies and performance indicators documented in the VRFish Annual Business Plan funded by the grant that are undertaken during the full previous financial year, including any variations to the Annual Business Plan for the grant funds for that year
- (b) a record of progress against key financial and non-financial performance measures (detailed in Schedule 2) for the grant funds
- (c) updates on other achievements and forthcoming issues.

The reports must be in a form approved by the State and prepared at VRFish's cost. The reports must be of an acceptable quality to the State's Representative.

***Let's make
fishing better,
for everyone!***



**Strategic Plan
2020 – 2024**

VRFish is the Peak Body representing recreational fishers in Victoria with a commitment to provide better recreational fishing experiences for all Victorians.

To do this, we provide opportunities for all Victorian recreational fishers to contribute their views and opinions through surveys, face to face engagement, email, phone, social media and working groups. Their broad and diverse input helps to shape our strategy and advocacy priorities that benefit all recreational fishers.

Some of this work is done through, and together with our members. Our membership comprises of individuals, recreational fishing associations, fishing clubs and affiliated organisations that share the love of recreational fishing and are united in a collective pursuit to make fishing better for current and future generations.

We also engage with a wide network of collaborative partnerships at a state and national level with individuals, organisations and community members who share our values and objectives for recreational fishing.

Our Vision

To make fishing better, for everyone!

Our Mission

VRFish works to make fishing better through leadership in advocacy, policy development and fisher participation.

We work towards making fishing better by:

- Protecting our fishing future
- Enhancing our fishing experiences
- Leading and innovating

Our Values

- **Respect for People:** we value our people and their diversity, knowledge and experiences
- **Innovative:** we are willing to try new things in our pursuit of excellence

- **Integrity:** we are accountable, honest, ethical and genuine; we celebrate the good things we do and learn from our setbacks.
- **Evidence-based:** we critically consider all the available evidence and data in developing our policy
- **Passion:** our love of fishing drives us to be persistent and tenacious in our vision to make fishing better

Our Guiding Principles

- Maintaining recreational fisher's social license to operate
- Represent more recreational fishers
- Meeting the growing needs and aspirations of recreational fishers
- Involve and reflect the diversity of fishers
- Increase the incidence of Government's decision and policy making being informed by expertise-based and broad public opinion
- Improve the quality of information available for recreational fishers

Strategic Plan 2020 – 2024

As the Peak Body, this means we will focus on:

Key Focus Area:

Protecting our fishing future

Engaging our members, recreational fishers and other groups to plan for our future.
Being at the forefront of promoting responsible and ethical fishing and best practice in fisheries management.

This will make a difference for you by:

- Keeping you updated on what we are doing and how you can be involved.
- Linking the activities, you love with a new generation of recreational fishers.
- Working to secure access to your fisheries.
- Informing you about the fishing management priorities and policies.

Enhancing our fishing experiences

Understanding what impacts our members when they are fishing in order to effectively improve experiences for recreational fishers.

- Giving you information about our plans and solutions to make fishing better.
- Making it easy for you to share information about fishing with us and others.
- Knowing our position statements and having an opportunity to shape them.

Leading and innovating

Presenting a clear advocacy platform and anchoring our thinking in the future.
Creating best practice and innovation through developing the skills of our staff, board and other.

- Securing more support for recreational fishing.
- Growing the number of people who share our interests in recreational fishing.
- Developing our ability to fund what is important to recreational fishers.

What we will have achieved together by 2024 is:

- No net loss of fisheries and access to recreational fishing.
- Members, recreational fishers and other groups will know the way we do things at VRFish and how we engage with them.
- There are more new recreational fishers of all ages actively involved with VRFish.
- Increased the recognition of the role recreational fishers play in the stewardship and conservation of fish and our waterways.

- Better fishing opportunities, including increased boat launching capacity and quality.
- Marine, freshwater and estuarine habitat restoration and enhancement rolling plans are successfully implemented and activated.
- An effective feedback loop system is place and operating well so we know what is happening and so do you.

- Recreational fishers, the government and the public will be more aware of and informed about our advocacy efforts and will be able to engage to make a stronger voice.
- There will be greater diversity of people who are actively involved in VRFish through membership.
- Multiple revenue streams are in place to ensure we are sustainable and investing in areas of importance.
- We have an effective leadership and governance program in place.
- Our members and partners will feel valued.

Our Advocacy Priorities:

Here are the advocacy priorities VRFish is working on to make fishing better, for everyone:



Access

Advocating for better access, fixing our boat ramps and defending your fishing rights to access our waterways.



Habitat

Improving our vital fish habitats through restoration, enhancement and protection.



Water

Keeping our waters healthy, our rivers flowing and defending recreational and environmental water allocations.



Promote

Promoting recreational fishing in Victoria, creating new and vibrant fisheries and supporting the next generation of fishers..



Best Practice

Supporting our fishers to take a lead role in the stewardship of our fish and waterways, fish responsibly and safely and promote fish for the future.



P 03 5221 1104
E info@vrfish.com.au



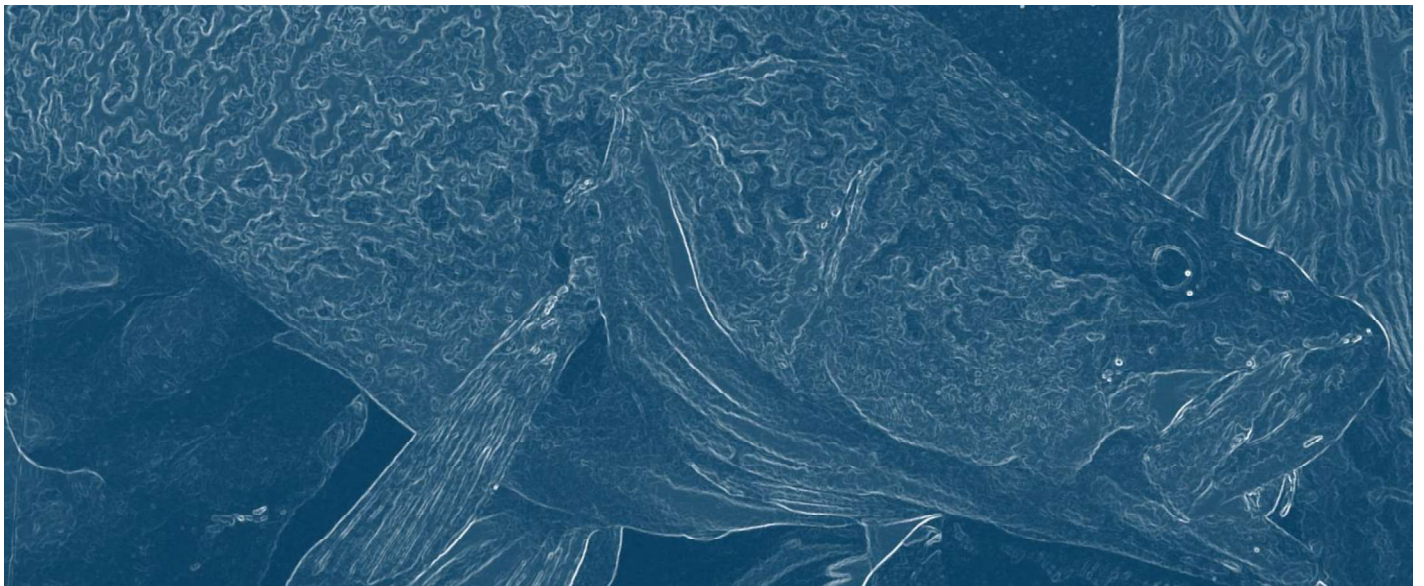
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MARSDEN JACOB ASSOCIATES

economics
public policy
markets
strategy

ing Licence Review 2019

A Marsden Jacob Report



Prepared for Victorian Fisheries Authority
December 2019

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About Us

Established in 1996, Marsden Jacob Associates has grown to be Australia's leading dedicated natural resource economics, policy and strategy advisory. We employ talented economists and policy advisors who specialise in solving practical, real world problems relating to water, energy, environment, natural resources, agriculture, earth resources, public policy and transport. We work with a wide range of cross-disciplinary partner firms to deliver best project outcomes for our clients.

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Acronyms and abbreviations

RFL	Recreational Fishing License
RFLTA	Recreational Fishing Licence Trust Account
VFA	Victorian Fisheries Authority

1. Executive Summary

The current Recreational Fishing licencing system and Trust Account have been effective in improving recreational fishing. Opportunities exist for improvements with potential for reforms to the grants process. This includes establishing a holistic strategic plan for Trust Account expenditures and a more formal process for input from key stakeholders.

Opportunities also exist for reforms to the current advocacy model. However, current age-based exemptions should remain unless it can be implemented and managed at low cost and address vertical equity objectives.

The Victorian Recreational Fishing License (RFL) system provides a funding source for the Recreational Fish Licence Trust Account (RFLTA) to support a range of activities that are beneficial to the recreational fishing sector – such as: provision of infrastructure to ensure access to recreational fishing; effective management of fish stocks and ongoing enforcement; and research and education to ensure its sustainability.

RFLTA total revenue in 2017/18 was \$7.9 million and expenditure was \$8.6 million. Discussions with stakeholders and a review of RFLTA processes reveals that the RFLTA has been effective in improving recreational fishing and has a number of positive features that promotes efficiency outcomes supported by effective accountability structures. These include:

- The Recreational Fishing Grants program is well subscribed and has typically funded around 70 projects per year.
- The composition of expenditure is transparent through the RFLTA Annual Report to the Victorian Parliament
- A recent evaluation of the Target One Million program, which is partly funded by the RFLTA, concluded that the program had been successful in achieving its specific objectives
- The RFLTA Working Group appears to be applying the grant assessment criteria on a consistent basis and some comparative analysis is undertaken to ensure the expenditure is efficient.
- The governance structure of the Working Group is mostly effective, with an independent Chair and a sufficient representation of skills across the recreational fishing sector.

However, opportunities exist for improvements.

Stakeholder consultation revealed that confusion exists with the purpose of the RFLTA. Additionally, most stakeholders have expressed that: government costs (e.g. enforcement) have been shifted over time to the RFLTA; more of the RFLTA funds should focus on recreational fishing grants; and that there is a degree of overlap between funding for education as similar activities are undertaken by the VFA and Fishcare.

In terms of funding, while the Recreational Fishing Grants program's share of total expenditure has fallen over time, total Recreational Fishing Grants expenditure (in dollar terms) has fluctuated up and down over time (averaging \$2.4 million over the period 2010/11 to 2017/18) and the actual percentage share allocated to

fisheries development activities has slightly increased over the past eight years once the Target One Million expenditure is included.

One of the key recommendations in this review is to establish a holistic RFLTA strategic plan. This plan would incorporate all RFLTA expenditures and provide greater clarity on the role of the RFLTA (including clarifying areas of overlap), its purpose and its key expenditure priority areas. Importantly, the strategic plan would be developed with input from the recreational fishing sector, noting that the Minister ultimately owns the plan.

Some stakeholders have indicated that the governance structure of the RFLTA could be further reformed to make it more independent of government. This would enable the recreational fishing sector to have even greater say over all of the RFLTA expenditure components. There are also concerns that current expenditures on recreational fishing may not be resilient over the longer term if there are changes to future levels of one-off support from government.

In our view, more complex reforms, such as making the RFLTA more independent of government, has the potential to be counterproductive given the scale of the fund and the overlap in activities with the VFA (e.g. enforcement). However, significant scope exists for greater clarity and involvement of the recreational fishing industry in contributing to the overall strategic plan for all expenditures in the RFLTA. This should be pursued before more complex reforms are considered.

Improvements could also be made to the grants process to improve its effectiveness. Some key potential areas for improvement identified during the review include:

- Introducing a new mid-tier category and adjusting the grant application hurdle rates and eligibility requirements accordingly
- Reducing the timeframe that applies from the time of application to the time that it is ultimately funded.
- Consistent with the strategic plan, providing greater guidance to applicants on the likely priorities for the Recreational Fishing Grants program and appropriate feedback if their application is unsuccessful
- Project administration and management costs should be recoverable so long as it does not include costs that are recovered via other processes nor the costs of volunteers that assist with project implementation.
- Evaluating the outcomes of projects to provide the Working Group with an appreciation of whether the projects are achieving the stated benefits as well as illustrating which projects are likely to have the greatest impact and those are likely to have challenges.

In addition, the Recreational Fishing Grants Working Group should comprise members with a mix of skills across the recreational fishing sector to ensure that it can appropriately assess the different types of grant applications. Although it appears that the Working Group has historically appropriately dealt with conflict of interest issues, members should preferably not be selected where there is a perceived conflict of interest.

Discussions with stakeholders have revealed that many are uncomfortable with current advocacy arrangements in terms of VRFish. A key issue is that many outside VRFish believe they are not adequately represented. We received strong feedback that more work is required for all to feel that their interests are being appropriately considered and included in its advocacy policy development processes.

This is important to be addressed and various approaches could be considered to address this issue, such as: requiring stronger and potentially more specific performance measures on VRFish related to engagement with the broader recreational fishing sector; regular surveying of key stakeholders; and/or establishing a small independent panel to provide advice to the government on the performance of VRFish.

Some stakeholders suggested that more substantial reforms could be considered. For example, some suggested that some of VRFish's current funding could be reallocated to support other groups to undertake advocacy activities or even for the advocacy funding component within the RFLTA to be contestable. Some also suggested that some of VRFish's current funding could be reallocated to enable other groups to prepare more effective Recreational Fishing Grant proposals.

In our view, these types of arrangements should only be considered if reform within the current funding framework cannot deliver improvements as a strong argument exists on efficiency grounds for one entity being funded to advocate on behalf of the recreational fishing sector. This was recognised by many stakeholders and is often the case in agricultural sectors (such as dairy and, to a lesser extent grains).

Moreover, the strategic plan provides a forum for key recreational fishing stakeholders to provide input into the appropriate level of funding to resource VRFish compared to other priorities within the RFLTA.

Importantly, the reforms recommended in this review should provide more contestability in grant applications under the Recreational Fisheries Grant program. The introduction of a new mid-sized category should enable fishing groups to bid for projects larger than \$5,000 in a similar timeframe to small grants and with less administrative hurdles than large grants. Additionally, projects developed by fishing groups should become more viable if some of the costs incurred by them in managing and administering projects are able to be recovered under grant funding.

In terms of licence exemptions, discussions with stakeholders revealed a mix of responses as to whether fishers that are under 18 or over 70 years of age should be exempt from the requirement to hold a fishing licence. Some stakeholders said it would be beneficial to require all fishers to hold a licence, even if some were not charged a licence fee, so as to improve the estimation of the total number of fishers in Victoria. Other stakeholders indicated that there were alternative approaches that could be used to estimate total fisher numbers and it would be an administrative burden to do so for this purpose alone. Some others suggested a concessional fee for those under 18.

Taking into account the mixed feedback from stakeholders and the analysis in the recent regulation impact statement (which still appears relevant), a strong case for change from the current situation is not apparent. However, if the cost of implementation was to be able to be kept to a minimum (for example at a time when other reforms are considered), the Victorian Government could consider licencing all fishers and potentially concessional arrangements for those under 18 or over 70 years of age to achieve vertical equity objectives.

RECOMMENDATIONS

Recommendation 1: A consolidated strategic plan should be developed by the VFA in partnership with the State-wide Recreational Fisheries Roundtable (SRFR) across all RFLTA expenditures.

Recommendation 2: Evaluation and performance measurement should be enhanced across all key RFLTA expenditures.

Recommendation 3: The Recreational Fishing Grants program should be reformed:

- The grants structure could be amended to allow for: a new mid-sized category combined with potentially a lower threshold for small grants; and a reduced length of time from grant submissions to funding for large projects.
- Project administration and management costs should be recoverable so long as it does not include costs that are recovered via other processes nor the costs of volunteers that assist with project implementation.
- Consistent with the strategic plan, greater guidance should be provided to applicants on the likely priorities for the Recreational Fishing Grants program and appropriate feedback provided if their application is unsuccessful.
- An expression of interest process for medium to large sized projects could be used for high priority issues that align with the RFLTA strategic plan proposed in Recommendation 1.
- A reformed grants process could also more formally consider the relative shares of public and co-investment funding required for different types of projects based on the expected share of public and private benefits.
- The mix of skills of the Recreational Fishing Grants Working Group should be reviewed to ensure that it comprises members with an appropriate mix of skills across the recreational fishing sector. Additionally, members should preferably not be selected where there is a perceived conflict of interest.

Recommendation 4: A more intensive review of VRFish should be undertaken in 2020 to ensure that it broadly consults with the broad recreational fishing community in providing advice to government and advocating for the sector. Additionally, the strategic plan should provide guidance on the appropriate level of funding to resource VRFish compared to other priorities within the RFLTA. More substantial reforms to advocacy and representation should be considered through this review, including options to re-allocate funding across a range of recreational fishing bodies.

Recommendation 5: Retain licence exemptions for those under 18 or over 70 years of age. A case for change in the future may be warranted if the administrative costs can be kept to a minimum, and even then, a concessional charge may be warranted to meet vertical equity objectives.

2. Introduction

2.1 Background to recreational fishing in Victoria and the legislative framework

Victoria's inland waters, bays, inlets and oceans support a range of recreational fisheries. In inland waters this includes trout and redfin, and native species such as golden perch, Murray cod and Australian bass. In bays, inlets and oceans this includes snapper, King George whiting, flathead, bream, sharks, tuna, calamari and Australian salmon, scallops, abalone and rock lobster.

The **Fisheries Act 1995 (the Act)** provides a legislative framework for the regulation, management and conservation of Victorian fisheries including aquatic habitats.

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

- providing for the management, development and use of Victoria's fisheries, aquatic industries 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 for recreational uses
- encouraging the participation of resource users and the community in fisheries management.

The **Fisheries Regulations 2009** supports the Act and 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.

2.2 Purpose of review

The purpose of the review is to review the Recreational Fish Licence (RFL) system including the associated Recreational Fish Licence Trust Account. The terms of reference states that:

- The review will have regard to the Recreational Fishing Licence Trust Account (RFLTA) funds and how they can be optimised for the purpose of improving recreational fishing.
- The review will examine the purpose of the RFLTA and its current operation, including reporting to the public.
- The review will consider if the needs of recreational fishers and the public are being met, and what might be done to better align the operation with stakeholder expectations.
- The review will examine the appropriate model for distribution of RFLTA funds and how they can be optimised for the purpose of improving recreational fishing.
- The review will consider the costs and benefits of expanding the categories of recreational fishers required to hold a licence (i.e. current exemptions)
- The review will consider the advocacy model for recreational fishing in Victoria.
- The review will consider the current framework for the planning and approval of investment from the RFLTA.

In undertaking this review, Marsden Jacob has not reviewed nor made recommendations related to current licence fees or revenue processes related to the RFLTA – with the exception of reviewing the current licence exemptions.

2.3 Approach to undertaking this review

2.3.1 Best practice and other frameworks

One of the key focuses of this review is on the RFLTA. However, the Victorian government also provides additional funding to the recreational fishing sector beyond funding provided by the RFLTA. Therefore, the totality of expenditure from the RFLTA and the Victorian Government will be also considered in reviewing funding provided to the recreational fishing sector.

With this in mind, this review has considered two important frameworks:

- Best practice considerations when reviewing the RFLTA
- Victorian Government cost recovery guidelines.

Best practice considerations when reviewing the RFLTA

The review will draw on several best practice considerations when reviewing the RFLTA. These are shown in Table 1.

Table 1: Best practice considerations when reviewing the RFLTA

Type of best practice issue	Key considerations for this review
Clarity of role and purpose	<ul style="list-style-type: none"> • Do the arrangements provide clarity of roles and purpose?
Effectiveness	<ul style="list-style-type: none"> • Is the RFLTA effective in achieving its objective?
Efficiency	<ul style="list-style-type: none"> • Does the grants process promote efficient outcomes?
Accountability and Transparency	<ul style="list-style-type: none"> • Are there clear accountabilities in administering grants? • Is there transparency of the process and decisions?
Measuring performance	<ul style="list-style-type: none"> • Are there processes to measure the performance of the RFLTA and whether it is achieving its objectives?

Victorian Government cost recovery guidelines

According to the Victorian Government Cost Recovery Guidelines (2013), general government policy is that regulatory fees and user charges should be set on a full cost recovery basis because it ensures that both efficiency and equity objectives are met.

2.3.2 Stakeholder consultation

The review involved consultation with a number of key recreational fishing stakeholders. This involved a round table discussion and direct face to face discussions with key stakeholders.

2.4 Structure of review

The review has been structured into three components:

- The Recreational Fishing Licence Trust Account (section 2.5)
- The advocacy model (section 2.6)
- Licence exemptions (section 2.7)

2.5 Recreational Fishing Licence Trust Account (RFLTA)

2.5.1 Current situation

A recreational fishing licence (RFL) is required for recreational fishing in Victoria. Under the Act, all levies and application fees received in respect of these licences are paid into the Recreational Fishing Licence Trust Account (RFLTA). Additionally, under the Act (s.151B), the RFLTA must be used for the purpose of recreational fishing.

The Act states that the following may be paid out of the RFLTA:

- amounts determined by the Minister for the purpose of improving recreational fishing; and
- the costs and expenses incurred in the administration of recreational fishing licences and the Account.

Working Group

The Recreational Fishing Grants Working Group (RFGWG) comprises members that are appointed by the Minister Responsible for Fisheries. The role of the Working Group is to provide advice to the Minister on the expenditure of Recreational Fishing Licence Trust Account funds. A key role of the Working Group is to assess and provide advice on applications for grants received under the Recreational Fishing Grants Program.

The Working Group comprises eight members (plus an independent Chairperson). The terms of reference for the Working Group states that membership composition is intended to comprise range of knowledge, experience and views from across the State covering as much as possible:

- Ocean, coastal, estuarine, freshwater native fish and salmonid recreational fisheries
- Port Phillip Bay, South West, North East, North West, East Gippsland, West Gippsland regions
- One person nominated by VRFish to provide advice that reflects the views of:
 - the whole Victorian recreational fishing community;
 - the organisations affiliated with VRFish; and
 - the VRFish Board.
- The recreational fishing industry to provide advice that reflects the views of recreational fishers as identified by persons involved in the Victorian recreational fishing business sector (e.g. tackle, guides, charter, etc.).

RFLTA revenue and expenditure

RFLTA total revenue in 2017/18 was \$7.9 million and expenditure was \$8.6 million (Table 2). RFLTA revenues have historically been similar to expenditures (Figure 1), although expenditure have been greater than revenues in recent years. Net cash on hand at the end of the 2017/18 year was \$6.2 million.

Nearly 70 per cent of total expenditure is from three expenditure types: Target One Million Implementation; Fisheries enforcement and education; and Recreational Fishing Grants Program and other projects.

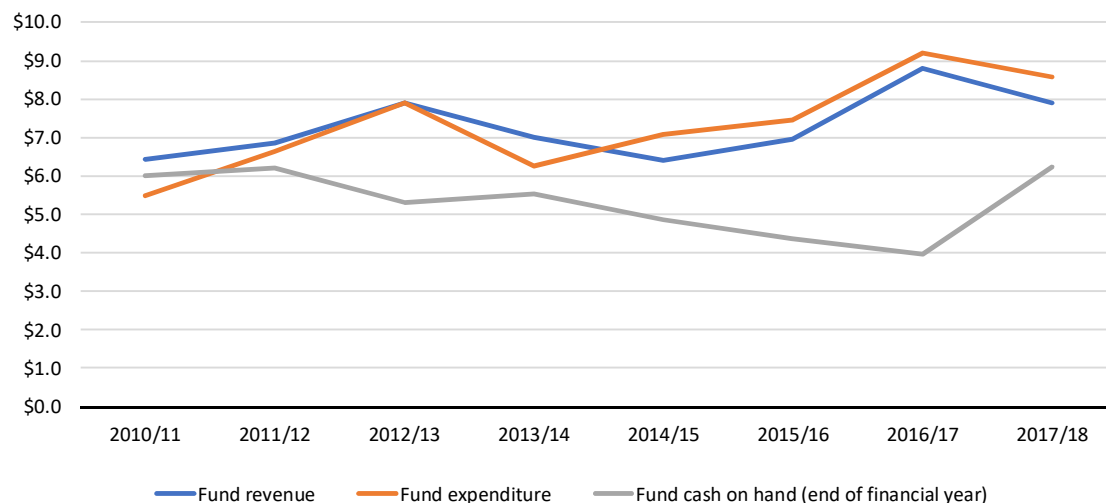
While the Recreational Fishing Grants program share of total expenditure has fallen over time, total Recreational Fishing Grants program expenditure (in dollar terms) has fluctuated up and down over time (averaging \$2.4 million over the period 2010/11 to 2017/18 – Figure 2).

The increase in licence fees created additional revenue in 2016/17 was accompanied by new expenditure on the Target One Million program (Figure 2).

Table 2: 2017/18 RFLTA expenditure composition

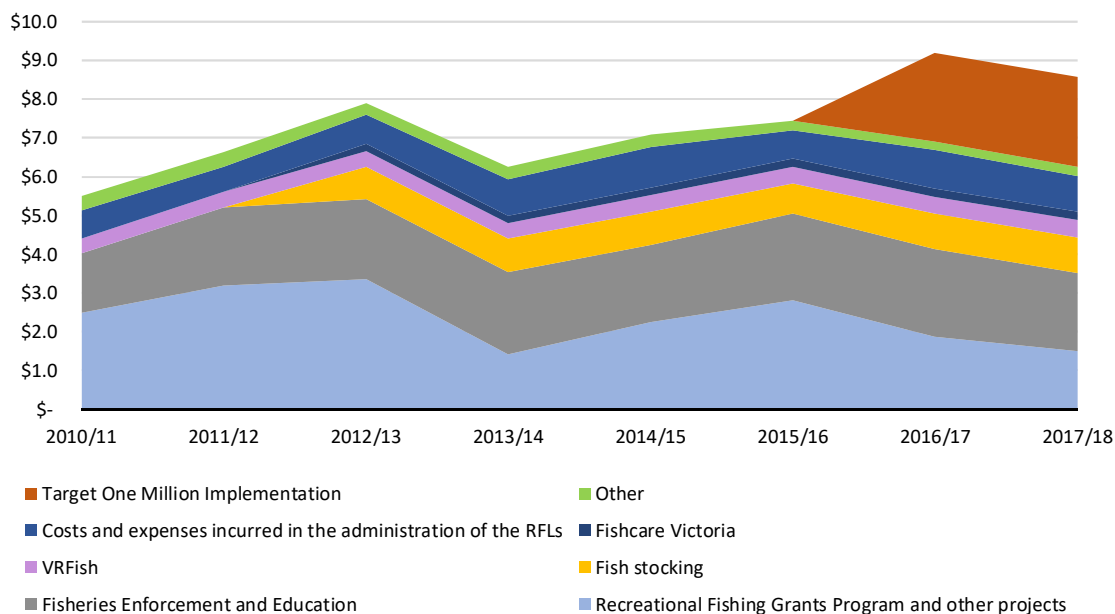
Expenditure type	Total (\$m)	%
Target One Million Implementation	\$2.3	27%
Fisheries Enforcement and Education	\$2.0	24%
Recreational Fishing Grants Program	\$1.5	17%
Fish stocking	\$0.9	11%
Costs and expenses incurred in the administration of the RFLs	\$0.9	11%
VRFish	\$0.5	5%
Fishcare Victoria	\$0.2	3%
Other	\$0.2	3%
Total	\$8.6	100%

Figure 1: Historical RFLTA revenue and expenditure (2010/11 to 2017/18)



Note: 2017/18 cash on hand rises even though revenue is less than expenditure. This is explained in the report to Parliament in the following way: 'Includes unspent funds relating to VFA-led projects which were refunded back to the RFL Trust Account due to DEDJTR year-end corporate finance processes outside of the RFL reporting period'.

Figure 2: Historical RFLTA expenditure composition (2010/11 to 2017/18)



Target One Million

In addition to the RFLTA expenditure, Government provided additional funds as part of government initiatives (Table 3).

Initiative funding has significantly increased funding to the recreational fishing sector (Table 3). For example, in 2017/8, around \$7.5 million of initiative funding was provided to the recreational sector in addition to RFLTA expenditure of \$8.6 million (Table 2). This equates to total expenditure of \$16.1 million in 2017/18.

In 2015/16, the Government began an initiative called Target One Million to grow participation to one million anglers by 2020.

Since 2016/17, some RFLTA revenue has been allocated to recover part of the Target One Million expenditure (approximately \$4.3 million in total from 2016/17 to 2017/18).

Table 3: Initiative funding

	Total	Total (excluding RFLTA funded)	Average per year (excluding RFLTA funded)
2007/08 to 2010/11	\$13.5	\$13.5	\$3.4
2011/12 to 2014/15	\$16.0	\$16.0	\$4.0
2015/16 - 2018/19 (Target One Million Phase 1)	\$37.0	\$30.1	\$7.5

Target One Million comprises two phases, with phase 2 to begin in 2019/20.

Key aspects of phase one (2015 to 2019) included:

- Halting commercial netting in Port Phillip and Corio Bays over eight years through a buyback program
- Fish Stocking. The target was to increase fish stocking to 5 million fish per year.
- The Stronger Fishing Club program. This program provided all eligible angling clubs with funds to promote membership. The Stronger Fishing Clubs grants programs was open from early 2016 until 31 August 2017. The program provided grants for angling clubs to conduct projects to promote and/or increase club membership and benefit recreational fishing in Victoria.
- The Better Fishing Facilities grants program. This grants program delivered benefits to recreational fishers and contributed to boosting participation. Examples of projects funded under this program are those that:
 - Improve access to marine, estuarine and inland waters for boat based fishers (e.g. boat launching facilities)
 - Improve access to marine, estuarine and inland waters for land based fishers (e.g. piers and jetties)
 - Improve infrastructure and facilities at popular fishing locations (e.g. lighting, seating)
- A range of other recreational fishing improvement projects. Some examples include banning netting at the mouth of rivers in the Gippsland Lakes and establishing a new trout cod fishery in Beechworth

Program Types

The Recreational Fishing Grants Program comprises three separate programs (Table 4).

Table 4: Grants program types

Program	Details
Small Grants Program	<ul style="list-style-type: none"> • This program is continually open throughout the year (up to \$5,000 - GST Exclusive)
Large Grants Program	<ul style="list-style-type: none"> • A Large Grants Program (for projects from \$5,001 to \$100,000 - GST Exclusive)
Commissioning Program	<ul style="list-style-type: none"> • This program is for large priority projects (generally in excess of \$100,000)

The Small Grants Program provides funding under three categories:

- Recreational fishing access and infrastructure
- Community fishing events
- Education projects

The Large Grants Program provides funds for projects under four categories:

- Recreational fishing access and facilities
- Recreational fisheries sustainability and habitat improvement
- Recreational fisheries related education, information and training
- Recreational fisheries research

More detail on these categories is contained in Appendix 1.

Applications for large grants 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?

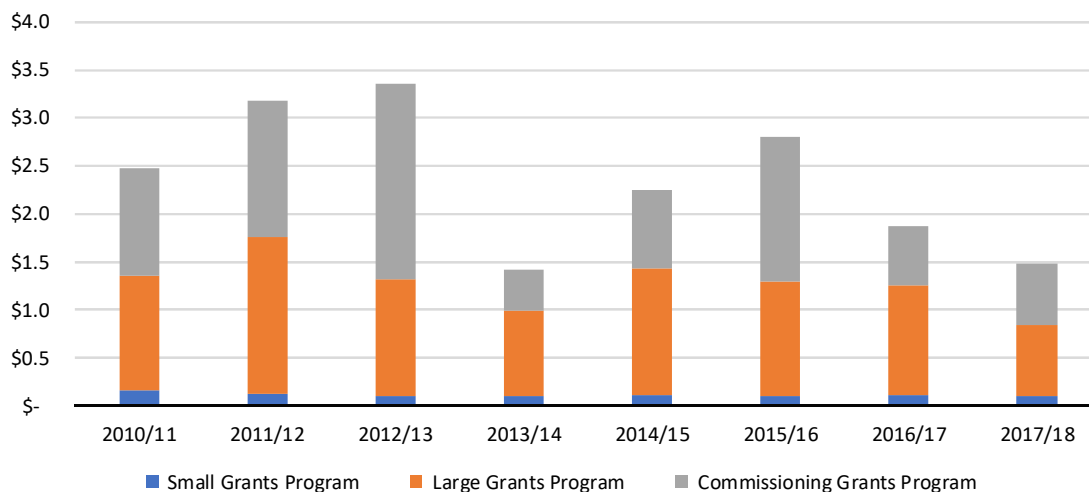
Over the 8 year period from 2010/11 to 2017/18, total funding for each of the programs was on average:

- \$110,000 for the small grants program
- \$1.2 million for the large grants program
- \$1.1 million for the commissioning grants

Therefore, large and commissioning grants comprise the large majority of the total value.

However, the total value of grants has not been very stable with some volatility from one year to the next (Figure 3). Additionally, the number of grants approved has experienced some volatility from year to year, with most being small grants (Figure 4). Therefore, although the number of small grants is relatively high compared to other grant types, the total value of these grants is relatively small compared to other grant types.

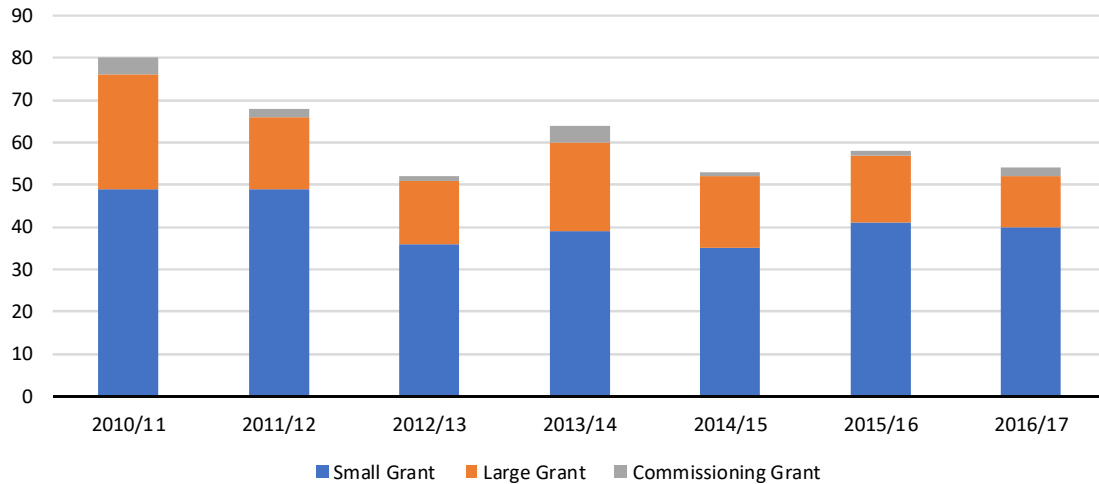
Figure 3: Total value of successful grants (\$m)



Source: MJA analysis of RFL Trust Account Reports to Parliament.

Note: This graph refers to funding each year, irrespective of when the grant was approved.

Figure 4: Number of successful grant applications



Source: MJA analysis of RFL Trust Account Reports to Parliament.

Note: This graph only refers to new projects in the year the application is first announced.

2.5.2 Review assessment

Taking into account stakeholder feedback and Marsden Jacob's own analysis, the review has examined the RFLTA in the context of the best practice considerations in Table 1.

Clarity of role and purpose

Clarity of role and purpose relates to whether the RFLTA has a clear objective and whether this is understood by stakeholders.

While there is a general understanding across stakeholders on the current composition of RFLTA expenditure, several stakeholders expressed that more of the RFLTA funds should be focused on recreational fishing grants and that some expenditure overlaps exist with current VFA expenditure. Moreover, some common views were that:

- RFLTA funds should not be spent on activities that involve government regulating the recreational fishing sector or the Target One Million program.
- RFLTA should revert back to its original settings when it was established (early 2000s) when a higher proportion of RFLTA funds were allocated to recreational fishing grants. A figure of 50% of the total RFLTA expenditure was often mentioned.
- Some RFLTA funds are allocated to activities that are also undertaken by the VFA. An example is the allocation to Fishcare Victoria from the RFLTA which provides similar education outreach as VicFishKids which is run by the VFA. Another example is enforcement expenditure which funds part of VFAs enforcement activities.

These views indicate that some confusion exists with the purpose of the RFLTA. Additionally, many stakeholders have the perception that some regulatory functions of government should not be recovered via the RFLTA.

The RFLTA funds are currently being applied for three distinct purposes:

- Fishing regulation. Some RLFTA funds are used for compliance and enforcement purposes (around \$2 million per annum). According to the 2016 Regulation Impact Statement or RIS (p. 6), the funding of enforcement activities via the RFLTA was made in 1999 to reflect the increase in enforcement effort as a consequence of moving to All-Waters RFLs and the associated licence prices introduced in 1999.
- Fisheries development. Most of the RFLTA funds are used for this purpose. This includes the recreational fishing grants, Target One Million, fish stocking and Fishcare expenditures.
- Fisheries advocacy. This funds VRFish and this allocation of RFLTA funds is intended to ensure that there is adequate advocacy for recreational fishers in Victoria

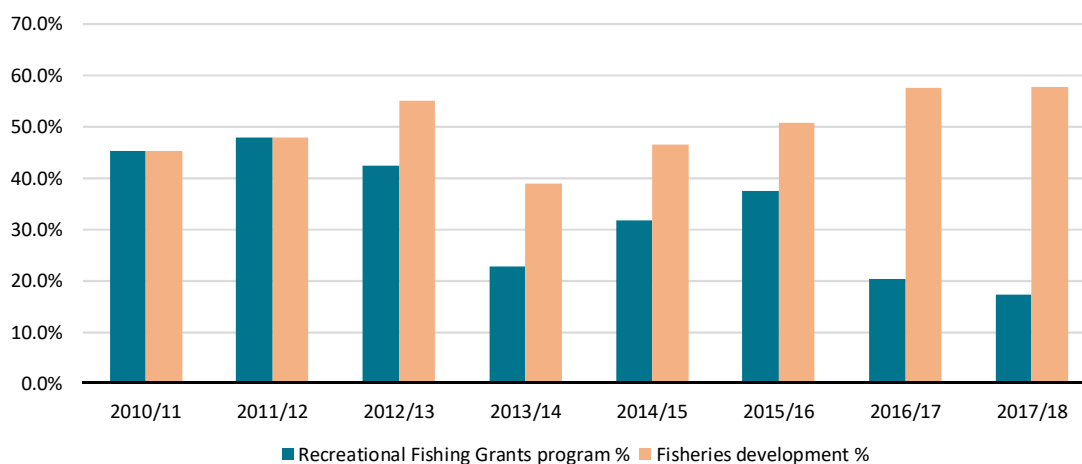
Additionally, the Victorian Government are spending an additional \$5.0 million (RIS 2016, p. 4) on enforcement expenditures which are not part of the RFLTA.

Under full cost recovery, RFL fees and charges would be set to recover all of the expenditures under the RFLTA as well as the additional enforcement expenditures of government. The 2016 Regulation Impact Statement (2016, p. 13) indicates that the cost recovery of all expenditures on recreational fisheries (i.e. the RFLTA and other government expenditures) is around 39%. This is based on 100% cost recovery of the RFLTA expenditures and around 30% cost recovery of VFA enforcement expenditure (which is partly recovered via the RFLTA).

As per the 2016 Regulation Impact Statement (p. 13), the Victorian Government has made it clear in the RIS that it is not enacting full cost recovery. Therefore, in terms of what costs should be recovered via the RFLTA, recreational fishers are fortunate that government is not applying general government policy which is full cost recovery via fees and charges.

In terms of funding, while the Recreational Fishing Grants program's share of total expenditure has fallen over time, total Recreational Fishing Grants expenditure (in dollar terms) has fluctuated up and down over time (averaging \$2.4 million over the period 2010/11 to 2017/18) and the actual percentage share allocated to fisheries development activities has slightly increased over the past eight years once the Target One Million expenditure is included (Figure 5).

Figure 5: Funds allocated to fisheries development (% of total RFLTA expenditure)



Source: MJA analysis of RFL Trust Account Reports to Parliament.

One area where clarity of role would be beneficial is in the area of education. Discussions with stakeholders has revealed that the Victorian Government is undertaking education for both compliance and fisheries development purposes, while the RFLTA has also allocated some funds to Fishcare which undertakes education for fisheries development purposes. Stakeholders have indicated that this overlap for fisheries development has led to some confusion and could ultimately lead to sub-optimal outcomes.

Effectiveness

Effectiveness refers to the degree to which the objectives are being achieved. Under the Act, expenditure using the RFLTA must be for the purpose of improving recreational fishing. Considering the type of expenditure within the RFLTA, it is clear that all of the funds in the RFLTA are being used for this purpose.

Evidence also exists that the RFLTA has been effective in improving recreational fishing. For example:

- The Recreational Fishing Grants program is well subscribed and has typically funded around 70 new projects per year.
- The RFLTA annual report to the Victorian Parliament provides detailed information on the nature and scale of VFA's enforcement activities – some of which is funded via the RFLTA (around \$2 million in 2017/18)
- A recent evaluation (EY, 2018) of the Target One Million program (around \$2.3 million in 2017/18) concluded that the program had been successful in achieving its specific objectives – including: increasing the number of recreational fishers and total fishing trips in Victoria; increasing fish stocking throughout Victoria; upgrading fishing facilities/infrastructure and improve access for recreational fishers; and increasing interest in recreational fishing among the Victorian population.

However, opportunities exist for improvements. In particular, a key issue is that in assessing applications for Recreational Fishing Grants, the Working Group implicitly allocates RFLTA funds between the categories defined for small and large grants (Appendix 1) and across geographic regions.

Moreover, the Working Group does this without a firm understanding of:

- what would be most effective overall to improve recreational fishing (as per the objective in the Act)
- whether there are specific priorities and equity considerations that should be considered in assessing grants
- what type of projects would be effective in improving recreational fishing as there is no post project evaluation of grants.

Several stakeholders also indicated that a mid-sized category might be appropriate considering the time it takes for a large grant to be assessed, approved and funded – typically up to two years from the time of submitting the application. This time delay may also have led to a large proportion of funding successful applications (in terms of the number of applications) being less than \$5,000 and not as many in the \$5,000 to \$30,000 range (in terms of the value of the grants). This is illustrated in Figure 6 for 7 years of successful grant applications from 2010/11 to 2016/17 and in Figure 7 for 2016/17 (the most recent published year). Analysis of historical applications also indicates that around half of the applications less than \$5,000 are less than \$2,500.

Therefore, a new mid-sized category (e.g. \$5,000 to say \$25,000 or \$2,500 to \$25,000) may be more efficient and enable a better spread of different sized projects. The new category would have a shorter approval timeframe than large projects (i.e. similar to the <\$5,000 which is typically funded in the year of submission) but more scrutiny than small projects (but less than large projects). The time length it takes for large projects to be funded should also be reviewed, although it is acknowledged that these projects do require a higher level of scrutiny.

Some stakeholders advocated that an expression of interest process for specific high priority issues may be beneficial as part of the grants process, particularly for large grants. This mechanism may be a beneficial improvement as it could be used to ensure that project proposals align more closely with the priorities of the Working Group and the strategic priorities of the RFLTA – particularly if a holistic strategic plan is developed for the RFLTA.

Some stakeholders indicated that they incur additional costs in preparing, organising and managing projects that is not recoverable via the grants process. Taking into consideration their importance to project success,

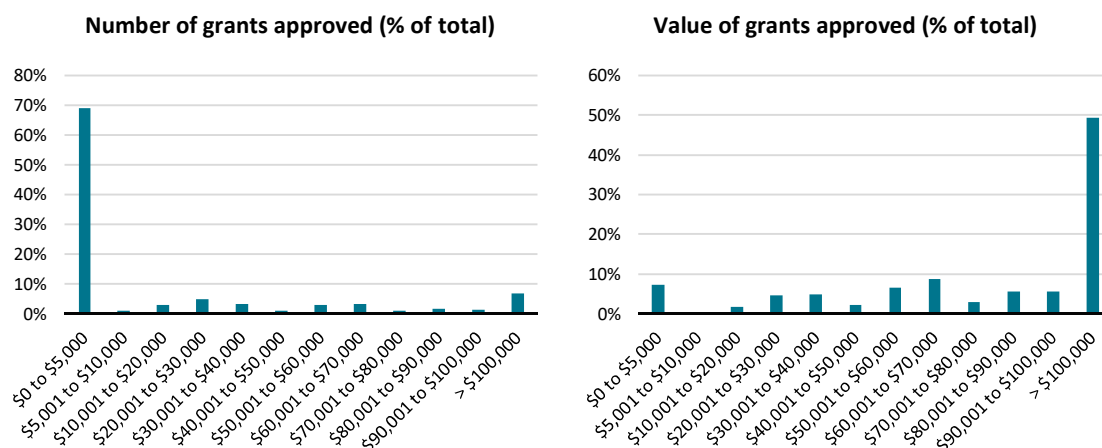
these costs should be recoverable so long as it does not involve costs that would otherwise have been recovered via other processes.

The current grant process considers whether the applicant is also providing in-kind contributions from the applicant or other organisations. The grants process could more formally consider the relative shares of public and coinvestment funding required for different types of projects based on the expected share of public and private benefits and the risks of spillovers and free riding. This could be incorporated as part of a reformed grants process.

A number of participants suggested that the grants under the Recreational Fishing Grants program be distributed according to the membership or prevalence of fishing activity. Our assessment is this is not desirable nor feasible. First, the funding should be contestible and distributed according to which project will achieve the largest net benefit. Second, the RFL and recreational fishing activity data is not robust enough to confidently established a more equity activity based system. Third, though well intentioned, it is likely such a system would most likely create a range of incentive problems down the track and could become entrenched and intractable.

In principle, it would be helpful if there was closer alignment of recreational fishing groups in preparing project proposals. This would enable more efficient engagement and alignment of resourcing priorities. The new proposed strategic plan under recommendation 1 and proposed changes to the grants process (e.g. greater guidance provided to applicants on the likely priorities for the Recreational Fishing Grants program) should assist in providing fishing groups with a greater understanding of strategic priorities of the RFLTA and the short to medium term priorities of the Recreational Fishing Grants program. This provides fishing groups with more clarity on how they can best align with others to prepare effective grant proposals.

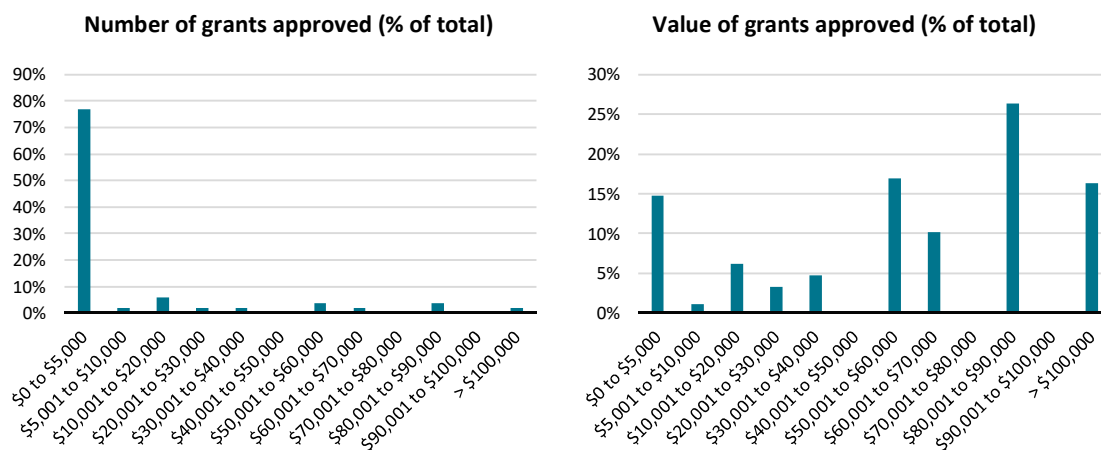
Figure 6: Number and value of grants approved (% of total from 2010/11 to 2016/17)



Source: MJA analysis of RFL Trust Account Reports to Parliament.

Note: the graph is based on the total amount approved for small and large grants. Grant funding could be spread over more than one year.

Figure 7: Number and value of grants approved (% of total for 2016/17)



Source: MJA analysis of RFL Trust Account Reports to Parliament.

Note: the graph is based on the total amount approved for small and large grants. Grant funding could be spread over more than one year.

The effectiveness of the current RFLTA allocation to industry advocacy (i.e. VRFish) is discussed in more detail in the advocacy section.

Efficiency

Efficiency of the RFLTA can be viewed in several ways:

- The allocation of total RFLTA funds across all of its expenditure – i.e. the 8 categories of expenditure shown in Table 2.
- The allocation of funds within the 8 categories of expenditure.
- The cost of particular items of expenditure to ensure they are low cost.

Stakeholders views were mainly focused on the allocation of the RFLTA within the Recreational Fishing Grants Program. Discussions with stakeholders revealed that the current process undertaken by the Working Group does have some positive features that promotes efficiency outcomes, including:

- The application process for both small and large grants requires applicants to provide a range of information about the proposed project, including information on how the project will benefit the local community (small projects) and how it will improve recreational fishing in Victoria (large projects)
- The scoring system for large projects is applied to each project on a consistent basis, based on discussions with key stakeholders
- Proposed expenditure, where appropriate, is sometimes compared with historical expenditure on similar types of expenditure
- Three quotes are required for large grants, noting this is not always possible due to limited suppliers

However, opportunities exist for improvements. Some limitations of the existing process are:

- The outcomes of projects are not evaluated which limits the ability of the Working Group to appreciate which projects are likely to have the greatest impact and those are likely to have challenges.

- Unsuccessful project applicants are provided with limited information on the reasons for why their project was not approved.
- Limitations on the time allocated for the Working Group to assess grants.
- Commissioning grants are developed by the VFA and the selection and assessment process for these projects is not the same as is currently applied to large grants.

Accountability and Transparency

In the context of RFLTA, accountability refers to whether the RFLTA has clear and effective accountability structures and guidance for decision making. Transparency refers to whether there is information provided to appropriate parties that clearly shows how decisions were made and the impact of those decisions.

Discussions with stakeholders and a review of the governance structure of the RFLTA indicates that:

- The governance structure of the Working Group is sufficiently effective, with an independent Chair and a sufficient representation of skills across the recreational fishing sector. Some indicated that the Working Group could benefit from a greater understanding of all different type of fisheries.
- The Working Group has a term of reference and uses assessment criteria to assess projects.
- The Working Group is focused on assessing recreational fishing grants. It does not have a formal role in decision making for other components of expenditure in the RFLTA. These are decided by the Minister in consultation with the VFA.
- Some conflict of interest issues has arisen when an organisation that requests funding under the application process also has a member of its organisation on the Working Group. Where conflicts exist, these appear to be dealt with in an appropriate way.

Overall, the accountability structures for the Working Group appear to be effective. However, a key governance issue is what role the Working Group, or the recreational fishing sector more broadly, should provide advice on expenditure components outside of recreational fishing grants. Various approaches could be implemented to address this issue, such as a forum for greater input into the overall strategic plan for the RFLTA for all expenditures or more significant reform such as making the RFLTA independent of government.

In addition, the Recreational Fishing Grants Working Group should comprise members with a mix of skills across the recreational fishing sector to ensure that it can appropriately assess the different types of grant applications. Therefore, the mix of skills should be reviewed going forward. Although it appears that the Working Group has historically appropriately dealt with conflict of interest issues, members should preferably not be selected where there is a perceived conflict of interest.

More complex reforms, such as making the RFLTA more independent of government, are likely to be counterproductive given the scale of the fund and the overlap in activities with the VFA (e.g. enforcement). However, scope exists for greater clarity and involvement of the recreational fishing industry in contributing to the overall strategic plan for all expenditures in the RFLTA.

In terms of transparency, detailed information on RFLTA expenditures is reported to the Victorian Parliament each year. This includes expenditure for each project and a short description of the project. However, opportunities for improvement to transparency exist in the Working Group assessment process, including:

- Limited guidance is currently provided to potential applicants on the likely priorities for the Recreational Fishing Grants program
- Limited feedback is currently provided to applicants if they are unsuccessful
- There appears to be limited evaluation and auditing undertaken of large or commissioning projects to assess their impact and what learnings could be fed back into future assessments by the Working Group.

Measuring performance

Measuring performance refers to whether appropriate evaluation is undertaken that measures the performance of all RFLTA expenditures in improving recreational fishing.

A review of current processes and discussions with stakeholders indicates that the VFA provides information to the Working Group on the performance of some programs which are partly or wholly funded by the Working Group, but which do not form part of the recreational fishing grants program. Some recent examples in 2018 include enforcement and Target One Million. The VFA undertook a comprehensive evaluation of the Target One Million program in 2018.

However, stakeholder discussions indicate that very limited evaluation and performance measurement is undertaken of other key expenditures – including Fishcare, VRFish and the three types of recreational fishing grants (small, large and commissioning). In terms of the recreational fishing grants, some key metrics that could be measured include, for example:

- The number of successful and unsuccessful applications and by region and type of fishery
- The type of reasons as to why applications are successful or unsuccessful
- The impact of projects (e.g. increase in number of fishers in a particular region)

2.5.3 Recommendations

Recommendations for improvements to the RFLTA are as follows:

Recommendation 1: A consolidated strategic plan should be developed by the VFA in partnership with the State-wide Recreational Fisheries Roundtable (SRFR) across all RFLTA expenditures. This would provide greater clarity of RFLTA role and purpose and address key stakeholder issues. The strategic plan would be developed with input from the recreational fishing sector, via the SRFR. The plan would:

- provide clarity on the purpose of each expenditure and how it fits under each of the three categories of expenditure (regulation, advocacy and fisheries development).
- provide an overall plan for the strategic priorities for RFLTA over the next, say, five years. This plan could provide specific guidance to the Working Group on priorities across types of expenditures and regions which would assist in assessing applications.
- indicate how the recreational fishing sector will be consulted in developing the plan for each sub-component within the RFLTA (e.g. enforcement expenditures, Target One Million, Commissioning grants).
- clarify the role of the Working Group in providing advice on all types of recreational fishing grants (including Commissioning Grants) as well as other key RFLTA expenditures. This should also ensure that the work effort allocated to the Working Group is commensurate with the expectations of it.
- provide clarity on the respective roles of the VFA and Fishcare in providing education services for fisheries development.

Recommendation 2: Evaluation and performance measurement should be enhanced across all key RFLTA expenditures. Specifically, performance information should be collected on key RFLTA expenditures where it is not currently being reported or collated. This includes the recreational fishing grants, VRFish and Fishcare. For example, in terms of recreational fishing grants, collection of key information after project completion would enable the Working Group to better understand the relative effectiveness of different type of projects and the historical coverage of projects across regions and fisheries.

Recommendation 3: A reformed Recreational Fishing Grants structure and assessment process which includes:

- The grants structure could be amended to allow for: a new mid-sized category combined with potentially a lower threshold for small grants; and a reduced length of time from grant submissions to funding for large projects.
- Project administration and management costs should be recoverable so long as it does not include costs that are recovered via other processes nor the costs of volunteers that assist with project implementation.
- Consistent with the strategic plan, greater guidance should be provided to applicants on the likely priorities for the Recreational Fishing Grants program and appropriate feedback provided if their application is unsuccessful.
- An expression of interest process for medium to large sized projects could be used for high priority issues that align with the RFLTA strategic plan proposed in Recommendation 1.
- A reformed grants process could also more formally consider the relative shares of public and co-investment funding required for different types of projects based on the expected share of public and private benefits.
- The mix of skills of the Recreational Fishing Grants Working Group should be reviewed to ensure that it comprises members with an appropriate mix of skills across the recreational fishing sector. Additionally, members should preferably not be selected where there is a perceived conflict of interest.

2.6 Advocacy model

2.6.1 Current situation

Advocacy represents the activities undertaken by the recreational fishing sector to advocate for their recreational fishing interests. The current advocacy model for recreational fishing in Victoria is largely centred on VRFish, which is allocated RFLTA funds under a funding agreement. In 2017/18, VRFish was allocated approximately \$450,000.

As part of this agreement, VRFish must provide the Victorian Government with an annual business plan, annual budget and an audited annual financial report. Additionally, the agreement states that the goal of VRFish is to engage with the Victorian recreational fishing community to provide advice to the government on fisheries and natural resource management matters that reflect the diversity of views of Victorian recreational fishers.

The funding agreement contains a list of outcomes to which the funds should be directed – such as (not exhaustive): gathering views of the broader recreational fishing community; encouraging the adoption of sustainable and responsible recreational fishing practices; and providing strategic and operational advice on issues that have the potential to impact the quality of and/or participation in recreational fishing in Victoria. The outcomes are supported in the agreement by key performance measures.

Fishers are also able to advocate to the Government on relevant recreational fishing issues via the State-wide Recreational Fisheries Roundtable (SRFR). The SRFR has a defined terms of reference and, broadly speaking, its purpose is to be a forum at which VFA: provides information about strategic matters; seeks advice from members as necessary; and exchanges information and specialized input about recreational fishing with members to assist Fisheries Victoria in the management of Victorian recreational fishing. The forum is also intended to be provide an opportunity for constructive interactions between leaders in the recreational fishing sector.

Meetings of the SRFR are held quarterly and participation in the SRFR is intended to reflect the broad range of recreational fishing types, interests and issues across Victoria plus representatives of recreational fishing-related industries.

2.6.2 Review assessment

Discussions with stakeholders revealed that many are uncomfortable with current advocacy arrangements. Although many agree that a single entity representing all recreational fishers is the preferred arrangement, a key issue is that many outside VRFish believe they are not adequately represented. We received strong

feedback that more work is required for all to feel that their interests are being appropriately considered and included in its advocacy policy development processes.

Some stakeholders also highlighted that, in addition to advocacy, VRFish assists its angling clubs to develop submissions for grants under the Recreational Fishing Grants Program. Some perceive this to be a potential for conflict of interest and indicated that, therefore, the advocacy activities of VRFish need to be separated from these other activities.

In terms of the SRFR, a common view from stakeholders was that the SRFR has provided a valuable forum for the VFA to outline its key strategies and activities and for the key recreational fishing groups to interact and engage with each other. However, stakeholders also indicated that potential exists for this group to be used to provide strategic input into future government plans for the recreational fishing sector. However, some clarification of its structure and membership to occur to ensure it is appropriately representational of the recreational fishing community.

If RFTLA funds are to be used for advocacy, a strong argument exists on efficiency grounds for one entity being funded to advocating on behalf of the recreational fishing sector. This was recognised by many stakeholders and is often the case in agricultural sectors (such as dairy and, to a lesser extent grains).

In terms of effectiveness, the current funding agreement contains a range of performance measures through which VRFish must illustrate that it seeks and considers the diverse spectrum of views of recreational fishing when providing advice to government.

However, notwithstanding these performance measures, the view of many stakeholders is that engagement with them by VRFish is not sufficient nor effective. Feedback was provided that VRFish no longer delivers key projects around social/economic valuation studies and young leaders development. This is important to be addressed and various approaches could be considered to address this issue, such as:

- Requiring stronger and potentially more specific performance measures related to engagement with the broader recreational fishing sector;
- Surveying key stakeholders to understand how they been consulted by VRFish; and/or
- Establishing a small independent panel to provide advice to the government on the performance of VRFish. The panel could consult with key stakeholders to assist in providing its advice.

Additionally, the strategic plan could provide guidance on the relative importance of funding VRFish compared to other priorities.

Some stakeholders suggested that more substantial reforms should be implemented. For example, some suggested that some of VRFish's current funding could be reallocated to support other groups to undertake advocacy activities or even for the advocacy funding component within the RFLTA to be contestable. Some also suggested that some of VRFish's current funding could be reallocated to enable other groups to prepare more effective Recreational Fishing Grant proposals.

In our view, more substantial reform is less preferable due to efficiency considerations and the additional complexity that would come with ensuring that these funds are spent appropriately. Moreover, these types of arrangements should only be considered if reform within the current funding framework cannot deliver improvements. This should be considered further in a more intensive review of peak body representation in 2020.

Recommendation 4: A more intensive review of VRFish should be undertaken in 2020 to ensure that VRFish broadly consults with the recreational fishing community in providing advice to government and advocating for the sector. Additionally, the strategic plan should provide guidance on the appropriate level of funding to resource VRFish compared to other priorities within the RFLTA. More substantial reforms to advocacy and representation could be considered through the 2020 review, including options to re-allocate funding across a range of recreational fishing bodies.

2.7 Exemptions to categories of recreational fishers required to hold a licence

2.7.1 Current situation

Under the Act (s.44(1) of the Act), a person must not — (a) take or attempt to take fish from marine waters or inland waters; or (b) use or possess recreational fishing equipment in, on or next to Victorian waters — unless he or she is authorised to do so by a recreational fishery licence (or is otherwise authorised under the Act). Exemptions to this requirement are contained in the Act and the Regulations.

A fisher is exempted from the requirement to possess a licence if they are:

- under 18 years of age (s.47 of the Act); or
- 70 years of age or over (regulation 66 of the Regulations).

In addition, under regulation 66 of the Regulations, exemptions are given where the fisher holds:

- Victorian Seniors Card or interstate equivalent (see single card image to the right);
- Veterans' Affairs Pensioner Card;
- Veterans' Affairs Repatriation Health Card coded (TPI);
- Commonwealth Pensioner Concession Card coded either (DSP), (DSP Blind), (AGE), (AGE Blind) or (CAR);
- Or is a member of a traditional owner group fishing within an area subject to a natural resource agreement relevant to that traditional owner group.

2.7.2 Review assessment

Discussions with stakeholders revealed a mix of responses as to whether fishers that are under 18 or over 70 years of age should be exempt from the requirement to hold a fishing licence. Some stakeholders said it would be beneficial to require all fishers to hold a licence, even if some were not charged a licence fee, so as to improve the estimation of the total number of fishers in Victoria. Other stakeholders indicated that there were alternative approaches that could be used to estimate total fisher numbers and it would be an administrative burden to do so for this purpose alone. Some others suggested a concessional fee for those under 18.

The 2016 Regulation Impact Statement (p. 23) considered removing these exemptions as one of its alternative pricing options. The RIS considered that the benefits of improved horizontal equity (i.e. those that benefit should pay) were offset by adverse impacts on vertical equity (those that can least afford it should pay less), higher administrative costs and higher levels of non-compliance. Taking into account the mixed feedback from stakeholders and the analysis in the RIS (which still appears relevant), a strong case for change from the current situation is not apparent. However, if the cost of implementation was to be able to be kept to a minimum, the Victorian Government could consider licencing all fishers and potentially concessional arrangements for those under 18 or over 70 years of age to achieve vertical equity objectives.

Recommendation 5: Retain licence exemptions for those under 18 or over 70 years of age. A case for change in the future may be warranted if the administrative costs can be kept to a minimum, and even then, a concessional charge may be warranted to meet vertical equity objectives.

Appendix 1 Small and large grants

A1.1 Categories for funding of small and large grants

Table 5: Small grants program fund

Category	Details
Recreational fishing access and infrastructure	<p>Examples of what can be funded:</p> <ul style="list-style-type: none"> • installation of solar lighting above fishing platforms • fish cleaning tables • directional, educational and information signage • fence-stiles, gates, access paths, stairs and/or walkways to improve access to public fishing locations • pontoons or jetties
Community fishing events	<p>Funding is available for events or programs that:</p> <ul style="list-style-type: none"> • promote responsible recreational fishing practices • improve angling skills and knowledge amongst participants • seek to increase participation in recreational fishing • support National Gone Fishing Day. • support the Victorian Fisheries Authority's Women in Recreational Fishing Network (WIRF) - for more information contact Belinda Yim on 8392 6845. Note: we can promote your event to the WIRF network to encourage women to come along if you provide us with details of your event. We can also provide you with WIRF-related giveaways for you to hand out at your event. <p>As a guide, events could include:</p> <ul style="list-style-type: none"> • a workshop or training session on aspects of recreational fishing such as knot- or fly-tying, rig-setting, bait collection and application, fish catch and release techniques, • 'Come and try' fishing days, Fish-a-thons, or club promotion days • displays at shows and expos
Education projects	<p>Funding is available for education projects that:</p> <ul style="list-style-type: none"> • promote responsible and sustainable recreational fishing practice <p>As a guide, education projects could include:</p> <ul style="list-style-type: none"> • the preparation of educational material such as brochures, reports, digital and social media, DVDs, radio programs
Categories not able to fund	<ul style="list-style-type: none"> • Natural persons • The purchase of equipment for a group's exclusive use, competitions, prizes, give-aways, or alcohol for any events • General operating or travel costs not directly associated with a project/event; • The stocking of fish (including the purchase, transportation and/or the release of fish for an event)

Category	Details
	<ul style="list-style-type: none"> Projects assessed as having little value or no benefit to public recreational fishing in Victoria

Table 6: Large grants program fund

Category	Details
Category 1 - Recreational fishing access and facilities	<p>This includes improvements to recreational boating-related infrastructure, where a clear benefit to boat-based recreational fishing can be demonstrated.</p> <ul style="list-style-type: none"> Projects that could expect favourable consideration would include those that: <ul style="list-style-type: none"> Provide easy, safe and efficient access to public waters Improve facilities in areas of high current or expected recreational fishing demand Provide facilities for users from an identified wide catchment area Provide all-weather facilities at selected sites Have designs which minimise maintenance costs, and Include appropriate signage (for which funding is also available, as part of the project cost). <p>Projects that would not receive favourable consideration:</p> <ul style="list-style-type: none"> Provision of access for select groups only (other than those with special needs), or construction of facilities that are not open and freely accessible to the fishing public. RFL revenue will not be allocated to fund the purchase of any club equipment (e.g. fishing rods, fishing reels, IT equipment, audio visual equipment such as cameras, DVD players etc.).
Category 2 - Recreational fisheries sustainability and habitat improvement	<p>Projects in this category must be designed with a clearly defined objective that will result in the maintenance or improvement of recreational fisher catches. Projects that assess recreational fisher catches for the above purposes or that assess the success of a project in this category would be eligible.</p> <p>Projects that could expect favourable consideration would include:</p> <ul style="list-style-type: none"> Fish habitat improvement programs for recreational fish species, and Assessment of recreational fisher catches and use patterns. <p>Projects that would not receive favourable consideration, or would be considered a low priority include:</p> <ul style="list-style-type: none"> Assessments that do not identify a clear end-benefit for recreational fishers.
Category 3 – Recreational fisheries related education, information and training	<p>Projects should be designed to improve the practices, procedures and experiences of recreational fishers, and to preserve the rich heritage of this recreational pursuit.</p> <p>Projects that could expect favourable consideration would include:</p> <ul style="list-style-type: none"> Development of educational programs designed to promote recreational fishing and good recreational fishing codes of practice Development of displays to promote recreational fishing and/or educate the public on recreational fishing Running of specific-purpose events, field days or training programs (which may include the participation of Fishcare Victoria) on recreational fishing

Category	Details
	<ul style="list-style-type: none"> • Preservation of angling history in various forms, or • Assessment of new techniques for fishing and transfer of information to recreational fishers. <p>Projects that would not receive favourable consideration, or would be considered a low priority include:</p> <ul style="list-style-type: none"> • Projects that have a very narrow focus • Materials developed for a primarily commercial purpose, and/or • Recreational fishing competitions and associated prizes.
Category 4 – Recreational fisheries research	<p>Projects considered for inclusion in the research category must be designed to provide practical knowledge to enable better management of recreational target fish species in Victorian waters. Research projects will be expected to have fisheries research professionals or principal investigators, although such professionals can be engaged by project proponents to conduct research activities on their behalf.</p> <p>Projects that could expect favourable consideration would include:</p> <ul style="list-style-type: none"> • Research on biology and habitat use of recreational fish species • Research on response to, and impacts of fishing on recreational fish species • Evaluation of the success of fish habitat improvement programs • Evaluation of specific recreational fish stocking programs • Investigations of the impacts of environmental factors on recreational fisheries, and/or • Research on the social and economic impacts of recreational fisheries. <p>Projects that would not receive favourable consideration, or would be considered a low priority include:</p> <ul style="list-style-type: none"> • Research on fish species not targeted by Victorian recreational fishers • Research on threatened fish species protected by legislation from recreational fishing • Commonwealth-managed fisheries • Aquatic habitat works that do not directly affect a recreational fishery, and/or • Research programs that cannot define a benefit to recreational fishers.

Terms of Reference - VRFish Review 2020

Introduction

Recreational fishing is one of the most popular nature-based outdoors activities in Australia. In 2013/14, an Ernst and Young study, found around one in five Victorians (838,000 people) went fishing and undertaking more than 6 million fishing trips. In that year, the recreational fishing industry was estimated to generate \$7.1 billion to the economy and support 33,967 direct and indirect jobs. In recognition of the social and economic contribution from fishing, the Victorian Government has, over the last five years, invested a record \$81 million through the Target One Million plan to increase fishing participation and create high quality recreational fishing experiences.

VRFish was established 25 years ago to represent recreational fishers and it has a charter to advocate for the interests of Victorian recreational fishers. The recreational sector is diverse with fishers coming from regional and metropolitan areas, as well as wide ranging cultural backgrounds. To deliver this important task, VRFish has a large membership base, especially through angling clubs and it receives close to \$500,000 each year of licence fees under a Grant Agreement with the State of Victoria. VRFish is also able to apply for project funding that aligns with its Strategic Plan and Grant Agreement.

Background

A recent review of the Victorian recreational fishing licencing system (Marsden Jacob, 2019) identified some concern among recreational fishing stakeholders about the effectiveness of the VRFish engagement model and general performance.

The review recommended the need for a more intensive review of VRFish to be undertaken in 2020 to ensure that it more broadly consults with the broad recreational fishing community in providing advice to government and advocating for the sector.

Additionally, it recommended that guidance should be provided on the appropriate level of funding to resource VRFish compared to other priorities within the RFLTA.

The review also recommended that more substantial reforms to advocacy and representation should be considered, including options to re-allocate funding across a range of recreational fishing bodies.

The review suggested a more substantial reform is less preferable due to efficiency and complexity of allocating funds and the reallocation of funds should only be considered if reform within the current framework cannot deliver improvements.

Representing and advocating for the large and diverse needs of the recreational fishing community can be a challenging task and the review is an opportunity to document recent changes to the VRFish membership model and its operations.

Process and focus areas

The review will be overseen by independent Chair Julia Menzies under the auspices of a working group comprising the VFA, VRFish, Future Fish Foundation and the Australian Trout Foundation. The working group is an advisory body and has no decision-making role.

The aim of the review is focused on maintaining and enhancing the performance of VRFish to advocate for and represent the interests of Victorian recreational fishers. In considering this,

what other recreational fishing bodies have advocacy roles and could there be an allocation of some funding to those bodies.

1. Part of this review will focus on how VRFish has delivered its services with reference to the following:
 - i) Advocacy on key challenges and opportunities;
 - ii) Performance and reporting;
 - iii) Funding and expenditure;
 - iv) Governance and accountability;
 - v) Membership base and reach;
 - vi) On-ground project delivery; and
 - vii) Communication, campaigns, marketing and engagement.

A survey of a broad section of recreational fishers will help provide the working group with information to make recommendations.

2. Part two of this review will consider the funding of VRFish. The working group will consider previous years audited accounts as well as the 2020/2021 budget with a view to making recommendations on what is the appropriate level of funding to resource VRFish.
3. Part three of this review will consider what other recreational fishing bodies play a role in advocacy and representation of recreational fishers and whether options to allocate funding across a range of recreational fishing bodies could be considered.

The Survey

A survey will introduce VRFish and the important role they play in Victorian recreational fishing and ask for feedback on the:

- i. VRFish governance model, including the VRFish Board and State Council,
- ii. VRFish membership arrangements including representation of diversity in recreational fishing such as CALD community, women fishers and other member associations,
- iii. Priority mechanisms for consulting with recreational fishers (e.g. online surveys, social media, digital meetings, face-to-face meetings, websites, forums etc.)
- iv. Priority areas, issues and opportunities recreational fishers would like to see VRFish advocating for and campaigning on (e.g. developing new fisheries – Tarago Reservoir, improving fish habitat/reefs, commercial netting reforms in the Gippsland Lakes and the Bay, competing uses for water eg- Inter-Valley Transfers and community campaigns such as spider crabs)
- v. Priority pathways for advocacy and delivering education and awareness campaigns (e.g. television coverage, social media posts, production of media releases, letters to the editor, stories in print media, features on radio programs etc.).

The consolidated results from the survey will be considered by the working group to draw a series of a recommendations to enhance VRFish, as well as document recent positive reforms undertaken by VRFish.

Timelines

1. The review will commence in October 2020.
2. A final written report will be completed by the Chair and submitted to the Minister and VFA CEO before the end of December 2020.

Review of VRFish Advocacy and Representation Model: Summary of Survey Results

1 Overview

As part of a 2019 review led by Marsden Jacob Associates of Victoria's recreational fishing licencing system, a recommendation was made to evaluate how effectively VRFish represents and advocates for the broad and diverse interests of Victoria's recreational fishing community.

Recreational fishing in Victoria is one of the most popular and valuable nature-based pursuits in terms its contribution to Victoria's economy and also the health and wellbeing of many Victorians – one in five to be exact. In 2015, an Ernst and Young study found that approximately 838,000 Victorians went fishing, undertook more than 6 million fishing trips and contributed \$7.1 billion to Victoria's economy. This is why the task of representing and advocating for Victoria's recreational fishing sector is so critically important and why the Government is committed to ensuring it is as good as it can be.

To implement the recommendations from the 2019 Marsden Jacobs report a review of VRFish is being conducted to ensure that the broad views and aspirations of Victoria's recreational fishers are being effectively represented and advocated for. This review is being overseen by a steering committee and an independent Chair.

The Victorian Fisheries Authority (VFA) conducted this survey to support the review of VRFish. The survey was conducted over a two-week period in early November 2020. The results of the survey will inform recommendations for improving VRFish to ensure effective representation of the views and aspirations of Victoria's recreational fishers. This report summarises the results of the survey.

2 Survey methodology

The online survey was conducted over a two-week period from 27 October to 10 November 2020. A total of 2,989 responses to the survey were received.

The survey was distributed and promoted broadly using a range of different mediums, including:

- Email invitation
- Social media posts
- VFA website promotion
- Promotion through the Victorian Multicultural Commission

The survey used a combination of closed and open-ended questions to collection information around:

- Fishery demographics;
- Fisher profile, motivations and methods;
- Knowledge of VRFish;

- Satisfaction with the operations of VRFish in a range of areas, including stakeholder engagement, consultation, communication, representation, policy-making and advocacy.

3 Key findings

Summary of key findings

- 60% of respondents had heard of VRFish prior to the survey
- Respondents had knowledge of VRFish primarily as through the media or from other fishers (54.5% of respondents).
- Respondents were most satisfied with the opportunity to have their say in relation to fish stocking, native fish management, trout management and the fishery regulations review.
- Respondents were least satisfied with the opportunity to have their say in relation to boating infrastructure, spider crab fishery access, management of the recreational SBT fishery and Yarra River on-water fishing access.
- Preferred methods for receiving information about VRFish's work included (in rank of preference) email, social media and newsletters.
- Preferred consultation methods included email, online survey/polls and social media.
- Approximately 57% of respondents felt VRFish accommodates their language and cultural preferences.

3.1 Fisher demographics and profile

Fishers were asked a number of questions about their demographics and fishing, including avidity, fishing method, motivations and whether or not they were part of a fishing club or association. The results of these questions can be summarised as follows:

- The most dominant age group of respondents was 45-54 years (31.2%) (see Figure 1)
- Respondents were mostly male (91%)
- In terms of avidity, a large majority (55.15%) of respondents fished more than 10 times between January and December 2019 (Figure 2)
- Respondents' top three motivations for fishing were all non-catch related and included (in order of importance): to be outdoors; to relax; to be with friends and family
- Almost an equal percentage of respondents fished land-based (45%) and from a boat (44%)
- 89% of respondents were not members of a fishing club or association

Figure 1. Age of respondents (% respondents)

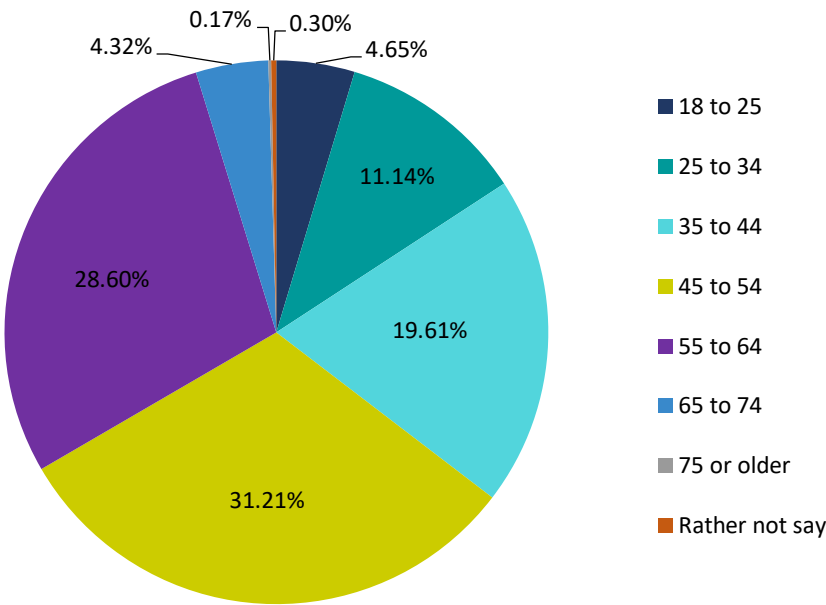
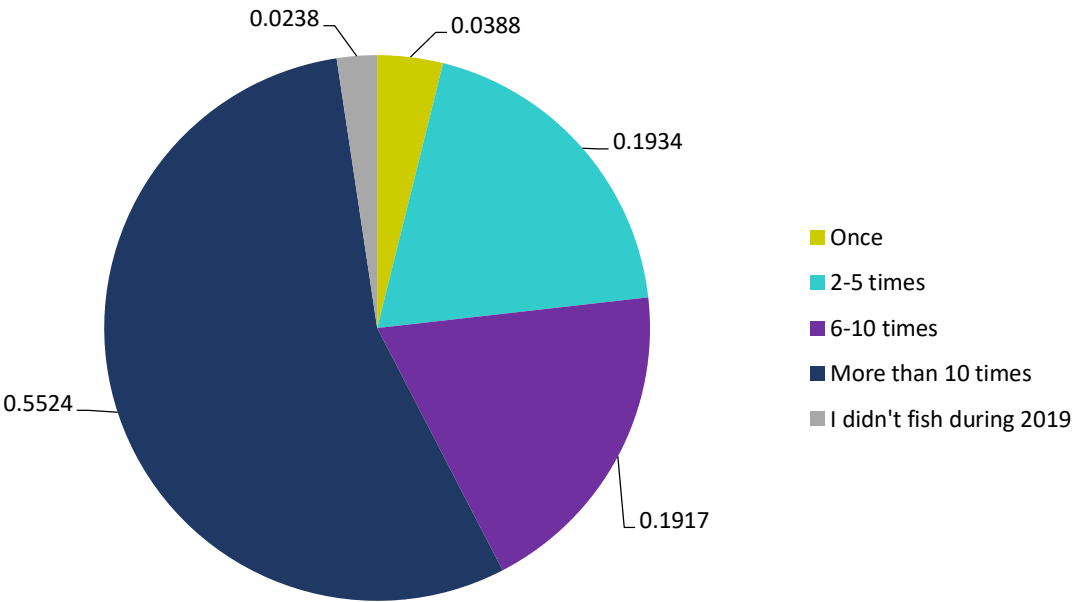


Figure 2. Fishing avidity (% respondents)



3.2 Feedback on VRFish representation and advocacy

Attitudinal data was collected from respondents around their views in relation to the advocacy and representational model of VRFish. This included questions about the level of satisfaction with operations of VRFish in a range of areas, including stakeholder engagement, consultation, communication, representation, policy-making and advocacy.

Respondents were also asked to identify improvements to VRFish in the areas of organisational and governance arrangements, advocacy arrangements, and communication and consultation.

In order to progress to this section of the survey fishers were asked if they had knowledge of VRFish prior to the survey. If respondents indicated they didn't previously have knowledge of VRFish, the survey included built-in logic so that the survey would conclude.

Other key findings from this section of the survey include:

- 60% of respondents indicated they had heard of VRFish prior to the survey.
- The main methods that respondents had gained knowledge about or been involved with VRFish included through the media or other fishers (54.5%), as a result of following VRFish on social media (26.99%) or a subscriber to the VRFish newsletter (20.74%). 12% were members of VRFish (see Figure 4).
- Respondents were asked to indicate their level of agreement in response to a number of statements around VRFish stakeholder engagement, consultation, representation, priority-setting and policy making processes. Across the range of statements, the majority of respondents were largely divided between being in agreement with the statements or neutral/ indifferent (Figure 5).
- Preferred methods for receiving information about VRFish's work included (in rank of preference) email, social media and newsletters.

Awareness of VRFish

Respondents were asked about their knowledge of VRFish prior to the survey. Overall, 60% of respondents indicated they had knowledge or heard of VRFish prior to the survey. An analysis of the data revealed the following trends:

- Level of awareness increased with age (see Figure 3). Approximately 63% of respondents in the 18-24 age bracket didn't have any knowledge of VRFish prior to the survey. It is worth noting that whilst 100% of respondents over 75 years of age had an awareness of VRFish, the distribution methods for the survey would have been unlikely to capture respondents without a licence and no connection to social media or the internet.
- Respondents who indicated they were members of a fishing club or association had a greater level of awareness of VRFish (80% of respondents). 40% of respondents who indicated they weren't a member of a fishing club or association had knowledge of VRFish prior to the survey.

Figure 3. Awareness of VRFish, by age group (% respondents)

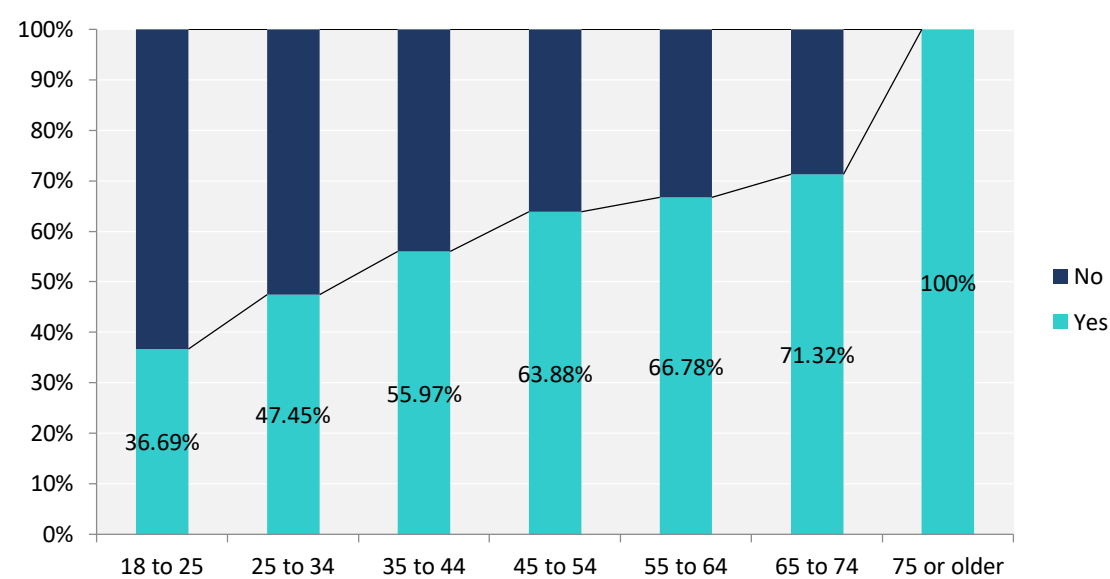


Figure 4. Method of knowledge or involvement (% respondents)

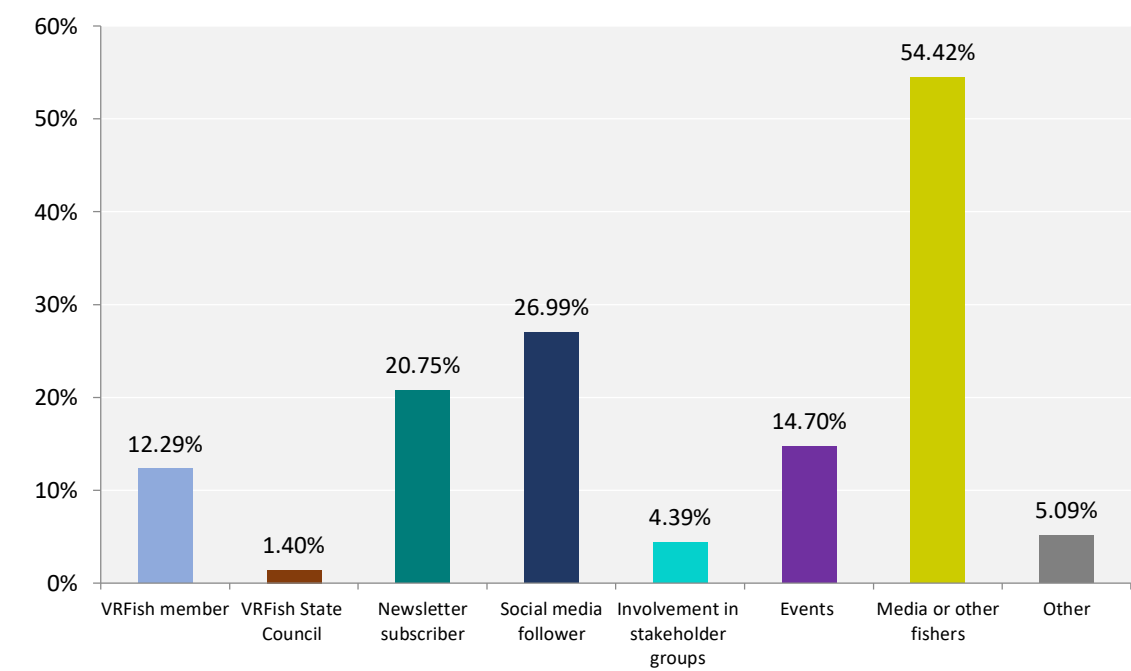
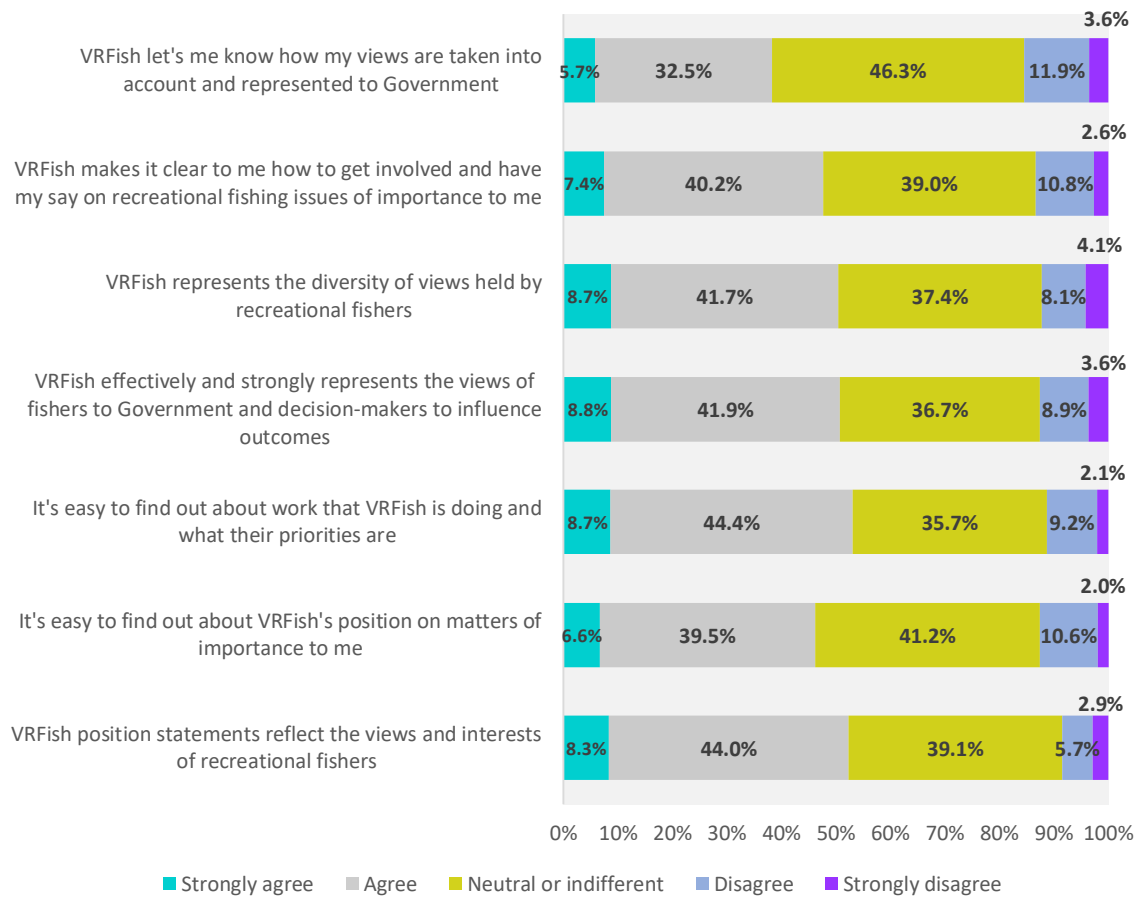


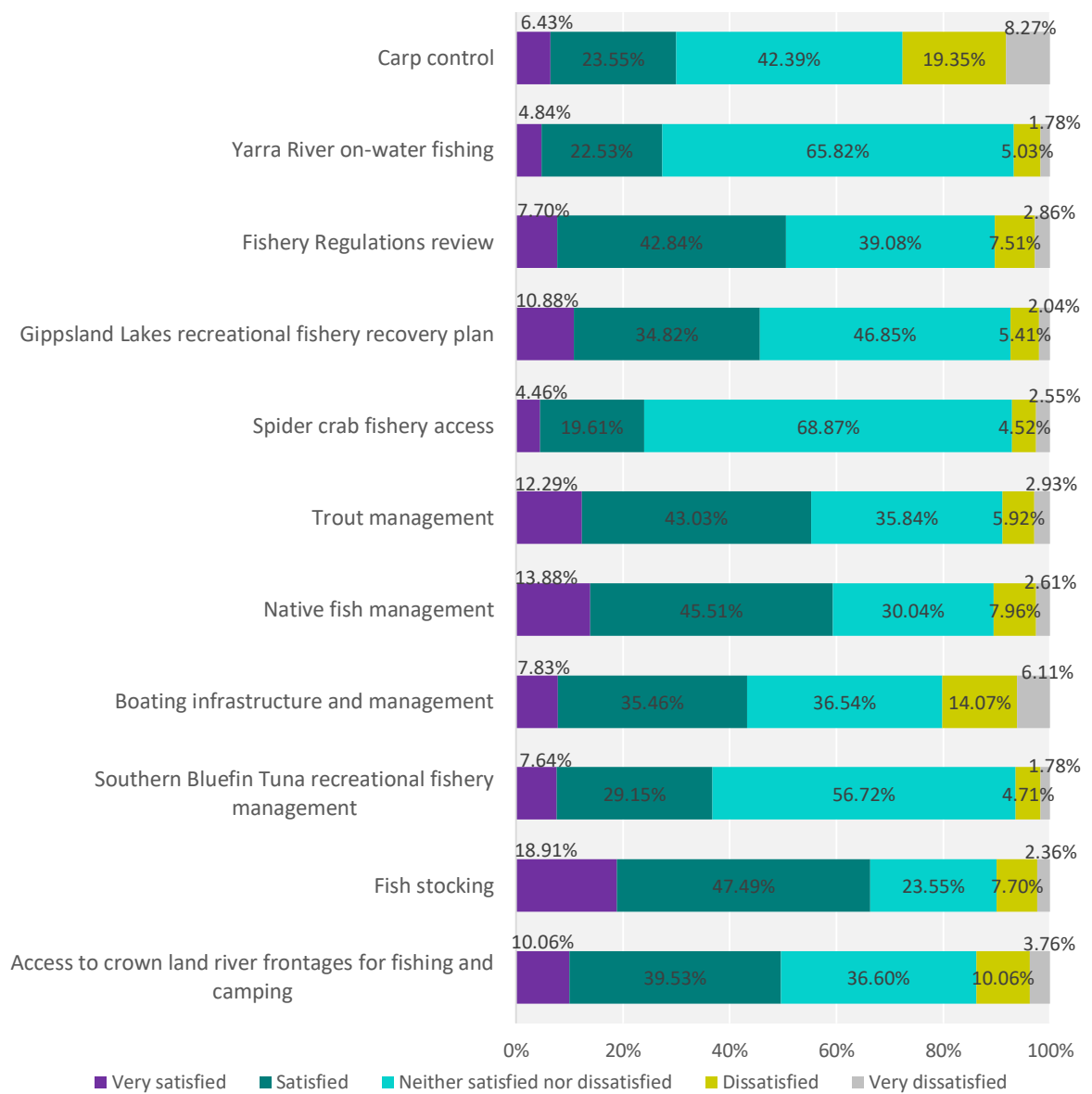
Figure 5. Level of agreement with statements relating to VRFish (% respondents)



Fisher opportunities to have their say and share views

Level of satisfaction on the opportunity provided by VRFish to fishers to have their say and express their views was gauged specific to a number of key matters that VRFish have been engaged in over the previous 12-18 months. Respondents expressed the highest level of satisfaction (being either very satisfied or satisfied) in relation to fish stocking (~67%), native fish management (60%), trout management (55%) and the fishery regulations review (51%). Areas that respondents expressed the lowest level of satisfaction or indifference towards included boating infrastructure, spider crab fishery access, management of the recreational SBT fishery and Yarra River on-water fishing access (see Figure 6).

Figure 6. Level of satisfaction - fishers ability to have their say and share views (% respondents)



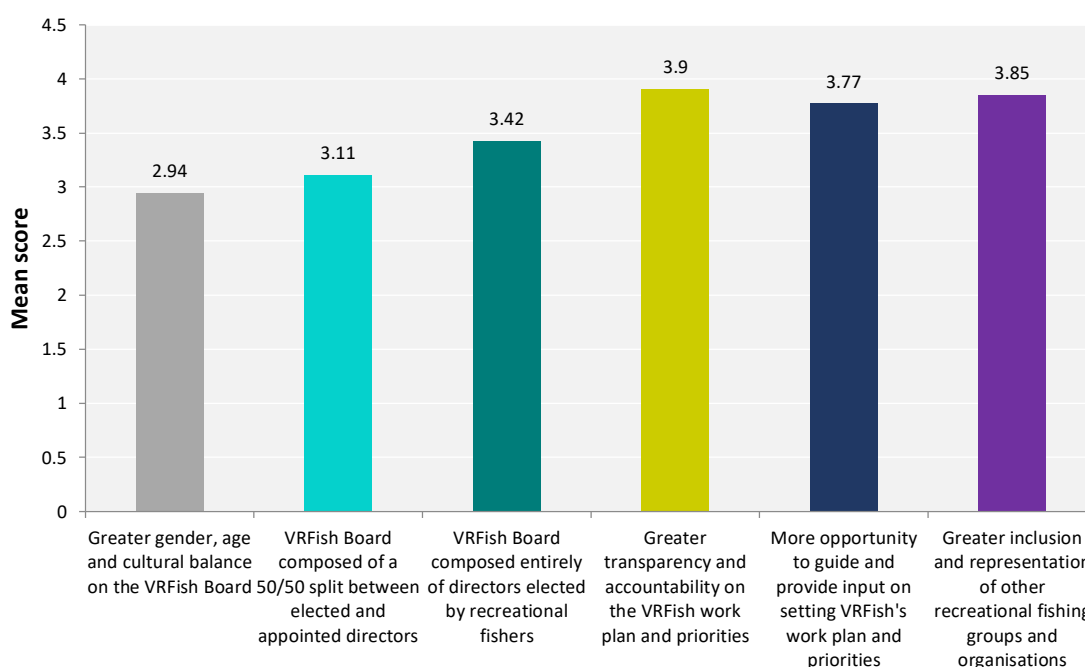
VRFish organisational arrangements

Respondents were asked to rate the importance of a range of options for improving the organisational and governance arrangements of VRFish that would allow it to better represent the broad the diverse interests of Victoria's recreational fishing community. Figure 7 below presents the means scores for each of the options, with the higher the mean score indicating a higher level of importance.

The top 3 ranked options for improving VRFish's organisational arrangements included:

1. Greater transparency and accountability on VRFish work plan and priorities;
2. Greater inclusion and representation of other recreational fishing groups and organisations; and
3. More opportunity to guide and provide input on setting VRFish's work plan and priorities.

Figure 7. Importance of VRFish organisational arrangements for improved representation (mean score)



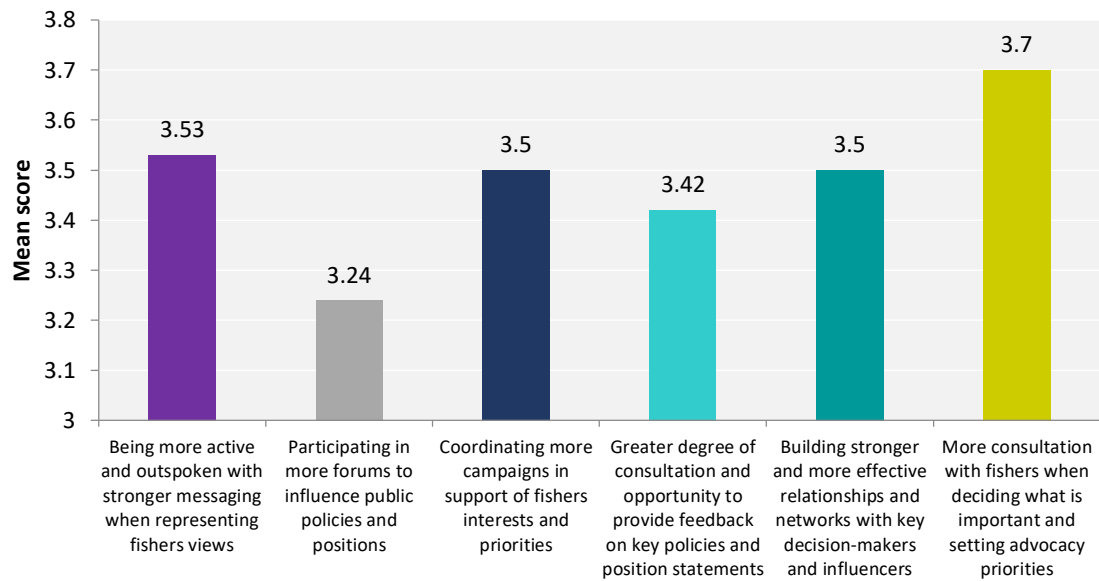
VRFish advocacy arrangements

Respondents were asked to rate a range of options for improving VRFish's advocacy in terms of their level of importance. Figure 8 below highlights the mean scores for each of the choices presented, with the highest level of importance represented by the higher mean scores.

Respondents indicated that the most important options for improving VRFish's advocacy arrangements are (ranked in order of importance):

1. More consultation with fishers when deciding what is important and setting advocacy priorities;
2. Being more active and outspoken with stronger messaging when representing the views of fishers; and
3. Coordinating more campaigns in support of fishers' interests and priorities.

Figure 8. Importance of VRFish advocacy arrangements (mean score)



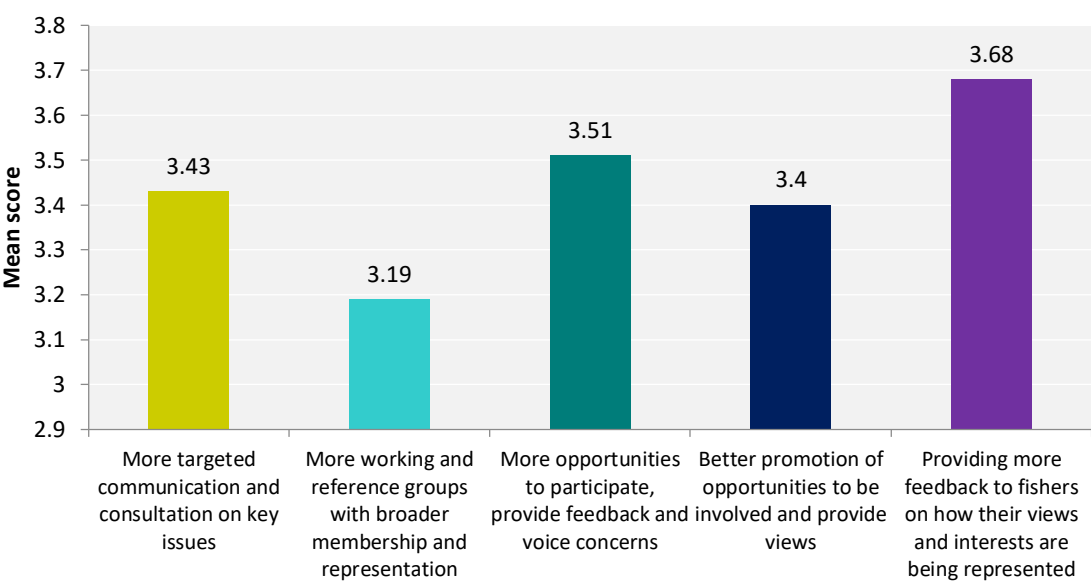
VRFish communication and consultation arrangements

Respondents were asked to rate the importance of a range of communication and consultation arrangements that may improve the ability of VRFish to represent the interests of Victoria's recreational fishers. Figure 9 below summarises the mean scores for each of the options.

Respondents indicated that the most important options for improving VRFish's advocacy arrangements are (ranked in order of importance):

1. Providing more feedback to fishers on how their views and interests are being represented;
2. More opportunities to participate, provide feedback and voice concerns; and
3. More targeted communication and consultation on key issues.

Figure 9. Importance of communication and consultation arrangements (means score)



RECOMMENDATIONS FOR VRFISH REVIEW 2020

DAVID KRAMER & TERRY GEORGE

14/12/2020

Victorian recreational fishers require a contemporary peak body that is strong in advocacy and angler engagement while being equally cost effective, responsible and accountable to all Victorian recreational fishers who fund it through their recreational fishing licence revenue.

The VRFish of today does not have a current satisfactory track record in advocacy and financial management, nor does it seem to have the ability to change when change is called for.

While the two VRFISH representatives have claimed at review meetings 1 - 3 that VRFISH have put in place processes that will ensure fresh faces elected to their Board which will in turn refresh their organisation; it was revealed during review meeting 4 that the result of the election at this years AGM saw all fresh faces unsuccessful and 4 retiring Board members returned for a further term.

On financial management, a series of questions were posed to VRFISH and the answers have been far from satisfactory. For example, the review was told that some funding in this year's budget will be put towards training new Board members. This comment was made, knowing there were actually no new Board members elected, which was discovered in further questioning.

The answer to a question of whether any new Board members took 3 attempts at questioning to get the simple answer; no new Board members were elected at the recent AGM.

Whilst the current Board members are no doubt dedicated to their roles, it is obvious that the Board lacks representatives from key Stakeholders in the recreational fishing sector, e.g. Australian Trout Foundation Vic, Native Fish Australia Vic, Future Fish Foundation, Fishcare Vic, Spear Fishing, Game & Sport Fishing, Bay & Inlet Fishing and Women in Recreational Fishing, are not represented.

While the VRFISH review does not have the power to drill down or forensically interrogate VRFISH, it is clear that the changes said to be occurring at VRFISH are not actually delivering change.

With this in mind, we make the following recommendations:

1. That VRFISH annual funding that has been traditionally provided is ceased.
2. That VRFISH is recognised as a key stakeholder (similar to other organisations in the sector) representing fishing clubs and provided with a small amount of operational funding.
3. That the VFA look at a contemporary model for recreational fisher advocacy such as a Council or Committee that contains representatives from all aspects of recreational fishing including but not limited to salmonid and native fishing, game fishing, spear fishing, tournament or sport fishing, bay and inlet fishing etc.
4. That the VFA consider employing a full time recreational fishing advocacy officer, funded by RFL, who coordinates the various organisations.
5. That members of the new advocacy body receive sitting fees and cost reimbursement for attending meetings.

6. That recreational fishing organisations that provide a substantial contribution to the VFA's management of recreational fishing outside of regular advocacy body meetings be provided equal operational funding to VRFISH.

FURTHER INFORMATION TO SUPPORT THE RECOMMENDATIONS

Native Fish Australia.

NFA was a founding member of VRFish but chose to resign recently because of the following issues:

Extract from a letter from NFA to VRFish:- Concerns/Issues raised include:

- The lack of any real communication/consultation on native fish issues to member organisations.
- The support of other native fish groups in preference to Native Fish Australia (Vic).
- The lack of any real support for issues raised by Native Fish Australia (Vic).
- Many of our members believe VRFish has become too political and has lost sight of why and how it was originally formed.
- We fail to understand how free individual membership can be incorporated into a peak body organisation.
- The perception that VRFish is not active in freshwater issues raised by member organisations.
- The perception that VRFish is simply a support organisation for the VFA.
- We understand a new strategic plan has just been adopted. Was there any input from member organisations? Was the new plan available for comment when in draft form?
- What supports are available/provided for member organisations?

Australian Trout Foundation

When Dallas arrived at VRFish, the ATF reached out to him and were welcomed and together we were developing a sound working relationship.

Since then VRFish have never shown sound advocacy for the ATF or the trout fishery. They have not reached out to the ATF. On the other hand, the ATF have reached out to VRFish and arranged to meet with the Chair and CEO to discuss working together. The ATF offered to enter into an MOU with VRFish, but we never heard back from them and we receive practically zero advocacy and support.

Furthermore, on their website, VRFish claim to work in partnership with the ATF; this is untrue and a misrepresentation which must be rectified.

Overall, we believe that VRFish' reputation is quite low amongst Vic Recreational Trout Fishers.

In our opinion, VRFish should be replaced with a new entity and a new name. The new entity could be a Council or Committee with members selected from the major stakeholder groups and independent fishers with experience, knowledge and/or appropriate qualifications. The Council or Committee members should have designated portfolios to perform and manage.

Regarding the future funding of VRFish, or the proposed new entity, this important and contentious issue requires significant consultation with independent consultants, together with the VFA, the Chair RFL working group, and ourselves.

Regarding future funding of recreational fishing bodies (stakeholders) that play a role in advocacy and representation of recreational fishers, we recommend the ATF and Futurefish Foundation both receive a small amount of operational funding. Both organisations are strong and active in the areas of advocacy, financial management, communication and angler engagement and project delivery.

Succession planning

Board composition

Boards have to plan for orderly succession and renewal as well as be prepared for everything from sudden departure to sudden illness or death of a board member or chief executive officer. It is important to understand that the disruption that occurs when companies change their CEOs and chairs in too rapid succession takes a long time to repair.

Succession planning enables an organisation to refresh its leaders in order to continue meeting the challenges of a constantly changing business environment. While it is usually discussed in terms of CEOs and senior executives, succession planning is equally beneficial for boards. The aim is to have the right person able to fill a vacancy at the right time. The ongoing nature of this planning means that the board has the opportunity to manage its future needs.

Succession planning is closely connected with the processes for selection, appointment and appraisal of directors and executives. The ASX Corporate Governance Council (ASXCGC) advises that board renewal is critical to performance. Specifically, in Recommendation 2.1 of the *Corporate Governance Principles and Recommendations 3e* (2014), the ASXCGC recommends that a nomination committee be established to undertake the following activities:

- “Board succession planning generally;
- Induction and continuing professional development programs for directors;
- The development and implementation of a process for evaluating the performance of the board, its committees and directors;
- The appointment and re-election of directors;
- The process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment; and
- Ensuring there are plans in place to manage the succession of the CEO and other senior executives.”

Of note, this recommendation provides that the nomination committee, or the whole board in the absence of such a committee, should focus on succession planning for board, CEO and other senior executives.

Succession planning for the board

In medium to large organisations, succession planning has become strategically important to Australian boards due to the high average age of directors at 57 years old² (and hence a high number of upcoming retirements) and a shortening of the average tenure of directors, which is now 6 years for non-executive directors in ASX 100 boards and 5.5 years in ASX 101-200 boards.³ Governance trends such as board performance appraisals and transparency of selection policies reinforce the idea that an organisation must have the optimal mix of people, skills and knowledge to ensure its continued success.

The skills, knowledge and experience required to effectively steer an organisation will change over time in response to market developments, opportunities and challenges. Board succession planning allows directors to match the organisation's future needs based on long-term vision with the best qualified directors available.

A regular skills audit of the current board and comparison with future needs will highlight any gaps and assist in targeting succession plans. Indeed, the ASXCGC's third edition of the *Corporate Governance Principles and Recommendations 3e* (2014) specifically introduced a new recommendation 2.2 which states:

"A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership."

It is recommended that boards of larger organisations should maintain a list of potential candidates and monitor it regularly. The availability of highly sought after directors will vary so directors should keep in touch with all potential candidates. Larger organisations might have ongoing relationships with executive search firms to help in this process.

"It is recommended that boards of larger organisations should maintain a list of potential candidates and monitor it regularly. The availability of highly sought after directors will vary so directors should keep in touch with all potential candidates."

Succession planning for the chair

The chair's role should be included in succession plans. Often, the incumbent's retirement date is announced well in advance to allow the board to plan selection and appointment of the new chair. There are, however, some circumstances where a sudden departure may occur, for example death or resignation. This may affect market confidence and the share price so being able to communicate policies and procedures will minimise negative consequences.

Common ways in which boards deal with chair succession are to appoint a deputy chair, identify likely successors from within the board or to appoint a new director with the expectation that they will become chair within a specified time horizon. The advantages of these methods are that the new chair is already familiar with the organisation and has hopefully gained the respect of the other directors by the time they become chair. However, if poorly handled, having an 'heir apparent' may alienate the other directors.

For organisations which have performed poorly, often appointing a new chair from outside the existing board can be used as a signal to shareholders and other stakeholders that considerable change can be expected, including significant change to the board.

² Lumsden A and Knight L, 'ASX 200 are getting younger', *CorrsChambersWestgarth News*, 1 May 2015, [www.corrs.com.au/news/asx-200-boards-are-getting-younger], viewed 22 June 2016.

³ Australian Council of Superannuation Investors (ACSI), *Board Composition and Non-Executive Director Pay in ASX 200 Companies*, ACSI, 2015, p 22.

Succession planning for the CEO and senior executives

Boards are more familiar with succession planning for CEOs and senior executives. With respect to CEO succession, this is important due to the high turnover of CEOs in Australian companies, with the average tenure of CEOs in 2014 being 5 years, which is up from 2013 when it was 3.9 years.⁶ Again the skills and knowledge needed by the executive team to drive the organisation forward will change over time, so succession planning must be a regular agenda item.

The succession plans for the CEO and senior executives should consider short- and long-term scenarios. In the short term, it must be clear to everyone who will step in to manage the organisation when the CEO takes planned or unplanned leave and in times of crisis such as the immediate unexpected departure of the CEO. Appointments in the short-term are acting appointments.

Long-term succession planning concerns permanently filling a vacancy when the current CEO leaves. Vacancies can be unexpected or be known well in advance.

There are in essence two options to long term CEO succession planning – making an internal or external appointment. Most boards of larger organisations keep both options open, but may have a preference for an internal or external appointment. Smaller organisations often lack the depth in the senior management team to have even one, let alone a number of potential internal candidates who are suitable for the CEO position.

The advantage of internal appointments is that the successor is already familiar with the organisation so can step up immediately. Boards should also regularly review with the CEO the performance and development plans of potential CEO candidates to ensure that they are gaining appropriate skills, knowledge and experience to be a CEO. A good way for the board to monitor or evaluate potential internal CEO candidates is to occasionally invite the senior executives to present to the board.

While it is by no means a settled issue, current evidence suggests that internal appointments are on average more likely to outperform external appointments, are less often forced out of office and have slightly longer tenures than external appointments.

External appointments are often made when the board wishes to significantly change the strategy and culture of the organisation. Often in these circumstances the company will be under performing. External appointments are often made on the basis that the board wishes to see major change, often starting with the composition of the senior management team and the portfolio of businesses owned by the company. While such change is often necessary, there is potential to alienate key staff, possibly force them out of the organisation and in doing so decrease confidence in the organisation by shareholders and other key stakeholders.

“Long-term succession planning concerns permanently filling a vacancy when the current CEO leaves. Vacancies can be unexpected or be known well in advance.”

⁶ Davidson V, Ballard J, Karlsson P O and Nielson G L, *15th Annual CEO Succession Study: The value of getting CEO succession right*, strategy&PwC, 2015.

Succession planning in a family company?

There are succession and transition planning issues specific to family businesses. First is the question of whether succession by a family member is the right option for the business. Commercial implications need to be balanced against the desire to keep control in the family. Second is the possible need to consider management and ownership transitions separately.

Well before retirement family business owners need to answer these key questions

- Does your preferred successor really want to take over?
- Does he or she possess the necessary skills and qualifications?
- Is there someone else within or outside the business who would be a better choice?
- Will nominating your preferred successor create conflict – for example sibling rivalry or conflict with other employees?
- Will family succession provide sufficiently for your future?
- Are there are ownership issues to resolve; and
- Is the current business structure appropriate for the future?

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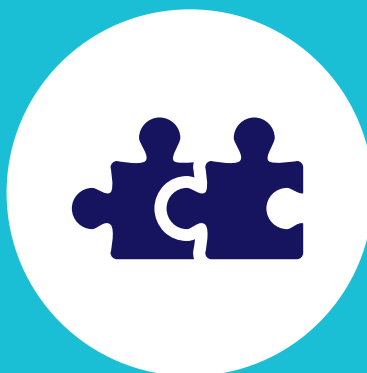
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PRINCIPLE 3

Board composition

The board's structure and composition enable it to fulfil its role effectively

- 3.1 Directors are appointed based on merit, through a transparent process, and in alignment with the purpose and strategy
- 3.2 Tenure of directors is limited to encourage renewal and staggered to retain corporate knowledge
- 3.3 The board reflects a mix of personal attributes which enable it to fulfil its role effectively
- 3.4 The board assesses and records its members' skills and experience, and this is disclosed to stakeholders
- 3.5 The board undertakes succession planning to address current and future skills needs in alignment with the purpose and the strategy

Having the right people around the table is critical to the effectiveness of a board. Boards should look critically at who their directors are and how they are appointed. There is no one-size-fits-all ideal structure and composition for boards. Instead, the directors must decide what form their board should take and give consideration to how this might change over time.

Appointing directors

Directors are generally appointed by:

- direct appointment by the board; or
- election by the members.

Organisations may use either of these methods or a combination of the two. Generally, an organisation's governing documents and any laws that apply to it will set out requirements about who can be appointed as a director and by what process they must be appointed.

It is a good idea to set out the process for appointing directors in a policy. This policy should include matters, such as who is eligible to be a director, how they can nominate and any processes that must be followed so that their appointment is valid. Making this policy available to stakeholders, especially members, can help promote transparency and will help prospective directors to understand the process.

If directors are appointed by election, it is important the process is transparent. One way that this can be achieved is through appointing an impartial third party (sometimes called a 'returning officer') to oversee the process so that it is fairly and properly run. Often an organisation's governing documents will set out the requirements in relation to the election process.

Tenure of directors

Directors are generally appointed for a fixed term. The total time that they are appointed for (which may include several terms) is referred to as 'tenure'.

Once a director's term concludes they will either be reappointed for another term or they will cease to be a director. An organisation's governing documents will generally set out requirements about how long a director is appointed for, whether they can be reappointed and,

if so, whether there is a limit to the number of terms (or years) that a person can serve as a director.

It is a good idea for a director's tenure to be limited to encourage renewal. Although there may be good reason for a director to serve for an extended period in certain circumstances, there are many benefits to bringing fresh perspectives onto a board.

Boards should consider how a director's tenure may impact their performance, particularly if serving for ten years or longer. Even if a director does serve for an extended period, limiting tenure will encourage regular review about whether their appointment continues to be in the best interest of the organisation.

It is also important to consider how the mix of tenure on a board might affect the retention of institutional knowledge. If too many directors depart at once, this could result in the loss of important history and context, which helps the board to make good decisions. Directors also play an important role in mentoring their peers and so it is important that new directors can work with, and learn from, more experienced directors as part of their induction process.

For this reason, it is a good idea to stagger board tenure so that the number of departing directors, new directors and ongoing directors is balanced.

Measuring skills and experience

To understand what skills they have, address shortages and forecast future needs, many boards quantify and record their directors' skills and experience in a 'skills matrix.'

A skills matrix is a document that profiles its directors' skills and experience. There are several ways that this can be presented, including which skills are highlighted within the matrix. Boards should consider what skills and experience are relevant to them in the context of their purpose and strategy.

The example simple skills matrix below demonstrates how three fictional board members have been assessed against a set of general criteria. Some more detailed matrices will ask directors to assess their proficiency within the set criteria.

Figure 3: Example board skills matrix

	Account- ing	Invest- ment	Legal	Human Resources	Technol- ogy	Marketing	Fundrais- ing	Industry	Gover- nance	Media	Risk	Govern- ment
Amrita Chandra	✓	✓		✓	✓		✓				✓	
Jose Garcia			✓					✓	✓			✓
Rashia Abdi				✓	✓	✓	✓		✓		✓	

While technical skills are important, boards should look beyond these to consider the other attributes of directors such as a passion for the organisation's purpose and soft skills such as communication, negotiation and conflict resolution. One of the more challenging balances to strike is in having diverse perspectives and encouraging robust debate while maintaining a respectful and cohesive working relationship between directors. The absence of a collegiate approach to decision-making can lead to dysfunction and decision paralysis.

It is a good idea for boards to disclose their members' skills and experience to stakeholders to help them understand who is responsible for governing the organisation. Although some boards may disclose a full skill matrix as in the example of Figure 3, NFPs will also provide this information in an anonymous way. For example, through recording how many directors have a certain skill without disclosing which particular directors have this skill.

The skills matrix can also be a useful way to identify areas for board training, development and succession planning.

Size of the board

Boards need to have enough members to fulfil their responsibilities, access the skills and experience they need, and to facilitate changes to composition without major disruption. However, if the board is too large it may be difficult for all directors to contribute and this may undermine its effectiveness.

Boards must determine for themselves, within the limits imposed on them by their governing documents and the law, what the ideal board size is for their circumstances. Generally, NFP boards tend to be between six and 11 people, though they may be smaller or larger.

An organisation's governing documents and any laws that apply to it may set out requirements about the minimum and maximum number of directors a board may have. There may also be requirements about how many directors must be present at a meeting for it to be valid (quorum).

Succession planning

Succession planning refers to taking a methodical approach to projecting the future skill and experience needs of the organisation, and putting plans in place to meet them. Boards should forecast when vacancies will arise and identify suitable candidates to facilitate smooth transitions between directors.

It is important that a board is prepared to respond to and meet the gaps created by the natural rotation of directors, or more unexpected events such as sudden illness or death. Boards should engage in succession planning not only for directors, but also for the CEO and other senior staff. This is not always a precise activity, and so boards should be prepared to be flexible in their approach.

One way this can be done is through maintaining a list of suitable and interested candidates to create a pipeline of prospective directors that can be drawn on in response to need. Some boards use more structured programs such as allowing prospective directors to be 'observers', so they can learn about the board's business (without participating in decision-making) and be better prepared when a vacancy arises. It is also common for boards to appoint people to committees with a view to preparing them to become directors in the future.

It may be helpful to get advice from a recruitment consultant to deepen the talent pool of potential new directors.

Board diversity

One of the benefits of having a board is that it brings several minds to focus on a shared purpose. This benefit is multiplied when directors bring diverse perspectives to bear on their work, making available different ways of processing information and solving problems.

Governance is a team sport, and as with any sports team it is the quality of the team overall (and not any individual member) that defines its success.

The arguments for the importance of board diversity have their roots in social justice, drawing on principles of equality and fairness. However, research demonstrates that diversity on the board can contribute to improved performance. Diverse boards have also been shown to increase staff retention and engagement, promote a better understanding of an organisation's stakeholders and drive innovation. Diversity also assists in deepening the talent pool from which to draw staff, executives and directors.

Boards should aim to reflect a mix of personal attributes in their composition. This may include:

- Gender;
- Cultural and linguistic background;
- Professional experience;
- Sexuality;
- Attitudes;
- Age;
- Educational qualification;
- Lived experience;
- Technical skills;
- Socioeconomic background;
- Marital or family status;
- Boardroom behaviours;
- Religious belief; and
- Gender identity.

Research has shown that it is not only the diversity of personal attributes which influence a board's performance but also diversity in thinking style. This is referred to as 'cognitive diversity.'

Diverse boards also send an important message about the values of an organisation and the society it wishes to create. There has been a significant focus on the representation of women on boards for many years which recognises the imbalance of female participation in the workforce, particularly in senior roles. Much progress has been made in this regard, but there is also increasing focus on other aspects of diversity, such as the under representation of people from culturally and linguistically diverse backgrounds.

Achieving board diversity

Diversity can be a challenging goal for organisations to achieve. For many NFPs, simply finding someone who is willing to serve as a director can be challenging enough, let alone representing multiple diverse attributes in a small cohort of people. This difficulty can be compounded for organisations whose directors are appointed by election where the board may have limited opportunity to influence its composition.

One way through which boards can aim to achieve diversity is through establishing a diversity policy. This is a policy that both expresses the organisation's commitment to achieving diversity and outlines the practical measures the organisation will take to achieve diversity. For example, a diversity policy might:

- Set targets for the representation of certain personal attributes (such as gender) on the board or in the staff cohort, and measure and publicly report on performance against these targets;
- Commit to inclusive and flexible employment practices such as providing reasonable adjustments to physical work environments for people living with disability, and providing flexible working arrangements to support different lifestyle needs;

- Support programs that encourage and celebrate diversity such as cultural awareness training and networks for lesbian, gay, transgender and intersex people and their allies; and
- Require that recruitment practices are inclusive to guard against conscious and unconscious bias in selection processes.

Setting performance targets around diversity is important because what gets measured gets done. For example, many boards in the private sector have committed to ensuring at least 30 per cent of their board are women because this number has been shown to be the ‘tipping point’ after which diversity will usually become entrenched in an organisation’s culture.

"Setting performance targets around diversity is important because what gets measured gets done.."



QUESTIONS FOR DIRECTORS



IS THE PROCESS FOR APPOINTING DIRECTORS CLEARLY DEFINED, TRANSPARENT AND FOLLOWED?



WHAT IS THE BOARD'S CURRENT SKILLS MIX, AND HOW IS IT COMMUNICATED TO STAKEHOLDERS?



WHO WILL BE LEAVING THIS BOARD IN THE NEAR-TERM FUTURE AND IS THERE A PLAN TO RESPOND?



WHAT SKILLS WILL THE BOARD NEED IN THE FUTURE AND HOW WILL THEY BE ACCESSED?



WHAT STEPS HAS THE BOARD TAKEN TO PROMOTE DIVERSITY?



CASE STUDIES

HelpfulCare

HelpfulCare has six directors. Each director is appointed for a three-year period. The appointments are staggered so that there are never more than two members departing the board at any one time (unless they depart for other reasons, including resignation). The constitution allows the appointment of members to casual vacancies. The board has a composition policy which they use to assist them in making decisions to appoint directors.

The composition policy sets out the skills and experience it is seeking from its directors. The board reports its directors' skills against five key dimensions:

- Sector knowledge;
- Strategy and risk;
- People, culture and conduct;

- Financial acumen; and
- Regulation and governance.

The number of directors with each skillset is communicated through the annual report. The board has also set a quota of having 40 per cent women on its board, and its performance in this regard is also communicated in the annual report.

HelpfulCare's board review their composition annually and consider this in the context of succession planning. The board's nominations committee is charged with identifying and developing relationships with suitable candidates for board roles consistent with the requirements of the composition policy.

The Friendlies

The nine directors of the Friendlies are elected by the membership at their annual general meeting. Directors are elected for a two-year period. The Friendlies' constitution sets out how elections are to be held, including if directors can be reappointed after their two-year term. The relevant parts of the constitution are circulated to members in advance of the annual general meeting.

The Friendlies communicate their directors' skills and experience by including profiles of them in their annual report. The board maintains a skills matrix but this isn't disclosed to stakeholders. At the annual general meeting, the president makes a statement (approved by the board)

about the skills gaps they are seeking to address. At the meeting, those nominating for a position are allowed the time to address the members about how their skills and experience would benefit the organisation.

At the discretion of the president, members are permitted to attend for non-confidential parts of a few board meetings to act as 'observers'. The immediate past president has a special role set out in the constitution which enables them to continue on the board for one year in order to provide continuity, and to take a mentoring role with new members, at the board's discretion.