

Evaluation Report

Game Management Authority

Statement of Expectations 2018-20

TABLE OF CONTENTS

1	Evaluation Report.....	2
1.1	Background.....	2
1.2	Evaluation Purpose.....	2
1.3	Methodology.....	2
2	Summary of Findings	3
2.1	Process Evaluation.....	3
2.2	Outcome Evaluation	3
3	Recommendations.....	4
3.1	Development Process	4
3.2	SOE Framework.....	4
	Appendix A – SOE Evaluation Guidelines – SOE Process & Outcome Evaluation.....	5
	Appendix B – SOE Framework Evaluation.....	8

1 Evaluation Report

1.1 Background

In April 2018, the Department of Treasury and Finance (DTF) released a revised Statement of Expectations (SOE) Framework for Regulators (the revised SOE framework).

The revised SOE framework provides for the development of SOEs by a Minister to regulatory agencies within their portfolio. SOEs provide agencies a recommended series of actions which aim to reduce red tape on the state's regulated businesses and entities. The objective of the revised framework is to promote greater efficiency and effectiveness in administering and enforcing regulation in Victoria, with the goal of promoting greater investment and economic activity across the state.

On 19 October 2018, the former Minister for Agriculture, the Hon Jaala Pulford MP, issued the Game Management Authority (GMA) SOE 2018-20 under the revised SOE framework.

The GMA SOE 2018-20 aims to improve the GMA's efficiency and effectiveness in administering and enforcing game hunting regulation in Victoria. The GMA must report against the SOE 2018-20 actions in its 2019 and 2020 Annual Reports.

1.2 Evaluation Purpose

The revised SOE framework requires an evaluation of SOEs based on requirements in the DTF Guidelines for Evaluation of SOEs for Regulators (the SOE evaluation guidelines).

Broadly, the SOE evaluation guidelines request that portfolio Departments evaluate the process undertaken to develop SOEs between the Minister and the regulator, as well as evaluating the SOEs outcomes in improving efficiency and effectiveness in administering and enforcing regulation.

This Evaluation Report details the findings of the Department of Jobs, Precincts and Regions (DJPR) evaluation of the GMA SOE 2018-20 against the SOE evaluation guidelines.

This report's findings are for consideration by the GMA, its stakeholders, DTF and the Office of the Commissioner for Better Regulation (OCBR).

1.3 Methodology

DJPR's evaluation of the GMA SOE 2018-20 followed the SOE evaluation guidelines to determine whether the SOE development process resulted in an SOE that promotes efficient and effective administration and enforcement of game hunting regulation in Victoria.

Due to the GMA SOE 2018-20 only being issued in October 2018, DJPR and DTF agreed that the outcome evaluation part of the report would be limited in scope. A more detailed outcome evaluation of the GMA SOE 2018-20 will be conducted as part of the next evaluation cycle.

To determine if the SOE will assist the GMA's regulatory practices, the evaluation focussed on answering the following questions within the SOE evaluation guidelines.

Given the GMA's circumstances as a regulator:

1. How appropriate was the process for developing the SOE letter? (Process evaluation)
2. What difference is the SOE making towards achieving greater efficiency and effectiveness in the administration and enforcement of regulation? (Outcome evaluation – limited scope).

2 Summary of Findings

2.1 Process Evaluation

The Process Evaluation found:

- The process for developing the SOE and the GMA response letter in 2018 was fit-for-purpose for the GMA. The process used in 2018 reflected the core requirements of the revised SOE framework, while also accounting for the recommendations of the 2017 Assessment of the GMA's compliance and enforcement function conducted by Pegasus Economics (the Pegasus Report).
- The process for developing the SOE and response letter was effective at reinforcing the Government's priorities for the GMA over two future annual reporting cycles regarding the need for both efficient and effective administration of game hunting regulation in the state.
- The SOE and response letter assisted the GMA to focus on regulatory priorities to government while also providing an avenue for the GMA to acknowledge additional government funding to meet objectives described in the SOE.
- The publication of the SOE and the GMA response letter promotes improved accountability and transparency of the GMA and the government in delivering the SOE expectations regarding more efficient and effective regulation of game hunting activity in Victoria.

2.2 Outcome Evaluation

The Outcome Evaluation found:

- The SOE and the GMA response letter are appropriately targeted to achieving the framework's desired outcome of improved regulatory efficiency and effectiveness.
- The Ministerial expectations outlined in the GMA SOE 2018-20 were developed in line with the revised SOE framework's mandatory elements of good regulatory practice. These mandatory elements are:
 - › Timeliness
 - › Risk-based strategies
 - › Compliance related assistance and advice.
- While expectations within the SOE are structured under alternative headings to the revised SOE framework's mandatory elements, this approach reflects the alignment of the SOE expectations with existing regulatory improvement recommendations contained in the GMA-commissioned Pegasus Report.
- The approach taken by DJPR and the GMA in preparing the SOE was appropriate to reduce resource burden on the GMA as a small government regulator. By incorporating recommendations of the Pegasus Report into the SOE for 2018-20, the Minister, Department and the GMA have created a streamlined process, which avoids duplicate reporting requirements.

3 Recommendations

3.1 Development Process

DJPR and the GMA have no recommendations for improving the SOE and response letter development process. DJPR and the GMA found the SOE development methodology fit-for-purpose.

3.2 SOE Framework

DJPR and the GMA recommend the following improvements to the revised SOE Framework to enable greater flexibility in preparing SOEs to ensure they align with regulatory agency circumstances:

Recommendations

No.	Recommendation
1	Section 3 of the revised SOE framework should be expanded to include the option to develop the core components of the SOE based on findings of independent reviews that may be commissioned by the regulatory agency, where these reviews relate to principles of good regulatory practice.
2	Section 8 of the revised SOE framework, concerning implementation timelines, should be flexible so that SOE development can consider matters, such as findings of major reviews of a regulatory agency, which are anticipated to affect the operational focus of a regulatory agency or body over the next two annual reporting cycles.
3	Section 4.2 of the SOE evaluation guidelines should be amended to ensure regulatory agencies are not subject to performance-based evaluation until they have had an SOE in place for at least one annual reporting cycle.

Appendix A – SOE Evaluation Guidelines – SOE Process & Outcome Evaluation

Statement of Expectations Evaluation Guidelines Questions – Section 5 Process & Outcome Evaluation (Limited Scope)

PROCESS EVALUATION

Question	Sub-questions	Response
1. How appropriate was the process for developing the GMA SOE and response letter?	<ul style="list-style-type: none"> • Was the SOE process recommended in the SOE Framework (p.3) adopted? • If not, what was the approach? • Was the evidence base appropriate to develop the SOE letter? • How satisfied were all parties involved in the development of the SOE? • Was sufficient time allocated to complete each part of the process? 	<p>The four key steps in the SOE Framework were essentially followed in developing the GMA SOE. The key elements of good regulatory practice formed the original basis for the key requirements in the SOE, but following release of the Pegasus Report, were later modified and replaced with the following key areas in the SOE letter:</p> <ul style="list-style-type: none"> • Effectiveness • Regulatory governance and approach to regulation • Operating model • Capacity and capability. <p>The Pegasus Report provided an exhaustive assessment of the GMA's performance with a series of recommendations. While the assessment was not specifically against the listed elements of good regulatory practice in the framework, it covered those elements indirectly, but thoroughly.</p> <p>The GMA Board has accepted twenty-six of the twenty-seven recommendations made by the Pegasus Report. The GMA has prepared an Action Plan for implementing the recommendations and incorporated the necessary actions into its Annual Business Plan.</p> <p>The GMA has commenced implementation of several recommendations and to ensure transparency, the GMA commits to providing a quarterly progress update on the Pegasus Report action plan and placing this update on the GMA website.</p> <p>The SOE clearly includes the Minister's expectations regarding the GMA implementing the Action Plan and reporting against that implementation.</p> <p>The approach to the SOE changed somewhat after the Pegasus Report was completed. The Report enabled a more specific SOE based around the elements of good regulatory practice. This provided a sound evidence base for the SOE letter.</p> <p>The Pegasus Report also significantly affected the timing of the SOE and meant that it was completed much later than the timeframes for the GMA as a Tranche 1 regulator, under the SOE framework.</p>

How appropriate was the choice of data and evidence to support measurement of achievement?

By aligning SOE measures of achievement to the implementation of recommendations of a comprehensive, objective and independent report that examined GMA regulatory practice (the Pegasus Report), DJPR considers that the choice of evidence to support measurement of achievement within the SOE is appropriate.

DJPR considers the above method was appropriate particularly given the proximity of the release of recommendations in the independent report to the drafting of the SOE.

Does the SOE have a clear link to public policy outcomes?

The SOE requires the GMA to improve its performance in regulatory compliance, enforcement and education in relation to game hunting in Victoria.

OUTCOME EVALUATION

Question	Sub-questions	Response
2. What difference is the SOE making towards achieving greater efficiency and effectiveness in the administration and enforcement of regulation?	<p>To what extent did the GMA improve the following mandatory elements of good regulatory practice through the SOE?</p> <ol style="list-style-type: none"> 1. Timeliness 2. Risk-based strategies 3. Compliance-related assistance and advice 	<p>1. Timeliness The SOE has sought to improve GMA's timeliness through the expectation that the GMA will move its game licensing system online. This is expected to lead to greater efficiency/timeliness in the granting of game hunting licenses to the GMA's stakeholders.</p> <p>It is too early to provide a definitive assessment as to whether the introduction of online licensing will or has improved regulatory timeliness.</p> <p>2. Risk-based strategies The SOE has sought to promote the GMA's adoption of risk-based strategies through the expectation that the GMA prepares an annual, risk-based compliance plan.</p> <p>Future SOE evaluations will assess the effectiveness of the GMA's risk-based compliance plan in improving the GMA's administration and enforcement of regulation.</p> <p>3. Compliance-related assistance and advice The SOE has sought to improve the GMA's delivery of compliance-related assistance and advice through the SOE requirement that the "GMA implement effective communication and compliance strategies and consider alternative regulatory tools to influence positive hunter behaviour".</p> <p>It is too early to assess whether new or improved communication channels or compliance strategies will or have achieved greater regulatory outcomes or contributed to positive hunter behaviour. This will be assessed in future SOE evaluations.</p>

Has the GMA experienced risks or barriers impacting the ability to achieve the SOE's expectations?

The Department is not aware of any barriers impacting the ability for the agency to achieve the SOE's expectations. The Government provided additional funding of \$2m to the GMA in 2018-19 to assist addressing the recommendations of the Pegasus Report. The Government has committed to provide a further \$6m over four years to the GMA to increase its enforcement and compliance capabilities through increased staffing. With the SOE being effective from 19 October 2018 to 19 October 2020, it is too early to assess if any aspect of the SOE has been particularly difficult to achieve. This will be assessed in future SOE evaluations.

Appendix B – SOE Framework Evaluation

Statement of Expectations Evaluation Guidelines Questions Framework Evaluation

REDUCING REGULATORY BURDEN

Question	Response
<p>Does the SOE developed under the framework reduce regulatory burden on the GMA or its stakeholders? If yes, how? If no, why not?</p>	<p>GMA burden</p> <p>No. The SOE has not notably reduced regulatory burden on the GMA and is unlikely to for its duration through to 2020. This is because the expectations contained in it are not new recommendations arising from the implementation of the DTF Framework, but rather are the result of the independent Pegasus Report into GMA's regulatory practice published in 2017.</p> <p>In a very small organisation (11 FTE in 2018-19), work to prepare the SOE and its response letter has been undertaken in addition to preparing the Annual Business Plan that also sets the GMA's priorities for the calendar year.</p> <p>The SOE also requested the GMA develop an Action Plan to implement recommendations of the Pegasus report. While this is a positive initiative, these items may well have been contained in the GMA Annual Business Plan based on the GMA board's acceptance of all but one of the 27 Pegasus report recommendations.</p> <p>While the SOE process has reinforced existing processes designed to map out a workprogram for the GMA under the GMA Act, it has not clearly reduced regulatory burden on the GMA, and in some instances may have added some administrative burden.</p> <p>Stakeholder burden</p> <p>It is likely that some of the actions referred to in the SOE and the GMA response to the SOE will reduce regulatory burden on stakeholders (such as the move to an online game licensing system), but these actions would have occurred in the absence of an SOE as part of the GMA Annual and Strategic business plans.</p>

GOAL / PRIORITY SETTING

Question	Response
Did the development of the 2018 SOE or its response letter help the GMA focus its priorities for 2019 and beyond? If yes, how? If no, why not?	<p>Yes. Where the SOE has been of most benefit to the GMA has been to reinforce the Government's priorities for the GMA in 2019/2020 and provide a sound basis for the GMA to assess its resource capacity required to deliver those priorities.</p> <p>Additionally, the SOE has provided for Ministerial engagement on GMA priorities outside of the Annual Business Planning process.</p> <p>Being a publicly facing document, the SOE has also improved GMA accountability for delivering the Government's key priorities in game hunting regulation.</p>

STATEMENT OF EXPECTATIONS FRAMEWORK ASSESSMENT

Question	Response
Which good practice elements (for better regulation) were adopted in the preparation of the SOE?	<p>While the expectations within the GMA's SOE 2018-20 reflect many of the good practice elements outlined at s.4 of the DTF Framework for SOEs, these elements were not included in the SOE specifically (refer to answer to the first question).</p> <p>The good practice elements reflected in the GMA SOE 2018-20 are embedded as a result of the suite of recommendations to improve the GMA's regulatory approach identified in the Pegasus Report into GMA compliance and enforcement published prior to the SOE's development in 2018.</p> <p>DJPR notes that this is a special circumstance, and not all SOEs prepared for the GMA have or will rely on outcomes from a recent independent review which critically and methodically analysed how agency regulation can be made more efficient and effective.</p> <p>Generally, DJPR supports the SOE framework's good practice elements as a sound methodology for creating the SOE and believes that they can be used effectively to structure SOEs for the GMA in the future.</p>
Was there any component of the new SOE framework that was difficult to fit into the GMA's circumstances? Why?	<p>Yes. Given the time at which the GMA SOE was signed (October 2018), and its term of effect (until October 2020), it is not possible to reliably evaluate the SOE effectiveness at delivering regulatory reform (outcome evaluation) according to the timeframes for tranche one regulators under the evaluation guidelines.</p> <p>Secondly, the GMA SOE was developed largely based on reinforcing the GMA's action plan in response to the Pegasus Report. This approach did not perfectly align with the DTF SOE framework guidelines.</p> <p>While the DTF SOE framework provides a sound basis for developing SOEs, DJPR believes that if an independent review (such as the Pegasus report) has already been conducted which has assessed an agency's current regulatory practices, then that review can also inform the SOE development.</p> <p>DJPR recommends that this circumstance could be factored into the SOE Framework as an option in the rare instance that this occurs for other regulators.</p>

Using recommendations from independent reports into regulation avoids duplication of effort for regulators in implementing Ministerial expectations and those priorities which are self-determined within agency business plans.

Which element of the revised SOE framework worked well for the GMA's circumstances?

The requirement to publish the SOE and response letter online is one element of the SOE framework which works well for the GMA. This element of the framework allows the GMA to publicly display Ministerial engagement with the regulation of game hunting in the state, and show the direction expected of the agency from Government. Collectively, these actions can be seen to enhance the authority of the agency in its function to the state.

What changes would you propose for updates to the SOE process (in advance of the next GMA SOE in 2020).

DJPR would recommend the framework have a 'minimum term of effect' clause added to it, whereby agency SOEs that have only been in effect for less than 12 months should not be required to be evaluated. This would ensure a minimum period of 12 months would have passed enabling the Department to request better quality information from the agency regarding the effectiveness of the SOE in generating substantial regulatory improvements.

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