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ADDING VALUE TO SOCIETY

- Departments do not critically examine economic analysis
- Especially if analysis tells them what they want to hear!
- “Independent” oversight often fails

- Wildlife (Game) Regulations Regulatory Impact Statement
- VCEC acceptance of DSE trading in biodiversity offset markets that DSE regulates

Wildlife (Game) Regulations Regulatory Impact Statement

The Victorian Government in 2008 estimated that game hunting contributes around \$96 million to the Victorian economy. Given that the annual cost of the regulations is in the order of \$1.3 million (PV) and the benefits associated with game hunting in Victoria are likely to be in excess of \$96 million, it is apparent that the benefits associated with the proposed Regulations outweigh the costs.

Source: Wildlife (Game) RIS

Wildlife (Game) Regulations Regulatory Impact Statement

“Whitten and Bennett (2001), estimated South Australian duck hunter’s “consumer surplus” – the amount they are willing to pay over and above what the experience cost them. Those authors found that hunters would be willing to pay \$34-\$59 per hunting day (adjusted to 2011 dollars). The DPI estimates licensed Victorian hunters spend 300,000 days hunting all “game” (ducks, deer and stubble quail). This would result in an improvement in the wellbeing of hunters of only \$10.2-\$17.7 million.”

Source: Unpublished research by The Australia Institute

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Wildlife (Game) Regulations Regulatory Impact Statement

“30 per cent of Victorians report that they would be willing to pay a small amount each week to prevent duck hunting in Victoria. Victoria has an adult population of approximately 4.3 million people. If the amounts reported were collected only from the proportions of the population that reported a willingness to pay then the total collected would be \$76 million per year.”

Source: Unpublished research by The Australia Institute

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VCEC on DSE in grassland offsets

VCEC on DSE in grassland offsets

“The offset market is a compliance market, that is, it exists by virtue of a regulated requirement”

“[The] offset market is really many markets which operate alongside each other with limited interoperability/substitutability.”

Source: DSE emails to VCEC released under FOI

VCEC on DSE in grassland offsets

“[DSE is] the monopoly provider of vegetation and habitat offsets within the growth areas (priced on a cost-recovery basis...)”

Source: DSE emails to VCEC released under FOI

VCEC on DSE in grassland offsets

“Outside the Growth Areas, DSE continues to play a more traditional role of facilitator and regulator. Currently, the sale of surplus grassland credits is the only exception to this”

“DSE does not rule out a role in the offset market if required for demonstration or market development purposes”

Source: DSE emails to VCEC released under FOI

VCEC on DSE in grassland offsets

“The Security Gain for a native vegetation offset in which freehold land is transferred to Crown land for a reservation with conservation as its primary concern is 4 times that for a private landowner using an on-title agreement/covenant (“Native Vegetation: Vegetation Gain Approach” DSE, 2006; Table 1a, p6).”

Source: Landholder research and email to VCEC

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VCEC on DSE in grassland offsets

“In considering whether DSE’s involvement in selling offsets is still a significant business because it influences the market despite its very low number of sales, it is necessary to distinguish between the influence of the DSE as regulator of the offset market, and its influence as a seller of offset credits. For [Competitive Neutrality] purposes the Commission has assessed the influence of SDE’s role in its capacity as a seller of offset credits.”

Source: VCEC letter to landholder

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