

DPI supplementary questions from hearing on 12 December 2016

QUESTION

2. Can you provide the economic modelling used to determine the financial components of the Business Adjustment Package?

ANSWER

BAP Component	Maximum rate per business	Assumptions
\$16 million fishing business buyout and subsidy program	\$20,000 buyout per fishing business Subsidy will depend on the number of shares and trading in the market	The \$20,000 fishing business buy out figure was costed based on recent "average values" for fishing businesses with no shares, determined through early reports, including the Stevens 2007 report that was attached to the Department's submission, and re-affirmed through advice from the Structural Adjustment Review Committee
Low interest loans -	\$80,000 at 2.5% interest	Standard rates used by the Rural Assistance Authority for other primary industries assistance packages
Retraining assistance	\$10,000	Estimates based on successful previous assistance packages given to commercial fishers during other processes
Independent financial advice	\$1,000	Estimates of costs for similar service, based on experience
Financial advice for co-operatives	\$30,000	Estimates of costs for similar service, based on experience
Rent subsidies for co-ops on Crown land - \$2.6m over two years -	N/A	Forgone revenue was based on 22 co-operatives situated on Crown land, paying a combined rent of approximately \$1.136m annually
Promoting the industry project	Total cost of \$400,000	Based on discussions with potential supplier