



Healthy Oceans - Sustainable fisheries - \$50m loan facility for small fishers	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would provide \$50 million over 5 years to establish a loan facility for small and lease fishers to assist with the purchase of quota, vessels and equipment in Commonwealth-managed fisheries.</p> <p>The proposal would start from 1 July 2026.</p>	
<p>Additional information (based on further advice provided):</p> <p>The loans would have the following terms:</p> <ul style="list-style-type: none">• The loan rate and term would be set on par with existing commercial rates and terms.• Repayments would be reinvested within the facility.	

Costing overview

Over the 2025-26 Budget forward estimates period the proposal would be expected to increase the fiscal balance by around \$3.7 million and the underlying cash balance by around \$4.0 million and decrease the headline cash balance by around \$21.3 million (see Table 1).

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications over the period to 2035-36 is provided at Attachment A.

Consistent with [PBO Guidance 02/2015](#), public debt interest (PDI) expense impacts have been included in this costing because the loans in this proposal involve financial asset transactions. The fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest payments and the flow of loan principal amounts. In particular, only the headline cash balance includes transactions related to the loan principal amount. The impact on gross debt will be broadly consistent with movements in the headline cash balance. A note on the accounting treatment of loans is included at Attachment B.

Table 1: Healthy Oceans - Sustainable fisheries - \$50m loan facility for small fishers – Financial implications (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	0.6	1.2	1.9	3.7
Underlying cash balance	-	0.7	1.3	2.0	4.0
Headline cash balance	-	-7.4	-7.1	-6.8	-21.3

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The initial loan principal of \$50 million would be lent out evenly over the first 5 years, and all loans allocated to a given year would be taken up in full.
- The interest rate would be 8.75%, in line with average secured commercial loan rates, and would move in line with movements in the five-year government bond rate projections.
- The loan term would be 5 years, in line with average long-term commercial loan terms. Loan repayments would be evenly spread over each 5 year term.
 - The average value of loans issued would be \$250,000¹.
- Debt not expected to be repaid would on average be 6% of loans issued.

Methodology

The financial implications were calculated in accordance with the Department of Finance's guidance for the accounting of loans.

Departmental expenses were calculated by estimating the workforce required to deliver this proposal using the PBO's departmental cost calculator. The size of the estimated workforce was determined on a per-loan basis.

Financial implications were rounded consistent with the PBO's rounding rules.²

Data sources

Australian Government (2024) [Seafood Innovation Fund NSW](#), accessed 27 May 2025.

Capital Boost (2022) [How long are Business Loans?](#), accessed 27 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Invoice Interchange (2022) [Unpaid Debt](#), accessed 27 May 2025.

New South Wales Aboriginal Land Council (2024) [NSWALC Fishing Fund](#), accessed 27 May 2025.

Reserve Bank of Australia (2024) [F5 Indicator Lending Rates](#), accessed 27 May 2025

¹ The New South Wales [Seafood Innovation Fund](#) and Aboriginal Land Council's [Fishing Fund](#) offer loans up to \$500,000 for NSW commercial fishers and aquaculture farmers. The average value of a loan issued under this policy has therefore been assumed to be \$250,000.

² <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Healthy Oceans - Sustainable fisheries - \$50m loan facility for small fishers – Financial implications

Table A1: Healthy Oceans - Sustainable fisheries - \$50m loan facility for small fishers – Fiscal balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
<i>Administered non-tax</i>													
<i>Loan interest accrued</i>	-	0.9	1.8	2.8	3.8	5.1	5.5	5.9	6.4	6.9	7.3	5.5	46.4
Total – revenue	-	0.9	1.8	2.8	3.8	5.1	5.5	5.9	6.4	6.9	7.3	5.5	46.4
Expenses													
<i>Departmental</i>													
<i>Loan facility departmental costs</i>	-	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-1.7
Total – expenses	-	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-1.7
Total (excluding PDI)	-	0.8	1.7	2.7	3.6	4.9	5.3	5.7	6.2	6.7	7.1	5.2	44.7
<i>PDI impacts</i>	-	-0.2	-0.5	-0.8	-1.1	-1.3	-1.4	-1.4	-1.4	-1.4	-1.3	-1.5	-10.8
Total (including PDI)	-	0.6	1.2	1.9	2.5	3.6	3.9	4.3	4.8	5.3	5.8	3.7	33.9

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

Table A2: Healthy Oceans - Sustainable Fisheries - \$50m loan facility for small fishers – Underlying cash balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Receipts													
<i>Administered non-tax</i>													
<i>Loan interest received</i>	-	0.9	1.8	2.8	3.8	5.1	5.5	5.9	6.4	6.9	7.3	5.5	46.4
Total – receipts	-	0.9	1.8	2.8	3.8	5.1	5.5	5.9	6.4	6.9	7.3	5.5	46.4
Payments													
<i>Departmental</i>													
<i>Loan facility departmental costs</i>	-	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-1.7
Total – payments	-	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-1.7
Total (excluding PDI)	-	0.8	1.7	2.7	3.6	4.9	5.3	5.7	6.2	6.7	7.1	5.2	44.7
<i>PDI impacts</i>	-	-0.1	-0.4	-0.7	-1.0	-1.3	-1.4	-1.4	-1.4	-1.4	-1.3	-1.2	-10.4
Total (including PDI)	-	0.7	1.3	2.0	2.6	3.6	3.9	4.3	4.8	5.3	5.8	4.0	34.3

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A3: Healthy Oceans - Sustainable fisheries - \$50m loan facility for small fishers – Headline cash balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Receipts													
Administered non-tax													
<i>Loan interest received</i>	-	0.9	1.8	2.8	3.8	5.1	5.5	5.9	6.4	6.9	7.3	5.5	46.4
<i>Loan principal repayments</i>	-	1.9	4.3	7.3	11.1	15.7	17.8	19.7	21.6	23.0	24.0	13.5	146.4
Total – receipts	-	2.8	6.1	10.1	14.9	20.8	23.3	25.6	28.0	29.9	31.3	19.0	192.8
Payments													
Administered													
<i>Loan principal funded by initial and re-invested principal</i>	-	-10.0	-12.7	-16.1	-20.1	-24.9	-20.8	-23.3	-25.7	-27.9	-29.9	-38.8	-211.4
Departmental													
<i>Loan facility departmental costs</i>	-	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-1.7
Total – payments	-	-10.1	-12.8	-16.2	-20.3	-25.1	-21.0	-23.5	-25.9	-28.1	-30.1	-39.1	-213.1
Total (excluding PDI)	-	-7.3	-6.7	-6.1	-5.4	-4.3	2.3	2.1	2.1	1.8	1.2	-20.1	-20.3
PDI impacts	-	-0.1	-0.4	-0.7	-1.0	-1.3	-1.4	-1.4	-1.4	-1.4	-1.3	-1.2	-10.4
Total (including PDI)	-	-7.4	-7.1	-6.8	-6.4	-5.6	0.9	0.7	0.7	0.4	-0.1	-21.3	-30.7

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in headline cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in headline cash terms.

- Indicates nil.

Attachment B - Accounting treatment of loans

Budget impact³

The accounting treatment of loans differs across each budget aggregate. The underlying cash balance only captures actual flows of interest related to the loans (which include fees). The headline cash balance captures actual flows of principal as well as interest. The fiscal balance captures accrued interest, and any write-offs related to the loans. The interest cost of financing these loans is captured in all budget aggregates, and is separately identified by the PBO.⁴ Table B1 provides information about the detail provided in a costing. The provision of loans decreases the Australian Government's net worth if the liabilities issued (the value of Commonwealth Government Securities issued to finance the loans) are greater than the assets created (measured at their 'fair value' or price at which the loans could be sold).

Treatment of debt not expected to be repaid (DNER)

All budget aggregates take into account estimates of the share of loans not expected to be repaid when calculating interest flows. If a portion of loans are not expected to be repaid, an allowance is made for the expected credit loss on the loans' outstanding balance. Such reductions, both when loans are issued and if loans are subsequently re-valued, are recorded in the budget under 'other economic flows', which are also reflected in net worth.

Table B1: Components of loan financial impacts in costing proposals

Budget item	Appears in	Comments
Interest accrued or received	All budget aggregates	Captures the interest accrued or expected to be received on the value of the debt.
Write-offs	Fiscal balance	Debt forgiveness, also known as mutually agreed write-downs (for example in the case of the death of the borrower of a HELP loan) are expensed when they occur, reducing the fiscal balance. These transactions do not affect the cash balances as no cash flows occur. An assessment by the Government that a loan (apart from HELP loans) will not be fully repaid is an 'other economic flow', not included in the fiscal balance.
Initial loan; principal repayments	Headline cash balance	Higher estimates of loans not expected to be repaid lowers principal repayments. These transactions are not included in the fiscal balance or underlying cash balance as they involve the exchange of one financial asset (loan) for another (cash).
Public debt interest (PDI)	All budget aggregates	The PDI impact is the cost of the change in the government's borrowing requirements to fund the loans. The net headline cash balance impact excluding PDI is used to estimate the proposal's impact on PDI payments.

³ The PBO's treatment of these loans is consistent with the Department of Finance costing guidelines.

⁴ This is in accordance with *PBO Guidance 02/2015* and the Charter of Budget Honesty Policy Costing Guidelines which specify that costings of proposals that 'involve transactions of financial assets' need to take into account the impact on PDI payments.