

## **Tasmanian Government Invests in No Interest Loan Scheme to help Tasmanians access safe affordable credit.**

The Tasmanian Government, will increase operating funding to the No Interest Loan Scheme over the next three years by \$2.1 million. Minister for Community Services Roger Jaensch, confirmed today at Northern Suburbs Community Centre, that the promised funding would be in the State Budget.

“Cost of living is the number one issue for Tasmanians and this funding will means NILS can continue to assist people with a real practical way to tackle the relentless increase in cost of living challenges and keep them safe from turning to predatory lenders” said Kym Goodes NILS Tasmania’s Board chair.

In addition to the increase in operating funding, the State Government will continue to provide \$500 000 per annum for NILS Energy efficiency subsidies that enable Tasmanians living on a low income to use a NILS Loan to purchase an energy efficient heat pump, fridge, washing machine or freezer at up to 50% less than the retail cost. People get the better more energy efficient product and thereby reduce their long-term power bills.

CEO of NILS Tasmania, John Hooper, said at Northern Suburbs Community Centre in Launceston today, “This is so exciting. We know that NILS loans work. 92% of vulnerable Tasmanians never return to predatory lending, with NILS giving them the hand up they need to stay on their feet”

“This funding will enable so many more loans over the next three years and supports the Tasmanian economy – for every \$1 of operational funding, \$9 is loaned and circulated into the Tasmanian community and economy” Mr Hooper continued.

They aren’t charity as people pay our loans back and our clients take pride in that – 97% of loans are fully repaid. Our clients can smooth out the purchase of a needed household item or service through our loan, relieving financial and emotional stress, and by paying it back they know it means NILS can then re-lend those funds to someone else in the community.

At the commencement of COVID the Tasmanian Liberal Government committed one off funding which enabled us, over the last four years to uplift our numbers of loans by 60%, we are 60% quicker to disburse those loans and our costs per loan are 20% reduced. However, we had reached a ceiling, without ongoing investment in operating funding to be able to do more. In fact NILS Tasmania was facing winding back some of its lending unless operating funding certainty could be sourced.

Our corporate partners in NAB and Bank of us have tripled our lending capacity over the last four years, and between them donate over \$450 000 a year in foregone interest and

fees through providing us our fee free capital. What was holding us back was our operating funding. The Government investment deals with that.

A NILS loan can assist people with everything from bond and starter rent, repairs and registration for their car, the treatment their pet needs, or a new laptop for their child's high school education. We also provide NILS loans for micro businesses to start up or expand, and provide access to \$5000 Vehicle loans.

NILS Tasmania want to pay tribute to the 105 community partners across the state, where their staff and volunteers assist people to apply for our loans. It is those partnerships that make NILS unique, provide real local support and why over the last 20 years we've been able to assist 40 000 Tasmanians with loans.

Thank you to Premier Rockliff, Minister Roger Jaensch and the Tasmanian Government for their promise to invest in NILS and enable us to continue to make a real difference in helping Tasmanians manage cost of living.

**END**

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### ***Background on NILS Network of Tasmania***

*NILS (No Interest Loan Scheme) Network of Tasmania Ltd is Tasmania's own not for profit community lending service supporting Tasmanians living on a low income by providing access to safe and affordable loans since 2002.*

*Our loans are different. They aren't cash loans to the client – instead they get the quote for the product, and we purchase the product they've chosen. That means our spending is directed at the Tasmanian business community – clients get their quotes locally and we buy the products locally. In 2023-24 we lent over \$8 million to 4353 Tasmanians living on a low income. Since 2002 our initial loan capital has been lent and re-spent in the community 18 times.*

*People are eligible for a NILS loan if they receive a Centrelink benefit and have a Centrelink health care concession card, a DVA pension or their gross working income is under \$60 000 per year.*

*NILS Tasmania acknowledges the generous support from our other partners – Australian Government - Department of Social Service, Good Shepherd Australia New Zealand, Aurora Energy, Jackson Motor Company (Errol Stewart) and The Gilbertson Foundation*