

## Media release

For immediate release

March 8th, 2014

### Bonus for Pensioners through No Interest Loans Scheme ending

No Interest Loans Schemes (NILS) are based on standards of practice set by Good Shepherd Microfinance and backed by the National Australia Bank. Refrigerators, washing machines and furniture have traditionally been the items purchased with NILS loans. Loans are available to people dependent on Centrelink payments and who have the capacity to repay the loan over 12 months.

The scheme will be ended on 30 June this year, presumably as a money saving measure. The Chairperson of UnitingCare Wodonga Geoff Moar said “this was most disappointing as the scheme had just build up community awareness and momentum and its cancellation would save a small amount of money in the overall context of the budget.”

Since September 2013, UnitingCare Wodonga has participated in a scheme that subsidised the cost of energy-efficient household appliances bought by people on low income using a No Interest Loan. Under the Home Energy Saver Scheme (HESS) the Commonwealth Government provided a significant rebate to encourage the purchase of energy-efficient refrigerators, washing machines and some other appliances.

This meant that low income people who were very vulnerable to increasing electricity costs could save on the initial price and continue to benefit by reduced electricity charges for the life of the appliance. The scheme was introduced by the previous Labour Government and was intended to run until June 2015.

UnitingCare Wodonga’s No Interest Loans Coordinator, Pat Welch, says “the loans can be life-changing. Purchasing major household items without getting into a cycle of high interest payments and continuing debt can make a huge difference to families struggling to make end meet on Centrelink payments. Hire purchase, rental schemes and payday loans are relatively easy to get when someone is confronted with a major expense, but the high interest and fees can make the cost crippling in the longer term.”

Pensioners who own their own homes can obtain a loan to install an air-conditioner or to replace hot water systems or heating appliances. Some recent examples illustrate how the combined NILS and HESS schemes work.

Margaret, an Age Pensioner, owns her own unit and found the summer heat very tiring. She manages her income very well but was reluctant to spend her saving to put in a split system. By purchasing the unit with a NILS loan she was able to install a very efficient unit in her living area for \$1200; a saving of around \$1,000 as a result of the HESS rebate.

Chairperson of UnitingCare Wodonga said that the No Interest Loans Scheme forms an essential part of the suite of services the agency offers to low income people in Wodonga. This includes Emergency Food Relief and other material assistance, as well as a Financial Counselling service. Through its association with St. Stephen's Op Shop, the agency can also assist people in crisis with cheap clothing, bedding and basic furniture.

The generous rebates available through the HESS scheme will be available until 30 June this year. Pensioners who own their own homes are encouraged to consider using the scheme if they need to replace major items such as heating, cooling or hot water systems.

Wodonga residents are welcome to inquire at the UnitingCare Office at St Stephen's Uniting Church, on the corner of Beechworth Road and Nilmar Avenue, any day between 9.30 am and 12.30 pm. No Interest Loans Schemes are also available in Albury, Corryong and Mt Beauty and Benalla, and there are also specialised programs for women and indigenous people. To find out more, you can google "Good Shepherd Microfinance".

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