

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Additional Estimates 2015 - 2016

Outcome 1 - Employment

Department of Employment Question No. EMSQ16-000058

Senator Reynolds asked on 11 February 2016 on proof Hansard page 38

Question

NEIS micro-finance opportunities

Senator REYNOLDS: But if it was obvious that they needed—some businesses, with this NEIS assistance, can actually develop an app or do something at home with relatively few capital overheads, but there would be somewhere for them to go or some advice in terms of how to actually seek a loan or put a business proposal together for banks?

Ms Drayton: Part of the NEIS program—

Senator REYNOLDS: Training up front?

Ms Drayton: is about putting together a business proposal and a business plan, and that is part of the assistance that the provider gives them. So they are helped to do their business plan, and it has to be an approved business plan before they continue on into the NEIS program.

Mr Jalayer: There is a very close relationship between some of the banks and the NEIS program, especially the NAB. They provide micro-finance opportunities. All of the banks provide the same, but I think NAB has a formal sponsorship arrangement with the NEIS association—I can clarify that.

Answer

The development of an approved NEIS Business Plan can be used by NEIS participants to approach banks if they require financial assistance to start-up their NEIS Business or to expand an existing NEIS Business. A number of banking institutions offer micro-finance loans to low income earners.

Individuals already accepted into NEIS and operating a NEIS business can seek assistance from their NEIS provider to apply for a loan under the National Australia Bank (NAB) Microenterprise Program. These loans are designed to assist suitable NEIS businesses to commence and/or grow. The loans can be from \$500 to \$20,000, are un-secured and are at a low non-commercial interest rate of 9.95%. The relationship between the National NEIS Association and the NAB has developed over the last seven years and is reviewed by both parties on an annual basis.