



We responded
to the demand
in the Tasmanian
Community in
2022-23

NILS Network of Tasmania Ltd

Annual Report 2022–23



→ nilstasmania.org.au



Our Mission

Supporting Tasmanians living on a low income by providing access to safe and affordable loans since 2002.

Our Guiding Principles

Efficient loan delivery and systems to provide a real alternative to exploitive lending.



We work towards Tasmanians gaining financial confidence through accessing and repaying our loans.



Maintain and enhance the community access points of our network to provide true community-connected lending.



Be a strong and respected advocate for fair and equitable lending for low income Tasmanians.

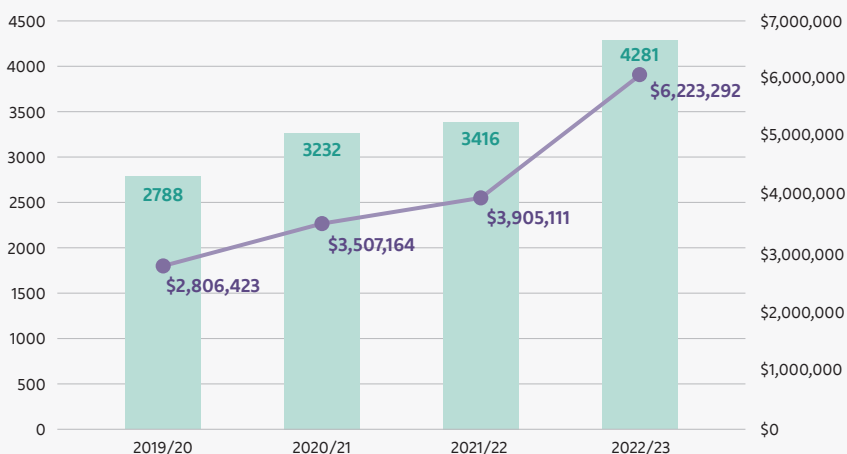
Summary of our Loan Book Performance in 2023

NILS Tasmania has dealt with unprecedented growth as we provided safe affordable loans to assist with the cost of living crisis.

→ This year we have enabled a record \$9 million in loans to 4925 Tasmanians.

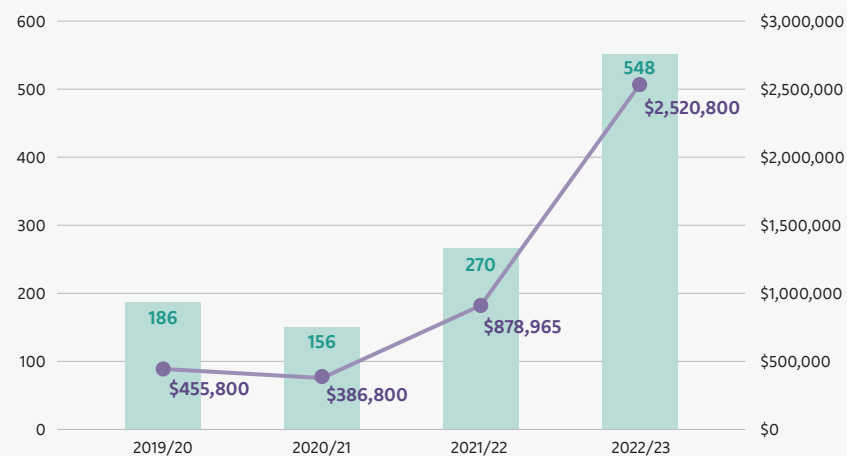
No Interest Loans for Essential household goods and services

We responded to the community demand and issued 25% more Tasmanians with NILS Essential loans than 2021/22 and those loans increased in value by 59%



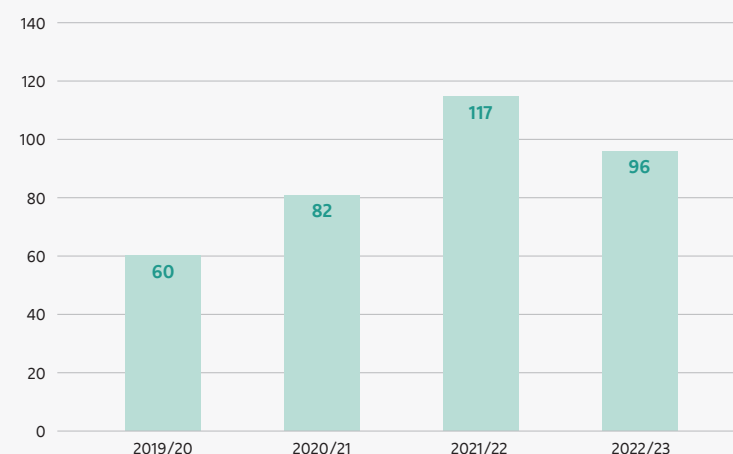
No Interest Vehicle Loans

52% more Tasmanians accessed our (up to) \$5000 No Interest Vehicle loans this year.



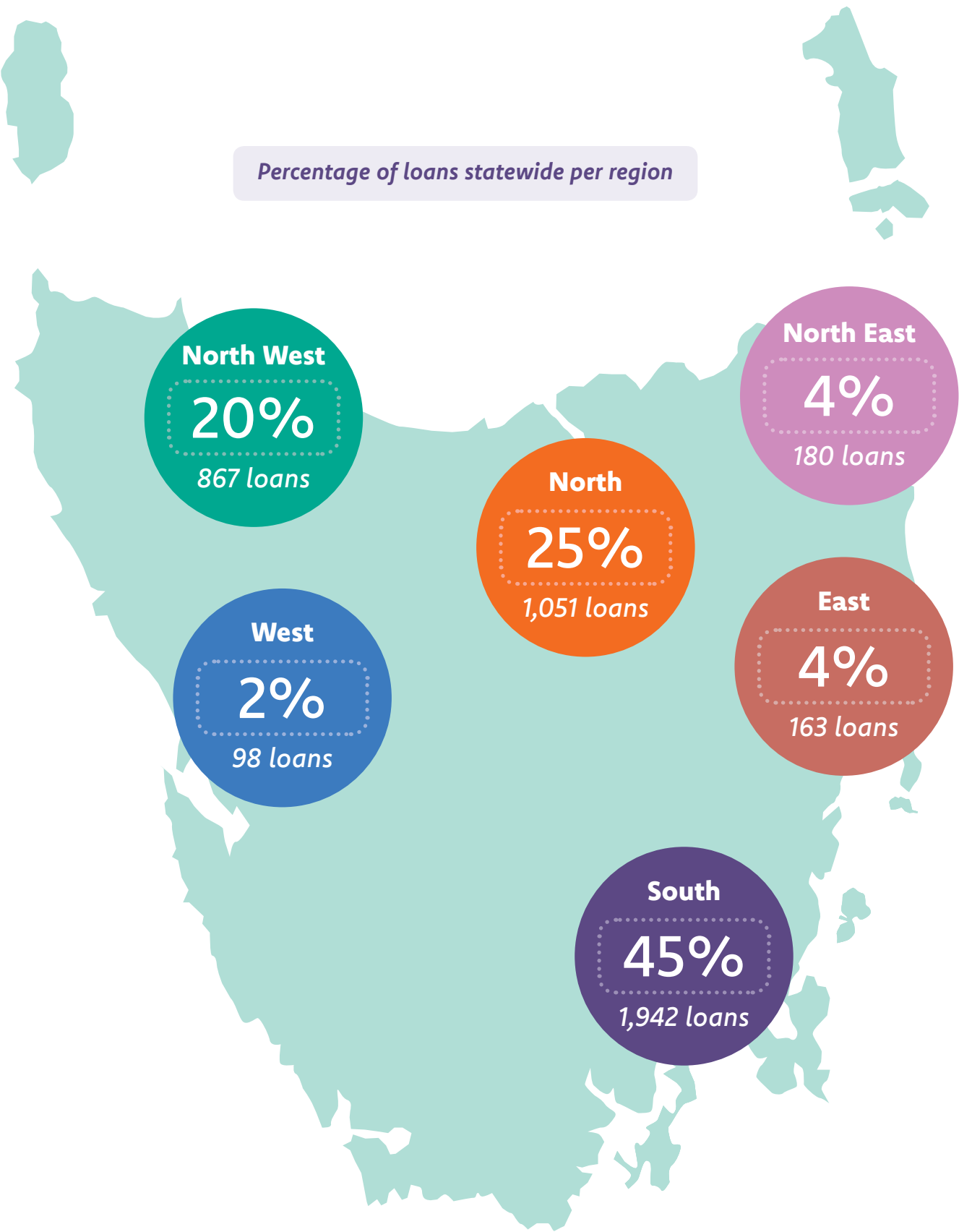
Micro Business Loans

96 Tasmanians received a \$3000 Micro Business Loan to pursue their dream to start or expand a small business.



Who did we help?

The Tasmanians we supported with loans in 2022/23



Chair Report: Kym Goodes

On behalf of the Board, it is a pleasure to present the Annual Report for 2023, a year marked by the unwavering commitment of the NILS team to continue to help Tasmanians on low incomes get safe, fair and affordable loans.

The ability to access a safe and affordable loans for the most basic and essential items in life has always been important, but the last twelve months and the ongoing escalation of cost-of-living pressures has intensified this need. The positive impacts for our clients are obvious in the tangible outcomes, a fridge, washing machine or car loan. Importantly, it also represents hope and a sense of control when life feels otherwise, and a sense of pride as our clients work towards repayment.

The rising cost of living has brought challenges for Tasmanians living on a low income and has seen an unprecedented increase in demand for NILS support. This demand has presented NILS Tasmania with a range of challenges also. Our determination to meet the demand from our community has placed enormous pressure on the NILS CEO and staff, who work tirelessly to respond. At times we have had to make some hard decisions about lending criteria as, for the first time, we have exceeded our capacity operationally to meet demand. Without additional operational funding and with no easing of cost-of-living pressures, 2024 will continue to challenge our capacity.

Despite these challenges we are proud of our accomplishments in 2023. We provided no-interest loans to 4925 individuals, not just enabling them to access essential goods or services, but also to avoid the traps of predatory lending. Beyond the lending elements of our organisation, John and the team have worked collaboratively at a local and national level to advocate for legislative changes to protect more people from predatory lending. While increased lending demand has placed pressure on our team, the progress implementing the new lending management system has also been undertaken, no small task in addition to the increased workload.

On behalf of the board, I want to express our thanks to the John and the team for the ongoing commitment to our purpose. The team's continual drive and focus to provide support and respond to need in times of high demand is appreciated, by the board, and importantly, by the Tasmanians who have been supported. Thank you, of course, to my fellow Board members for their ongoing work and commitment to NILS Tasmania.

As we look towards 2024, we remain steadfast in our commitment to ensuring increased financial resilience, access to safe lending and a continued sense that there is support when needed. Ultimately, our goal is to alleviate financial hardship and ensure Tasmanians living on a low income can access the most basic, essential items they need within a safe lending environment.

Board members at June 2023

Kym Goodes	<i>Director 3P Advisory</i>
Stacey Millbourne	<i>Manager Doorways Tasmania, Salvation Army Tasmania</i>
Nicolette Quinn	<i>Founder Savvy CFO</i>
Kane Ingham	<i>Chief Financial Officer Tas Water</i>
Marla Giacon	<i>Business and Scheduling Operations Manager, Anglicare Tasmania Inc.</i>
Lance Balcombe	<i>Various Directorships</i>
Will Barbour	<i>Customer Strategy & Experience Manager, Aurora Energy</i>

CEO Report: John Hooper

Tasmanians living on a low income faced incredible hardship as housing pressures and general cost of living put such strain on so many individuals and families. We had to respond and we did.

I have to congratulate the amazing people I work with at NILS Tasmania. This year they enabled us to help 30% more people with loans, while at the same time decreasing our enquiry to loan disbursement to just 10 days – 60% quicker than 3 years ago. Thank you to Amy our Operations Manager and the fabulous team in Adam, Andrea, Brian, Dean, Donnella, Fiona, James, Janine, Mandy, Melissa, Nicole, Tina, and Trish. This team work so hard and bring their wisdom, professionalism and heart into every aspect of our work as a loan provider as they are so aware of the person behind every decision we make.

Tragically this year, our colleague Sarah Slevin died, and so in her honour we have created a community fund in her name to support those that have exceptional needs. Thank you Sarah.

This year together with our partners we increased our Essentials loan cap from \$1500 to \$2000, and we went further and for the first time we began assisting Tasmanians with tenancy loans – helping with bond, rent in advance and rent arrears (up to \$3000.) It is beyond significant to be able to help people get and keep a roof over their head.

I want to thank our funders without whom NILS Tasmania would not exist: our capital partners in NAB and the Bank of us; our operational funding partners in the Tasmanian State Government

and the Federal Government Department of Social Service (through Good Shepherd); and the Tasmanian businesses who donate to NILS each year: Aurora Energy, Jackson Motor Company, and Gilbertson Trust.

NILS Tasmania really is a unique and wonderful partnership between Government, the business community, the community service sector and our clients.

Finally I must thank our delivery partner network of 80 organisation and their 447 trained volunteer loans officers who are the heart of NILS Tasmania. You are on the front line providing kind, professional and respectful face-to-face support in over 105 locations around Tasmania to enable Tasmanians to apply for a loan.

The following quote from a recent client sums up why the work of NILS is so important in the Tasmanian community:

“It is a massive relief to be eligible for the Nils loan. I felt like a deserving and worthy human as opposed to a lesser being. I was able to replace an essential item while still being able to pay bills and buy food.”

Advocacy campaigns and involvements

We were part of national advocacy that, after many years, has finally lead to the introduction of legislation and regulation of pay day lenders and rent to buy schemes. There is also now a commitment from Federal Government to regulate buy now pay later schemes by the end of 2023 — so important to finally begin to minimise the harm these predatory lenders have in the community.

Financial Results for 2022–23

**Average loan amount:
\$1453**

Cost per Loan: \$290
(down from \$320 in 2018/19)

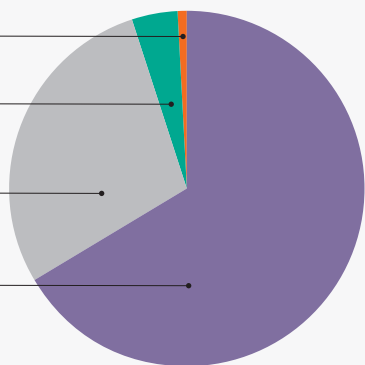
Total Income: \$1,376,466

Other income:
\$11,430

Corporate &
Other Donations:
\$56,495

Good Shepherd/
Federal Government:
\$392,484

State Government:
\$916,057



Total Expenditure: \$1,654,795

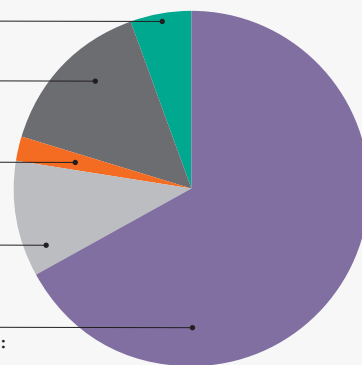
Other
\$88,151

IT & Loan
Management Systems
\$244,899

Delivery Partner
Expenses:
\$38,883

Administration/
Office Expenses:
\$170,659

Employment expenses:
\$1,112,293



Total comprehensive loss for the year attributable to the members of NILS Network of Tasmania Ltd is \$180,899.

The above comprehensive loss, as noted in the full audit, does not factor in \$196,821 of the funding received from the Department of Communities related to COVID-19 relief which was recognised in profits in prior years and was fully expended this year. In addition, there are non-cash income and expenses, which when excluded, result in a cash loss for the year of \$48,519.

NILS is reliant on the ongoing support of funding providers to deliver its services to Tasmanians in need of financial support. As can be seen in this report, the cost of living challenges experienced by those whom NILS supports resulted in a significant increase in demand for loans, with new loans extended growing by 25% over the previous year, and the total loan books at 30 June growing by 60% year-on-year to \$4.6 million.

Our due diligence and responsible lending processes, as well as our

clients commitment and loyalty in repaying their loans has ensured that despite the increasing volume of loans our loan write offs have remained well below the benchmarks required of us by our capital funding partners for refunding any written off loans. NILS Tasmania remains the national leader in community based lending for the good management of our loan book, consistently being the lowest non-payment rates of any No Interest Loan provider issuing over 200 loans per year.

In Micro Finance the National Australia Bank (NAB), through our participation agreement with Good Shepherd Australia New Zealand (GSANZ), provide the lending capital for our Micro Finance loans in the form of an overdraft. NAB and GSANZ have acknowledged the need in the community and our responsible loan management and increased our available capital by \$2 million to \$6.1 million giving us significant head room for the

year ahead. National Australia Bank provision of capital includes refunding the available capital for any written off loans for up to 4% of total Micro Finance loan book value. At 30th June the years write offs were just 3.06% which is in line with our long term average and demonstrates our good management.

The Bank of us provide the lending capital for our Micro Business loans, also in the form of an overdraft. The total overdraft facility at 30 June 2023 for Micro Business totalled \$450,000 and at 30 June we had utilised \$279,579 leaving significant headroom as we look to grow the book in the year ahead.

The Tasmanian State Government, Micro Business funding arrangements provides for refunding written off loans up to a total value of \$50 000 annually and for 22-23 those write offs were just \$8,509.

→ Our Full Audited Financial Statements can be found here

No Interest Essential Loans for Household goods and services

Loans up to \$2000

4281 loans issued at a value of \$6.22 million. This is a 25% increase on the previous year's number of loans and an increase of 59 % by value of loans.

- Our Essential loans have saved our **4281** clients **\$13.34** million, compared to predatory rent to buy schemes as their alternative.
- Nils loans aren't charity – **97%** of loans are fully repaid by our clients so others in the community can borrow.
- **231** Tasmanians gained or maintained their accommodation through help with bond, starter rent or rent arrears. So good to be able to help people get/keep a roof over their head.
- **66%** of clients are women
- **123** medical and dental loans assisted people with their health and medical needs – enabling access to wheelchairs, surgery, urgent dental work, C-Pap machines, MRIs, autism assessments, glasses, and dentures. *"It enabled us to give our son nose surgery so he could breathe ...his inability to breathe was causing a multitude of issues."*
- Nils loans have enabled educational opportunities for people through items such as course costs, text books, nurse registration fees and many laptops for students. *"I was able to retrain as a beauty Therapist because Nils paid for my course and laptop. I couldn't have paid for these under normal circumstances. Thank you Nils."*
- Nils Tasmania issued **14.9%** of the national total of loans, even though Tasmania is **3%** of the eligible Nils population.
- **25%** of clients are on Job Seeker and **43%** are on the Disability or Age Pension.

429

FRIDGES

377

WASHING MACHINES

858

VEHICLES REPAIRED

556

CARS REGISTERED

• Energy Subsidy

Our partnership with Aurora Energy and the State Government has enabled 909 Tasmanian households living on low incomes to save \$438,370 off the purchase of energy efficient heat pumps, fridges, washing machines and freezers. This subsidy coupled with our loan has saved these clients \$3.19 million compared to if they had used a predatory rent to buy scheme to purchase that product where they would have paid 200% over retail price over three years. A great return on investment.

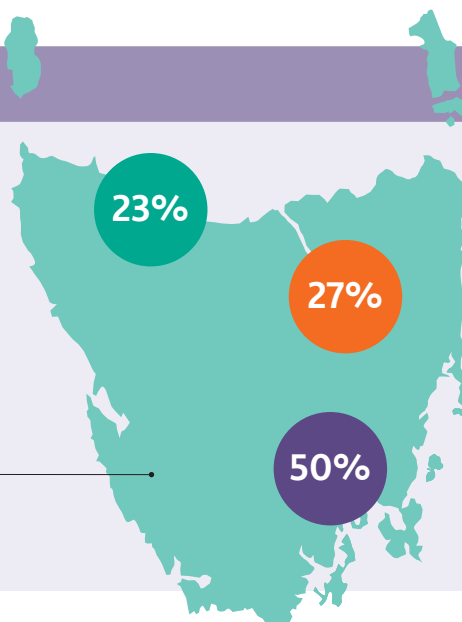
"Thank you - the fact that we could get a heat pump, and have decent, far more economical heating, has been such a huge benefit for us. Living on a pension is hard enough at times, this has given us room to breathe a little in our budget"

• Boosting the local economy

We've spent \$6.6 million through 960 businesses across the state.

Every Dollar of government funding we convert into \$7 in loans, enabling much needed products and services for Tasmanian households.

Percentage of purchases from Tasmanian businesses by region



→ Case study

Sharon's experience shows why our face to face loan process through our community partners is the heart of NILS Tasmania. Coupled with our new tenancy loans and our Energy Subsidy partnership – it illustrates the power of a NILS Loan and our method.



"Sharon" booked an appointment with a southern Neighbourhood House for a NILS loan for a fridge, washing machine and dryer. She hadn't been to the Neighbourhood House before.

Sharon was quite distressed initially, very agitated about when she had to be back home. She needed these appliances as she was moving into a new home with her children. As Meg, an experienced loans officer and community worker, listened and Sharon felt safe, Sharon disclosed that she was leaving a financially abusive and controlling relationship to keep herself and her kids safe.

After lodging the application online and as she was leaving the appointment Sharon mentioned that the NILS loan sorted the appliances but she still needed to arrange the bond for the house she had leased. Meg informed her that NILS can help with rent/bond if that was more urgent. Sharon had to race home before her partner arrived, but arranged to come back to the Neighbourhood House the next day while she considered overnight if she wanted rent/bond help more.

Meg contacted NILS and asked us not to finalise the loan while we waited for Sharon's decision. She came back the next day at the same safe time and at her request the loan pivoted to a tenancy bond loan. Additionally the subsidy provided by Aurora and the State Government we could still lend for a new fridge within the \$3000 loan cap.

Sharon and her children are now safely in their new home.

Micro Business loans

96 Tasmanians accessed a Micro Business loan, total value of \$273,200.

One third of clients
who completed surveys
reported that at the end of
their loan they were now
able to rely solely on their
business income.

53%

of clients
are women

40%

of clients are on Job
Seeker payments when
they commence loans

94%

of clients felt supported
and respected through their
NILS Loan application and
assessment

83%

of client are still
operating their business
at end of their loan
(2 years generally)

97%

of Micro Business
loans are
fully repaid

Our loans in 22-23 have enabled among others:

a vodka distilling start up (which recently received an international award),
an amplifier repair business, a tattoo studio, and a gardening and landscaping business.

→ Case study



Stuart is starting out a business in Southern Tasmania 'Salvage Drinks Co' that builds on his experience in the distilling industry.

He is utilising excess product from large cider producers and breweries which would otherwise be wasted but which he can use in his production and redirect this waste from landfill by creating small batch, niche ranges of high quality, artisanal vodkas and gins.

Our Microbusiness loan is only a small part of the Salvage drink journey but it's a great example of our small loans enabling people to create truly Tasmanian businesses.



NILS4Vehicle loans

Loans up to \$5000

548 NILS4Vehicle loan applications submitted which is a 62% increase on the rate of lending the previous year. Total value of **\$2 466 000**

50%
of these loans enable women to purchase a new car.

Tasmania provides over **12%** of total vehicle loans despite Tasmania being only **3%** of the eligible population.

We are so proud of those new loans which enable people to get into safer second hand cars – literally life saving loans.

Due to our team's careful work, only 3.4% of Tasmanian loans are non-paying and this is the lowest in the country.

→ NILS4Vehicles loans are crucial in so many ways

Recently we assisted “Trina” whose ex-partner was not giving her access to their joint car. He picked up their children from school and dropped them at her place.

This was deliberate to prevent her from having independence. Trina had moved out due to ongoing family violence, but as often happens, even though separated he was controlling her through not allowing access to the car she jointly owned.

The NILS4Vehicle loan we provided to Trina enabled her to get her own car. It meant independence for her and that she was in control of picking up her children from school and of course enabled all the community interactions that happen from the school and that comes with access to transport. Living in a small regional town this has enabled Trina and her children to connect with more people and so importantly made them safer with their movements no longer being under the control of her former partner



“This service gave me the hope and means to move forward. It’s so much relief to have you to rely on.”



Community Lending for Tasmanians

"It made a great deal of difference because I'm 81 years old living on a aged pension, renting privately and finding it hard to survive. I do have most of my regular bills taken out of my pension before I get it and then try to survive on what's left. NILS helps me immensely."

→ nilstasmania.org.au

Thanks to our major financial supporters:



Thanks to our corporate donors:

Jackson Motor Company

Gilbertson Foundation