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NILS Tasmania – Delivering Safe Credit to Tasmanians

The State Government in April 2020 at the beginning of the COVID-19 pandemic provided a one-off investment in NILS Tasmania of \$1million over 2.5 years. The Government charged NILS with delivering as many loans as we could to help as many Tasmanians we could over that two and a half year period. **And through the help of our 75 community partners, like Starting Point Neighbourhood House, and over 350 volunteer loans officers, we delivered.**

By the end of 2021 we had lifted the number of loans provided per 12 months by 41% (2,519 in 2018/19 compared to 3,555 in 2021). Since March 2020, when the grant began, NILS has issued 5,754 loans for over 7,300 essential products and services for families to the value of \$6.3 million. In reality this means in 2021 we helped people own: 493 fridges; 391 washing machines; we repaired over 600 cars; and enabled 352 heat pumps to be installed and keep people warmer over winter.

We introduced technology and system efficiencies, we provided scanners and laptops to partners, and through all of this we have dropped delivery times from 25 days in 2018-19 to just 8 days in December 2021, a 68% reduction. The faster we are to issue safe loans, the more people will turn to us instead of predatory lenders.

The value of loans we issued in 2021, was \$3.95 million, which was 30% more than 2020. This means we "spent", including our energy subsidy, \$4.7 million in 720 suppliers across Tasmania.

"From small mechanics on the west coast, to heat pump suppliers on the east coast, to electrical retailers in the Huon Valley - we're very proud of that local economy/job creation boost our loans provide in communities. Last year we converted every dollar of State funding into \$4.70 in spending in the local community. A NILS loans helps individuals and it boost local economies", said John Hooper NILS Tasmania CEO

Mr Hooper went on to comment "Remember this is not charity, our clients pay back what they borrow so it is available for others in the community. 97.8% of our loans were fully repaid in 2021. We love that our initial loan capital has been lent and repaid 16 times since our first loan in 2002. That means that each dollar of loan capital has been spent in local suppliers 16 times over the last 19 years."

We know that 92% of clients who previously used predatory Rent to Buy Schemes (where an \$800 fridge ends up costing the client \$2,400 over three years) stop using them once they get a NILS loan. 69% of clients who had asked family and friends for financial assistance stopped doing so after getting a NILS loan.

The COVID-19 grant has also enabled NILS Tasmania to:

- Build a new more secure website and an all new online loan application system.

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NILS Network Tasmania is supported by



- Grow our loan output so much that National Australia Bank and Good Shepherd Australia New Zealand (GSANZ), who provide our essential loan capital, have increased our rolling loan pool capital by \$1 million to \$3.2 million
- We opened our loans beyond Centrelink recipients, and now our loans are available to working Tasmanians whose gross income is under \$55,000 or \$76,000 as a couple.
- Partner with Bank of us, Tasmania's own customer owned bank, who are providing \$450,000 in loan capital for our MicroBusiness loans. We issued 107 MicroBusiness loans in 2021, for people to start up or expand their micro business dream to become more financially independent. That is a 62% rise on 2020.
- Begin the build of an all new Loan Management System. We will be moving to a fully digital cloud based commercial loan management software, adapted for what we do. NILS could never have afforded this innovation without the COVID grant.

"We just can't thank Minister Rockliff and the State Government enough for partnering with us to make such a difference through the pandemic to provide safe affordable credit to enable people to get what they needed for themselves and their families, and ease the financial stress many Tasmanians were and are going through" said Mr Hooper in closing.

But the real impact of all this is what our clients say (direct quotes from surveys):

- ✚ *I was able to get a fridge after a stressful and a financially draining move. Because of the appliance being energy efficient it saves me money. I could get a new fridge for the price of a second hand one. Which means that there is a warranty in place if something goes wrong.*
- ✚ *My husband had a brain tumour and couldn't get wood in so having the heat pump was peace of mind one less thing to worry about and I didn't miss the payment coming out.*
- ✚ *NILS is a fantastic service and it's really helped me stop paying thousands on rental items over 4 years, have not looked back....I really appreciate NILS service*
- ✚ *It provides a wonderful opportunity for low income earners to pay for something outright like a washing machine, hot water system or vet bills and pay back to NILS a manageable amount. Love it!!!*
- ✚ *Having a new washing machine means no more broken down washing machine no more laundromats no more using family and friends to do a load thank you NILS*
- ✚ *Has given me the opportunity to buy my daughter a laptop for school*

The No Interest Loans Scheme Network of Tasmania (NILS Tasmania) is a not for profit charitable organisation that provides no interest loans – (no fees, no charges ever) to Tasmanians on low incomes to purchase essential items and services and establish and grow small (micro) businesses.