



Australia New Zealand



Proud partners
for **20 years**



Helping communities prosper for 20 years

How NAB and
Good Shepherd
make a difference

Acknowledgement of Country

NAB and Good Shepherd Australia New Zealand (Good Shepherd) acknowledge the Traditional Custodians of the land as Australia's First Peoples and recognise their continuing connection to the land, water, and country. We make this acknowledgement with the ambition to continue supporting a reconciled Australia through our actions and voice. This is backed by NAB's commitment to serve customers well and help communities prosper.



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Foreword

Ross McEwan
NAB CEO



Supporting Australians financially, especially when times are tough, is what we're here to do. As the costs of living are biting everyone, we're stepping up to help those who need it most.

One of the ways we do that is through our partnership with Good Shepherd Australia New Zealand (Good Shepherd). We have worked together for 20 years – and this report reflects what we've achieved through various microfinance programs since 2003.

Alongside Good Shepherd we have provided almost 380,000 microfinance loans worth \$482.6 million. In doing so, we have helped close to one million Australians on low incomes, primarily through access to loans with no interest or fees.

The partnership has been a great example of the community sector, business and government working together to address an important societal issue – and there's more to do. All Australians deserve to have access to fair and affordable banking.

NAB has clear commitments to provide this through the [Banking Code of Practice](#), our [Reconciliation Action Plan](#) and our [Framework for Customers Experiencing Vulnerability 2021-2023](#). Our ongoing work with Good Shepherd helps us deliver on these critical commitments.

We recognise the current environment is challenging for many, with NAB research showing the rising cost of living is clearly the most common driver of stress for Australians. Money matters to wellbeing and, as this partnership shows, there are ways we can help.

Our work with Good Shepherd is as important as ever – and we are delighted to continue our partnership. This will include ongoing support for the No Interest Loans program (NILs), affordable housing programs, and exploring more ways to champion financial inclusion together.

Together, NAB and
Good Shepherd have provided

378,304

Microfinance Loans

Ross McEwan CBE,
Group Chief Executive Officer

Stella Avramopoulos Good Shepherd CEO

In 1981, the Good Shepherd Sisters saw an emerging need in the community for safe and affordable credit. One option they considered was loans with no interest, no fees, and no charges – an idea that had never been tried. Advisors warned of the potential risks – those on the lowest incomes would not be able to afford repayments. It would be a highly risky investment. In short: a No Interest Loans scheme wouldn't work.

Instead of being deterred, the Sisters asked themselves an audacious question: **“But what if it does work?”** With this question, the first-ever Australian microfinance program was born.

In 2003, Good Shepherd Microfinance partnered with NAB to provide a robust base of capital funding for NILs in Australia. Since then, we've delivered almost 380,000 loans, impacting millions of lives across Australia. NILs is now offered by 170 local community organisations in over 600 locations nationally. In FY23, together we delivered over 40,000 NILs loans, supporting almost 90,000 people.

From “But what if it does work?” to helping almost **1 million Australians**. How one audacious question and one amazing partnership have reshaped access to safe and affordable credit.

NILs enables clients to access essential goods and services without the stress of high interest loan repayments, charges or late fees. It pre-empts clients from succumbing to predatory lenders or entirely missing out on essential goods and services to look after themselves and their families.

A NILs loan can have a transformative impact on the lives of recipients. Where a laptop launches a lifelong love of learning; a fridge facilitates fresh food for the family; a car kickstarts a career.



The NILs program is so much more than just a loan. It's a powerful example of how not-for-profits, corporates, and governments can collaborate, enabling a broader ecology of support, using their collective influence, resources, and expertise to make a significant impact.

To commemorate two decades of the partnership between NAB and Good Shepherd, I am delighted to launch this report alongside NAB, where we reflect on the impact of NILs within the changing socio-economic landscape.

We thank NAB for their ongoing partnership. My great appreciation also goes out to state and federal governments, our NILs community network partners and NILs volunteers.

Together, we have helped millions of Australian households access safe and affordable credit.

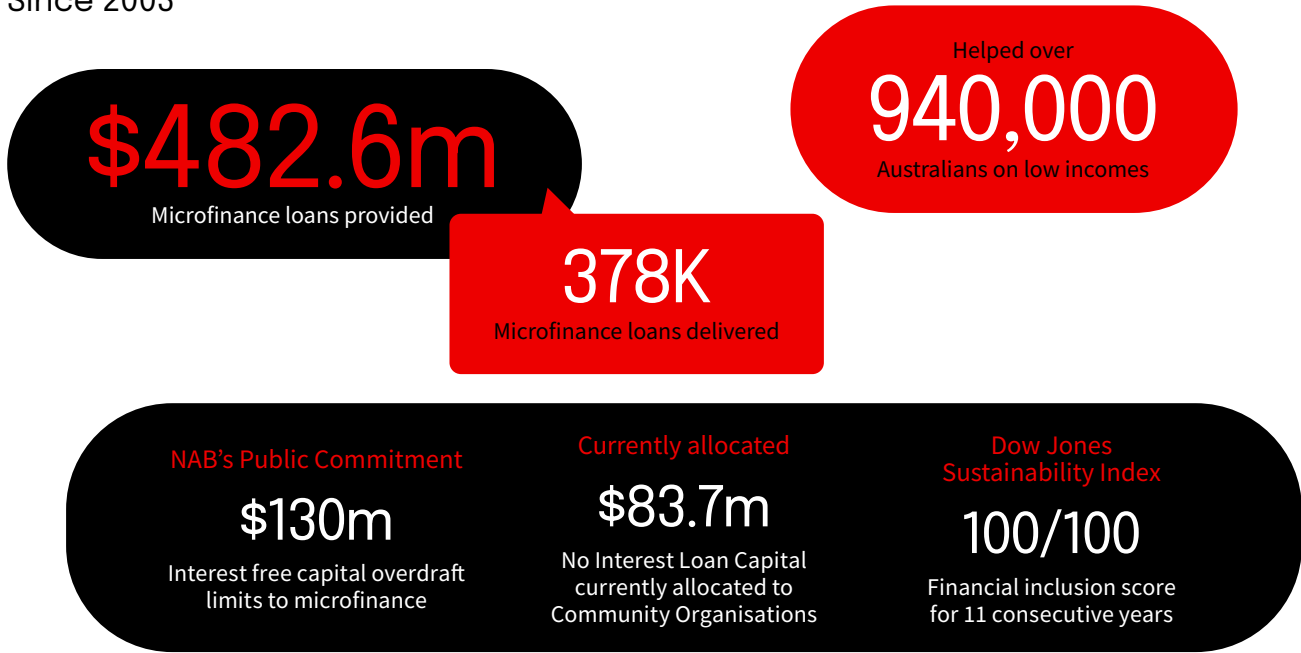
As we move forward, I am excited by the opportunities that lie ahead, continuing to strengthen our NILs program, enabling people across Australia to live full and dignified lives.

Sincerely,

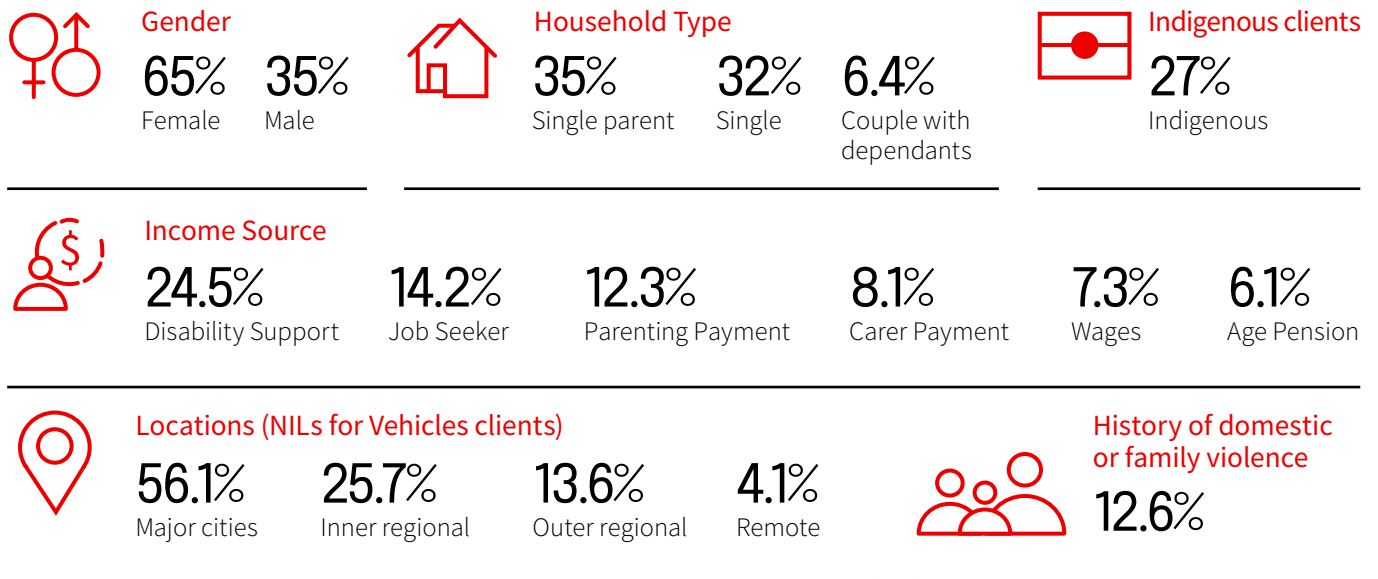
Stella Avramopoulos
Chief Executive Officer, Good Shepherd

Partnership at a glance

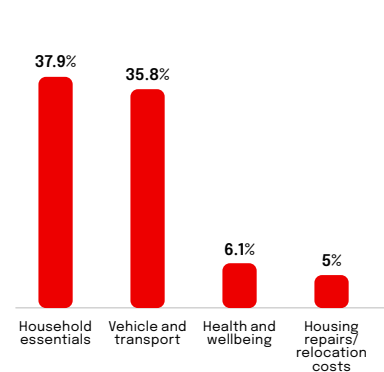
Since 2003*



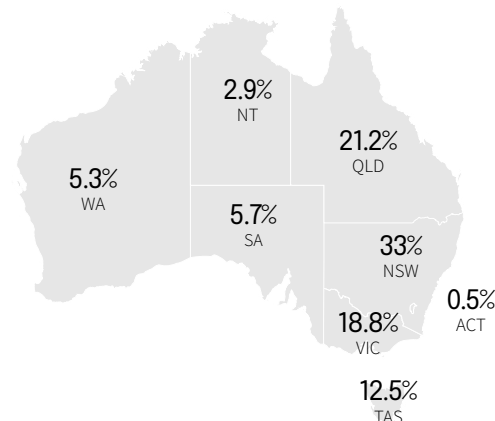
NILs client insights - FY23



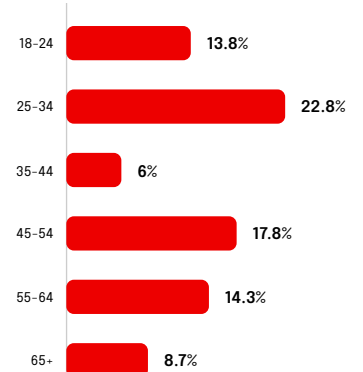
Loan Purpose



Client State



Age group



* Cumulative data since 2003. Cumulative totals include retired products (StepUP, Addsup, Speckle and Community Development Financial Institution loans). From 2022, all products provided are No Interest Loans Scheme (NILs) products.

20 years of supporting communities

NAB and Good Shepherd have been working together since 2003 to help Australians manage their money better and serve those at risk of exclusion from mainstream banking services. The partnership began through NAB's support of two microfinance initiatives aiming to support people on low incomes – the NILs program and the low-interest loans program, StepUP.

This report celebrates collaboration between the not-for-profit, corporate and government sectors who have worked together to help communities prosper. It also celebrates those who have worked on various microfinance products and programs over the last 20 years of the partnership. This includes local community organisations, NAB and Good Shepherd employees, volunteers, supporters and partners, and State and Federal Governments. In particular, this report acknowledges the importance of ensuring access to affordable banking for all Australians, and recognises clients in the community who have supported the growth and sustainability of the partnership by using microfinance products or services. Today, the partnership focuses on the delivery of NILs, providing no fee and no interest loans to eligible clients.

NAB has supported almost 380,000 microfinance loans worth \$482.6m since 2003, making it one of Australia's most impactful and long-standing corporate community partnerships.

Good Shepherd

Good Shepherd was established to provide courageous and compassionate support to women, girls and their families in vulnerable circumstances around the world. Their programs and services help keep women, girls and families strong, safe, well, and connected.

What is microfinance?

Sometimes getting access to even a little bit of credit can transform a life. That's where microfinance comes in. It's a type of small bank loan that helps people who experience barriers accessing traditional financial services to take a positive step forward.

Good Shepherd services are complemented by research, advocacy and policy to address the underlying structural causes of injustice and inequality to pave a way for a better tomorrow. The Good Shepherd global network extends across 73 countries worldwide. The Good Shepherd International Foundation has Special Consultative Status with the Economic and Social Council of the United Nations for its work with women and girls.

Sustainability at NAB

NAB recognises its responsibility to make good long-term decisions and help support a strong Australian economy into the future. That is how NAB will continue to serve customers well and help our communities prosper for years to come. This long-term approach is explicitly included in NAB's Group Strategy.

Access to inclusive financial services is an area where NAB is best placed to make a positive impact, and is critical to achieving the UN Sustainable Development Goals (SDGs), particularly for people at risk of financial exclusion and vulnerability. NAB's partnership with Good Shepherd plays a part in delivering on this aspect of NAB's sustainability agenda and meeting NAB's requirements relating to the Banking Code of Practice, Reconciliation Action Plan, and Customers Experiencing Vulnerability Framework.

Good Money stores

In partnership with Good Shepherd and state governments, Good Money stores operate in Victoria, South Australia and Queensland. 7 stores are located in areas of need and enable people to access NILs loans and have conversations with experts to build a healthy relationship with finance.



“It gave me back my freedom, to live my life,
be there for my kids and grandkids”

– Eunice Bartlett



Proud Norrargga and Kokatha woman, Eunice Bartlett, desperately needed a loan to have her car repaired. However, the prospect of the overwhelming paperwork and her lack of trust in ‘white services,’ left her feeling apprehensive about reaching out.

“I didn’t want to feel stigmatised – for an Aboriginal person – unfortunately sometimes you can expect a negative experience” Eunice explains.

Eunice was referred to the Good Money store in Salisbury by NAB and she loved the process and the service so much she said she plans to come out of retirement to help connect her community to NILs.

“Amie from Good Money was just so helpful! I felt overwhelmed with the paperwork, but she made the process so easy. I kept asking Amie, ‘Is this alright – how do you think I’ll go?’ She made me feel clear on the process. It was just lovely!” Eunice was approved for her loan and had her car back on the road in days. Her car allows her to support her community and help her children with the care of her grandchildren.

“I just couldn’t believe it really was no interest. Ever. The repayments for me are \$40 a fortnight. I don’t even notice that and Good Money was so helpful in ensuring I could afford to pay that within my budget. They didn’t want to stretch me or make me feel stressed.”

When asked if Eunice would recommend NILs to others in her community, she said “I already have told people about NILs – I told my sister and have already talked to five or six of my relatives. NILs has made a big difference in my life, and I am keen to connect my community to the program.”

“Telling someone their loan has been approved and seeing the smile on their faces and what it means to them is the best job”

– Jenny Elvey



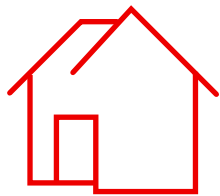
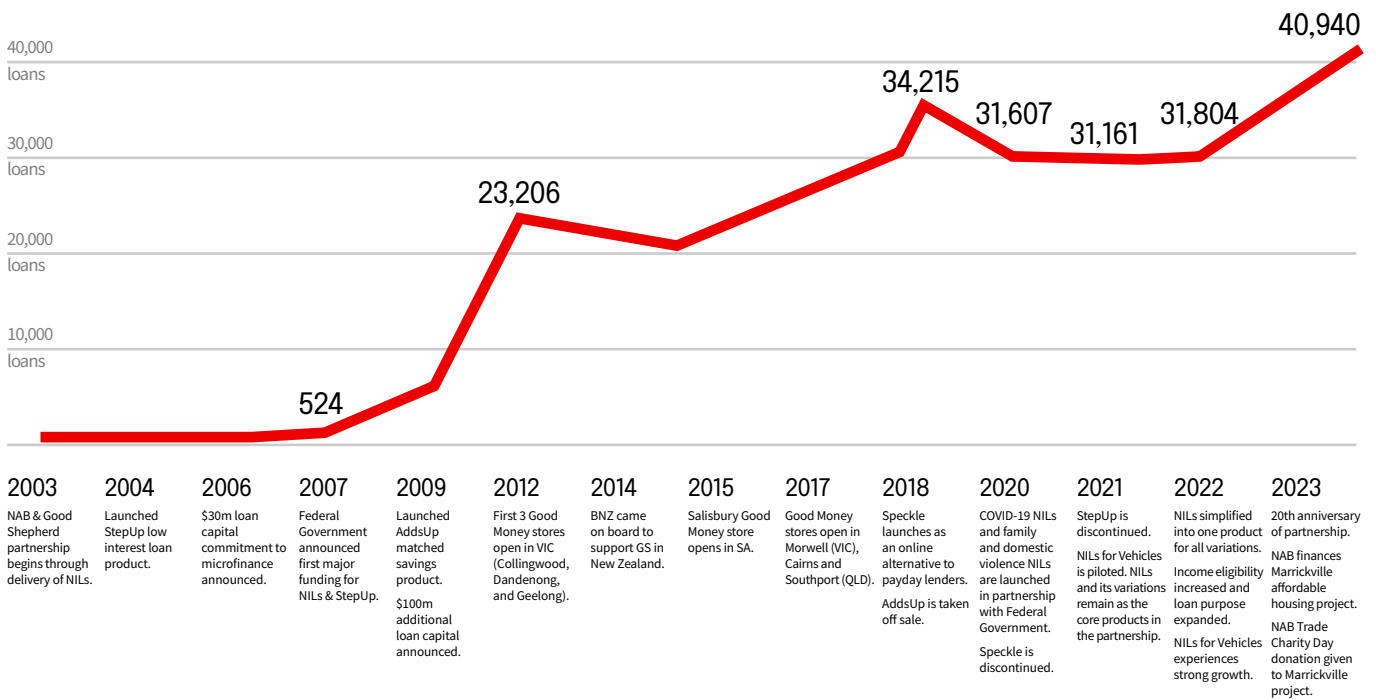
Jenny Elvey started delivering NILs to the community in the greater Bendigo area when she founded Bendigo Family & Financial Services in 2007. After building her team and their skills as a financial counselling service, Jenny opened a second site in Shepparton in 2014. Growth continues every year and Jenny opened a third site in Cobram in August 2023. In total, the group has supported over 1500 people with a NILs loan this financial year.

“Volunteers have always played a crucial role not only in helping to process NILs loans but listening to the needs of our community. We have had to expand our team to include more trained and paid professionals.”

Over time Jenny has seen the NILs program grow organically in her community. “There is no other program like it. It’s been lovely to see that the information around NILs loans in our community has been passed down within families and in the wider community. It’s a good experience for them to come and get a loan from us, then they tell others.”

The positive feedback from clients continues to motivate Jenny and her team. “It’s important that the full team get to hear the appreciation from the clients. It helps us continue to do the job we are doing.”

An evolving partnership



Future focus: Affordable and specialist housing

While this 20-year milestone enables us to look back and celebrate NAB's longest community partnership program, it's also a pivotal moment to think about more ways to support our communities in the future. Affordable housing is a critical issue facing people across Australia, and requires a coordinated response across government, community and business sectors. It is a joint area of focus for both NAB and Good Shepherd and an example of how community partnerships can help to address some of society's biggest challenges.

Investing in affordable housing solutions

nabtrade Charity Day: Since 2017, nabtrade has donated a day's brokerage every year to charity. For the 7th annual charity trading day, on 31 October 2023, nabtrade will donate 80% of their brokerage to Good Shepherd. The day's brokerage will go towards Good Shepherd's affordable housing project supporting women over 55 years of age, in Marrickville, NSW.

Financing the Marrickville Affordable Housing Project: Good Shepherd is developing a new purpose-built facility in inner-western Sydney, creating approximately 40 new dwellings for women aged over 55 from migrant backgrounds. In addition to the nabtrade donation, NAB is providing financing for the site acquisition. Good Shepherd has a nuanced understanding about the emerging needs of women aged over 55 at risk of homelessness and is creating partnerships and co-designing models of support.

Expanding the loan purpose for NILs to rental assistance

In July 2022, Good Shepherd worked with the Federal Government and NAB to review and expand the loan purpose and income eligibility for NILs loans. For the first time, rent in advance and rental bonds are now valid loan purposes for a NILs loan, assisting people on low incomes to access rental housing. Increased Income Eligibility includes people on lower wages and not just Centrelink recipients, as financial inclusion is becoming a mainstream issue.

What is NILs?

NILs support individuals who may be excluded from mainstream credit facilities due to lower income, financial capability levels or poor credit histories. The loans are:

- Interest free
- Fee free
- Require no security (including over the goods that the loan has been used to procure)
- Offer more affordable repayments

NILs

Clients can borrow up to \$2000 (or up to \$3000 for certain items) for a loan term of up to 24 months, for essential goods/services including:

- Household appliances like fridges, washing machines or furniture
- Car repairs and registration
- Medical, dental, wellbeing and life event expenses
- Technology like a phone or laptop
- Education expenses
- Employment expenses like licenses or equipment
- Housing related expenses such as bond or rent in advance, rates, or costs associated with a natural disaster (borrowing for these items is up to \$3,000).

NILs for Vehicles

Can be used to borrow \$2,000 – \$5,000 for a loan term up to 48 months for:

- Motor vehicles (car, boat, scooter, motorcycle, mobility scooter)
- Stamp duty on the purchase of a motor vehicle
- First year registration

Supporting people through cost of living increases

The current cost of living crisis is particularly challenging for people on low incomes. The number of Australians experiencing financial hardship has now climbed to 4 in 10 – the highest level in three years. For over a decade, NAB Economics has been tracking the wellbeing of the Australian population. Their research shows a direct correlation between a person's wellbeing and their finances. NAB's latest [Consumer Sentiment Survey \(2023\)](#) found that:

- 1 in 3 Australians believe their finances are a large source of stress. Money matters to wellbeing, and particularly for those on lower incomes – even a moderate level of financial strain can have great consequences.
- Noticeably more women than men are experiencing very high levels of money stress.

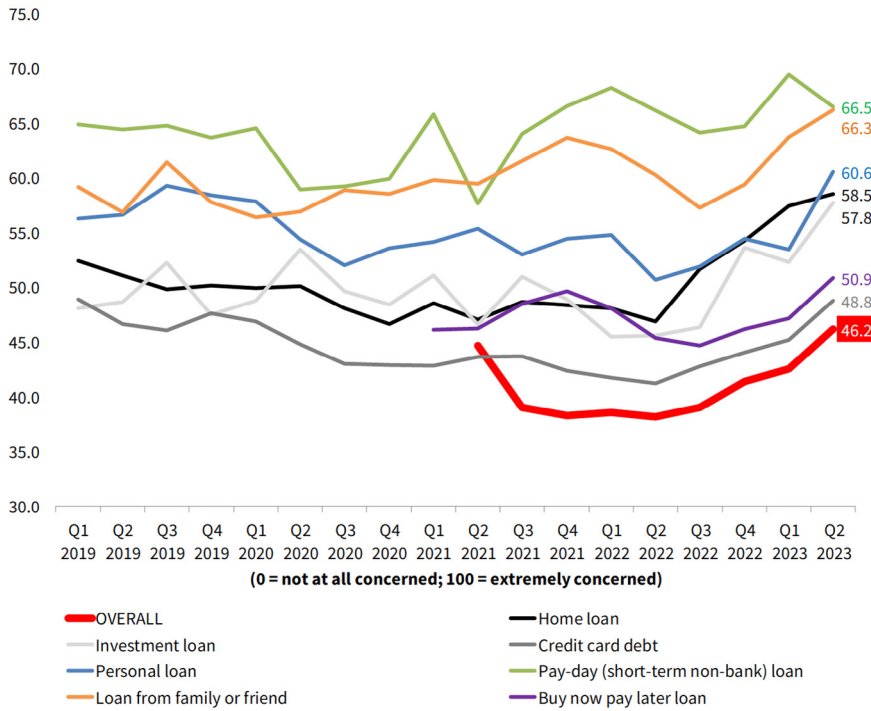
- There is a direct correlation between age and financial stress, with stress much higher for those under the age of 50 compared to older age groups.
- Stresses associated with living costs are now at a four and a half year high and the single biggest cause of overall stress for Australians.

An important aspect of the current inflation spike is that it has largely been occurring in non-discretionary items – the things we cannot avoid paying for (e.g. energy bills, food, transport costs). And while it is impacting everybody, it's most problematic among those in the 30-49 age group.

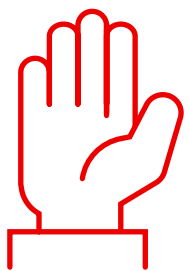
As rising cost of living pressures add to a collective sense of financial stress, it is now more important than ever to ensure people in our communities can access fair and affordable credit without resorting to predatory high cost, short term loans.

Individuals who struggle to recover from a financial shock or rising cost of living pressures often have less savings to help protect against a future emergency. This can lead to debt that is generally harder to pay off or drawing down savings, like retirement funds, to cover costs. Debt is commonly identified as a key detractor of wellbeing, but high cost, short term loans, are particularly problematic. NAB research shows payday loans consistently cause the most stress of any type of debt held (see Figure 1).

Figure 1: Level of concern over debts held



Around **1 in 10** Australians identify as having payday loan debt, but debt is much higher in the 30-49 (12%) and 18-29 (8%) age groups than in the 50-64 (2%) and over 65 (1%) groups. A NILs loan is an alternative for those who need emergency funds for essential goods and services.



A hand up, not a hand out

A NILs loan isn't a 'hand out' – it can be a platform for clients to improve their lives. Three months after contact with the NILs program all clients are surveyed for feedback.*

In FY23:

<p>96.8%</p> <p>said that the NILs program met their immediate needs at the time</p>	<p>87.6%</p> <p>of clients reported improvement in their knowledge about where they can go for help with their finances</p>	<p>78.3%</p> <p>said they are better able to prepare financially for an unforeseen event or unexpected expense</p>	<p>78.6%</p> <p>said they are now more likely to track their expenses and bank accounts</p>	<p>75.3%</p> <p>said they had increased confidence in their financial future</p>
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* Data is based on a client survey sent three months after loan issue. In 2023, 1171 clients responded. Percentage figures represent respondents who 'strongly agreed' or 'agreed' with the question statements.

“Elsewhere I would have been hit with interest and had a very different experience”

– Edi Spina



Living on a pension can be challenging. Even when budgeting, there is rarely enough for unexpected expenses. When Edi Spina’s washing machine broke down and she didn’t know how to manage the unexpected cost, a NILs worker at the Salvation Army suggested she apply for a NILs loan. “I rang them on Monday and on Wednesday afternoon I received my washing machine. That’s how quick it was”, Edi recalls.

Over the past three and a half years, Edi has used the NILs program for two more unexpected purchases; her glasses and a fridge. Edi recalls that the repeat NILs loans were not only a way to get the essentials she needed but they made her feel like she’s not missing out.

“The assessments that other organisations have made me feel like I’m a science experiment because I’m a low-income earner. I didn’t feel judged [by Good Shepherd] and they wanted to be sure I could repay it comfortably.”

The NILs loan to Edi wasn’t just about access to credit. Finally, even though she was on a pension, she didn’t have to miss out, or make do with secondhand goods. Edi was able to purchase what she needed, without falling into a debt spiral. “I got a beautiful new fridge and washing machine which gave me this automatic feeling, like I was like everyone else, like a normal person...elsewhere I would have been hit with interest and had a very different experience that could have started a domino effect.”

Potential outcomes from using a NILs loan

Greater financial independence

By reducing reliance on fringe credit, Centrelink Advances, Emergency Relief and financial support from friends and family.

Positive behavioural changes

By completing the household budget task during the loan interview and discussing finances with a NILs worker.

Confidence and empowerment

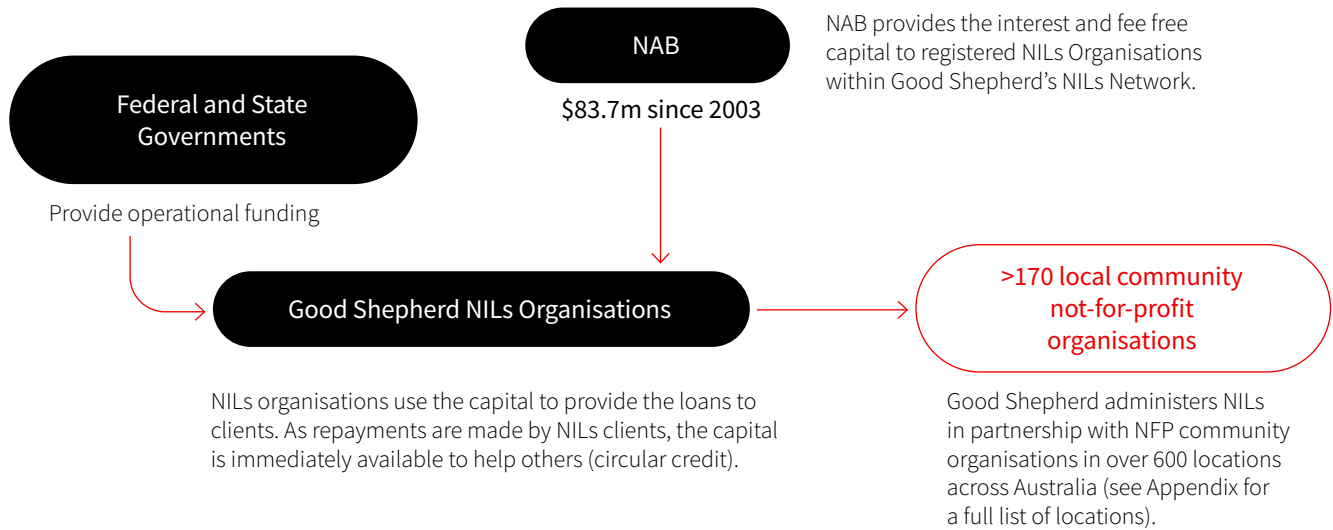
Being accepted for a loan and making repayments can feel empowering for the client and lead to greater confidence in managing finances.

Building and maintaining assets

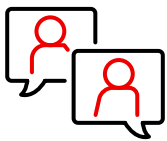
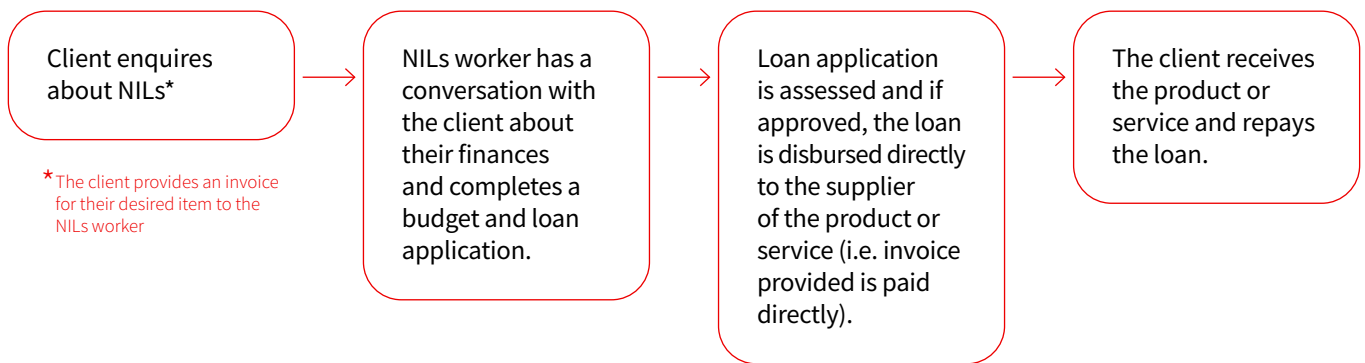
Clients are able to build and maintain assets by purchasing a new item such as a fridge or washing machine or paying for essential repairs on the car or house.

How NILs funds are arranged

1 Interest and fee free capital is provided for loans



2 Client applies for a loan



How repayments work

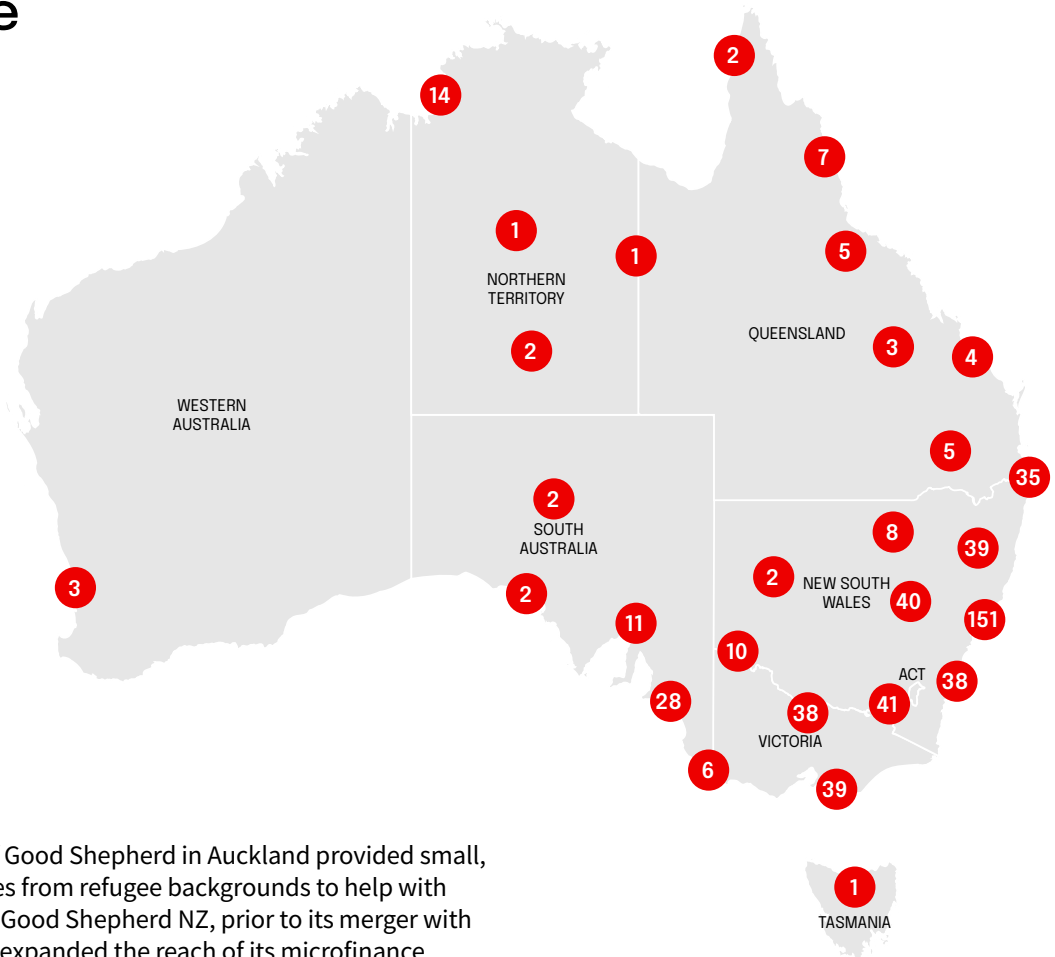
95.2% of clients repay their loans

NILs recipients make fortnightly repayments. If a client experiences difficulties with repayments, Good Shepherd or the community partner can provide or refer them to other services such as financial counselling to sort out their finances. There are no late fees or penalty interest or fees. As the loan is repaid, money comes back into the lending pool and is available to support the next client in need.

Did you know?

Good Shepherd has a long-standing partnership with The Good Guys who provide exclusive discounted pricing for NILs clients via their commercial website, The Good Guys Commercial. NILs clients can purchase household items and essential goods including fridges, washing machines and other eligible loan purpose items via this website. This is another aspect of the NILs program that supports low to middle income earners, by ensuring they pay a fair price for the goods they need.

NILs service provider locations



BNZ and NILs

In the 1990s, the Sisters of Good Shepherd in Auckland provided small, no interest loans to families from refugee backgrounds to help with family reunification costs. Good Shepherd NZ, prior to its merger with Good Shepherd Australia, expanded the reach of its microfinance services in 2014, in partnership with BNZ and the Ministry of Social Development, with a range of other community partners delivering NILs and low interest StepUP loans across the country. In 2022 all microfinance loans delivered by Good Shepherd NZ and its partners became fee and interest free, under the Good Loans brand.

“Never judge people, and always show compassion”

– Ian Bardwell



Ian Bardwell has learned a lot in his ten years volunteering for the NILs program via MercyCare. MercyCare NILs is a community service provider servicing Western Australia. They assist clients from all backgrounds and cohorts with 50% of NILs loans supporting First Nations people and 30%

of their loan volume to clients of culturally and linguistically diverse backgrounds. Like many NILs providers, MercyCare rely on the generosity of volunteers to help them service their community. Twice every week, Ian interviews loan applicants and helps them with preparing their application. He also trains new volunteers.

“In my experience as a NILs volunteer, I have found that especially refugee people are so thankful to be in a new country. To be safe from political and social insecurity and danger. They are motivated and want to contribute to their new country. They want to work but to do this they need to have a driver’s licence, a stable home with basic essentials. They don’t want to have to rely on the government but they are often excluded from a traditional bank loan. NILs has been a program that has allowed them to get on this track. To give them that start that they struggle to get”.

APPENDIX

NILs provider locations by state

VIC			
Darebin Information, Volunteer and Resource Service	Good Money Morwell	Monash Oakleigh Community Support & Information Service	Swan Hill Neighbourhood House
Dingley Village	Inspiro Ranges Community Health (Yarra Ranges)	Mornington Community Information & Support Centre	The Neighbours Place, Bacchus Marsh
EACH	Islamic Council of Victoria	Peninsula City Church	The Salvation Army
Echuca Neighbourhood House	Jewish Care Victoria	Port Phillip Community Group	Uniting VIC
Endeavour Ministries Inc.	Knox Infolink Inc.	South East Community Links	Vinnies
Good Money Collingwood	Kyabram Community and Learning Centre	Southern Peninsula Community Support & Information Centre	Western Port Community Support
Good Money Dandenong	Maroondah Community Assist	St Luke's Anglicare	Western Port Community Support
Good Money Geelong	Mill House Neighbourhood House	Stonnington Community Assist Inc.	
TAS			
NILs Tasmania			
SA			
AC Care	Good Money Salisbury	The Salvation Army	UnitingCare Wesley Bowden
Anglicare	Housing Choices SA	Ucare Gawler	Westside Housing
Centacare Catholic Country	MoneyMob Talkabout	Uniting Communities Inc	
Christian Gospel Centre	North East NILs Inc.	Uniting Country	
Food Centre	The Hut Community Centre (Hills NILs)	Uniting SA	
WA			
Anglicare	Mercy Care Lending Services	MercyCare	
NT			
Anglicare	CatholicCare NT	Somerville	
ACT			
Care Inc	The Salvation Army		
NSW			
Anglicare	Domestic Violence Service Management	Jubilee Resources	Orana Support Service Inc.
Armidale Neighbourhood Centre	Evolve Housing	Kariong Neighbourhood Centre	Southern NILs
BaptistCare	Fairfield NILs (The Parks Community Network)	Lifetime Connect	Southern Tuggerah Lakes NILs (Be.
Bellingen Neighbourhood Centre	Focus Connect	Macleay Valley (Kempsey Neighbourhood Centre)	St Vincent de Paul NSW
Belong Blue Mountains	Global Care	Manning Support Services Inc.	Sydney Multicultural Community Services
Bonnies Support Services Ltd	Gosford City Community & Information Services	Mary Mackillop Today	The Hills Community Aid
Break the Cycle	Great Lakes NILs (Forster Neighbourhood Centre)	Metro Assist	The Kogarah Storehouse
Bridging the Gap Sydney West Inc.	Hawkesbury NILs (Windsor District Baptist Church)	MTC NILs	The Salvation Army
C3 Community Services	Highlands Community Centres Inc.	Muru Mittaggar Community Finance	Toukley Neighbourhood Centre
Carrie's Place Domestic Violence & Homelessness Services Inc.	Hope Connect Inc.	NICCI NILs	Winmalee Neighbourhood Centre Inc.
Christian Community Aid Inc.	Hunter Region NILs Inc.	NILs@BANC (Blackheath Area Neighbourhood Centre)	WINS Community Centre
Coast Shelter	Intereach Ltd.	Northern Rivers Community Gateway	Womens Centre for Health and Wellbeing
QLD			
Babinda District Community Association	Dalby Family Support	Mareeba NILs	Seeds of Hope
Banana Shire	DollarSmart NILs (Deception Bay Neighbourhood Centre)	Miles NILs (Murilla Community Centre Inc).	Seeds of Hope
Booval Community Service	Encircle	Mount Isa Family Support Service & Neighbourhood Centre	Seeds of Hope
Bowen Neighbourhood Centre	Foresters	MultiLink	Tara NILs
Bundaberg & District Neighbourhood Centre	Good Money Cairns	Nerang Neighbourhood Centre Inc	The Salvation Army
Caboolture Neighbourhood Centre	Good Money Southport	NPA Family and Community Services	Townsville NILs (FEAT)
Caloundra Community Centre	Graham House	Picabeen Community Association	Village Community Services Inc
Care Goondiwindi	Kingston East Neighbourhood Group	Port Douglas Neighbourhood Centre	Western Cape NILs (Weipa)
Cooktown Community Centre	Logan East NILs	Sarina	
Community	Kuranda NILs	Proserpine Community Centre	YFS NILs
Community Accommodation & Support Agency Inc.	Kyabra NILs	Ravenshoe Community Support	
Community Care Beenleigh	Landsborough Area NILs	Redland	
Community Gro	Leichhardt Community Group	Rosewood and District Support Centre	

