

**NILS**  
No Interest Loan Scheme  
Good Shepherd Microfinance

# NILS IN **FAR NORTH QUEENSLAND**

EVALUATION OF THE REACH FUNDING

**JUNE 2017**



Good Shepherd  
**Microfinance**

# Report preparation

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# Executive Summary

This report evaluates the delivery of the No Interest Loan Scheme (NILS) in Far North Queensland, through the Reach funding provided by the Department of Social Services (DSS) to expand NILS across the region. The funding allowed a partial continuation of a previous initiative, which trialled NILS delivery in remote locations across Australia, including Far North Queensland. Funding was allocated between November 2015 and June 2017, however this report does not cover the full period as data collection was completed before the funding period ended.

The Reach funding gave six NILS providers in Far North Queensland the opportunity to expand their NILS program, with the objective to increase loan numbers and reach new geographic locations. The program is on track to exceed the loan target of 500 new loans by the end of the funding period, and has made NILS available in 30 communities that would otherwise not have access to this program.

The evaluation had multiple purposes including to understand of the needs and circumstances of Indigenous clients in Far North Queensland, to understand how microfinance meets these needs, to explore the outcomes experienced by clients, and to identify the delivery approaches that were supported via the NILS funding. Qualitative and quantitative data sources included: 11 client interviews; 9 provider and community partner interviews; 3 stakeholder interviews; and 94 completed client questionnaires.

The key insights of the evaluation are:

## **NILS clients in Far North Queensland need specialised support, and NILS providers work in different ways to meet this need**

Indigenous clients in Far North Queensland have different needs due to socio-economic disadvantage, cultural factors, remoteness, predatory companies targeting remote Indigenous communities, and high rates of chronic health problems.

To meet these needs, microfinance services working in remote Far North Queensland often provide specialised assistance that is responsive to the financial, cultural and holistic needs of Indigenous clients and communities. This includes a high level of cultural awareness, flexible loan assessments, assistance with arranging item delivery into very remote places and a tailored approach that fosters strong client relationships.

## **Many NILS clients report improvements in wellbeing across a range of indicators**

Clients self-reported a range of economic wellbeing and health outcomes due to their experiences with NILS, including:

- More financial resources: 92 per cent who had used a payday loan reduced their usage, 35 per cent reported that NILS helped them or someone in their house to get or keep a job.
- Improved financial capability: 87 per cent reported an increase in at least financial capability indicator.
- Greater social wellbeing: 83 per cent felt more supported.
- More self-confidence: 91 per cent had an increase in 'feeling good' about the things that they have.
- Better physical and mental health: 92 per cent reported improvements in at least one physical health indicator, with items obtained with a NILS loan making it easier for clients to manage chronic health conditions; 83 per cent reported fewer money-related worries.
- Improved standard of living: NILS was used to purchase essential household appliances more in Far North Queensland compared to the national statistics, and often for an item the household had previously lived without.

## Two approaches to service delivery were supported by Reach funding

Reach funding supported two main approaches to delivery of NILS in remote Far North Queensland, these were:

### Direct approach

This approach used by four existing NILS providers located in larger remote towns (population of 3000+), reaching new clients mostly via community outreach. This approach is low cost and offers high value for money: due to the economies of scale of a larger community; efficient NILS delivery; and the availability of face-to-face support through the whole process. Direct delivery to Indigenous people in remote towns often takes more time, due to the high needs of clients or the need to arrange item delivery.

### Shared approach

This approach was used by Shelter Action Housing Cairns (SHAC), reaching new clients by sharing the client support role with community partners who provide face-to-face client support in very remote communities up to 1,000kms away. Community partners provide support to SHAC in-kind, motivated by the benefits of NILS to the people in their communities. This approach is higher cost, but is high value for money when compared to other options for NILS delivery in very remote Far North Queensland. Almost all clients serviced via this approach require a high level of additional support and assistance to arrange delivery, and sharing client support and relying on telephones and technology make this more time-consuming.

## More clients had access to NILS and new locations were reached

- NILS providers are on track to **exceed the loan target** set at the start of the funding period, with three providers exceeding the organisational target.
- Loan analysis suggests that **high rates of currently not paying loans do not necessarily result in high rates of loan write-offs.**
- Reach has also allowed NILS providers to reach new locations and expand the geographic reach of the program, with clients in **30 remote or very remote communities** receiving a loan that would not have been available without this funding.

## Growing NILS in remote Australia

There remains unmet demand in remote Far North Queensland, as well as other remote and very remote locations in Australia. Changes in the national NILS network provide opportunities to meet that demand, informed by the work of NILS providers funded by Reach.

A new collaborative delivery model is currently being introduced with the objective of meeting unmet demand across Australia, aiming for greater and more equitable access to NILS. This model will enable future funding to be targeted to specific remote and very remote regions, offering an opportunity to increase reach and impact. Expanding the shared approach that emerged through this funding is one way of reaching clients who would benefit greatly from NILS but do not currently have access. Under this model, a regional loan manager could provide the expertise and capability needed to manage a greater volume of loans, allowing community partners in remote communities to focus on increasing access and client support. Future expansion of this model in remote locations should be informed by the lessons learned in Far North Queensland.

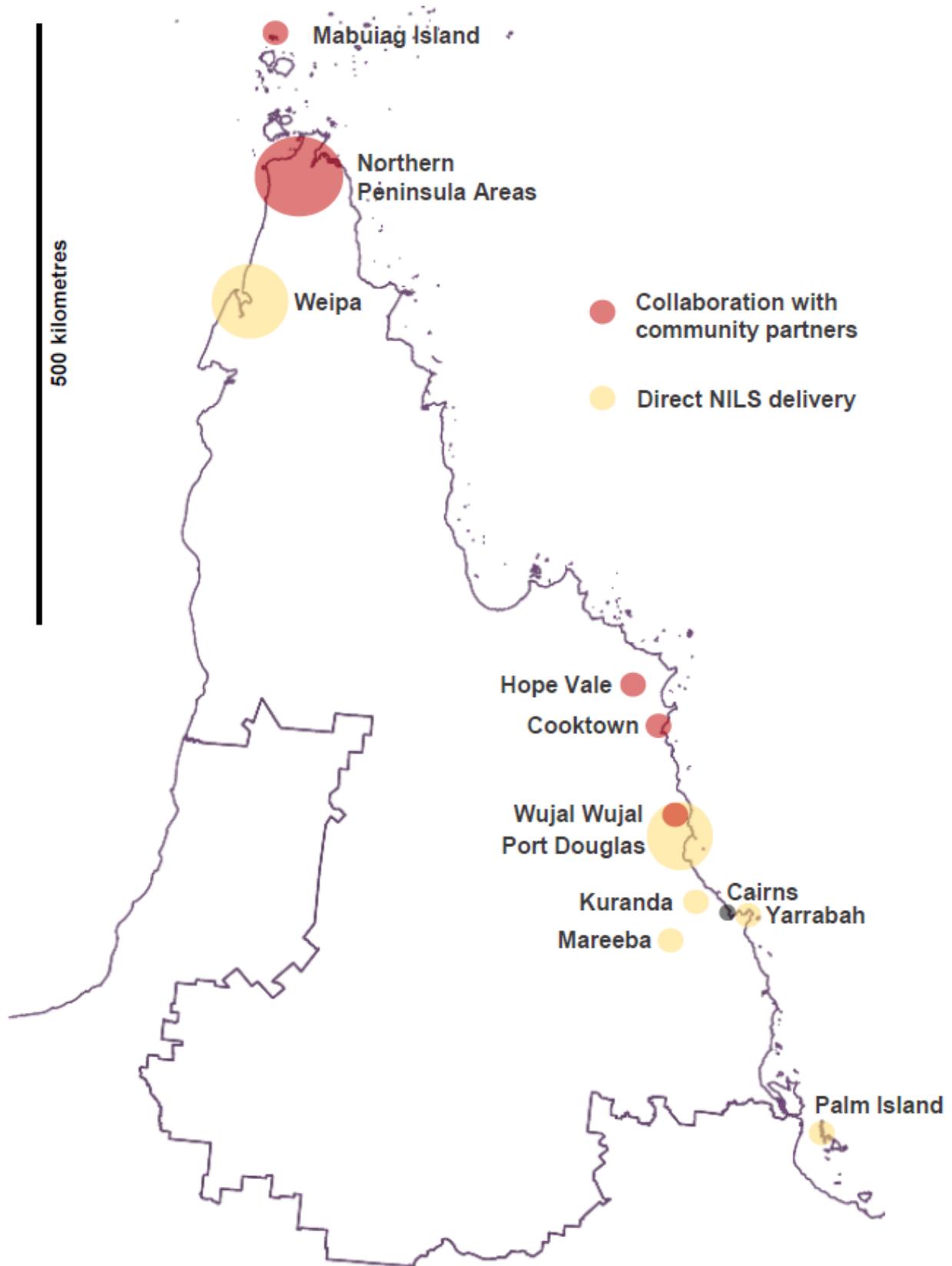
NILS providers in the region have demonstrated the value from established relationships, local knowledge and connections and the important role these factors play in building trust within Indigenous communities. These capabilities have developed over several years and are important to the ongoing success of NILS, particularly in very remote areas.

Reaching more Indigenous clients in remote locations across Australia would require Good Shepherd Microfinance, NILS providers and community, corporate and funding partners to continue to work together to ensure that a client-centred approach to remote NILS delivery takes into account the unique needs and circumstances of each community on a case-by-case basis.

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# Map of NILS in Far North Queensland through Reach funding



# 1. Introduction

This study was undertaken by Good Shepherd Microfinance to evaluate the delivery of the No Interest Loan Scheme (NILS) in remote Far North Queensland, enabled through a dedicated tranche of funding that concludes on 30<sup>th</sup> June 2017.

## 1.1 The No Interest Loan Scheme (NILS)

The No Interest Loan Scheme (NILS) is the largest microfinance program in Australia and offers people on low incomes small loans that carry no fees or interest charges. Loans of up to \$1,200 can be used to purchase essential household goods, such as whitegoods, or other services such as car repairs, healthcare costs, or education.

NILS is offered by a network of community organisations and Good Money stores<sup>1</sup>, across more than 630 locations across Australia. NILS is supported by the Australian Government Department of Social Services (DSS), the National Australia Bank (NAB) and state governments.

To be eligible for NILS, applicants must: (1) hold a Centrelink Health Care Card or Pension Card or live on a low income; (2) have lived in the same residential address for three months; and (3) demonstrate willingness to repay the loan.

NILS is a leading example of circular community credit. When a client makes a repayment, those funds then become available to someone else in the community. Clients recognise that repaying their loan means someone else is given the same opportunity they were – consequently, the repayment rate is 95 to 97 per cent.

## 1.2 Reach funding for Far North Queensland

In November 2015, DSS committed \$320,000 for the delivery of NILS in Far North Queensland for the period from 13 November 2015 to 30 June 2017. The funding was provided to increase the reach of the NILS program by broadening geographic access in remote areas, with a focus on Aboriginal and Torres Strait Islander communities. The target for the funding was 500 loans.

Provider organisations adopted different approaches for delivery, based on their understanding of the needs, location, strengths and capabilities of the target communities. The delivery approaches for each organisation that were proposed for the Reach funding are presented in.

Table 1.

Table 1: Proposed approaches for Reach funding

Provider organisation	Proposed delivery approach
Kuranda Neighbourhood Centre	Expand existing NILS program and increase outreach to communities within a one hour drive from Kuranda
Indigenous Consumer Assistance Network	Establish collaborative partnerships in new locations in the Cassowary Coast region
Mareeba Community Centre	Expand existing NILS program, collaborate with local community partners and increase outreach to communities within a one hour drive from Mareeba
Port Douglas Neighbourhood Centre	Expand existing NILS program and consolidate and increase outreach to communities within a two hour drive from Port Douglas
Shelter Housing Actions Cairns	Continue and increase collaboration with local community partners in very remote locations up to 1000kms from Cairns

<sup>1</sup> Good Money stores are community finance shopfronts in seven high street locations in Victoria, South Australia and Queensland.

## 1.3 Project background

The Reach funding allowed a partial continuation of a previous initiative, the Remote NILS Pilot Program, which concluded in June 2015. The Remote NILS Pilot Program was a targeted approach to make microfinance available to people in remote areas of Australia.

### Remote NILS Pilot Program

The Remote NILS pilot was developed to tackle high levels of financial exclusion among Aboriginal and Torres Strait Islander people in remote locations.<sup>2</sup> The program piloted NILS in four priority areas (Far North Queensland; Rockhampton; Darwin/Kimberley and Alice Springs/Anangu Pitjantjatjara Yankunytjatjara (APY) Lands) chosen by the then Department of Family, Housing, Community Services and Indigenous Affairs (FaHCSIA, now DSS) Each location presented a unique challenge, with varying levels of financial capability and hardship.

To achieve the project aims, seven partnerships were developed with community organisations already operating in these locations. These organisations implemented different approaches to expanding the NILS footprint, including: introducing NILS to new remote communities and conducting costly outreach visits; using existing networks (or developing new relationships) to deliver NILS from a central point; delivering NILS within credit unions; and increasing NILS activity in already established locations.

The pilot achieved more success in some locations than in others with some important lessons for remote NILS delivery in the future. These lessons include: the extent of household debt in communities targeted by rental companies and payday lenders; the ability of NILS to empower communities; the value of strong partnerships; and the complexity and time needed to introduce NILS to remote Aboriginal communities<sup>3</sup>. The pilot concluded on June 30 2015 with no new loans written beyond that date.

### Remote NILS in Far North Queensland

As part of the Remote NILS pilot, Shelter Housing Action Cairns (SHAC) expanded its delivery of NILS in remote Far North Queensland. The expansion was achieved by fostering relationships and utilising local networks, thereby smoothing the process of introducing a new program into remote communities, as well as avoiding the high costs of frequent travel in remote Australia.

SHAC identified places with an obvious need and where they had potential links to an organisation that 'fit' with NILS, or where they could find a 'local champion' within the community. SHAC provided training and support to these organisations and individuals to assist clients in preparing and applying for a NILS loan (i.e. filling in forms, conducting financial conversations and preparing documentation). This operating model, with client support from the NILS provider (located in a regional centre) as well as local, unfunded community partners, was successful: SHAC exceeded their loan target for the Remote NILS pilot, delivering 131 loans to Indigenous people in remote communities in Far North Queensland.

Funding for delivery of NILS in Far North Queensland ended when the Remote NILS pilot ceased. However, there was strong support from the individuals, communities, and organisations involved in the pilot in Far North Queensland to continue accessing and delivering NILS via the network SHAC had developed. SHAC were proud of what they had achieved in the pilot, and felt strongly that NILS had been embraced by the communities they worked with and had led to successful outcomes for individuals, families and communities. Yet, SHAC was concerned that their reputation, and the reputation of NILS, would be damaged from withdrawal of the program within those communities.

In late 2016, Former Prime Minister Tony Abbott, Former Minister for Social Services Scott Morrison and other

<sup>2</sup> Centre for Social Impact (for NAB) (2012), Measuring Financial Inclusion in Australia

<sup>3</sup> Good Shepherd Microfinance (2014) An evaluation of the Remote No Interest Loan Scheme program

government officials visited the Northern Peninsula Area (NPA) and the Torres Strait Islands to consult with community members about increasing living costs. As a result, the Australian Government agreed to extend the Reach funding.

## 1.4 Purpose of this report

This aim of this report is to evaluate the outcomes that occurred as a result of the Reach funding, and the approaches to the delivery of microfinance in remote Far North Queensland.

The report is intended to be relevant to Good Shepherd Microfinance, funders, corporate partners and microfinance network, as well as any organisation involved in the delivery of financial support services in remote Australia.

It is anticipated that this report can inform future approaches to the delivery of NILS in remote Australia.

## 1.5 Evaluation questions

The following questions were developed to achieve the aims of the evaluation:

### Meeting client needs in Far North Queensland

- What are the needs and circumstances of clients in remote Far North Queensland, and how did NILS providers support these?

### Loan information and client outcomes

- In remote Far North Queensland, what do clients use NILS for, and how are supporting services linked?
- What are the outcomes for NILS clients and their families in remote Far North Queensland?

### Program design and delivery

- What are the challenges of delivering NILS in remote Far North Queensland, and how did NILS providers overcome these?
- What are the costs of delivering NILS in remote Far North Queensland?

### Achievement of Reach objectives

- Did the program broaden geographic access to NILS and increase the number of loans?

## 1.6 Steering group

This evaluation was guided by a Steering Group and included representatives from:

- The Department of Social Services
- Good Shepherd Microfinance
- Remote NILS providers

## 2. Evaluation design

This evaluation was conducted using a mixed methods approach that used surveys and interviews with clients and stakeholders to investigate program delivery and outcomes.

### 2.1 Outcomes framework

The benefits of NILS to individuals, families and communities stems from access to safe and affordable finance, as well as the support provided through the NILS process.

The first stage in this evaluation was to conduct interviews with clients and NILS providers in Far North Queensland. This led to the development of an adapted outcomes framework shown in **Error! Reference source not found.**, incorporating outcomes identified by the Centre for Social Impact in their 2014 evaluation of NILS<sup>4</sup>. Each outcome was incorporated in the client survey (see Appendix 3), which was with approval from the steering group.

Table 2: Outcomes framework for NILS in Far North Queensland

<b>Economic wellbeing</b>	<b>Financial resources</b>	Use of payday loans and rent-to-buy Working or studying Keeping car on the road Ability to afford housing
	<b>Financial capability</b>	Budgeting and planning Comparison shopping Savings
	<b>Social well-being</b>	Feeling supported Family relationships Community
	<b>Self-confidence</b>	Feeling good about the things you have Feeling good about what you have done with your money
<b>Health</b>	<b>Physical health</b>	Eating healthy food and preparing meals Sleeping Cleaning Managing health problems Storing medications correctly
	<b>Mental health</b>	Having worries in your life because of money Having worries in your family because of money

### 2.2 Data collection

#### Interviews

Interviews were conducted with clients, providers and stakeholders in October and November 2016 during two research trips. These provided important context and insight into the needs and circumstances of NILS clients in Far North Queensland that informed the development of client surveys. The interviews consisted of:

- 11 interviews with clients
- 9 interviews with NILS providers and community partners

<sup>4</sup> Bennet, S. Georgouras, M. Hems, L., Marjolin, A. and Wong, J. (2013) Life Changing Loans at No Interest: An Outcomes Evaluation of the Good Shepherd Microfinance's No Interest Loan Scheme (NILS), Centre for Social Impact (CSI), University of New South Wales, for Good Shepherd Microfinance

- 3 interviews with stakeholders (Centrelink, Forester's Community Finance and St Vincent de Paul)

## Client surveys

Client surveys were undertaken to gather quantitative information relating to client experiences, focusing on client outcomes. Client surveys were collected between January and April 2017. Surveys were administered by NILS providers and community partners, with literacy and numeracy assistance provided if necessary. Clients were given a \$20 shopping voucher or power card in return for their time and effort.

The goal of the client survey was to obtain a statistically significant sample size and no attempt was made to gather a representative sample. This means results are indicative of outcomes rather than generalisable to the entire population.

Returning NILS clients from locations where NILS would have stopped without the Reach funding were included in this evaluation. The number of surveys received from each provider is below:

Table 3: Completed questionnaires by NILS provider

NILS provider	Completed questionnaires
Kuranda Neighbourhood Centre	31
Indigenous Consumer Assistance Network	1
Mareeba Community Centre	10
Port Douglas Neighbourhood Centre	19
Shelter Housing Actions Cairns	Mabuiag Island – 9 NPA – 24
Weipa Community Care	No surveys were conducted in Weipa as the organisation did not consider the questions to be relevant or appropriate given the circumstances and low literacy of clients in that region.
<b>TOTAL SURVEYS</b>	<b>94</b>

## 2.3 Limitations

A number of limitations should be taken into account when considering the findings from this evaluation, including:

- Self-reported behaviour captured in the survey may be different from actual behaviour. This is a limitation of all self-reported survey methodology.
- It was not possible to obtain a counterfactual to compare individuals who received a NILS loan to individuals who did not. To mitigate this, respondents were asked specifically if the NILS loan contributed to change.
- Client surveys were administered by microfinance workers and organisations with an ongoing relationship to that client. This may have influenced their responses to the questions.
- It was not possible to obtain a representative sample of client surveys, so the results are not generalisable
- The evaluation occurred during the same time as the consultation process for a new funding model for the NILS network. The change may have influenced the responses of workers and NILS providers during interviews.
- There are some indications that some respondents may have misinterpreted questions in the survey (for example responses relating to the number of loans taken out for car related expenses). This may be due to the survey being administered in English, which is not the first language of many respondents.

## 3. Evaluation findings

This section provides detailed description and analysis of the delivery of NILS in Far North Queensland enabled by the Reach funding. Each section corresponds to an evaluation question, describing the client need, the work of providers to meet the client need, the different approaches to delivery and the achievement of program objectives.

The overall finding is that the Reach funding has enabled successful approaches to the delivery of NILS in remote and very remote locations in Far North Queensland, which allows NILS providers to work in specialised ways with clients who require a high level of support.

### 3.1 Meeting client needs in Far North Queensland

#### Section summary

Indigenous people in remote locations in Far North Queensland have different needs to mainstream microfinance clients, due to higher rates of socio-economic disadvantage, cultural factors, the challenges of remoteness, predatory salespeople and high rates of chronic health conditions. This means that clients often require more intensive and time-consuming assistance before, during and after a microfinance loan application.

To meet these needs, microfinance services working in remote Far North Queensland often provide specialised assistance that is responsive to the financial, cultural and holistic needs of Indigenous clients and communities. This includes a high level of cultural awareness, flexible loan assessments, assistance with arranging item delivery into very remote places and a tailored approach that fosters strong client relationships.

#### 3.1.1 Understanding client needs in Far North Queensland

Indigenous people make up 52.1% of the total population in remote Far North Queensland<sup>5</sup>. The needs of Indigenous people living in remote locations in Far North Queensland are different to the needs of people using mainstream services in urban locations. Key differences include socio-economic factors, Indigenous approaches to money, the challenge of living in very remote locations, the impact of predatory credit and high rates of chronic health conditions.

Remote communities, including those receiving NILS through the Reach funding, are not all the same, and not everyone living in remote communities is vulnerable. Differences in geography, history, resources and assets (including physical and human capital), are key drivers to the successful delivery of social services. Delivering services in this context can be resource-intensive, as organisations manage the challenges by tailoring approaches, being flexible, and collaborating. The combination and interaction of the following factors contributes to the needs of Indigenous clients in Far North Queensland:

##### Socio-economic factors

Remote regions in Far North Queensland are some of the most disadvantaged locations in Australia<sup>6</sup>, according to socio-economic indicators for housing, income and education, with evidence that hardship levels are increasing<sup>7</sup>. Many people accessing social services in very remote places do not use English as their main language, and may not have high educational attainment and therefore have low literacy and numeracy. In addition, until the 1970's many Indigenous people had their wages and savings controlled by the government<sup>8</sup>. These factors contribute to low levels of financial capability, and clients often need assistance with filling out forms, using banks and understanding financial matters. The support needed to access programs such as microfinance can be intensive.

<sup>5</sup> Australian Bureau of Statistics (2011), Far North Queensland statistics

<sup>6</sup> Australian Bureau of Statistics (2011), Census data reveals Australia's most advantaged and disadvantaged areas

<sup>7</sup> Queensland Competition Authority (2017), QCOSS conference presentation

<sup>8</sup> Queensland Government (2015), Stolen wages reparations scheme

Over-crowded housing, with multiple families living together, is also prevalent in Far North Queensland, particularly in Aboriginal Council areas where levels of crowding are up to five times the national average<sup>9</sup>. Yet, when new housing is available in a very remote location, families are often unable to move in as there may be no way of obtaining whitegoods or furniture. Dependence on Centrelink payments as the principal source of income in Far North Queensland<sup>10</sup> also means that many families are living on very low incomes in a location where everything is more expensive. In this context, microfinance is able to assist clients to furnish homes that would otherwise be unfurnished due to a lack of safe and affordable alternatives.

## Cultural factors

Many Indigenous people, particularly those in very remote Australia, say they see money as a resource for sharing and to care for family, and to be used in the present moment, in a different way than Western conceptions of money. Money is also often described as something that has been imposed from outside, and disconnected from the traditional way of living<sup>11</sup>. Services delivering money management support and microfinance are most successful when they understand this and are able to assist clients in a way that does not conflict with their cultural priorities.

For some clients, particularly in remote Australia, family, can also be a source of stress through 'humbugging', in which people feel conflicted between wanting to share and feeling pressured to give money. Due to humbugging, people who want to save are often unable to, and products that enable people to pay for items incrementally through a commitment are popular (e.g. goods rentals, microfinance, Christmas hampers). Day-to-day money handling can also be different for remote Indigenous NILS clients, with money flowing between accounts very frequently and large volumes of small transactions. Spending is also different in other ways: people often hunt and spend less on food than expected, and share household expenses in different ways to urban households (for example one person buys all the food while another paying all the rent). This can make understanding the flow of money in a household and interpreting bank statements for microfinance applications more complicated, and may require services to allow for a different approach to household money management in loan assessment.

## Challenges of remoteness

Delivering social services to remote locations in Far North Queensland is challenged by the geographic isolation of the region. Vast distances, unsealed dirt roads and inaccessibility during the wet season (up to eight months of the year) dramatically increases the cost of transporting goods and people. In addition, communities face frequent natural disasters, limited employment opportunities and digital exclusion (North West Queensland is one of the most digitally excluded areas in Australia<sup>12</sup>).

People living in remote locations have limited choices and goods and services are more expensive. This includes financial services (many people can only access a non-bank ATM that incurs fees) and public transport (costly taxis are often the only transport option). The options for obtaining household items are often limited to goods rentals, payday loans or saving up to purchase at the local retailer where items are often more expensive and of lower quality than in metropolitan or regional centres. As a result, it is common for families to live without essential household appliances such as a fridges, with flow-on effects including children not attending school (because they cannot have a packed lunch) and Newstart payments being stopped. This indicates the need for safe and affordable microfinance options such as NILS as a way of purchasing essential items.

The remote context also presents other challenges that impact the delivery of microfinance, such as the reliance on key resources for loans to progress. Access to only one internet access point within a community can mean long delays in sending paperwork if this technology is unavailable or broken. Also, the need for

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<sup>9</sup> Queensland Government Department of Infrastructure and Planning (2008), Far North Queensland region: a demographic profile

<sup>10</sup> Australian Bureau of Statistics (2011), Far North Queensland statistics

<sup>11</sup> Godinho, V, Russell, R., Venugopal, S., Singh (2017), When Exchange Logics Collide: Insights from Remote Indigenous Australia, Journal of Macromarketing

<sup>12</sup> Thomas, J, Barraket, J, Ewing, S, MacDonald, T, Mundall, M & Tucker, J, (2016), Measuring Australia's Digital Divide: The Australian Digital Exclusion Index, Swinburne University of Technology, Melbourne, for Telstra

visiting specialists to process documentation to resume Centrelink payments (e.g. conduct health or work assessments) can slow down loan applications if the specialists do not visit the community very frequently.

### **Targeted by predatory companies**

The combination of remoteness, socio-economic disadvantages and cultural factors, means Indigenous people living in remote communities are deliberately targeted by companies selling high-cost and low-quality products. These include insurance, goods rentals, cash loans, dating scams, charity donations, family portrait companies and training courses. These companies use high-pressure sales tactics, and often deliberately include things that have cultural or family importance into sales tactics (such as low value funeral plans)<sup>13</sup>.

Many NILS applicants and clients in remote regions have often experienced substantial financial hardship as a result of this type of exploitation, with large regular payments being taken from bank accounts for indefinite periods of time. Microfinance services in this context often work with clients for lengthy periods of time to prepare them for eligibility for a microfinance loan, advocating on behalf of clients to improve their financial situation.

*I noticed a client had five different life insurance policies when I checked their bank statement which rang alarm bells. I spoke with the client and he said they kept calling him and he would just say yes to get them off the line, and now he won't answer the phone. I then made some calls to services in the local area to get advice, and referred the client to the Financial Rights Legal Centre. We are now working together to advocate for the client to receive some money back.*

**NILS provider**

### **Health factors**

There are a high number of people living with chronic health conditions such as diabetes in Far North Queensland, particularly in the Torres Strait and the Cape York regions,<sup>14</sup> and mortality rates of Indigenous populations are higher than those of non-Indigenous populations across all age groups.<sup>15</sup> Health conditions are also exacerbated by other indicators of socio-economic disadvantage such as overcrowded housing, with services working with many clients with multiple needs. Microfinance services are able to assist clients to obtain items that can alleviate or improve chronic health conditions, such as beds, fridges and washing machines.

### **Other factors**

There are a range of other factors that affect the financial circumstances of Indigenous people living in remote Far North Queensland, and are taken into account by microfinance services working in this context:

- Income management – People receiving Centrelink payments in Far North Queensland may have their income managed, with money quarantined for basic essentials. The transition on and off income management is challenging for clients to understand, as well as for microfinance and other service providers, due to interruptions to Centrepay repayments.
- SPER payment system – The Queensland Government uses this system to collect unpaid fines and court-ordered penalties directly from Centrelink, often leaving people with very little money for basic essentials.
- CDP – Remote work-for-the-dole scheme requiring jobseekers in remote areas to complete up to 25 hours unpaid work. Non-attendance results in financial penalties or suspended payments.
- Financial abuse – This form of domestic violence means that people have their money taken or controlled by a family member (often partner but can also apply to elders).

<sup>13</sup> Marks, L., (2016), Indigenous Australians more vulnerable to scams, ACCC says, ABC News Online

<sup>14</sup> Northern Queensland Primary Health Network (2016) Health needs assessment: Description of health service use, workforce and consumer need

<sup>15</sup> Queensland Health (2011) Indigenous health indicators, Health Surveillance Unit, Tropical Regional Services

### 3.1.2 Working differently in Far North Queensland

NILS providers and community partners working with Indigenous clients in remote Far North Queensland work in a specialised ways. These include:

#### Meeting the socio-economic needs of clients

##### Deep understanding of client need

Community partners and NILS providers in remote Far North Queensland have a deep understanding of the different financial needs of Indigenous people and, the gamut of issues that may affect the financial circumstances of their clients. Community partners and NILS providers also have experienced knowledge of how to deliver programs to Indigenous clients the ability to adopt a flexible approach when working with a client.

##### Flexibility in loan assessment

A number of NILS providers allowed flexibility against standard NILS policies and were able to deliver NILS loans to willing and capable clients that would otherwise not have been approved. This flexibility included; being flexible on the address timeframe with consideration for family context; flexibility in bank statement assessment due to knowledge of remittances and other money flows; and removal of tenancy documentation as a requirement at Mabuig Island. An additional area of flexibility included allowing bank statements and rental documentation to be less recent (due to the delays can occur in remote Australia meaning documentation can be outdated according to NILS standards by the time it is officially submitted).

*Household stability, a willingness to repay and financial capacity may not initially be obvious in terms of a remote client, but that does not mean that they do not exist and can be demonstrated in other tangible ways using a flexible approach*

**NILS provider**

##### Offering holistic support

NILS providers and community partners in remote Far North Queensland often use NILS as way of providing more holistic care to clients. This includes basic advocacy to assist clients to deal with billers and banks to sort out issues, money management programs, emergency relief, domestic violence services and healing programs. This allows NILS to be an avenue to talk to clients about a range of issues (e.g. child protection and domestic violence): to work in tandem with other programs; to utilise expertise of trained workers; and to offer a fast turn-around time.

*We come from a community development and healing perspective and see NILS from that point of view, NILS is a way to see what their lives are like and be able to talk to them about their struggles.*

**NILS provider**

Organisations have also offered NILS for new loan purposes as an entry point to access different client segments. For example, young men who had previously never been to the Kuranda Neighbourhood Centre went there to access NILS for car registrations, enabling workers to subsequently offer a range of additional services including domestic violence services, psychologists, mental health workers, financial counsellors, homelessness services, legal assistance and family support.

#### Meeting the cultural needs of clients

##### Trusted by clients

The successful delivery of NILS in remote location hinges on clients feeling able to trust the organisation delivering NILS, which flows on to trust in NILS as a safe option and with the people they engage with. Partnering with groups or organisations that are already located in remote places enables NILS to benefit from reputation and trust that is already present. This substantially decreases the amount of time and complexity required to introduce NILS, including the need to engage with community leaders and elders. Good Shepherd Microfinance and funders should remain attentive to the risks that they are imposing on the partner organisation. For instance, community members would associate any cessation of NILS with the host organisation, rather than Good Shepherd Microfinance.

### **Tailored approach**

Key to the development of the NILS network in Far North Queensland is the ability for community partners to support NILS in a flexible way that works under the local conditions, is client-centred and is appropriate to the resources that are available. This means that community partners can provide varying levels of support (e.g. basic administrative assistance vs. more intensive financial capability support), or can be owned by the community to support community development outcomes.

### **Maintaining strong and ongoing connection with clients**

NILS providers and community partners in Far North Queensland strongly emphasise the role of a strong and ongoing relationship with clients as key to loan repayment and long-term financial capability outcomes, and the advantage of being available from enquiry to final repayment. One reason for this is that it is very common for clients to request updates on the status of their repayments or make other general enquiries. Through the Reach funding, NILS providers maintained strong relationships with clients face-to-face and by telephone: for example the SHAC microfinance worker able to work in tandem with a local contact on the ground to maintain an ongoing connection to clients.

*NILS really works in a small community like that because everyone knows if they muck up then everyone suffers. If I was working in the city and didn't know these people, it would be a lot harder.*

**NILS provider**

NILS providers and community partners also highlight the importance of the concept of 'circular community credit' in supporting good loan performance and outcomes in remote communities. Through this concept, NILS is able to align the program with the community priorities of Indigenous people in remote Australia<sup>16</sup>, meaning that clients are motivated and committed to pay back their loan so that others in the community have access.

### **Meeting the challenges of remoteness**

#### **Arranging delivery into remote locations**

NILS providers in Far North Queensland have a deep understanding of the geographic challenges of specific remote locations and often take significant amounts of time to creatively solve problems of how to deliver items to very remote places. Good2GoNow offers discounted prices and free delivery for fridges or washing machines to locations accessible by sealed road. This is a relatively simple process and often means clients receive a cheaper and better quality item.

*Getting something delivered to Mt Carbine was hard. I tried lots of options and had to get the product measurements from the retailer, but no one was willing to do it. I then contacted the pub and caravan park to find out who they used as a courier, and finally found someone to deliver it.*

**NILS provider**

NILS clients often want something that Good Money does not sell (e.g. furniture), or live in an area not serviced by Good2GoNow (e.g. Mabuiag Island, NPA region). If this is the case, NILS providers and community partners work together to investigate whether delivery is affordable or possible. It can cost \$500 or more to have an item delivered via barge in the Torres Strait, and it is often difficult to find a courier willing to travel. If delivery costs are too expensive, this process can be repeated multiple times before an affordable option is found. The application can proceed only after the possibility of delivery is confirmed. NILS providers in remote Far North Queensland have also worked with local retailers and freight companies to develop partnerships and to negotiate better deals for NILS clients. Providers report that the benefit is mutual, as NILS also brings valuable income for these remote businesses.

#### **Adapting NILS for remote locations**

Remote locations may benefit from an increase in the NILS dollar limit, due to high delivery costs and lower value for money for items in remote regions. Good Shepherd Microfinance has previously acknowledged this possibility in agreements with remote providers that offer larger loan limits for some remote providers. In mid-2017, Good Shepherd Microfinance will be increasing the loan limit for NILS to \$1,500, with the option of taking out a second concurrent loan after the client has paid back at least half of the first loan. This will likely benefit the delivery and impact of NILS in remote Australia, without requiring separate program policies.

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<sup>16</sup> Cairney S. 2017. Interplay Wellbeing Framework for Aboriginal and Torres Strait Islander people in remote Australia: Bringing together stories and numbers. Ninti One Limited. Alice Springs.

## 3.2 Client outcomes and loan information

### Section summary

This section presents the results of the client survey, in which they self-reported changes in their lives that occurred as a result of NILS. These results indicate that NILS generates a range of outcomes, some of which appear to be large and to occur to a greater extent than previous evaluations of mainstream NILS programs have found. Survey results are supported by qualitative data from interviews with clients and NILS providers, offering an in depth insight into the lives of NILS clients in Far North Queensland.

### Client outcomes

Clients self-reported a range of economic wellbeing and health outcomes due to their experiences with NILS. These include:

#### Economic wellbeing

##### Financial resources

NILS can improve their financial situation by reducing the use of other high-cost options, saving money due to lower repayments and increasing access to employment and education.

- 92 per cent who had used a payday loan reduced their usage.
- 35 per cent reported that NILS helped them or someone in their house to get or keep a job.
- 30 per cent reported that NILS helped them or someone in their house start or continue education or training.
- 31 per cent reported being able to keep their car on the road.
- 57 per cent reported that NILS allowed them to better manage the costs of housing.

##### Financial capability

- 87 per cent reported an increase in at least financial capability indicator.

##### Social wellbeing

- 83 per cent felt more supported.

##### Self-confidence

- 91 per cent had an increase in 'feeling good' about the things that they have.

#### Health

NILS has led to improvements in indicators of physical and mental health.

- 92 per cent reported improvements in at least one physical health indicator, with items obtained with a NILS loan making it easier for clients to manage chronic health conditions.
- 83 per cent reported fewer money-related worries.

### Loan Information

NILS was used to purchase essential household appliances more in Far North Queensland compared to the national statistics, and often for an item the household had previously lived without. This is supported by the finding that 65 per cent of respondents saying without NILS, they would have 'gone without'.

NILS providers in Far North Queensland are very supportive of clients using NILS more than once, and 63 per cent of the respondents to the client survey had received more than one loan.

NILS providers offer advice to borrowers about financial information and available support services if needed, but there is a gap between receiving information and taking action.

### 3.2.1 Client outcomes

This section explores each of the outcomes identified in the outcomes framework in section 2.1.

#### Financial resources

Clients reported that NILS can improve their financial situation by reducing the use of other high-cost options, saving money due to lower repayments and increasing access to employment and education.

#### Use of high cost credit

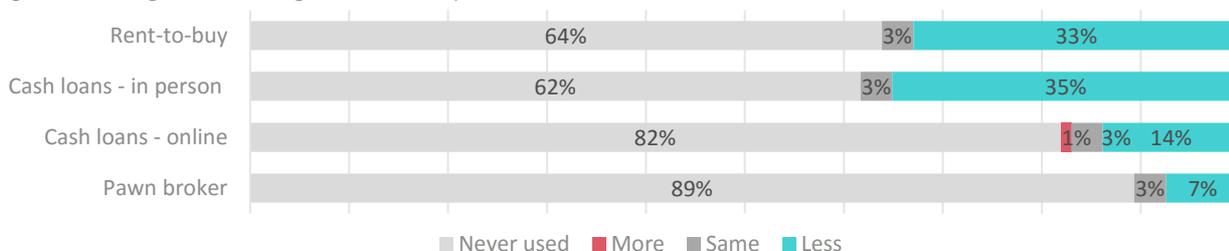
##### • 92 per cent of respondents who had used a payday loan reduced their usage due to NILS

This data supports qualitative insights about how NILS can be used instead of goods rentals and as a result improve a clients' financial situation. One case study highlighted the large impact that NILS can have on a single household budget, for this applicant consumer lease repayments of \$13,000 could have been reduced to \$2,278.

*I spent \$3,000 to buy a table and chairs from Rent the Roo. I've finished with them, I will stick with NILS.*

**NILS client**

Figure 1: Change in use of high-cost credit options

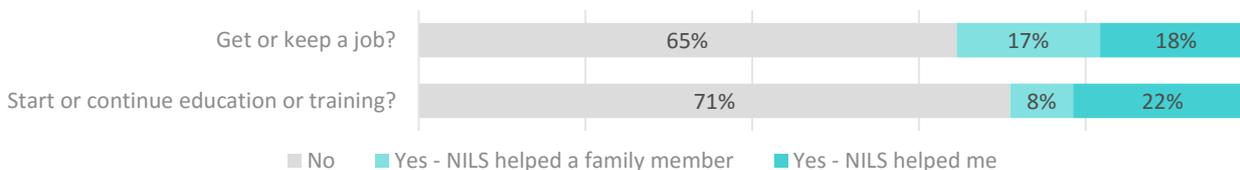


#### Access to education and employment

- 35 per cent of respondents reported that NILS helped them or someone in their house to get or keep a job
- 30 per cent of respondents reported that NILS helped them or someone in their house start or continue education or training

Data analysis indicates that some loan purposes directly result in these outcomes, such as car repairs that help a client to get to work or laptop that a client uses for school. Respondents who did not purchase a work or education-related item reported that items such as mattresses, fridges or washing machines improved their ability to get or keep a job, suggesting that improved living conditions may have indirect employment outcomes. These employment and education outcomes support with key government priorities, as enabling employment outcomes for Indigenous people in Australia directly supports the Federal Government's key focus on employment in the Closing the Gap strategy.

Figure 2: Change in education and employment from NILS



## Cars kept on the road

### • 31 per cent of respondents reported being able to keep their car on the road as a result of NILS

These results show that respondents are able to keep their car on the road due to a NILS loan being used for car expenses<sup>17</sup>, or indirectly through making more money available in household budgets to cover car expenses.

Analysis suggests a link between cars and employment, with 38% of respondents who kept their car on the road also reporting positive employment outcomes. Feedback from NILS providers supports this: providers state that not having a car in remote locations can have a knock-on effect, such as missing a Centrelink appointment and subsequently having payments cut off, or being unable to get to work and consequently losing a job.

*If someone can't get a loan to fix their car or to pay their rego, it can have a detrimental effect on their whole life and be the trigger for a whole lot of things.*  
**NILS provider**

Not all NILS providers offer loans for car registrations, often due to hesitations about providing loans for recurring expenses. Those that do offer car registration loans have developed strategies for managing recurring expenses, including: capping loans to one only; shortening loan periods to 11 months; requiring clients to save; requiring clients to use the Department of Transport registration service.

Figure 3: Change in cars kept on the road

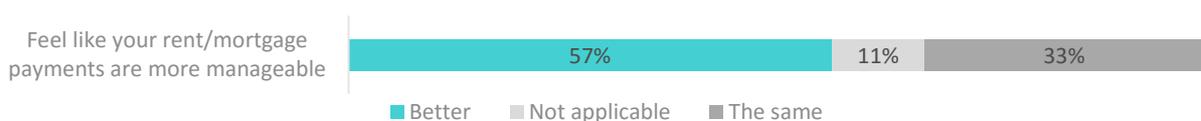


## Housing costs

### • 57 per cent of respondents reported that NILS allowed them to better manage the costs of housing

These results may be due to a combination of factors including increased ability to budget money (80% of respondents who reported being better able to manage housing costs were keeping to a household budget more after accessing NILS).

Figure 4: Change in meeting housing costs



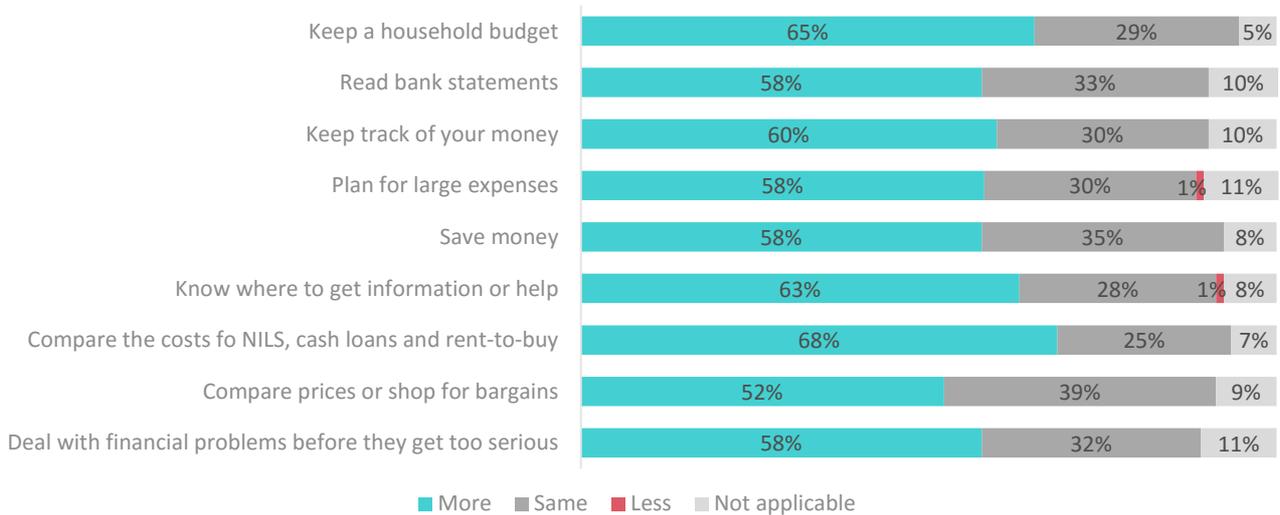
<sup>17</sup> This statistic does not align with the loan purpose data set out in Figure 2, suggesting that respondents may have misinterpreted the questions.

## Financial capability

### • 87 per cent of respondents reported an increase in at least financial capability indicator

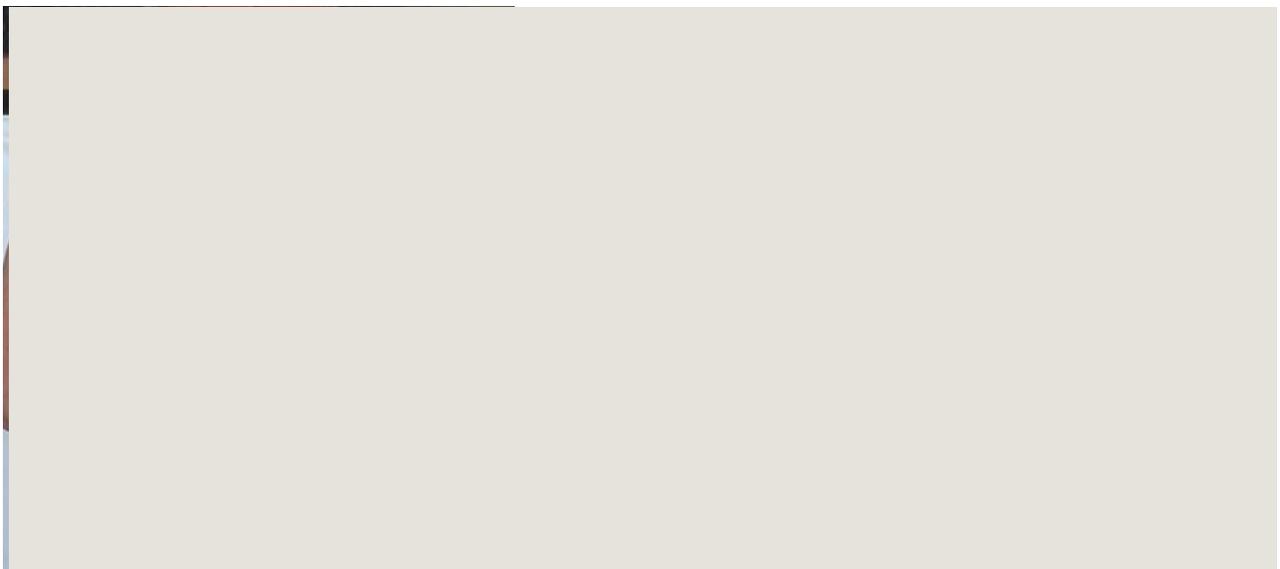
Many NILS clients in Far North Queensland reported changes in their financial capability, with the most common change being an increase in the ability to compare the cost of NILS to other high-cost alternatives (68%).

Figure 5: Change in financial capability



The self-reported change is larger in Far North Queensland than in other regions such as Victoria. This includes self-reported changes in saving money as a result of NILS (28% of Victorians compared to 58% in Far North Queensland), or keeping a household budget (31% of Victorians compared to 65% in Far North Queensland). One reason for this difference may be that NILS providers in Far North Queensland report spending substantial amounts of time with clients, due to the very low levels of initial financial literacy. Qualitative data supports this, with NILS providers reporting a strong understanding of client needs and commitment to working on building financial capability incrementally over time.

Some examples of specialised support provided by NILS providers include: teaching clients to manage paperwork; empowering clients to understand and say no to scammers and doorknockers; and encouraging clients to plan future spending and pay off loans early. One example of a specialised approach to financial capability for remote Indigenous clients is the Blue Box program developed by the Port Douglas Neighbourhood Centre (see *The Blue Box program case study below*).

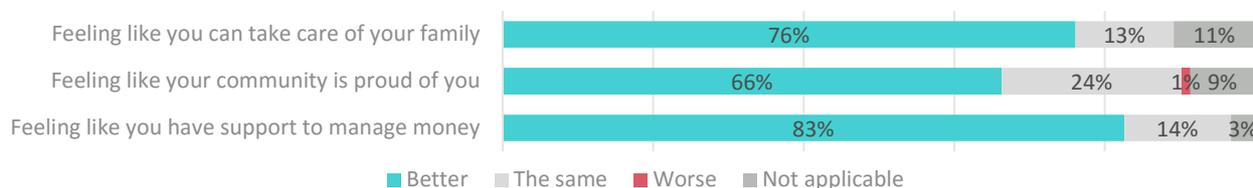


## Social wellbeing

### • 83 per cent of respondents felt more supported due to NILS

This evaluation identified that many clients in Far North Queensland experienced an increase in their social wellbeing, defined as the extent to which a person feels a sense of belonging and being connected to others.

Figure 6: Change in social wellbeing



This underlines national NILS data (66% of NILS clients reported feeling more supported as a result of NILS<sup>18</sup>), yet the change in Far North Queensland appears to be greater. The data also shows that many respondents felt like they could take better care of their family, particularly relevant in the Indigenous context where families extended beyond immediate relations, and are fundamental to overall wellbeing<sup>19</sup>.

NILS providers have highlighted a number of examples of NILS being used by clients to furnish homes to reunify with their children (see NILS supporting family reunification case study below).

#### NILS supporting family reunification

Brian (not real name) applied for a NILS loan supported by his family support worker from a local service in a very remote community. Brian's children were in the care of the Department of Child Safety, and he was seeking reunification. Part of the problem was that the family didn't have furniture in the house for when the children returned, a major barrier for many families seeking reunification. Brian purchased a dining suite and beds and mattresses for his three children with a NILS loan, giving him a better chance of his children returning home.

*We can sit at the table and have dinner and now the kids have got beds.*

*We feel better and proud because they used to sleep on a Queen mattress and we would sleep on a single mattress on the floor because we had no beds.*

Social wellbeing can also extend to communities wellbeing, and the Reach funding enabled a number of examples of community development and community empowerment, including the 'transformation' of the Mossman Gorge community near Port Douglas (see section 4.1.2 about the impact of repeat loans in Mossman Gorge), and the empowerment of the community at Mabuig Island (see below)<sup>20</sup>.

#### Community development on Mabuig Island

Led by a local community leader, the Mabuig Island Women's Network works together to offer NILS on Mabuig Island via a Memorandum of Understanding with SHAC that acknowledges both parties' shared vision and mutual roles in NILS delivery. Importantly, this approach recognised the self-determination of the Mabuig Island community and allowed the program to be owned by the community and flexible to the needs of the population. Because of this recognition of ownership, the community welcomed NILS and adapted aspects of the program to the cultural context. Since then, the group has delivered 23 NILS loans with no defaults, with important community empowerment and financial capability outcomes for people within the group and in the wider community.

<sup>18</sup> Randrianarisoa, A. and Eccles, K., (2016) Pathways to resilience: The impact of financial conversations on the financial capability of NILS applicants, Good Shepherd Microfinance, Melbourne

<sup>19</sup> Cairney, S., Abbott, T., Quinn, S., Yamaguchi, J., Wilson, B., & Wakerman, J. (2017). Interplay wellbeing framework: a collaborative methodology 'bringing together stories and numbers' to quantify Aboriginal cultural values in remote Australia. International Journal for Equity in Health, 16(1), 68.

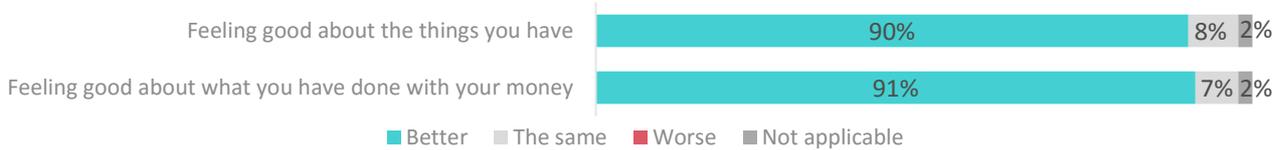
<sup>20</sup> Warrior, Flora (2015), Mabuig Island NILS: A Response to the Discussion Paper: Microfinance in Australia: Considerations for the Future

## Self-confidence

- **91 per cent of respondents had an increase in ‘feeling good’ about the things that they have**

NILS enabled respondents to feel good about themselves, with almost all respondents reporting an increase in indicators of self-confidence due to NILS.

Figure 7: Change in self-confidence



Interviews with clients and NILS provides describe how NILS allows clients to feel a sense of achievement when approved for a loan, and through their ability to pay off a loan successfully. NILS also allows people to feel a sense of pride in being able to own a new household item, provide for their family, and make their home comfortable and attractive. This increased confidence encourages clients to seek another loan, as they are no longer intimidated by the process or their ability to afford the repayments.

*NILS have really helped me in making my home look and feel beautiful. I really love seeing where my money is going. It also teaches my kids the importance of valuing and appreciating nice things, and the importance of budgeting so we can purchase decent goods.*

**NILS client**

## Health

Respondents reported that NILS has led to improvements in indicators of physical and mental health.

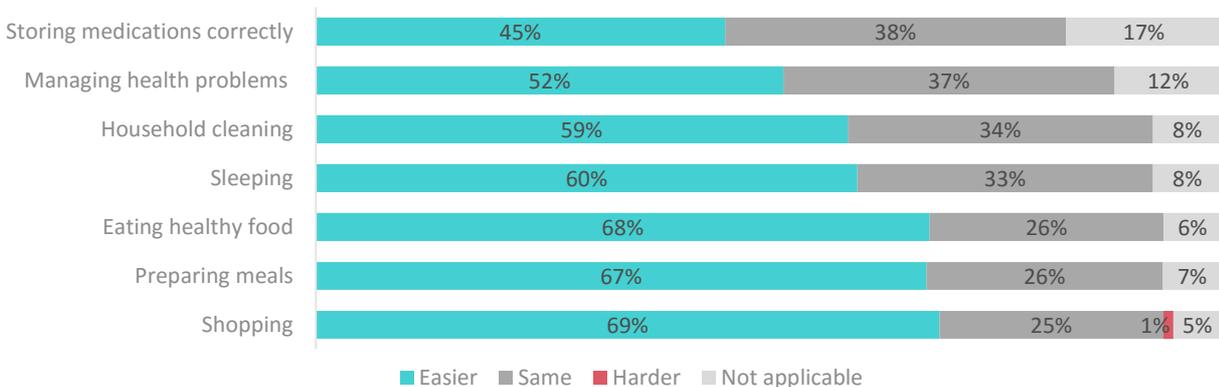
### Physical health

- **58 per cent of respondents, or someone in their house, have a major health problem**
- **92 per cent of respondents had improvements in at least one physical health indicator**

Common health conditions experienced by NILS clients in Far North Queensland include asthma, depression, diabetes, heart conditions, post-traumatic stress disorder, dementia and cancer. These health conditions are harder to manage when households do not have beds, fridges and washing machines.

Many client stories reveal how an item purchased through NILS can have a direct health outcome, including: enabling safe storage of medicines inside the home; ability to buy, store and cook a wider variety of fresh food; ability to sleep on a clean and dust-mite-free mattress; to use a washing machine instead of handwashing (beneficial for those with arthritis); reduced need for sick or elderly people to walk in hot weather to the shop or to another house to use an appliance.

Figure 8 Change in health





### Barsa's story

Barsa, an older resident of Mabuia Island shares his house with another adult who has a disability. Prior to NILS they stored food in an abandoned fridge they found and were unable to keep the food fresh. They also struggled to wash their clothes by hand, and drying it in the wet season.

Through NILS, the men received a fridge, washing machine and dryer. They are now able to buy fresh food, save money, shop less and have more time for family.

The community of Mabuia Island were happy that NILS was able to help the most vulnerable people in their community.

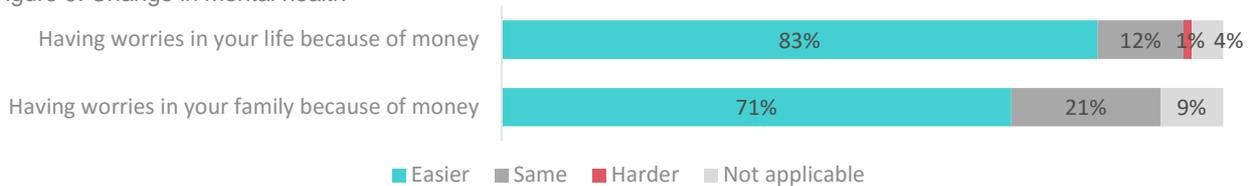
Improving health outcomes, in particularly life expectancy, for Indigenous people in Australia is a key area of focus of the Federal Government's Closing the Gap strategy.<sup>21</sup> These results also suggest that the health outcomes from NILS in Far North Queensland may exceed those of NILS in the national NILS cohort (only 16% of NILS clients nationally have reported physical health improvements due to NILS<sup>22</sup>).

### Mental health

- **83 per cent of respondents has fewer money-related worries due to NILS**

Financial stress can have an impact on anxiety and mental health.<sup>23</sup> Figure 9 presents responses to questions about the impact of NILS on the financial stress of clients defined as 'too many worries'.

Figure 9: Change in mental health



Interviews with clients suggest that having fewer 'worries' results in less stress, which flows into other areas of life, such as reducing the daily struggle of life, sleeping better, and worrying less (e.g., about getting food poisoning or driving an unregistered vehicle). Research into the effects of poverty similarly identifies a link between financial stress, insomnia, and health.<sup>24</sup>

*All less worry, makes me feel proud. Lifting the stress helps across so many areas.*

**NILS client**

<sup>21</sup> Commonwealth of Australia, Department of the Prime Minister and Cabinet, Closing the Gap Prime Minister's Report 2017

<sup>22</sup> Centre for Social Impact for Good Shepherd Microfinance, (2014) Life Changing Loans at No Interest: An outcomes evaluation of Good Shepherd Microfinance No Interest Loan Scheme (NILS)

<sup>23</sup> Australian Psychological Society (2015) Stress & wellbeing: Stress and wellbeing in Australia survey 2015

<sup>24</sup> Saunders, P. (1998). Poverty and health: Exploring the links between financial stress and emotional stress in Australia. Australian and New Zealand Journal of Public Health, 22(1), 11-16.

### 3.2.2 Loan purposes, repeat loans and supporting services

Respondents in Far North Queensland used NILES in different ways than mainstream NILES, were often returning clients, and often did not follow up on advice and information provided.

#### Loan purposes

- NILES clients in Far North Queensland often use NILES to purchase an item for their house for the first time, with 65 per cent of respondents saying without NILES, they would have 'gone without'

Figure 10: Loan purposes for survey respondents

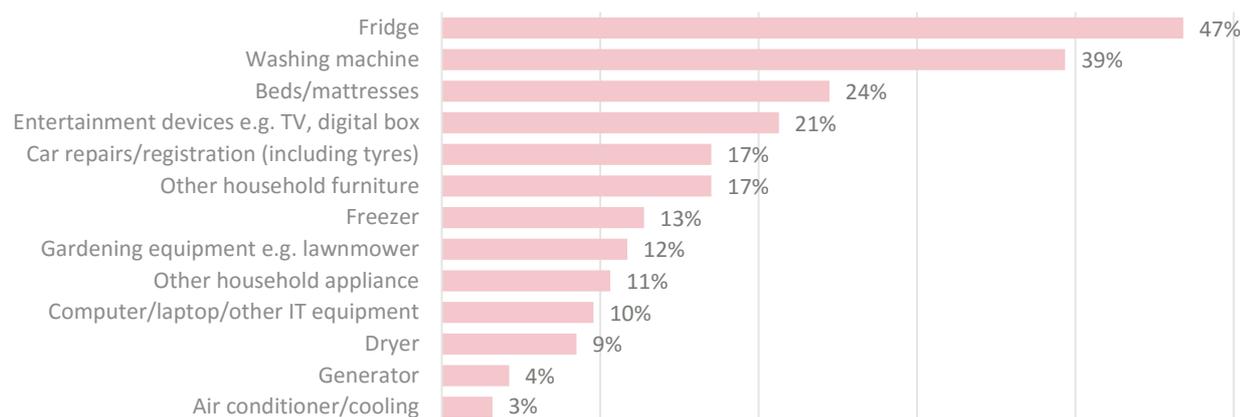


Figure 10 shows that respondents most often used NILES loans in Far North Queensland for essential household items. The proportions purchasing these items are higher than national statistics (e.g. 47% purchased a fridge in Far North Queensland compared with 21% nationally).

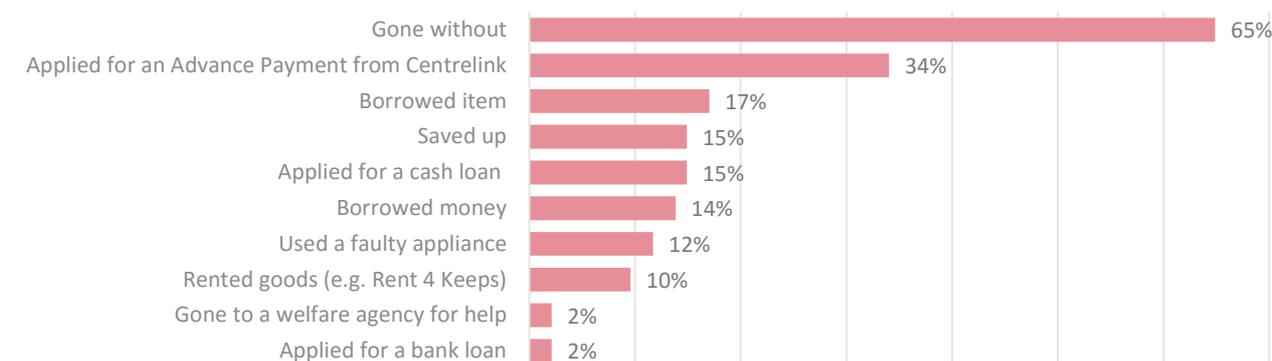
Qualitative data offer two main reasons for this difference. (1) NILES clients in Far North Queensland often use NILES to purchase an item for their household for the first time, something that they previously lived without (this is also supported in Figure 11 showing that 65% of respondents would have 'gone without' if NILES was unavailable). (2) NILES options in some communities are limited to what is available in the local store, or constrained by the high cost of delivery (if the product cannot be delivered for free through Good2GoNow).

*There are homes which are bare. There may be no fridge, washing machine, tables, chairs or lounge chairs in the home. The bed may consist of an old piece of foam. There may be a bag of flour, a few potatoes and a few tins of food in the pantry.*

**NILES provider**

Some examples of other, non-typical loan purposes in Far North Queensland included: funeral expenses; travel for cultural reasons; camping equipment; solar panels and generators; and good quality second-hand goods. NILES providers suggested that loan packages would work well for remote Indigenous clients seeking to furnish new homes; for example, home start-up, baby, and bed packages. Loans for entrepreneurial reasons are also being considered, including loans for equipment for fishermen in the Torres Strait.

Figure 11: Responses to the question: What would you have done if you couldn't get a NILES loan?

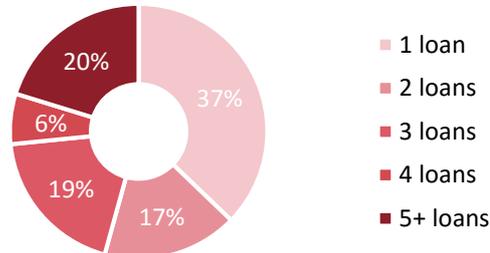


## Repeat loans

### • 63 per cent of survey respondents had more than one NILS loan

NILS providers in Far North Queensland are very supportive of clients seeking multiple NILS loans, and see this as an opportunity to build a comfortable home and gradually build financial capability.

Figure 12: Number of NILS loans



One fifth of respondents had five or more NILS loans, with more than half of these located in Mossman Gorge. The NILS provider in Mossman Gorge reported that NILS had enabled residents to purchase household furniture and whitegoods over time, and to take pride in the appearance and comfort of their home. NILS has been available at the same time as Pride-of-Place<sup>25</sup> programs operated and employment opportunities have increased in the community, providing a complementarity that local workers report has been transformative.

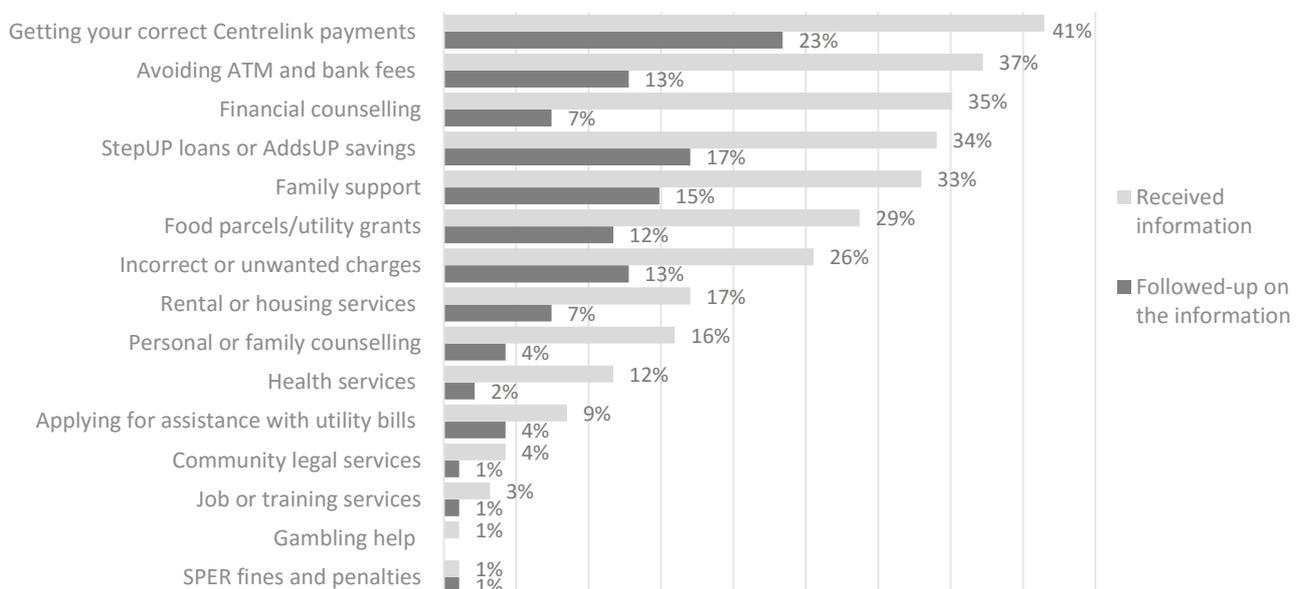
*People know when their loan is about to finish and have plans for their next one. They are high consumers and house-proud, but were previously getting ripped off by rental companies.*

**NILS provider**

## Advice and information during loan application

### • NILS providers offer advice to borrowers about financial information and available support services if needed, but there is a gap between receiving information and taking action.

Figure 13: Receiving and following-up on information and advice



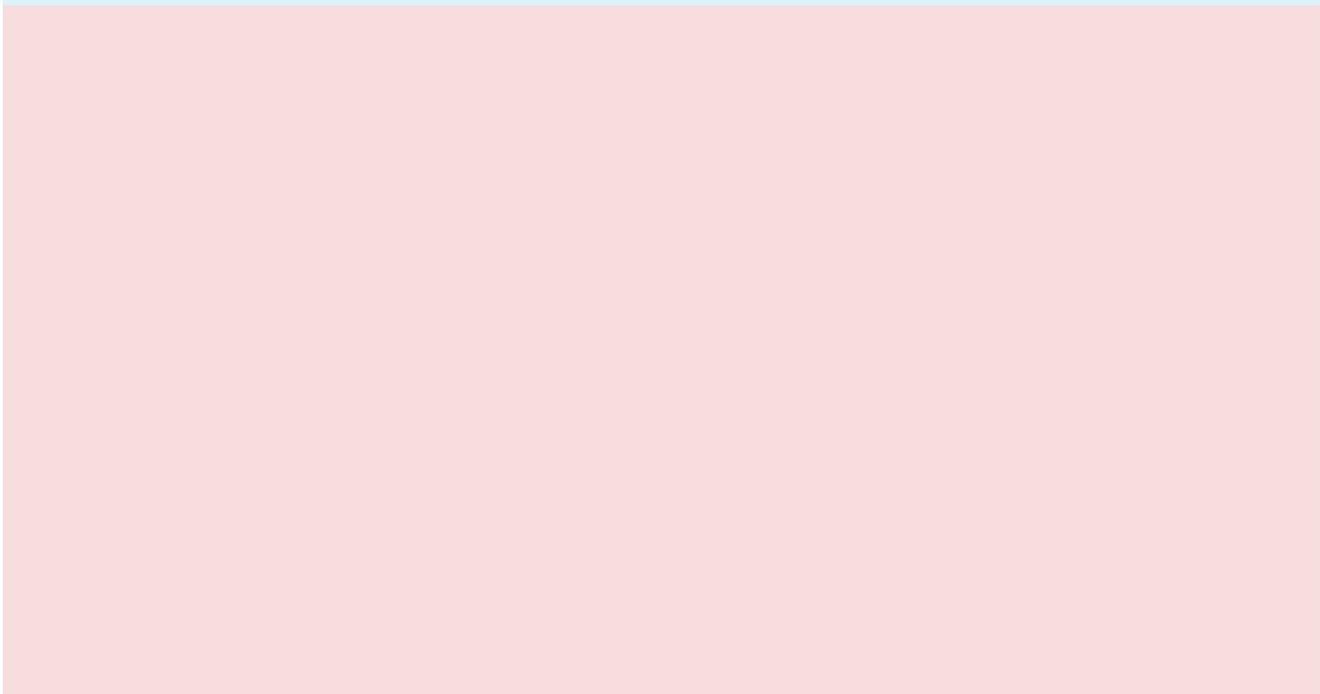
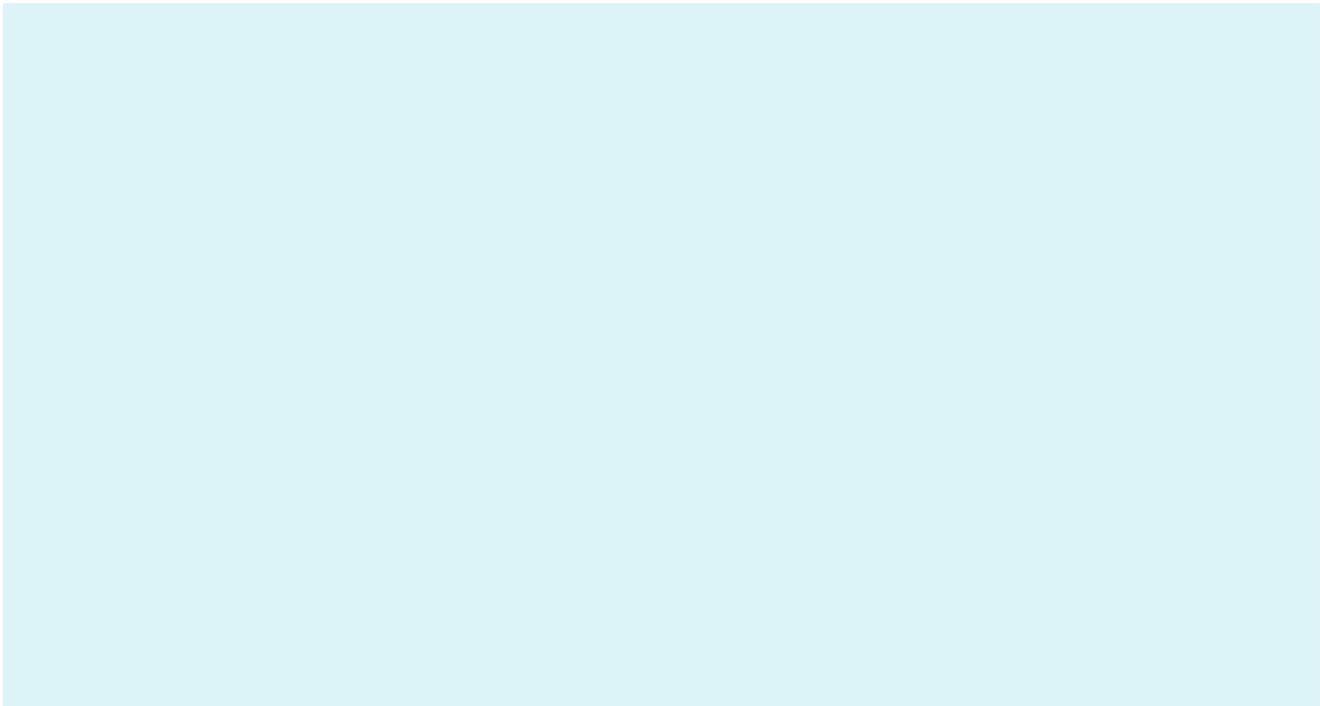
Approaches to reducing the gap between the client receiving information and taking action could include developing more relevant information, providing guidance and resources for managing referrals, and using technology to keep clients engaged. The challenges for clients and providers is the limited access and availability of supports services and/or problems accessing technology.

<sup>25</sup> Pride of Place (PoP) program is delivered by the Cape York Partnership and supports households to complete backyard maintenance and beautification projects.

### 3.3 Program design and delivery

#### Section summary

Reach supported two main approaches to service delivery in remote Far North Queensland. Both of these approaches enabled existing NILS providers to reach new clients and provide a specialised service to meet the needs of Indigenous clients. This section describes each delivery approach and estimates the cost and time taken to achieve the outcomes outlined in the previous section. This analysis finds that the two delivery models offer high value for money in terms of cost, and that the high needs of clients, including the need to assist with arranging item delivery, mean that client support and loan management taking a considerably longer time than in mainstream NILS programs. The two approaches for delivering NILS enabled through Reach are:



### 3.3.1 Approaches to delivery in remote Far North Queensland

- Direct approach to NILS delivery enabled existing providers located in larger remote towns to reach new clients mostly via outreach.
- Shared approach enabled SHAC to reach new clients by working with community partners who provide the face-to-face support in very remote communities up to 1000kms away.

Most NILS providers in the NILS network are small, independent, community-based not-for-profits. A small number are large, state-wide or organisation-wide not-for-profits that deliver NILS loans across many geographical locations.

Reach funding supported two main approaches to service delivery in response to the challenges of remote service delivery. These approaches largely depended on whether a remote community had an existing NILS program that could use additional funding to achieve the Reach objectives, and the remoteness of the target communities. These types are not mutually exclusive, and there are examples of providers using both delivery approaches, though not common.

Table 4: Approaches to delivery in remote Far North Queensland

Delivery approach	Shared	Direct
<b>Providers in Far North Queensland</b>	<ul style="list-style-type: none"> <li>• Shelter Action Housing Cairns (SHAC)</li> </ul>	<ul style="list-style-type: none"> <li>• Mareeba Community Centre</li> <li>• Kuranda Neighbourhood Centre</li> <li>• Port Douglas Neighbourhood Centre</li> <li>• Weipa Community Care</li> </ul>
<b>Description</b>	Community partners work with clients in very remote locations to prepare the NILS application and send to NILS provider.	Direct providers perform both the client support and loan management roles.
<b>Client support approach</b>	Mainly supports clients by telephone, with community partners providing face-to-face support.	Mainly supports clients face-to-face and undertakes outreach to increase geographic access.
<b>Key factors</b>	<ul style="list-style-type: none"> <li>• Needs existing networks and reputation to support the expansion of NILS via new networks and relationships.</li> </ul>	<ul style="list-style-type: none"> <li>• Existing NILS program located in a town with a relatively large population (greater than 3,000).</li> <li>• Cost-effectiveness due to NILS subsidised with funding from other sources.</li> </ul>
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Reaches very remote places without the need to travel.</li> <li>• Allows for community ownership and management of NILS.</li> </ul>	<ul style="list-style-type: none"> <li>• NILS links with other services to provide holistic support.</li> <li>• Allows start-to-finish loan support from one person in one organisation.</li> <li>• Provides a consistent and reliable local presence in communities.</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• Resource and time intensive, managing relationships with community partners and clients via telephone.</li> </ul>	<ul style="list-style-type: none"> <li>• Required existing NILS program to be cost-effective (setting up a new NILS program with a Direct approach would have been too slow and costly for this funding).</li> </ul>

\*The delivery approach for the Indigenous Consumer Action Network has been omitted from this diagram.

A range of approaches were utilised by NILS providers to broaden geographic reach, including:

### **Phone and online support**

NILS providers increased their reach by using telephone and online technology. Loan applications using telephone support were almost always supported by an initial face-to-face interaction (although there was a small number of cases in which a loan was completed 100% remotely when an applicant had high digital access). For example, community partners spend time with clients face-to-face and then forward NILS applications to SHAC, who require each client to have a financial conversation with the microfinance worker over the telephone. Remote NILS providers do not support relying solely on technology for NILS delivery, highlighting the unreliability of technology in remote locations and the importance of the personalisation that comes with face-to-face interactions.

### **Community outreach**

A number of NILS providers increased their outreach activities (or continued outreach that would have otherwise ceased) due to Reach funding. This included visiting communities within a two-hour drive regularly (fortnightly or monthly) where a need had been identified, or reactively assisting clients in the region.

To support outreach, NILS providers received in-kind support for office space, purchased equipment such as laptop bags and portable scanners, and combined NILS visits with other funded programs. The most successful outreach occurred to communities' neighbouring existing community providers (e.g., Port Douglas Neighbourhood Centre to Mossman Gorge), yet outreach to more difficult-to-access locations was limited due to the higher cost. Opportunities for expanding outreach to additional areas exist; however, community providers require adequate funding to achieve this.

### **Community partners (support provided in-kind)**

This evaluation highlighted the range of in-kind support provided by community partners to NILS, driven by the benefits they see in their communities. Community partners are critical to delivering NILS to the very remotest places that are too far away for outreach visits to be feasible. They provide context about clients' lives; interpret complex bank statements; provide face-to-face support to access computer systems and build digital literacy (e.g., online banking and Centrelink); build client relationships; and provide holistic money management support.

*Community partners provide context around applications. They can explain that a family may be struggling but can provide information that proves willingness and ability to repay. We have to take the lead from the partner about the right timing and approach, as they know when a person is ready for NILS and if NILS will help them.*

**NILS provider**

The **Shared** and **Direct** approaches both use informal local community supporters to assist clients in making NILS applications, e.g., by helping them to send paperwork. Local community supporters typically have a reliable printer, telephone, internet connection, or fax machine, and include local social services agencies, health services, schools or kindergartens, community shops, and council offices.

Reach funding (and the previous remote NILS funding) allowed SHAC to develop formal collaborations with community organisations in very remote Far North Queensland, including Cape York Partnerships, Northern Peninsula Areas Family Resource Centre, and the Mabuiag Island Women's Network. Community partners assist applicants with paperwork, conduct financial conversations, and may help clients with bank or bill difficulties. The microfinance worker in the Cairns office completes the application via telephone, a process that sometimes includes having difficult conversations about issues such as gambling and financial abuse. The formal aspect of these partnerships has included seeking board approval for partnerships and the development of a Memorandum of Understanding (MoU).

NILS providers are concerned that the in-kind support from community partners could stop at any time. NILS providers also suggest that engaging more community partners in very remote Far North Queensland is possible and would broaden reach. To meet this demand, NILS providers need resources, loan capital, and realistic timeframes for relationships to develop. Community partners would also benefit from support for to cover the costs of their participation.

### 3.3.2 Cost of delivering NILS in remote Far North Queensland

Providing NILS in remote Far North Queensland is often more time-consuming, and requires a more specialised approach, than NILS deliver in other locations.

Key factors contributing to the cost of delivery include: the complex needs of Indigenous clients; the longer amount of time needed to support a loan application; the difficulty in having items delivered to very remote regions; and the population size of the location (e.g. remote town or very remote community). The most cost-effective approach to the delivery of NILS in remote Australia varies, as shown in Table 5. High value for money can be achieved through direct delivery or collaborative delivery: the choice is largely dependent on population size.

Table 5: Value of delivery NILS to Indigenous clients in Far North Queensland

		Value for money	
Approach to client support	Shared	Low	High
	Direct	High	Low
		Remote town	Very remote community

#### Direct approach in remote towns

Supporting NILS clients directly in remote towns is a cost-effective approach, with funding per loan of between \$147 and \$337 through the Reach funding period. Providers adopting this approach were located in towns with populations of 3,000 or more, and supported clients through the process from initial enquiry to final repayment.

In these locations, the financial capability of clients varies significantly and face-to-face support can speed up the process for gathering documentation and information to support and application. Delivery is also often possible and free with Good2GoNow for essential whitegoods, reducing the amount of time needed to arrange delivery. This means NILS applications can often be processed quickly and with less back-and-forth, resulting in a less time-intensive process.

#### Shared approach to very remote communities

Supporting NILS clients through a shared approach with a network of community partners who are located within small communities in very remote locations is a cost-effective approach, with funding per loan of \$940. The cost of delivering NILS in these communities via outreach visits would be significantly higher.

The financial capability of clients accessed through this approach is often very low, and the NILS provider often has to arrange delivery of items (75% of clients need the highest level of support). This approach also reduces the costs for the client, as without NILS the cost of purchasing new items would be far greater due to expensive transport and delivery.

To understand the cost of NILS delivery, it is useful to consider the amount of time required to support applicants through the process. Table 6 outlines each stage of the NILS process in Far North Queensland, including the range of time required for each client.

*The applicant needed a couch as they had no furniture in their home. They had been online and chosen the item they wished to buy. The application came from the top end of Australia and is only serviced by barge, and due to the type and size of item the freight costs were \$500 alone.*

*The cost of the item with freight were more than the NILS cap of \$1,200, so in order for the applicant to be able to get this loan they would need to pay some into our bank account.*

**NILS provider**

Table 6: Time to deliver NILS in remote Far North Queensland

	<b>Actions taken</b>	<b>Shared</b>	<b>Direct</b>	<b>Mainstream NILS</b>
<b>Pre-application support</b>	<ul style="list-style-type: none"> <li>• Support and advocacy to address financial problems and improve circumstances to point of eligibility for NILS (e.g. stopping payments to creditors, saving money, reducing spending)</li> <li>• Help clients to choose product</li> </ul>	2 – 3 hours	1 – 2 hours	0 hours
<b>Research item delivery</b>	<ul style="list-style-type: none"> <li>• Ensure that delivery is possible and affordable (back-and-forth with client, retailers, freight companies, Good2GoNow, community partners and local contacts)</li> </ul>	2 - 4 hours	0 – 3 hours	N/A
<b>Loan application support</b>	<ul style="list-style-type: none"> <li>• Financial conversation</li> <li>• Finalise and submit application (obtain final quotes for item and delivery)</li> </ul>	2 – 3 hours	1 - 2 hour	2 hour
<b>Loan assessment</b>	<ul style="list-style-type: none"> <li>• Assess and process application</li> </ul>	0.5 hour	0.5 hour	0.5 hour
<b>Support during loan period</b>	<ul style="list-style-type: none"> <li>• Support delivery and installation</li> <li>• Education to manage household financial paperwork (Blue Box program - only one location)</li> <li>• Client enquiries</li> <li>• Restarting stopped payments</li> <li>• Help to access product warranties (including education about consumer rights)</li> <li>• Conversations about contents insurance</li> </ul>	2 – 5 hours	2 hours	0.5 hours
<b>Total time taken</b>		<b>8 – 15.5 hours</b>	<b>4.5 – 9.5 hours</b>	<b>3 hours</b>
<b>Support from community partner</b>		0.5 – 2 hours	N/A	0 hours
<b>Travel time for outreach visits</b>		N/A	0.5 – 2 hours per visit (not per client)	0 hours

## 3.4 Achievement of Reach objectives

### Section summary

The key objectives of the Reach funding were (1) to grow the number of people using NILS, and (2) to broaden geographic access to NILS in Far North Queensland.

NILS providers are on track to exceed the loan target set at the start of the funding period, with three providers exceeding the organisational target. Loan analysis suggests that high rates of currently not paying loans do not necessarily result in high write-off rates. Reach has also allowed NILS providers to reach new locations and expand the geographic reach of the program, with clients in 30 remote or very remote communities receiving a loan that would not have been available without this funding.

### 3.4.1 Growth in the number of people using NILS

- The overall target of 500 loans is on track to be exceeded
- High rates of currently not paying loans do not necessarily result in high write-off rates

The first objective of the Reach funding was to grow the number of people using NILS in remote Far North Queensland. Table 7 presents the number of NILS loans attributed to the Reach funding, and does not include loans provided under general NILS funding. Loans attributed to Reach were typically loans that resulted from activities that were funded by Reach (e.g. outreach or shared client support). This was not possible for all providers: loan numbers for Weipa and Kuranda are estimated by the NILS providers based on the proportion of the total loan numbers under both funding sources.

Table 7: Number of loans due to Reach funding

Provider organisation	Total target	Weighted target (15/11/2015 to 31/3/2017)	New NILS loans (15/11/2015 to 31/3/2017)	Achievement of target
Indigenous Consumer Assistance Network (ICAN)	20	17	5	Below
Kuranda Neighbourhood Centre	153	128	128	On target
Mareeba Community Centre	71	59	48	Above
Port Douglas Neighbourhood Centre	71	59	117	Above
Shelter Housing Actions Cairns (SHAC)	125	105	102	Just below
Weipa Community Care	30	25	51	Above
<b>Total</b>	<b>500</b>	<b>420</b>	<b>449</b>	<b>Above</b>

Two providers were tracking below their organisational target at the time of preparing this evaluation, SHAC and ICAN. SHAC's loan volume could have been higher if they did not pause for a period of time due to delays in the approval of increased loan capital. Improving processes for increasing loan capital in future will reduce the need for providers in this situation to hold off processing loan applications.

ICAN attempted, but did not succeed in leveraging existing partnerships with Indigenous organisations in the Cassowary Coast region to support NILS delivery; potential partners were unable to support NILS due to lack of capacity and time to support loan applications. Instead, ICAN used the Reach funding to support continued NILS delivery to Palm Island and Yarrabah.

Table 8 presents the loan performance of each NILS provider funded by Reach for the 12 months until May 2016. This shows that NILS loans in Far North Queensland are more likely to have currently not paying rates higher than the national target, write off rates are typically lower. Currently not paying means that the most recent loan payment has been missed, and a loan write off means that no repayment has been made in 12 months. These calculations refer to the total loan book for each NILS provider as it was not possible to separate the Reach loans.

Table 8: Loan performance by NILS provider (Reach & non-Reach loans)

	Loans currently not paying (CNP)			Loans written off (WO)		
		National average	National target		National average	National target
Indigenous Consumer Assistance Network	N/A			N/A		
Kuranda Neighbourhood Centre	8%			0.4%		
Mareeba Community Centre	8%			2%		
Port Douglas Neighbourhood Centre	13.1%	9.3%	7%	1.2%	5.2%	4%
Shelter Housing Actions Cairns	10.3%			2.2%		
Weipa Community Care	18.9%			0.9%		

Delivery of NILS in Far North Queensland indicates that high rates of currently not paying loans do not necessarily result in high write-off rates. Remote NILS providers suggest this is due to strong client relationships and patient approach to client follow-ups, as well as clients commitment to their community (if they don't repay the loan someone in their community will miss out). NILS providers have also reported that the CNPs for their program can be inaccurate, due delays in item delivery and communication difficulties.

### 3.4.2 Broaden geographic access

- **Clients in 30 communities in Far North Queensland received a NILS loan that would otherwise not have had access**

Reach funding enabled providers to deliver NILS to many locations in Far North Queensland that would otherwise not have access to NILS (more details available in Appendix 1), as shown in Table 9.

Table 9: Locations reached as a result of Reach funding

Locations that did not have NILS previously	Locations that had NILS presence due to remote NILS pilot <i>(Did not have NILS previously and would not have continued)</i>	Locations that had NILS presence <i>(Would not have continued due to loss of funding)</i>
<b>Outreach</b> <b>Shared client support</b> <b>Online/telephone</b>	<b>Shared client support</b>	<b>Outreach</b>
Dimbulah, Mt Molloy, Mt Carbine, Normanton, Julatten, Mapoon, Napranum, Lockhard, Horn Island, Cooktown, Tully, Innisfail, Edmonton, Morree	Hope Vale, Wujal Wujal, Mabuiag Island, Bamaga, Injinoo, New Mapoon, Seisia Umagico	Mossman Gorge, Cow Bay, Forest Creek, Cape Tribulation, Bloomfield River, Degarra

## 4. Discussion

The Reach funding and findings from previous NILS programs in remote Australia, offers insights into the expansion of NILS into new locations in Far North Queensland and beyond. This section sets out the key factors in the expansion of NILS in remote locations, to be considered by NILS providers, Good Shepherd Microfinance, and funders.

### 4.1 Delivering microfinance in remote Far North Queensland

This evaluation highlights the need for microfinance to be available for people living in remote Far North Queensland, to build financial capability as well as to provide a safe and affordable option to access essential items. Indigenous people living in these regions have different needs than other NILS clients, with socio-economic disadvantage, cultural factors, chronic health conditions and remoteness meaning specialised support is required for clients to successfully complete a NILS loan.

The results from the client survey suggest that NILS has economic wellbeing and health outcomes for clients in Far North Queensland, stemming from the support of the NILS provider, the loan, and the item purchased with the loan. A number of limitations impact the precision of these results, however it is clear from the quantitative and qualitative data that many clients consider their lives to be better, in some cases much better, due to NILS.

Two cost-effective and successful approaches were supported via Reach, meeting client needs and delivering NILS in remote locations in Far North Queensland. The 'direct' approach enabled existing NILS providers already operating in large remote towns to expand service delivery, with resources for additional staff hours and outreach visits. The 'shared' approach enabled SHAC to continue to work from the Cairns office, taking NILS applications from community partners in very remote places, up to 1,000kms away. These approaches both allow microfinance workers to provide client-centred support that is tailored to meet client need, while offering good value for money. The lessons from this evaluation can inform future development and expansion of the national microfinance network in remote Australia.

### 4.2 Expanding reach and access

Expanding reach and access to NILS in remote Australia will require identifying unmet need, drawing lessons from experience, and seeking opportunities for greater collaboration.

#### Unmet need in Far North Queensland

Across the national microfinance network, NILS providers in Far North Queensland deliver to the most Indigenous clients living in remote locations. In 2016, 748 Indigenous clients received a NILS loan in the region (including Cairns), making up 15% of the total number of loans to Indigenous clients in Australia. The total population of Indigenous people in the region is approximately 40,000,<sup>26</sup> indicating that there remains a large unmet demand for NILS across Far North Queensland.

Unmet need is found in locations with existing NILS program, as well as in locations without access to NILS. Even with the Reach funding, NILS providers in Far North Queensland largely operate at capacity in terms of staff availability and capital usage. To manage this, providers are operating with waiting lists, requesting community partners to hold off on sending new applications and volunteering time to serve more clients. NILS providers and community partners also report being unable to fulfil requests for NILS in new locations due to lack of capacity. New locations that have been the source of requests for NILS include islands in the Torres Strait, Mornington Island and Doomadgee.

Population data, combined with NILS data, can assist with identifying unmet need. Table 10 presents data from the Australian Bureau of Statistics (ABS) and the NILS database.

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<sup>26</sup> Queensland Government (2014) The Queensland Plan: Regional snapshot Far North Queensland

Table 10: Access to NILS and Indigenous need in remote regions Far North Queensland (does not include Cairns)

Postcode	Main towns	Indigenous population	% Indigenous population of total population	Access to NILS
4871	Kurrimine Beach, Yarrabah, Palm Island	7,442	46%	Some communities remotely
4875	Torres Strait Islands (17 communities)	5,919	79%	Mabuiag Island only
4892	Aurukun/Pormpuraaw	3,000	90%	No access
4876	NPA	1,972	85%	Some communities
4880	Mareeba	1,836	15%	NILS community provider
4874	Weipa	1,674	34%	NILS community provider
4895	Cooktown/Hope Vale	1,645	41%	Some communities via outreach and community partner
4860	Innisfail	1,532	14%	Minimal access
4873	Mossman/Cape Tribulation	835	13%	Some communities via outreach and community partner

Table 10 demonstrates that there are areas of Far North Queensland with large Indigenous populations and low access to NILS, and even more postcodes with anecdotal high Indigenous need, but official population lower than 800 (e.g. Normanton, Karumba, Tully). Please note that some postcodes cover vast areas, and that although Indigenous people are more likely to be financially excluded,<sup>27</sup> not all Indigenous people are potential NILS clients. In addition, Indigenous population data in the Australian Census may not be highly accurate: the Australian Bureau of Statistics (ABS) urges caution due to potential undercounting.<sup>28</sup>

### Unmet need in other remote locations in Australia

Data can also inform the strategy for expanding access to NILS in other remote locations across Australia. Lessons should be taken from previous pilots attempting to expand reach into other remote locations should be taken. These lessons include the difficulties of establishing and delivering NILS via outreach in very remote communities (such as those in the APY Lands). Directly replicating the approach in Far North Queensland without consideration of local contexts would be inadvisable due to substantial differences across remote communities and regions.

Good Shepherd Microfinance is currently moving NILS towards a more collaborative delivery model, based a data-driven approach that identified unmet need in all regions across Australia.<sup>29</sup> This analysis has allowed Good Shepherd Microfinance to take a high-level view of access and reach across the national microfinance network, including for remote regions. It is important to emphasise that data should be used as a rough and introductory tool to commence exploration of network expansion.

Remote regions with particularly low access according to this data include (but are not limited to),

- Queensland (North Queensland including Mt Isa)
- Northern Territory (northern half excluding Darwin)
- Western Australia (Pilbara, Mid-West, Goldfields-Esperance, South West, Peel, Limestone Coast)

<sup>27</sup> Connolly, Chris (2012), Measuring financial exclusion in Australia, commissioned by the National Australia Bank

<sup>28</sup> Australian Bureau of Statistics, 2011 Census, Estimates of Aboriginal and Torres Strait Islander Australians

<sup>29</sup> Experian conducted market demand analysis using Australian Bureau of Statistics population data, NILS loan data and their own insights about market segmentation.

- South Australia (Eyre Peninsula, Murray-Mallee, Yorke Mid North)
- New South Wales (Far West)

### **Growing the microfinance network in remote Australia to meet unmet need**

Future expansion of the national microfinance network can be guided by the two examples of success enabled via Reach, but should always seek to understand the local context as the starting point to further exploration. Introducing new microfinance programs into remote communities can be complex with many factors to consider. These factors may include high indebtedness due to predatory practices, aversion to debt, community objectives and leadership structures

The shared approach to deliver NILS in very remote locations with small populations offers insights into how to access places challenged by vast distances and low populations. The recommended approach to expanding this model in other locations would be to take the lead from the knowledge and expertise of people and organisations working on the ground, who understand the geography, history, and cultural complexities that exist, and who have established relationships and trust. The more resource-intensive nature of this delivery model, and time to build relationships, must also be factored into expansion planning under this model. The direct approach to NILS delivery, with outreach to neighbouring areas, is a more cost-effective approach in towns with larger populations. Expanding the reach of NILS by funding new providers in new locations to provide client support may be a cost-effective way of providing access in locations with larger populations. As the previous section outlined, data analysis allows Good Shepherd Microfinance to identify towns of this size with large target populations and take a needs-based approach to expanding reach.

Whatever the approach to delivery, the new funding model currently being rolled out nationally offers new opportunities for expanding the network to meet unmet need. A key feature of the model is a reduction in the barriers to entry for new community organisations and other groups to join the NILS network. The new model also means that less time, energy and resources will be required for organisations to offer NILS to their clients.

New organisations providing face-to-face support in the NILS network will also be able to refer Indigenous clients to loan providers that are specialised in managing the loans of Indigenous clients. This type of collaboration is already happening, with CatholicCare working with Muru Mittigar in Western Sydney to provide NILS access to clients in Katherine. These changes are designed to build a network that is capable of expanding more quickly than in the past, including allowing Financial Wellbeing and Capability services that do not already offer NILS to integrate NILS into the suite of services they offer.

## **4.3 Funding for NILS delivery in remote locations**

As this evaluation outlines, delivering NILS in remote locations can be more expensive and resource-intensive than in other areas. This has been acknowledged by Good Shepherd Microfinance in the funding calculations for remote regions under the new collaborative funding model – remote regions with high levels of disadvantage (according to the ABS), receive more funding. The Department of Social Services (DSS) has also recognised this by committing dedicated funding to the delivery of NILS in remote Far North Queensland.

Expanding the microfinance network to meet unmet need in new remote locations will require additional targeted funding that includes realistic timeframes for program development. This could include funding for client support, loan management and regional coordination. In some very remote locations with strong traditional culture, expansion strategies would likely benefit by employing a cultural advisor who can smooth the process.

Community partners have also identified a number of inexpensive practical ways that they could be supported in continuing to deliver NILS. This includes items such as printers, laptops, and portable scanners, as well as costs of internet, computer paper, and travel. Good Shepherd Microfinance should consider ear-marking a small amount of funding to support community partners and NILS providers in remote Far North Queensland to meet the additional costs of working in the remote context.

## 5. Conclusion

Good Shepherd Microfinance is implementing a strategy to achieve greater and more equitable access to NILES. One element of the Strengthening NILES strategy is a collaborative operating model to enable some, usually smaller, providers to focus on client access and support, while other providers both support clients and administer loans. The new operating model is intended to be more scalable and will be introduced progressively from July 2017 across the national NILES network.

Extending the collaborative approach to client support is one way of reaching clients who would benefit greatly from NILES and do not currently have access. This approach would enable a regional loan provider to provide the expertise and capability needed to manage a greater volume of loans, while community partners in remote communities focus on increasing access and client support.

Future expansion of NILES delivery in remote locations should be informed by the lessons learned in Far North Queensland: namely, that clients often need intensive and specialised support that takes more time than mainstream NILES; strong and ongoing client relationships are a key success factor; arranging delivery of items is time-consuming; and that developing collaborative relationships with community partners is a sensitive process.

NILES providers in the region have demonstrated the value from established relationships, local knowledge and connections and the important role these components play in building trust within Indigenous communities. These capabilities have developed over several years and are important to the ongoing success of NILES, particularly in very remote areas.

Reaching more Indigenous clients in remote locations across Australia will require Good Shepherd Microfinance, NILES providers, and community, corporate, and funding partners to continue to work together to ensure that a client-centred approach to remote NILES delivery takes into account the unique needs and circumstances of each community on a case-by-case basis.

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## Appendix 1 Detailed information about delivery approach by provider

<b>Shelter Housing Action Cairns (SHAC)</b>		
Hope Vale	Community partner	Cape York Partnership Opportunity Hub as part of the MPower money management program
Wujal Wujal	Community Partner	Home And Community Care (HACC) coordinator Justice Group coordinator
Mabuiag Island	Community Partner	Mabuiag Island Women's Network
Northern Peninsula Areas (NPA) – Bamaga, Injinoo, New Mapoon, Seisia and Umagico	Community Partner	Resource Centre, including the Healing Centre.
<b>Mareeba Community Centre</b>		
Dimbulah	Outreach	NILS worker travels to this community, or client travels to MCC office
Mt Molloy, Mt Carbine, Kurumba, Normanton, Julatten	Local support	Reactively find local support after a phone enquiry
Elderly and disabled people	Local support	Outreach, promotion and support provided by Disability Support Program
Cooktown	Community partner	
Wujal Wujal	Community partner	
<b>Port Douglas Neighbourhood Centre</b>		
Mossman Gorge	Outreach	Clients would previously travel to Mossman town to access NILS (if health permitted)
Cow Bay	Outreach Phone/online	
North of the Daintree	Phone/online	
<b>Kuranda Neighbourhood Centre</b>		
Moree, Edmondton, Innisfail, Tully	Community partners, people coming to KNC office, remotely serviced via phone and online	Prior access reactively, now proactively service. Have greater capacity to service them.

Cairns northern beaches e.g. Smithfield, Yorkey's Knob, Speewah, Koah, Flying Fish Point, Trinity Beach	Some outreach	Prior access if they come to KNC or via phone, now they do outreach there, home visits for people with disabilities, elderly or no transport.
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Car registrations, young male demographic	Remotely serviced via phone and online	Not a loan purpose prior, able to meet the demand with extra hours
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Former KNC clients who have moved to other areas	Remotely serviced via phone and online	Prior access that they can sustain due to extra hours
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**Weipa Community Care**

Napranum	Outreach	Prior access if they travelled to Weipa, now outreach
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Mapoon	Outreach	Prior access if they travelled to Weipa
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Aurukun, Pompuraaw	Outreach	Prior access if they travelled to Weipa
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Other – Bamaga, Lockhart, Horn Island, Cape York	Phone/online with a preference for local support	
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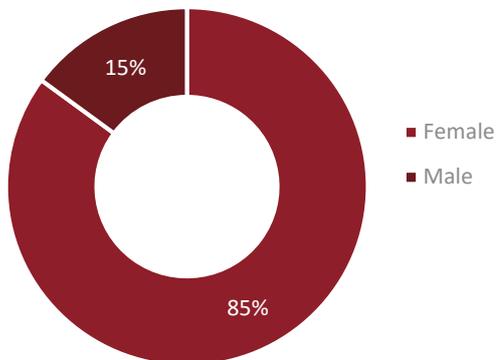
**Indigenous Consumer Action Network (ICAN)**

Yarrabah	Outreach	Reach funding assisted continued NILS delivery
----------	----------	------------------------------------------------

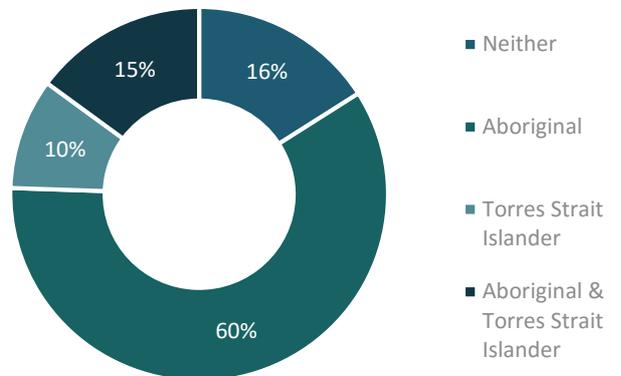
Palm Island	Outreach	Reach funding assisted continued NILS delivery
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# Appendix 2 Client demographics

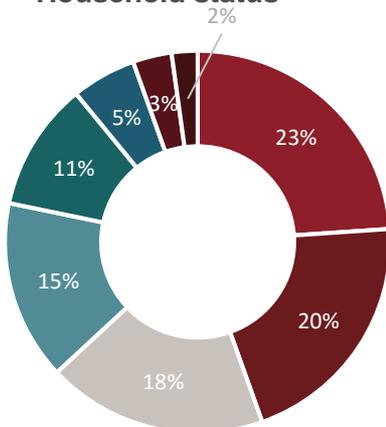
**Gender**



**Cultural origin**

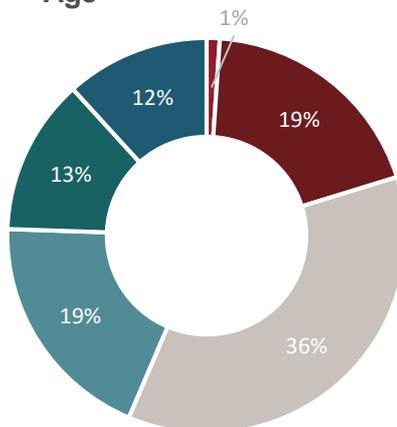


**Household status**



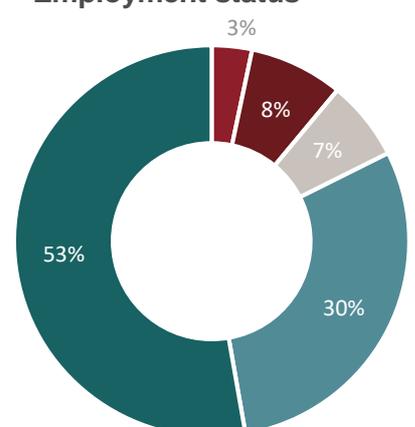
- Couple with dependents
- Group of adults & children (family)
- Sole parent with dependents
- Live alone
- Group of adults (family)
- Couple without dependents
- Homeless/supported accommodation
- Group of adults (not family)

**Age**



- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55 - 64
- 65+

**Employment status**



- 35 + per week
- Less than 35 hours (happy with hours)
- Less than 35 hours (want more hours)
- Not working (looking for work)
- Not working (not looking for work)

# Appendix 3 Client survey

## TELL US ABOUT YOUR NILS LOAN!

We want to understand how getting a NILS loan helps people in Far North Queensland so that we can improve NILS in future. Thank you for sharing your experience with us.

Please answer the questions thinking about your NILS loan only, not any of the other services that your NILS provider might help you with.

If you have any questions about this survey, please contact Rebecca on 03 9495 9644 or at [advisory@esmicrofinance.org.au](mailto:advisory@esmicrofinance.org.au).



### 1. Do you remember details about applying for a NILS loan?

- Yes  No. You may not be able to do this survey. Please discuss with the person who asked you to do the survey.

### 2. What is your postcode or suburb/town?

### 3. Who helped you with your most recent NILS loan application? This may be people who helped you in person and over the phone. You could use the person's name, the name of the organisation they work for or describe how they helped you.

### 4. Are you? (please select only one option)

- Male  Female  Intersex/indeterminate  Prefer not to say

### 5. How old are you? (please select only one option)

- 18 - 24  25 - 34  35 - 44  45 - 54  55 - 64  65+  Prefer not to say

### 6. Do you identify as Aboriginal or Torres Strait Islander? (please select only one option)

- Yes, Aboriginal  Yes, Torres Strait Islander  Yes, both  No  Prefer not to say

### 7. Who do you normally live with? (please select only one option)

- Live alone  Sole parent with dependents  Group of adults & children (family)  
 Couple with dependents  Group of adults (family)  Homeless  
 Couple without dependents  Group of adults (not family)  Other (please list)  
 Supported accommodation e.g. residential aged care

### 8. Do you do CDP work (Community Development Programme)? CDP used to be called Remote Jobs and Community Programme (RJCP). (please select only one option)

- Yes  No

### 9. How much paid work (other than CDP work) are you doing? (please select only one option)

- 35 + per week  Not working (not looking for work)  
 Less than 35 hours (want more hours)  Not working (looking for work)  
 Less than 35 hours (happy with hours)

### 10. Do you or anyone you normally live with have any major health problems such as arthritis, diabetes or depression. Please indicate yes or no and provide further details only if you want to.

### 11. How many NILS loans have you had in total? (please select only one option)

- 1  2  3  4  5+

**12. What did you buy with your NILS loan/s? (select all that apply)**

- |                                                                     |                                                                     |
|---------------------------------------------------------------------|---------------------------------------------------------------------|
| <input type="checkbox"/> Fridge                                     | <input type="checkbox"/> Other household appliance                  |
| <input type="checkbox"/> Freezer                                    | <input type="checkbox"/> Beds/mattresses                            |
| <input type="checkbox"/> Washing machine                            | <input type="checkbox"/> Other household furniture                  |
| <input type="checkbox"/> Dryer                                      | <input type="checkbox"/> Car repairs/registration (including tyres) |
| <input type="checkbox"/> Entertainment devices e.g. TV, digital box | <input type="checkbox"/> Gardening equipment e.g. lawnmower         |
| <input type="checkbox"/> Computer/laptop/other IT equipment         | <input type="checkbox"/> Training expenses                          |
| <input type="checkbox"/> Air conditioner/cooling                    | <input type="checkbox"/> Medical expenses                           |
| <input type="checkbox"/> Generator                                  | <input type="checkbox"/> Other (please list)                        |

**13. What would you have done if you couldn't get a NILS loan? (select all that apply)**

- |                                                                                         |                                                                         |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <input type="checkbox"/> Gone without                                                   | <input type="checkbox"/> Applied for an Advance Payment from Centrelink |
| <input type="checkbox"/> Used a faulty appliance                                        | <input type="checkbox"/> Applied for a bank loan                        |
| <input type="checkbox"/> Borrowed goods from family or friends                          | <input type="checkbox"/> Gone to a welfare agency for help              |
| <input type="checkbox"/> Borrowed money from family or friends                          | <input type="checkbox"/> Rented goods (e.g. Rent 4 Keeps)               |
| <input type="checkbox"/> Applied for a cash loan (e.g. Nimble, Cash Converters, Money3) | <input type="checkbox"/> Saved up                                       |
|                                                                                         | <input type="checkbox"/> Other (please list below)                      |

**14. What other information did you receive from the people who provided your NILS loan?**

	I received information	I followed up on the information
Financial counselling	<input type="checkbox"/>	<input type="checkbox"/>
Avoiding ATM and bank fees	<input type="checkbox"/>	<input type="checkbox"/>
Incorrect or unwanted charges from shops or other companies	<input type="checkbox"/>	<input type="checkbox"/>
Getting your correct Centrelink payments	<input type="checkbox"/>	<input type="checkbox"/>
SPER fines and penalties	<input type="checkbox"/>	<input type="checkbox"/>
Job or training services	<input type="checkbox"/>	<input type="checkbox"/>
StepUP loans or AddsUP savings	<input type="checkbox"/>	<input type="checkbox"/>
Family support	<input type="checkbox"/>	<input type="checkbox"/>
Health services	<input type="checkbox"/>	<input type="checkbox"/>
Personal or family counselling	<input type="checkbox"/>	<input type="checkbox"/>
Rental or housing services	<input type="checkbox"/>	<input type="checkbox"/>
Food parcels/vouchers or payment of utility bills	<input type="checkbox"/>	<input type="checkbox"/>
Applying to government or suppliers for assistance with utility bills	<input type="checkbox"/>	<input type="checkbox"/>
Gambling help	<input type="checkbox"/>	<input type="checkbox"/>
Community legal services	<input type="checkbox"/>	<input type="checkbox"/>
Other (please list below)	<input type="checkbox"/>	<input type="checkbox"/>

**15. Since you have used NILS, do you use? (please select only one option)**

	Less	The same	More	Never used
Cash loans – Online (e.g. Nimble, Money Me)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cash Loan – In Person (e.g. Cash Converters, Money3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rent-to-buy (e.g. Rent 4 Keeps)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pawn broker to sell goods	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 16. If you are using any of the above less or more, is this because of NILS? (please select only one option)**
- Yes  No
- 17. Has getting a NILS loan helped you or anyone in your household get or keep a job? (select all that apply)**
- Yes – myself  Yes – a family member  No
- 18. Has getting a NILS loan helped you or anyone in your house start or continue education/training? (select all that apply)**
- Yes – myself  Yes – a family member  No
- 19. Has getting a NILS loan helped you or anyone in your house keep a car on the road? (please select only one option)**
- Yes – the loan was for car repairs/registration  Yes – by making more money available  No
- 20. Would you recommend NILS to a friend? (please select only one option)**
- Yes  No – Please tell us why not?
- 21. Would you use NILS again? (please select only one option)**
- Yes  No – Please tell us why not?
- 22. Do you have plans to use NILS again? (please select only one option)**
- Yes  No – Please tell us why not?
- 23. If yes, what do you plan to buy?**

**24. Has getting a NILS loan changed how often you do any of these things?**

	More	The same	Less	Not applicable
Keep track of your money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Read bank statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Keep a household budget	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plan for large expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Save money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Know where to get information or help with questions about money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compare the costs of NILS, cash loans and rent to buy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compare prices or shop for bargains	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deal with financial problems before they get too serious	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**25. Has getting a NILS loan made any of these things better or worse?**

	Better	The same	Worse	Not applicable
Having worries in your <u>life</u> because of money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Having worries in your <u>family</u> because of money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Feeling like you can take care of your family	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Feeling like your community is proud of you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Feeling like you have support to manage money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Feeling good about the things you have	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Feeling good about what you have done with your money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Feeling like your rent/mortgage payments are more manageable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**26. Did the item you bought with your NILS loan make any of these things easier or harder?**

	Easier	The same	Harder	Not applicable
Shopping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Preparing meals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Eating healthy food	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Household cleaning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managing health problems for you or your family	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Storing medications correctly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Working (paid or CDP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Getting by with the money you have	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Handling changes in life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**27. Do you have any other comments about your NILS loan or what it has done for you?**

**OFFICE USE ONLY: Please record date and issuer of gift card**