



Brotherhood of St Laurence
Working for an Australia free of poverty



MEDIA RELEASE

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New confidence through an award-winning small loan

Meg is 55 years old and lives in public housing in Melbourne. She has a casual job but, like many people on a low income, finds it very difficult to cope with unexpected expenses.

A small loans program run by ANZ and the Brotherhood of St Laurence – which has just won a Prime Minister's award – has helped Meg to buy a fridge and an air conditioner, and build both her skills in money management and her confidence in accessing credit from a mainstream bank.

The Progress Loans program, which gives low income earners access to low cost, fair and safe small loans of between \$500 and \$3000, was recently awarded a 2007 Prime Minister's Award for Excellence in Community Business Partnerships.

It has already been a winner for people in Frankston, Craigieburn and Fitzroy and surrounding areas, where more than 360 Progress Loans have been written through loans officers based in local Brotherhood of St Laurence offices.

Tony Nicholson, Brotherhood of St Laurence Executive Director, is delighted with the success of the program and the way it can change the lives of Australians on low incomes, who might normally not have access to safe, affordable credit.

"As well as giving people the chance to buy much-needed practical items, the Progress Loan provides an invaluable boost to their confidence, and self esteem. The human impact of being successful in receiving and paying off even a small loan cannot be underestimated," Mr Nicholson said.

In her letter of congratulations about the Prime Minister's Award, the Minister for Community Services, Jenny Macklin said, "This innovative approach to improving levels of financial literacy and security among disadvantaged people clearly has the potential to achieve significant positive outcomes for the Australian community."

Meg talks about the affordability of the Progress Loan and the feeling of being trusted, responsible and proud when she pays out her loan. She is also happy to be able to build her household assets, and increase her sense of being included in mainstream society.

"Without this loan I couldn't have the things I've got. The \$50 doesn't bother me one bit. I can manage fine. But I couldn't pay \$1000 at once. Every time I get my pension I leave the money for the loan there for the bank. It makes me feel good and it makes me feel responsible as a person.

“Everything I've got through the Progress Loan I've really appreciated. They're things that I really love. Like my fridge – I absolutely love my fridge. I clean it all the time and really look after it. The air conditioner has helped us heaps. If we didn't have the air conditioner we couldn't get through summer very well. It's been a life saver like that.”

“Down the track, when I've paid off the loan, I think, ‘they're mine now, I paid that’.”

ANZ's Head of Personal Loans, Amber McDougall, said, “ANZ is proud of its partnership with the Brotherhood of St Laurence in helping people on low incomes achieve access to affordable finance and to gain the confidence and satisfaction that comes from successfully paying off a loan with a major bank.”

Meg is just one of many people whose lives have improved through the Progress Loans program. Some others are:

- A man who took out a loan to repair his car so that he could seek employment
- A woman who bought a computer to help with her daughter's education
- A mother who bought a car so that she could drive her disabled child to healthcare appointments, and
- A Sudanese couple who took a loan to pay for education to help them move into employment.

To be eligible for a Progress loan, applicants must have a Health Care Card or Pension Card issued by Centrelink, have lived in the same residence for more than six months, and be up to date with utility bills and rent.

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