

NSW **Young LAWYERS**
A Fresh Perspective

The **Debt** Handbook



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Dealing with a legal problem, or going to court, can sometimes be confusing and distressing. If you are not sure where to start to solve your legal problem – LawAccess NSW can help you to find the information and assistance that you need.

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You can contact LawAccess NSW between 9:00am and 5:00pm, Monday to Friday.

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If you need an interpreter call the Translating and Interpreter Service and ask to speak with LawAccess NSW. This service is free.	131 450
Website	www.lawaccess.nsw.gov.au

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Disclaimer

This publication is intended to provide persons in the community with a simple guide to their current legal rights, as well as information and guidance in managing a person's finances or debts. The material contained in this publication is general and is not intended as advice (legal, financial or otherwise) on any particular matter. Information provided in this publication does not take into account the reader's particular circumstances. As such, all readers should assess their circumstances and seek professional advice prior to making any decision. No reader should act or fail to act on the basis of any material contained in this publication. NSW Young Lawyers, the Law Society of New South Wales and the authors disclaim all liability for errors or omissions of any kind whatsoever, or for any loss or damage, in whole or in part, arising from any person relying on any information published in this publication.

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Foreword

I am pleased to present the Debt Handbook, a practical guide researched and written by Young Lawyers NSW. This handbook is a user-friendly guide that explores a range of options for getting out of, and staying out of debt.

High debt levels are prevalent in Australian households with the ready availability of credit, and credit cards in particular, resulting in debt-related difficulties for some people. In the last 12 months alone, LawAccess NSW has assisted over 8500 customers with debt-related inquiries.

Written in plain language, the handbook is a relevant and practical guide for many Australians. I commend Young Lawyers NSW for their dedication and commitment in producing such a useful and valuable guide for the community.

Laurie Glanfield
Director General
Attorney General's Department of NSW

Preface

The Debt Handbook has been prepared by the Getting Out and Staying out of Debt Committee ("Debt Committee"), a working party within NSW Young Lawyer's Community Services Committee ("CSC"). The Debt Committee is made up of lawyers who have an interest in helping the community understand debt related financial issues more easily.

Production of *The Debt Handbook* has been a huge undertaking, particularly in ensuring that it reflects recent developments in the law and is a user-friendly publication. Thanks must go to the Debt Committee who volunteered their time to research and prepare chapters in *The Debt Handbook*. The Debt Committee was chaired by Mark Sing and included Jennifer McVicar, Anurag Kanwar, Sarah Ghan, Carrie Gells, Catherine Dwyer, Philip Davis, Jonathan Bolton, Krasa Bozinovska, Emma Rodgers and Baron Alder. I would also like to express my thanks to Albert Yuen, Chair of the Community Service Committee and Davyd Wong, Director NSWYL Pro Bono and Community Services Task Force for their support.

In keeping with the CSC's philosophy of service to Australians, *The Debt Handbook* has made been available to readers free of charge. Because we have only been able to produce limited numbers of this Handbook, we ask that if you find that you no longer need this book then please pass it on to someone who you think could use it, or donate it to your local library or community group.

The Debt Handbook will also be made available online at the NSWYL website: www.younglawyers.com, and will be updated from time-to-time.

If any person has any recommendations or comments on how the *The Debt Handbook* can be improved, please contact:

- Poppy Drekis on (02) 9926 0269 or ptd@lawsocnsw.asn.au or
- Mark Sing on 0403 193 842 or mark.sing@younglawyers.com.au

Mark Sing
Chair, Debt Committee
Community Services Committee
NSW Young Lawyers

Sydney, March 2005

PART A

GETTING OUT OF DEBT

PART A – GETTING OUT OF DEBT

“Creditors have better memories than debtors”, Benjamin Franklin

The main objectives of this booklet is to provide general legal information on a number of issues that are relevant and to help any person with a specific legal problem to obtain legal advice or assistance.

Debt is a common problem. This resource provides legal information by answering common legal questions. The answers written in plain English are to assist people. It looks at the law in New South Wales. If you need further information please refer to the back of the handbook for contact details.

You do not have to wait until you have a problem to seek guidance or assistance in managing your finances or debts. As with most problems, the earlier you take action to solve or prevent a financial problem, the better the results will be.

1. I think I am in debt, should I try and ignore it?

No. It is important not to ignore any problems with debts despite feeling powerless. The first step is to try and get legal and financial advice. The next step is to work out what debts are immediately due. The second step is to work out all sources of income that you may have. Remember to be honest here. Income and include payment from your job to payment from hobbies and other activities. You may even like to make a list of all your current bills and expenditure and income. How you do this is entirely up to you.

The next step is to work out what out of the expenditure items is essential. This is called budgeting. You will need firstly to work out what you can afford to pay creditors. A budget is a dirty word for many people but planning finances without a budget is like going on a trip without a map. Remember that all debts are not equal.

All debts are not equal. Essential items may include the following items:

- Rent/mortgage- it is important to live somewhere.
- Utilities: Housing also means utilities. You should aim to reduce usage as much as you can but ensure you pay for gas, electricity, and water. The phone bill is something that should also be closely scrutinised. Options such as pay-tv can be left out.
- Car Payments: If you need a car for your job, then it is an essential. If there is alternative transportation, the car may have to be a non-survivor or at a minimum, parked and insurance cancelled. Do not drive again until insurance is reinstated. Also consider car-pooling. This will also save you money on petrol and car wear and tear.
- Secured Debts: Secured debts are those outstanding loans on which you have signed collateral, for example, your house, car, furniture and so on. If the disaster

will be short lived, creditors can usually live with a late or missed payment or even two. Contact the creditor and explain the circumstance, but definitely do not just ignore the creditor. Contact them immediately.

- Food: Yes food is a priority but use some common sense
- Unsecured Debts: Unsecured debts are those loans that do not have property attached to them. For example, credit cards, department store loans, medical bills, loans from friends and so on. Failing to pay these will eventually be very painful with your credit and good name but are probably the least devastating for the short term. Therefore it is these debts that can be the last to be paid.
- Other Items: Auto insurance, medical insurance, children's "needs" and other debts unique to your circumstance will require a value judgment. How long is the emergency? What can you live without? How bad is the situation? Can the debts be delayed or are they a "Must"?

2. I have done all of this and now what should I do?

Make a list of all the "must" pay bills. Again be honest with yourself. Try and work out how much income a month you must put aside to pay these bills. One suggestion may be to use the "envelope" method. This means putting aside amounts of money for the necessary bills in separate envelopes at the beginning of each month. This will ensure that you will have money for the essential items.

3. I don't have enough money to pay my bills what should I do?

You may wish to look at the following:

- Take a second job for the short term even if it is something you wouldn't normally consider
- Think about whether your hobbies can make you money
- Have a garage sale and sell something
- Short term loans from family or friends
- Refinancing your home (this will be considered in detail later)
- Contacting each of your creditors to negotiate with your creditors to buy some more time or reach a settlement of what you owe. If you make a proposal to a creditor to settle your debt but the creditor rejects it you still have a number of options that could help resolve the issue. If a creditor rejects your proposal or wants more evidence in writing that you are genuinely unable to pay, consider asking a financial counsellor to intervene on your behalf.

If the debt is large or one of many debts, you should consider hiring a lawyer to write a second letter asking for additional time. The lawyer won't say anything different than you would, but stationery carries weight. This will cost some money, but it may be worth it. When a creditor learns that a lawyer is in the picture, the creditor often suspects that you'll file for bankruptcy if he or she isn't accommodating. So you can often save more in payments than the lawyer costs.

4. Help, I have missed a payment and now I have been sent a letter

If you have missed a payment, or a series of payments, or if you have paid less than you should, you may receive a letter of demand from your creditor. The letter of demand is a warning that the creditor will commence legal proceedings against you if you don't pay your debt. The letter should give you one month to pay. If you can't pay the creditor may commence legal action.

Although it is frightening a letter of demand should not be ignored. Try to contact the creditor if you don't understand it, or are unsure about the claim. Usually creditors are willing to settle the dispute and avoid going to court. Otherwise seek legal advice as soon as you can. For a list of free legal centres please see the back of this book in the contacts section.

5. I am under 18 does this mean I don't have to pay?

Generally, you must be over 18 years old to incur a valid and enforceable debt. Most credit providers will not enter into a contract with a person under 18 years old or a person who does not receive a regular income unless someone else goes guarantor for the debt. If you are employed, the credit provider can apply to the court to receive a substantial proportion of the youth's income direct from the youth's employer. If the youth owns assets, such as a car, and that asset is not mortgaged, the credit provider can apply to the court to take that asset and sell it. If the youth is not employed and has no assets, the credit provider can notify the credit reporting agency of the youth's debt. This will prevent the youth from obtaining further loans.

6. I think I have a gambling problem and I have no money what should I do?

You may have a gambling problem if you meet any of the following descriptions:

- You often gamble more than you can afford or would like to spend
- You find it hard to stop gambling until you have run out of money
- Gambling is having a bad effect on your health
- Gambling is having a bad effect on your family and friendships
- Gambling is having a bad effect on your financial situation, work, or study
- When you gamble you reinvest your winnings and chase losses

If you think you have a problem you must seek immediate assistance. Please see the contacts section at the end of this book.

If your family member has a gambling problem you may wish to protect your assets. It is easier to protect assets that are in the name of the non-gambler or in joint names.

The best way to protect your family home is to ensure that the title is registered in the sole name of the non-gambler. If the gambler does not agree to transfer the house it may be necessary to apply to the Court for a property settlement.

If a car is owned by the gambler then there is some risk that it may be sold or mortgaged. Therefore, it is best that the car is transferred into the name of the non-gambler. Alternatively the non-gambling partner may be able to register an interest in the car with the Register of Encumbered Vehicles.

With the consent of the gambler, bank account details can be changed to require both partners to sign to withdraw funds. Where there is an overdraft facility the non-gambler, should notify the bank immediately in writing, not to provide an increase in the overdraft facility without the consent of both partners.

Where possible cancel all joint credit cards or at least advise the bank to limit the credit card to its credit limit only.

7. There are creditors at my home? What can I do?

The first thing to do is to see if you can pay the debt. If you can't than debt collectors may come to your home to recover the debt. There are limits imposed on the debt collector to stop harassing you. This means that the debt collector cannot leave a notice on your car/outside your house that lets everyone know you haven't paid your debt. They should only attend your home between the hours of 7.30am and 9pm, they are not allowed to make contact with you on Sundays or public holidays and they should leave your home immediately upon being asked.

A creditor can contact you to demand repayment by phone or letter. A creditor can also take legal action against you to repay the debt. Once a creditor has judgment against you, the creditor can send a sheriff to your home to take away your furniture and personal items.

It is illegal for a creditor to make threats about your personal safety or mislead you as to your legal rights or their legal entitlements.

If you suspect that you are being unduly harassed about a debt, you should contact one of the agencies listed at the end of this booklet for advice.

8. I still don't have any money what should I do?

There are a number of methods available to you. But please note that as with everything it is important to seek financial counselling before considering any of these methods. For more information please see the contacts section in this book.

Informal Arrangements with Creditors

If you are having problems making repayments you should contact your creditor/s as soon as possible. You should give your creditors as much accurate information as possible and show a proposal for how you intend to rectify the situation:

- Prepare an income and expenditure statement;
- Prepare a statement of assets and liabilities;
- Obtain a written valuation of your house and car;
- Obtain statements from your financial institutions verifying how much is owed on your secured assets;
- Put a written proposal to your creditors;
- State the cause of the problem;
- State how you intend to fix the problem;
- Ask that no legal action be taken against you until an agreement is in place;
- Request a written reply from your creditor/s.
- Keep a complete record of all correspondence and conversations with collections officers.

Debt Consolidation

This means rolling all your existing debts, such as car loan, boat loan and credit cards, into one loan with a fixed interest rate and a fixed repayment schedule. Debt consolidation is worth considering because it can reduce both the amount of interest you pay and your monthly repayments. A consolidation loan also rolls all your various monthly loan repayments into one, making it easier to organise your finances.

Superannuation

You may be able to use your superannuation benefits on the grounds of severe financial hardship. However, the trustee of the Superannuation fund needs to be satisfied that you are unable to meet reasonable and immediate living expenses, and that you have received Income Support Payments for 26 weeks. This may require a letter from Centrelink. You should be aware that there is a limit to the amount of money that can be accessed. You can only make one withdrawal in 12 months and it must be between \$1000-\$10,000. This of course all depends on the discretion of the trustee.

Vary your loan

Under the Consumer Credit Code you might be able to vary any contract for a non-business loan taken out after 1 November 1996. This does not apply to loans of more than \$125,000. If you are unable to service a loan due to illness, unemployment, or some other reasonable explanation you may be able to ask a creditor to:

- extend the duration of the loan and lower the repayment amount;
- postpone some repayments;
- extend the duration of the loan and postpone some repayments.

Mortgage Assistance Scheme:

If you can't pay your mortgage as a result of losing your job or illness. You may be able to obtain short term help from the Mortgage Assistance Scheme (MAS). It is not a grant but a short term loan. To apply for assistance, you have to show that you have done everything possible to save your home. MAS is a last resort for home buyers.

To be eligible for the assistance you must meet the following conditions:

- Gross household income of less than \$60,000 per year. The total amount owed on your home loan must be less than \$225,000.
- The value of your home must be less than \$400,000.
- Your financial difficulties must be serious and the result of an unavoidable change in your circumstances.
- You must be residing in the mortgaged home.
- You will need to give written authorisation for your home lender and other creditors to disclose information concerning your financial affairs.

The MAS is given by way of a loan paid directly to your home lender. While receiving mortgage assistance you must meet at least part of your home loan repayment. If you receive assistance the NSW Department of Housing will lodge a caveat on your property. This means they will have an interest in your property until the loan is repaid. The maximum amount of mortgage assistance which can be provided is \$10,000. You cannot receive assistance for more than a total of one year.

Before you receive assistance you will have to enter into a repayment agreement. Normally you will be approached six months after you have received assistance to arrange repayment. If you sell your home you are expected to repay the assistance at that time.

Release from Tax Debts

If you cannot pay an income tax or fringe benefits tax debt you may apply to the Tax Relief Board for full or partial release from the debt. When deciding whether to grant a full or partial release, the Board considers whether the payment of the debt would cause the taxpayer serious hardship. Serious hardship may exist where the payment of the debt would leave the taxpayer unable to afford the most basic necessities of life such as food, clothing and accommodation. A finding by the Board that payment of a tax debt would likely result in serious hardship does not necessarily mean that a full or even partial release will be granted. This is because the Board exercises its powers entirely at its discretion. Factors that may favourably influence the Board's decision include the efforts a taxpayer has made to repay the debt up until the time of their application for release.

Where the amount for which release is sought is \$10,000 or more, the Board must refer the application to the Administrative Appeals Tribunal (AAT). Applicants referred to the AAT will be required to provide additional documentation and attend an examination.

The first step in the Relief Board process is to obtain an Application for Release form from the ATO. You will need to prepare a financial statement for you and your

spouse, if any, detailing income and expenditure, assets and liabilities. Your reasons for claiming that the payment of the debt would cause serious hardship will also need to be stated clearly.

Once submitted, applications are assessed initially by an ATO officer. The Board then receives applications with an ATO officer's report and recommendation which the Board is not bound to follow. As the Board usually meets fortnightly, applications are considered promptly after being received from the ATO. After considering an application the Board may grant the taxpayer a full or partial release from their tax debt, or refuse to grant a release. Letters notifying taxpayers of the Board's decisions are usually sent within a few days of the Board meeting to consider application.

Part IX agreements

This refers to agreements which may be reached under Part IX of the Bankruptcy Act. People can use these agreements if their debts are below \$60,000 or if their after tax income for the year is likely to be below \$30,000.

You can make any sort of proposal you like to your creditors. This can include a proposal to make smaller repayments, or to make payments by way of assigning assets to your creditors.

You cannot make a Part IX agreement if:

- You have been bankrupt or have been the subject of a debt agreement in the past ten years;
- Your unsecured debts are above \$60,000;
- The value of your assets is more than \$60,000;
- Your annual income in the year you make the proposal is likely to be above about \$30,000.

The proposal must be given to the Official Trustee. The Official Trustee acts on behalf of the Insolvency and Trustee Service Australia. If the Official Trustee accepts the proposal, they will then call a creditor's meeting. The debt proposal is then subject to agreement by creditors who are owed 75% of the value of your debt, and a majority of creditors in attendance at the creditor's meeting.

If the agreement is accepted, a creditor cannot commence a new debt recovery action against you, or proceed with an existing debt recovery action. Nor can a sheriff take action against you while the proposal is in force.

The debt agreement will come to an end when all your obligations under it have been completed. In this way you will be relieved of any further debts which may have been payable had you gone bankrupt.

Part X Arrangements

This refers to agreements which may be reached under Part X of the Bankruptcy Act. Part X arrangements are an option for people with a high income or a reasonable

amount of assets to avoid bankruptcy. These arrangements are generally expensive to administer.

To establish a Part X arrangement you will need to appoint a registered trustee, solicitor, or the Official Trustee to take control of your property and call a creditor's meeting. If the creditors agree to the arrangement neither they nor the sheriff can take action to recover your debts or property while the arrangement is in force.

The advantages of Part X arrangements are that:

- You are not bankrupted;
- If the majority of creditors who were owed the majority of money accept the arrangement, the minority creditors must accept it too;
- You don't have to repay the difference between the amount owed and the amount accepted by the creditors.

There are three types of Part X arrangements you can use:

1. Deed of Assignment

This type of arrangement is often used where you have a lot of assets but no significant income. Some or all of your assets will be assigned to the trustee and sold to pay your creditors.

2. Deed of Arrangement

This type of scheme is commonly used where you have a substantial income and or assets. Under this type of arrangement you will agree to pay your creditors an amount less than 100 cents in the dollar. Some or all of your assets might be assigned to the trustee to pay your debts too.

3. Deed of composition

This type of arrangement is suitable if you have no assets and little income, but have been given or loaned financial assistance on generous terms from family or friends. By this method creditors agree to accept payment of debts by instalment or agree to take less than the full amount of debts due to them.

Bankruptcy

If you are unable to meet your debts when they become payable you may be made bankrupt. This means a third party ("Trustee") is appointed to sort out your financial affairs and make sure you pay your debts or at least pay as much as you can afford.

Your creditor can make you bankrupt by taking legal steps to start the process. A creditor can get a judgment against you for the amount you owe and then serve you with a Bankruptcy Notice. The Notice gives you 21 days to pay the debt. If you don't pay the money then the creditor can make you bankrupt by applying to the Federal Court.

Alternatively, you can make yourself bankrupt. You can start this process by completing and lodging the necessary legal forms. These forms are available from the Insolvency and Trustee Service or "ITSA".

Bankruptcy generally lasts for 3 years and at the end of that period you are not liable for any of the original unpaid debts. Of course, you must pay any debts you incur afterwards.

Should I make myself Bankrupt?

Bankruptcy should always be regarded as a last resort when it comes to managing your bills. It is a very serious step to take. But in some cases there is good reason to consider bankruptcy.

- Any enforcement or collection proceedings already in progress are stopped to give the debtor some relief.
- No one can take further action against you to recover debts without permission of the Court.
- Social security pensions and other benefits are not available to creditors.
- After three years the bankrupt is discharged and they can start afresh. There are some types of debt that continue after bankruptcy such as Centrelink payments, child support and HECS.

However, there are many reasons why bankruptcy should be avoided:

- Someone else controls your financial affairs and you lose your financial freedom.
- You can only borrow a small amount of money without telling the lender about your bankruptcy.
- You may not be able to travel overseas.
- If your car is worth more than \$5,000 it can be used to pay your debts.
- You may find it difficult to enter into simple agreements with service providers such as mobile phones, gas and electricity. They may require you to pay expensive bonds first.
- Your credit rating is badly affected and can make it hard to get finance in the future. The fact that you have been bankrupt will always remain on your public record, even when your bankrupt status is discharged after three years. This means that members of the public as well as future creditors or insurers can have access to that information.
- Any money or assets you receive or inherit after entering bankruptcy go to your trustee who holds them for your creditors.
- If you own anything jointly with another person such as your family home, your half is held by your trustee and can be applied towards your debts.

Pawn Brokers

A pawnbroker lends money on the security of personal items such as jewellery, and electronic equipment ('pawned goods'). The pawned goods are taken and retained by the pawnbroker until the loan and the interest are fully repaid. If the interest or the loan is not repaid within a minimum period of three months or as agreed, the items are sold and the money from the sale is used to repay the debt owed to the pawnbroker.

The amount loaned is relatively small and is only a fraction (as little as 20%) of the value of the pawned goods. Interest is usually payable at fixed intervals and the amount lent (known as the principal) is payable at the end of the agreed term. The term of the loan can usually be extended if you cannot repay the principal but a failure to make the interest payment will often result in the sale of the pawned goods.

The law requires pawnbrokers to give you at least 3 months during which to redeem the pawned goods. In other words, you have a minimum period of 3 months in which to repay the loan. An agreement that reduces this term is not valid.

Payday Lenders

Payday lenders are providers of short-term loans, usually for a period of between two to four weeks. The security for the loan is a direct debit authority, which authorises the lender to debit or take out from your account the repayment amount. Sometimes additional security, such as security over a car, is taken but this is not common.

Usually, a Pay Day Lender does not charge interest the way other credit providers do. Normally, Pay Day lenders charge a set fee. The fee that is charged depends on the size of the loan.

The lender will give you cash or a cheque in exchange for a direct debit authority to your account. The amount lent or an agreed instalment amount will be taken out from your account the following week or fortnight. If there is no money in your account when the lender tries to withdraw the payment, your account may be charged a dishonour fee. This dishonour fee is a lot of money when you compare it to the amount you borrowed. Four or five dishonour fees can easily cost you as much as the amount you borrowed.

9. Help I am Being Taken to Court?

Usually a creditor gives you a Letter of Demand. If you don't respond to it, the creditor issues a statement of liquidated claim. You have 28 days to respond to the Statement of Liquidated Claim.

Within the 28 days you can attend the Local Court and fill in a form and apply to pay off your debt in instalments. If the Court approves this you must fulfil your obligations and pay all the instalments. You will be charged interest on the outstanding balance of your debt. If you don't keep up your repayments your creditor can start legal proceedings again.

If you ignore the Claim or defend it and lose, the Court will make a judgment against you. This gives the creditor power to take action and collect the money you owe. There are several ways your creditor can do this:

- They can have your repayments taken out of your wages. This is where your employer is ordered by the Court to give your salary to your creditor instead of you. This can also apply to money held in bank accounts. The bank can be ordered to pay out your savings.
- A Court Bailiff can come to your house and take goods to sell and pay off your debts. There are limits to what they can seize. For example, they cannot take your bed, fridge or goods which you can prove are not yours.

10. What Else Can I do?

If you are feeling scared and worried about your financial problems you should speak to a financial counsellor. They will be able to talk to you about the various options available.

Financial counsellors work on a confidential and fee free basis for community organisations and financial counselling centres. They are independent of government and private corporations. For more information see the contacts section at the back of this booklet.

Financial counsellors can help in the following ways:

- Counsel and educate you
- Analyse and advise on your situation
- Prepare a budget for you
- Negotiate on your behalf with your creditors
- Check a contract to see if it can be enforced against you
- Assist with the process of going into bankruptcy

You should consult a financial counsellor who is accredited with the Financial Counsellors' Association of New South Wales.

PART B

STAYING OUT OF DEBT

PART B – STAYING OUT OF DEBT

1. TYPES OF DEBT

Secured vs Unsecured

Your debt is secured if you or someone else has given the lender a legal right to take away certain property, such as a house or car and sell it. The money from the sale of this property is used to repay your debt. If your debt is more than the money made from the sale of the property, the amount of money that you still owe is an unsecured debt. If the debt you owe is smaller than the money received from the sale of the property, the lender will keep an amount equal to the amount of the debt plus any fees or costs that the lender is entitled to charge. The lender is required to return any extra money to the owner of the property that was taken as security and sold.

A lender can take security over real property such as land or a home and personal property such as a motor vehicle or boat. Security can also be taken over shares, life insurance and term deposits. The most common type of security is a mortgage over a home.

Your debt is unsecured if you have not given the lender a legal right to take away and sell certain property if you stop repaying the debt.

When your debt is unsecured, the lender must go to court to get a legal right to take any of your property. This is called a judgment. Once the lender has a judgment, the lender can use it to take money from your wages, bank account, take your personal belongings, or bankrupt you.

HECS (Higher Education Contribution Scheme)/ University loans

HECS-HELP

HECS-HELP is a loan available to eligible students enrolled in Commonwealth supported places. A Commonwealth supported place is a higher education place for which the Commonwealth makes a contribution towards the cost of a student's education.

A HECS-HELP loan will cover all or part of the student contribution amount. If you receive a HECS-HELP loan, the Australian Government pays the loan amount directly to your higher education provider (provider) on your behalf. A HECS-HELP debt is recorded for you with the Tax Office against your Tax File Number.

There are two types of HECS-HELP assistance available to eligible Commonwealth supported students.

1. HECS-HELP loan

This is a loan for your student contribution, where:

- the Australian Government pays part or all of your student contribution to your provider on your behalf
- a HECS-HELP debt is recorded for you with the Tax Office
- you start repaying your HECS-HELP debt when your repayment income is above the minimum threshold for compulsory repayment.

2. HECS-HELP discount

This is a discount on your student contribution payment amount where:

- you pay all, or at least \$500, of your student contribution amount up-front
- receive a 20% discount on the amount paid up-front.

HECS-HELP repayment arrangements include:

- compulsory repayments made through your income tax
- voluntary repayments, with a 10% bonus on voluntary repayments of \$500 or more. (The bonus for voluntary repayments of a HECS or HELP debt changed from 15% to 10% from 1 January 2005 to provide more funds to support students who are not able to pay their fees up-front, while continuing to provide an incentive for students to repay their debts early.)

All HECS-HELP debts are indexed annually on 1 June to reflect changes in the Consumer Price Index (CPI).

You are eligible for HECS-HELP if you are a Commonwealth supported student and an Australian citizen, or the holder of a permanent humanitarian visa.

Your eligibility for HECS-HELP will not be affected by any existing HECS or HELP debt or your income or assets. However, your income will determine when you will be required to begin repaying your HECS-HELP debt.

University Loans

Some universities offer interest free loans. These loans are for small amounts such as \$500 and are secured against your exam results. That is, your exam results won't be released until the loan is repaid. In extreme cases, debt recovery action may be commenced to recover these debts.

Banks also offer relatively small loans to students enrolled in tertiary education. The terms of these loans may differ from lender to lender, but usually involve taking a guarantee from another person. If the loan is not repaid, the lender can seek to recover the debt from either the borrower or the guarantor.

Some student loans do not require you to make repayments until you have completed your course of study or have ceased full time study. The interest rates on student loans may be less than on other types of loans offered by that lender, but not always less than the interest rate on other loans available on the security of a guarantee.

Student loans are regulated by the Consumer Credit Code. This means that the lender must follow strict laws such as giving you and your guarantor a copy of important terms of the loan before you enter into a loan agreement with the lender.

Negative gearing

Negative gearing is when you borrow money to buy an income producing asset and the interest you pay on the borrowings outweigh the income generated. The interest repaid can be claimed as a tax deduction.

Negative gearing can be a very good strategy for building wealth. However, it is important to be fully aware of the risks.

Many people negatively gear simply to obtain a tax deduction, however this does not look at the full picture. Negative gearing is generally most advantageous if the asset increases in value. You therefore should be sure that your asset's capital value will increase.

You should also be sure that you will be able to meet all expenses and payments. You should have income protection insurance, so you know that if you are injured and unable to work, you will not need to sell your assets in a 'firesale'.

It is very important to obtain financial advice before undertaking this strategy. Ideally, a full analysis of all anticipated income, expenses and the anticipated increase in capital value should be considered and a projection made before commencing.

Personal loans

A personal loan is an agreement with a lender for a loan repayable over an agreed period of time. The interest on personal loans is usually fixed and added to the loan at the time the agreement is made. The total amount (interest and principle) is payable by monthly instalments. The number of monthly instalments is determined by the term of the loan.

The credit laws apply to most personal loans for mainly personal as opposed to business purposes. These laws require the lender to give you written information about the terms of the loan such as the interest rate payable, the amount of the loan and the duration of the loan before you sign an agreement. If you have a personal loan debt, and you have not received this information, you should seek advice as to whether the lender has broken these laws.

Credit card

A credit card enables you to buy goods and services up to a certain amount known as the credit limit without using cash. A credit card also enables you to withdraw funds up to an agreed amount. These are called cash advances. It differs from a debit card, (which is an electronic transfer of funds from your savings or cheque account to an account of the retailer or service provider) in that the money transferred by the credit provider to the retailer is on loan to you.

There are now many providers of credit cards, including Bankcard, Mastercard and American Express. Many retailers also provide credit cards.

Some credit cards are fee free, meaning there are no joining fees, annual fees or monthly fees. Some credit cards come with an interest free period, usually 55 days, while others charge interest on the purchases or transactions from the date of the transaction.

If your credit card has an interest free period, you must repay the closing balance at the end of the statement period if you want to avoid paying any interest. If you only make the minimum payment, interest will usually be charged on the balance for the whole of the statement period.

Irrespective of whether or not your credit card comes with an interest free period, interest is almost always charged on cash advances from the date of the advance.

Most credit providers allow you to obtain additional credit cards, for example, for your spouse. If you obtain any additional cards, you will be responsible for the debts incurred on these cards. Unless you destroy or return any additional cards to the credit card provider, you will be responsible for all transactions on these credit cards, even if you have cancelled them.

Credit cards or continuing credit contracts as they are called in the Consumer Credit Code are regulated contracts. This means that very strict laws apply to these contracts. If you are having difficulties paying a credit card debt, you should seek advice as to your rights under the Consumer Credit Code.

Finance Company Loans

A finance company loan is a loan from a non-bank financial institution such as a Building Society and Credit Union.

There is very little distinction between a finance company loan and a bank loan. Generally, finance company loans are easier to obtain than bank loans. This is because finance companies are more willing to lend to higher credit risk borrowers such as young people, people with limited assets and low income earners. As a result, finance companies will often charge a higher interest rate on their loans.

The credit laws apply to finance company loans that are mainly for personal as opposed to business purposes. These laws require the lender to give you written information about the terms of the loan such as the interest rate payable, the amount of the loan and the duration of the loan before you sign an agreement. If you are having trouble paying a debt with a finance company, you should seek advice as to whether the credit laws apply to it and whether the lender has broken these laws.

Loans from Finance Brokers

A finance broker is a person who acts as an intermediary to obtain credit for people. Finance brokers are usually linked with a certain lender or lenders and receive a commission or payment from these lenders when a loan is made.

The law no longer requires finance brokers to be licensed. This means that anyone can carry on the business of finance broker. You must be very careful that the finance broker you are dealing with is legitimate. It is not enough that the broker's business is registered with the Department of Fair Trading or that the company is registered with the Australian Securities and Investments Commission as a registered business or company. Such Registration does not mean it is a legitimate business.

Under the law, a finance broker cannot take money from you for any reason until they have provided you with a loan.

“Interest-Free” Purchases

Many retail outlets offer to sell goods on interest free terms. An “interest free” purchase is a loan from a lender that has a contractual relationship with the seller of the goods. Generally, you do not pay interest on these loans if you pay the loan back within the agreed period. But this is not always the case. In some cases, such as if you have obtained more than one “interest free” loan from one lender, the lender can allocate your repayments to whichever loan it wants. This can result in your loans not being repaid within the agreed period.

If the loan is not paid back within the interest free period, you may have to pay interest starting from the day you purchase the good and not, as most people mistakenly think, from the end of the interest free period.

As retailers will often sell goods at a lower price if the goods are bought in cash or even by credit card, “interest free” purchases are not really interest free. Further, there is often a much higher rate of interest that applies when the “interest free” period has ended.

Mortgages

A mortgage is a loan to purchase real estate property, in which the property itself serves as collateral for the loan. When a mortgage is taken from the borrower of the loan, it is called a first party mortgage. When a mortgage is taken from someone other than the borrower of the loan, it is called a third party mortgage.

From 1 November 1996, a credit provider can only take a mortgage from a borrower or a guarantor of the loan. This means that from 1 November 1996 any third party mortgages taken from someone other than a borrower or guarantor of the loan cannot be enforced.

A mortgage can secure future loans as well as the loan for which the mortgage is given. This means that a credit provider does not have to take a further mortgage each time it gives you a further loan.

If the mortgage was taken after 1 November 1996, it can only secure loans under a future credit contract, or under a future related guarantee. In other words, it will not secure debts that are not loans under a credit contract, for example council rates, or in the case of a mortgage from a guarantor, further loans to the borrower for which a further guarantee has not been taken.

If a first party mortgage was taken prior to 1 November 1996, and contains what is known as an “all moneys” clause, it secures all debts owing by the borrower to the credit provider irrespective of whether a formal contract is in place.

If a third party mortgage was taken prior to 1 November 1996, which contains an “all moneys” clause, the mortgage will secure all debts of the borrower to which the mortgagor has agreed.

If you fail to make payments towards a debt secured by a mortgage, the credit provider can, after serving you with the required notices, ask you or your guarantor to give the credit provider possession of the property. If you or the guarantor fail to do this, the credit provider can, in the case where the security is real property, apply to the Supreme Court for possession of the property. If the Court grants an order for possession, the sheriff can remove you or anyone else living in the property from the property. In the case of goods, such as a car, the credit provider or its agent can repossess the goods.

Mortgage Assistance Scheme

The NSW Department of Housing administers the Mortgage Assistance Scheme. Under this scheme, people experiencing temporary difficulties meeting their home loan mortgage repayments because of unemployment, illness, or some other crisis can apply for assistance. The assistance is in the form of a loan and must be repaid.

To be eligible for the assistance applicants must meet the following conditions:

- Gross household income of less than \$70,000 per year
- The total amount owed on the home loan must be less than \$270,000.
- The value of the house must be less than \$500,000.
- The financial difficulties must be serious and the result of an unavoidable change in circumstances.
- The change in circumstances must have caused the level of the applicant’s repayments to exceed 36% of their gross household income.
- They must show that they have been making home loan repayments of not less than 27% of their gross household income.

The loan is paid direct to the lender in the form of monthly loan repayments to which the borrower must also make a contribution.

The NSW Department of Housing will lodge a caveat on the property until the debt is discharged. The maximum amount of mortgage assistance that can be provided is \$12,000. Assistance will not be paid for more than a total of one year.

2. BUDGETING

A budget is the essential tool for ensuring that your money gets used the way you need it to. It is a guide that tells you whether you're going in the direction you want to be headed in financially. You may have goals and dreams but if you don't set up guidelines for reaching them and you don't measure your progress, you may end up going so far in the wrong direction you can never make it back

Ultimately, budgeting requires self-discipline. This requires determination on your part, and the support of family and friends in sticking to your budget.

Motivation

When preparing a budget, think about your motivation for budgeting:

- Record what you are trying to do by budgeting, and in what amount of time. Be specific and realistic about your goals. They must be your goals, not someone else's. Commit to a date to get your affairs in order.
- Write down what you think it is that's stopping you from reaching your objectives.
- Write an action plan to overcome each of these obstacles.
- Write down what the benefits will be to you in following a budget. It must be worth you changing your behaviour.
- Consider the long term gain over the short term cost – you must be convinced the objectives are worth it.

Helpful tips:

- Write down your budget – otherwise there is no point in this exercise!
- Budget according to how often you are paid
- Don't forget the parenting payment if you have children
- Don't forget your periodic bills, and work out how much they cost per week/fortnight/month
- Set aside amounts for building repairs, car repairs, school costs, household repairs, and personal spending
- Regulate your spending according to your income
- Don't rely on overtime or a second income in your budget

Next

- Don't apply for credit before knowing what the repayments will be
- Try saving those repayments for three months before committing to paying them
- Review your plan frequently

Steps in Preparing a Budget

Preparing a budget generally requires the following steps.

1. Identify how you currently spend money
2. Evaluate your current spending and set goals that take into account your financial objectives
3. Track your spending to make sure it stays within those guidelines

Identifying how much money you currently spend

Except for fixed monthly bills such as your mortgage or car loan payment, you probably do not have a precise idea of how you spend most of your money.

If you want to work out a plan to get your debt under control, start by figuring out your spending patterns and identifying unnecessary expenses.

For one month, write down everything that you spend. Remember to be honest. This exercise will clarify how much of your spending is fixed and how much is variable (and hence easier to curb).

Work out how much income you have each month after tax and other deductions. Add up the expenses that you have written on the list and compare the sum to your monthly income. Use the sample budget statement below to help you get started.

Evaluate your current spending

Now that you've got a good picture of where your money is going, you can start to assess which parts of that spending should be raised or lowered.

If there is money to spare once you have done your calculations use this to start paying off your debts.

If your spending exceeds your income, then your top priority in constructing a budget should be to reduce your spending. Try to cut back on things you don't need. Alternatively, can you boost your income by taking some part time work.

While everyone's financial goals are different here are some key points to consider:

- Avoid the debt trap - don't let your credit cards get out of hand
- If you buy a home, then reduce your mortgage as quickly as possible
- Top up your employer's superannuation contributions where possible
- Protect your assets

It is recommended that you reduce your spending to about 90 percent of your income, with the aim of using the rest of that money to meet the financial objectives you consider most important.

Track your spending

Tracking your expenses on an ongoing basis is important to ensure that the spending stays within the limits you have set.

If the limits you have set were unrealistic, make any necessary adjustments to your budget.

You should always keep in mind that a budget is never written in concrete and will vary and evolve with the ups and downs of your changing financial circumstances.

Getting started

Below is a sample budgeting statement, and a sample assets and liabilities statement. You can use these to help you get started on working out your own budget.

Sample Income & Expenditure Statement

Income

Salary/wages	_____
Investment income	_____
Rental income	_____
Child Support	_____
Centrelink Pensions / Benefits	_____
Family Payment	_____
Other	_____
Total INCOME	<u> A </u>

Expenditure

Fixed expenditure

Rent / Mortgage	_____
Council / Strata Rates	_____
Electricity / Gas	_____
Phone	_____
School Fees/Child care etc	_____
Superannuation	_____
Car Registration	_____
Insurance (car, home, medical etc)	_____
Other	_____
Total Fixed Expenses	<u> B </u>

Variable expenditure

Petrol	_____
Transport costs	_____
Food	_____
Entertainment / Subscriptions	_____
Clothing / Footwear	_____
School Sports / Excursions etc	_____
Birthdays / Christmas / Gifts	_____
Personal: eg hairdresser, magazines, hobbies etc	_____
Donations	_____
Holidays	_____
Other	_____
Total Variable Expenditure	<u> C </u>

Total EXPENDITURE (B+C)

D

SURPLUS/DEFICIT (A-D)

E

Sample Assets & Liabilities Statement

Assets	\$ value
House / Unit	_____
Investment Property	_____
Land	_____
Vehicle 1	_____
Vehicle 2	_____
Furniture	_____
Tools of trade	_____
Savings	_____
Shares etc	_____
Trailer / Caravan	_____
Boat	_____
Stock in trade	_____
Superannuation	_____
Total Assets	<u><u>F</u></u>
Liabilities	\$ outstanding
Mortgage	_____
Loans	_____
Credit card balances	_____
Other	_____
Total Liabilities	<u><u>G</u></u>
Equity (F-G)	<u><u>H</u></u>

3. ALTERNATIVES TO GETTING INTO DEBT

There are a number of alternatives to going into debt and avoiding the debt trap.

Have a budget

It is important to always have a budget in mind and know how much you can afford. A budget will enable you to get a handle on the flow of your money – how much is coming in and where it goes out, and it is only when you understand the flow that you can make intelligent choices about how to spend. Further, having a budget lets you control your money instead of your money controlling you and can also keep you from getting into debt. Refer to Chapter 2 for more details on Budgeting.

Shop smartly

There are also ways to shop smartly to avoid the debt trap. Here are some shopping tips:

- Have a budget made up and don't spend over this amount.
- Have a list of items that you intend to buy and stick to it.
- Be wary of enticements like red-hot specials where an item is advertised in the store as reduced for the next 5 minutes.
- Compare prices between sellers. You may find that someone is selling an item at 10% off and another seller is selling the same thing at a lower price and they're not having a sale.
- Compare items for price and quality.
- Examine the goods carefully. Are they exactly what you want? Sometimes packaging can mislead you about the actual quantity supplied.
- Keep all receipts.
- Check out the warranty.
- Try not to buy on impulse – you may get home and regret the purchase and the worst part is that a shop is not obliged to offer you a refund for a change of mind.
- Never let anyone talk you into buying something you're not sure about.
- If you cannot afford it this week, don't buy it. Nothing is usually important enough to go into debt.

Lay-bys

If things seem a little expensive, you can lay-by them. This means that you pay a deposit and after a series of regular payments, the goods are yours. In the meantime the shop will store them for you.

When you enter into a lay-by agreement you should get a written statement in the form of a sales docket (stamped) or a receipt that outlines the terms and conditions of the lay-by. This should provide the following details:

- the purchase price and the deposit paid
- dates on which instalments are due
- the balance outstanding

- any cancellation charge that may apply.

A cancellation charge is an amount of money that the store can ask you to pay if you cancel the lay-by before the agreement has finished

You should make sure that what you are organising is a lay-by and not a credit arrangement.

Lay-bys are a good way to buy things, a little at a time. There is no interest, but stores may charge a small lay-by fee.

You need to keep in mind that if you change your mind, you might not be able to get back all the money you've paid so far. It is a legally binding agreement so you will need to keep up with the payments.

A lay-by is an alternative to paying the total price for goods with cash immediately, or charging it to a credit card that may include the paying of interest and possibly will involve debt.

When using lay-by to buy goods, you should always ensure you get a copy of the docket or receipt which clearly sets out the conditions of the lay-by including the description of the goods, date of transaction, lay-by number, record of the deposit or payments made, when the goods are to become yours, the period over which the payments have to be made, what happens if payments are not made, what to do if you wish to cancel the contract, and the costs associated with the cancellation of the lay-by. Keep in mind that the length of time for the repayments can vary and are up to you and the trader to decide.

Cost-cutting Tips

- Bring your lunch from home every day of the week.
- Bring your own coffee to work
- If you are book lover, consider borrowing them from the library rather than buying them.
- Avoid impulse shopping.
- Travel by public transport where possible.
- Cancel the gym membership if you are not using it, and start going on walks. It is free and you will enjoy the fresh air.

Savings Plans

It is always a great idea to set up a savings plan. You should endeavour to save a certain percentage of your income earned. In doing so, you should always have money available to pay for any surprise debts or to help you through an unexpected financial hardship or even to go on that long awaited holiday.

Unfortunately, when we know we have savings, we are likely to spend more freely and comfortably as we know that we will always have our savings as a back up.

A good way to avoid doing this is by opening a separate account with your bank. You should not have access to this account unless you physically attend a branch of your bank. In other words, do not have keycard or internet access to this account.

These days, a lot of employers are willing to split your pay into more than one account. If your employer is willing to pay into more than once account, you should give them the details of your extra account and have a certain amount out of your pay go into this account every time you get paid.

This is a compulsory savings plan. Since you do not have access to the account you will not spend the money going into it and are likely to even forget that it exists!

If your employer will not split your pay, you should ensure that you undertake this savings plan yourself.

A savings plan needs to be taken into account when working out your budget. You should attempt to treat the monies going into your savings account as tax, that is money you make but is not yours and cannot be touched.

Keep your debt under control

Refer to Part A of this book for more detail on getting out of debt. Here are some things to consider to keep your debts under control.

Face the Facts

Don't ignore debt, it doesn't go away. You may end up losing the goods that you have bought and find it difficult to get credit. You could even lose your home. Even if you are only a little bit in the red now, it's surprising how quickly debt can build up and how long it takes to clear.

Prioritise your debts

A build up of debts can be scary. The key is to prioritise your debts in order of scariness.

Mortgage or rent is likely to be the biggest worry. If you are behind these, you may lose your home. Paying utility rates is also important.

Hire purchase debts should probably come next, because if you are behind less than a third of the total cost, the goods can be repossessed. Loans for your lifestyle such as a car are also very important.

Credit card bills and loans for luxury items such as holidays are a relatively low priority.

Keep in Touch

Contact your lenders or creditors about your problem. The earlier they are aware of this, the more sympathetic they are likely to be. Make sure you:

- Explain the problem and try to come to some temporary arrangement about repayments. It is unlikely they will write off the debt, but it is worth a try.

- Don't be put off by unhelpful creditors. Keep trying and ask to speak to someone else. Complain to the Banking Industry Ombudsman if you feel that you have been treated harshly.
- Give a copy of your income/expenditure statement to each of your creditors with a letter explaining the situation. Say what you can pay back and ask what is the best way to pay the loan back.
- Try to get the lender to freeze any interest you're paying.

Time for consolidation

Bringing your debts under one personal loan is one way of regaining control, although it isn't necessarily the best solution. Always remember that:

- A consolidation loan is usually taken over a much longer period than smaller debts, so you are in debt longer and end up paying more interest
- Because you are bringing all your debts together, there may be a less chance of negotiating reduced payments with the lender than you would have had if you had kept smaller loans.
- Always steer clear of loan sharks and credit brokers, who may try to saddle you with more debt than before.
- Seek financial advice before getting a consolidation loan to ensure that you are not simply increasing your overall debt.

Dealing with nasty letters from credit card companies

The obvious reaction when receiving a nasty letter is to throw the credit card and the letter in the bin. But there is another way of dealing with this debt- give it to someone else!

Find a credit card company that offers a lower rate of interest, and therefore, lower monthly repayments than your current credit card.

Many companies offer to transfer existing credit card debts on to new cards for a lower rate of interest for a certain period.

Don't Panic

Some organisations can sort out your debts for a fee but there are avenues which give advice for free.

Check out the list of resources at the end of this booklet.

Don't Over Commit

It is easy to over commit when it comes to money. It happens everyday without you realising it.

There are car loans, home loans, insurance, credit cards and mobile phones to say the least. Of those aforementioned, it is the latter two that cause much confusion and concern. Confusion because they are non-essentials and concern because they create debt often without comprehending it and worse still, surfacing when it's too late.

If you must have a mobile phone, remember that you are often paying a lot of money to use it. This is money that can be better spent or saved. Try and avoid committing

yourself to a contract and instead use pre-paid mobiles, so that you can always keep track of the amount spent.

The golden rule to avoid going into debt is: Buy only what you can afford.

4. RESIST THE MARKETING

Australian consumer debt has blown out to \$230 billion in 2005. This figure is an exponential increase from 1996 when it was \$60 billion. The average household debt has risen from \$40,029 to \$71,243 over the same period (These are findings of the Senate Inquiry into Possible Links between Household Debt, Demand for Imported Goods and Australia's Current Account released in May 2005).

The picture is clear; an increasing number of people are experiencing difficulties with debt. This is because it is easy to owe more than what you have. There is easy access to credit often at high interest rates, and the increasing pressure to consume results in high consumer debt.

We are constantly being bombarded with advertisements all showing that your life could be much better if only you have a credit card. For some people the temptation is all too much.

However, there are some ways to resist the marketing.

Mobile Phones

Call Plans

Call plans are schedules that describe how call rates are calculated. They also state the call charges for peak and off peak times, flag charges and free call features if they apply. There are two types of call plans, those connected to a contract or network service connection agreement and those designed for pre-paid services.

Contract linked call plans

Contract linked call plans are only available when you sign a network service connection agreement. Features of these plans include:

- A free call feature that renews each month. It can be free minutes or an amount of money that you can spend on calls without being charged for them.
- A period of time or contract term that you are committed to a particular call plan.
- The cost of calls at various times (peak and off peak).
- The cost of flag charges. This is an extra charge on each call you make. The amount of the flag charge will vary with the call plan.
- The cost of monthly access. This charge ensures that you remain connected to the mobile phone network. Generally call plans with higher monthly access charges will have lower call rates.

Pre-paid call plans

There is less variety in pre-paid call plans, most will simply state the cost of calls at various times of the day (peak and off peak). Compared to contract linked call plans, pre-paid call plans will generally offer higher call rates but they don't include flag charges or monthly access fees.

Comparing call plans

It's difficult to compare different call plans because of the variety of methods used to calculate the call costs and free call features. Call costs can be calculated in per second lots or in 30 second lots or increments. If calls are calculated per 30 second lots then you are charged the specified call cost for every block of 30 seconds in each call that you make.

To decide on a call plan you need to work out how many calls you will be making, how long each call will last and when you will be making the calls (peak/off peak). Take the time to do this, especially if you are signing a network service connection agreement as penalties may apply for changing plans in the middle of the contract term.

Comparison Table

The table compares general features of contract linked call plans and pre-paid call plans.

Contract linked call plans	Pre-paid call plans
<ul style="list-style-type: none">• Flag charges apply• A free call feature that renews each month• An initial connection fee• A monthly access charge• Variety in call plans• Commitment to the network service provider for a specified term through a contract	<ul style="list-style-type: none">• No flag charges• No free calls provided• No connection fees• No monthly access charges• Limited variety in call plans• No contracts

Advertising

The table provides examples of advertisements that may be interpreted by individuals as offering special deals where in fact they are simply stating common call plan or contract features.

Examples of advertisements	What is being referred to in the advertisement
FREE connection	If you sign a network service connection agreement (contract) for a period of time there is a one off charge of around \$65 that covers your initial connection to the mobile phone network. This fee is removed when offers are made of free connection. However, all contract linked

Examples of advertisements	What is being referred to in the advertisement
	call plans have monthly access charges that still need to be paid.
Very low monthly access fees (usually \$10)	This refers to a specific contract linked call plan. Most network providers will have a contract linked call plan that has a monthly access fee of around \$10. Usually, these plans are suitable for people who make very few, short phone calls. If you don't use the mobile phone in this way it may be costing you more overall than another call plan with a higher monthly access charge.
Handset for only \$29	Package deals are provided by most sellers that include a handset and call plan. Usually the higher the monthly access fees, the lower the price of the handset. Keep in mind that the actual cost of the handset will be covered by the call plan costs - so you may not be making any savings at all.
No access fees	This refers to pre-paid call plans offered by network service providers. There are no access fees on pre-paid call plans but the call costs are generally higher than those connected to contract linked call plans.
Free Phone and \$100 in free phone calls per month	Advertisements like these refer to contract linked call plans. These call plans start with monthly access charges of \$10 and can go up as high as \$250. Usually the higher the monthly access fee the more attractive the free call feature and the cheaper the call costs. Average phone users may not use up their free monthly allotment with these plans but they still need to pay their monthly access charges.

Avoiding getting into debt with a mobile phone

Do you really need a mobile phone at all? Do you need anything other than your regular telephone connection?

If it is necessary for you to have a mobile phone, then to avoid money problems understand what you are getting into. Read the network service connection agreement before you sign it and don't sign anything unless you understand your obligations under it.

If you don't feel sure about signing up with a network provider for up to 2 years then try the pre-paid services first. At most you will be stuck with a particular service until the recharge card runs out. When this happens you can choose to stay with that network service provider or try another. It's a good way of trying different call plans and assessing costs associated with these plans.

If you have mobile phone bills mounting up and you need some help budgeting or calculating your repayments or even understanding your obligations under a service connection agreement then contact a financial counsellor. Financial counsellors provide free, confidential services and are available through Credit Helpline, some neighbourhood centres, church groups, charitable organisations and community legal centres.

Shopping for credit

Before shopping for credit you should ask the lender or credit providers for the following information:

- the interest rate(s) applicable
- how the interest is calculated and when it is charged
- the amount of fees and charges payable
- details of any commission.

You can use this information to compare different credit products.

Hints on choosing credit

Shopping around can save you money.

- Don't automatically take the credit suggested by a sales person. It may not be the best deal.
- Check out the interest rates offered by different lenders such as banks, credit unions, building societies and other businesses.
- Don't fall for low interest rates without checking out the fees and charges. It may work out to be more costly.
- Don't sign anything unless you are sure of the credit that is being offered. A credit contract is a legally enforceable document. Read all the documents carefully and don't be pressured to sign there and then - there is no need to.

Credit cards and store cards

The advantage of using a credit card is that you don't have to carry large amounts of cash with you. The disadvantage of credit cards is that it makes impulse buying easier and you can spend more than you can afford before you realise.

General purpose credit cards include Bankcard, Visa and Mastercard. They allow you to purchase goods and/or services and get additional cash. You must repay at least a minimum amount back each month and this is normally a small percentage of the

outstanding account balance. All credit card cash advances will attract interest from the time that the money is provided to you.

Some retail stores will issue their own cards. These cards can only be used within the group's stores. They usually don't have fees but the interest rates are often higher than general purpose credit cards.

When you are given a credit card you will also be given a limit and you can spend up to that limit.

Before accepting a credit card you need to consider how you will use it. This will determine the type of card that would suit you best.

Some credit cards will not have an interest free period for purchases made in subsequent months if the balance owing is not paid in full by the payment due date shown on the credit card account statement. If you plan to pay your purchases in full by the due date, the size of the credit card fees and interest free period are more important than the interest rate charged. If the credit card is to be used to pay for purchases over an extended period of time, the interest rate and how the interest charges are calculated are more important.

Interest free loans

Many retail and department stores offer interest free loans. The period that the loan is interest free will vary and can depend on the amount borrowed.

Credit for interest free loans is usually provided by a finance company through the retail outlet. Some of these finance companies will send you a credit card as part of the credit contract. If you use this credit card outside any "interest free" promotion then interest and charges will accrue in the same way as other credit cards. But the interest rates for credit cards issued by finance companies are usually higher than those offered by other types of lenders.

You need to read the credit contract carefully. This type of credit may only be interest free if you pay the entire amount borrowed within the stated "interest free period". If you don't pay off the entire amount then interest may be charged from the day the credit was provided.

5. RELATIONSHIPS AND DEBT

Relationship debt occurs when one person takes on a liability for a debt incurred by another, because of the personal relationship between them without any material benefit in return.

What is a guarantor?

A guarantor is someone who agrees to repay a debt if the borrower is unable or unwilling to pay it. Many lenders make loans conditional upon the contract being guaranteed by another person.

Going guarantor means that you will guarantee that payments on a loan will be made. The lender can sue you for the debt. This means that you may lose your house and savings.

Guarantors often have more to lose because they usually have more assets than the borrower and therefore, may be more affected by any legal recovery action taken by the creditor.

You should always read any document before you sign it and you should obtain independent legal advice before going guarantor.

Going guarantor is risky. The lender is only insisting upon a guarantor because they think there is a risk of the borrower not being able to repay the loan.

A guarantor has some rights, and can get out of a guarantee in some circumstances, although it is usually based on a breach by the finance company. The easiest way to avoid the problem is not to sign the contract.

Remember going as a guarantor is not just a “formality”.

Co-Borrower

If you take out a loan in joint names with your partner it means you have become a co-borrower. This makes both of you responsible for the whole debt. In a default situation the lender will normally go after the person with the highest income, or more assets, or the one who can be found at the time.

There is no legal requirement that you and your partner must both become co-borrowers to secure a loan. You do not have to sign any document unless you are borrowing the money for your own use or you are going to own a share of the item for which you are borrowing money.

Relationship Breaking Down

The end of a relationship can be a very stressful time. Therefore, don't make it worse by paying debts for which you are not liable. If you are asked to repay any debts in your ex-partner's name, send the bill to your ex-partner, or write back to whoever sent the bill and explain that your ex-partner is liable.

If you have a joint bank account your partner may take whatever money is left in your joint accounts. Contact the bank immediately and take action to protect your share. Where you have a store card or credit card that is in both names contact the provider as soon as possible to ensure that you are not left with liability for your ex-partner's spending.

Why is Relationship Debt Common?

Often partners are willing to help the other partner as a sign of love and trust. In these situations the partner may not be given a chance to review the terms of the transaction.

- People feel optimistic about their relationship and do not consider the possibility of the relationship failing.
- The partner feels pressured and is subjected to emotional or physical violence.
- Lack of experience with financial institutions.
- Cultural expectations that women in particular are to support their partners in this way.
- The true nature of the transaction may not be explained to the partner.

Why talking about money is a problem for women?

Financial matters are rarely discussed by families and women in particular. Some reasons for this are:

- money is seen as private
- women are often the primary caregivers and are dependent on their partners for income
- women may not have information about their finances
- women may have a poor understanding of financial matters
- women may not have had any control over the finances during the relationship
- women are often told incorrectly that they “are not entitled to anything.”

Common Questions

- Am I liable for my partner’s debts if they are declared bankrupt?

Yes – as co borrower or guarantor you are legally liable.

- Am I liable for my partner’s debts after we are divorced or separated?

The law on this matter is not clear. However, it is increasingly common for banks and financial institutions to be taking a hard line. Therefore, if you are a guarantor or co-borrower there is a high risk that the lender may seek payment from you.

- Should I advertise that my partner and I are separated and that I am no longer responsible for his/her debts?

Advertising DOES NOT help. You need to deal with lenders individually to sort out what you are responsible to pay. If there are joint accounts you can write to the lender and ask that the account be closed or frozen.

- I didn’t understand - can I get out of it?

If you can show that you did not understand the document and prove that the lender should have been aware of this. This is difficult to do, especially with the new Consumer Credit Code, which requires lenders to explain loans to the borrowers.

Simple Rules

- Read any document before signing it
- Don’t sign anything unless you know exactly what you are signing
- Get legal advice if you don’t understand the contract or are not comfortable with signing it

- Stay involved and informed about family finances
- When you receive any statements read them
- Resist signing on the spot loan contracts

Golden Rule

Keep money matters and love affairs separate.

6. CONSUMER CREDIT

The consumer credit code is the law that governs all consumer lending in Australia. Consumer lending is where you borrow money or obtain credit for personal or domestic reasons.

The consumer credit code became effective on 1 November 1996. It was adopted by all the Australian States and Territories.

It was designed to replace all existing consumer credit legislation and bring uniformity to the regulation of consumer credit in Australia.

Under the code, all forms of credit, whether for personal, domestic or household uses are covered.

Banks, building societies, other financial institutions as well as stores and companies which charge payment for providing credit must comply with the code.

The consumer credit code ensure that more information is given to borrowers to ensure that they can make an informed choice. The code requires lenders to assess a borrower's ability to repay a loan.

Information which must be disclosed before a contract is entered into now includes the full amount of credit provided, the annual percentage rate, how the interest is calculated and the total amount of interest if the contract is to be paid within 7 years.

Other items which also must be disclosed include all fees and charges that become payable under the contract, how the borrower will be informed of all the charges, how many times a year an account statement is provided, if any commission is charged and to whom it is payable. Information as to whether a mortgage or guarantee is to be taken and details of credit-related insurance must also be provided.

Borrowers are able to appeal against loan repayments in the event of hardship. For instance, if you are experiencing difficulties and the lender will not change your loan arrangement, you may apply for a court-ordered relief plan if you can show that:

- you have tried to seek a rearrangement of the terms of the loan with the lender;
- the hardship occurred because of a reasonable cause such as sickness or unemployment; and
- your financial situation is likely to improve in the near future.

PART C

RESOURCES

PART C - RESOURCES :

LawAccess NSW

Legal information, assistance, referral and advice.

Telephone: 1300 888 529

TTY: 1300 889 529

Translating and Interpreter Service: 131 450

Website: www.lawaccess.nsw.gov.au

Financial counselling services in the Sydney metropolitan area

<p>Bankstown – Family Support Service</p> <p>Appointments essential 122 South Terrace, Bankstown PO Box 896, Bankstown, 2200 Ph 9709 5302 Fax 9790 2336 Email mfisher@bscs.com.au</p>	<p>Lidcombe/ Auburn Financial Counselling Service – (Ryde Eastwood Financial Counselling Service)</p> <p>Lidcombe TAFE, Lidcombe Appointments essential through Ryde Eastwood Financial Counselling Service on: Ph 9858 1377 Fax 9804 7743 Email financial.counselling@CCAS.org.au</p>
<p>Campbelltown Mission Australia</p> <p>317 Queen Street, Campbelltown, 2560 Ph 4628 0211 Fax 4628 5971</p>	<p>Liverpool Centacare</p> <p>177 Northumberland St Liverpool, 2170 (Opposite Liverpool Plaza) Ph 8778 3200 Fax 8778 3222</p>
<p>Campsie - The Salvation Army Moneycare</p> <p>30 Anglo Road, Campsie PO Box 399, Campsie, 2194 Ph 9787 5375</p>	<p>Liverpool - The Smith Family(Tuesdays only)</p> <p>126 Terminus Street, Liverpool PO Box 1000, Parramatta, 2124 Ph 9895 1200 Fax 9689 3965 Email janep@smithfamily.com.au</p>

<p>Caringbah – Creditline</p> <p>Sutherland Hospital, The Kingsway, Caringbah PO Box 827, Caringbah 1495 Ph 9531 0249 Fax 9540 3266</p>	<p>North Ryde Outreach – (Ryde Eastwood Financial Counselling Service)</p> <p>4 Cutler Parade North Ryde, 2113 Appointments essential through Ryde Eastwood Financial Counselling Service on: Ph 9858 1377 Fax 9804 7743 Email financial.counselling@CCAS.org.au</p>
<p>City - Wesley Gambling Counselling Service</p> <p>53 Regent St. Chippendale PO Box K819 Haymarket, 2001 Ph 9951 5566 Fax 99515554 (FUNDED FOR GAMBLING CLIENTS ONLY)</p>	<p>Parramatta - Lifeline Financial and Gambling Counselling Service</p> <p>153 George Street, Parramatta Locked Bag 5360, 2124 Ph 9687 2184 Fax 9891 2814</p>
<p>City - The Bobby Goldsmith Foundation</p> <p>Level 2, 9 Commonwealth Street, Sydney PO Box 97, Darlinghurst 1300 Ph 9283 8666 Fax 9283 8288 Email maree.crosbie@bgf.org.au; jennifer.gracie@bgf.org.au (FUNDED FOR HIV/AIDS CLIENTS ONLY)</p>	<p>Parramatta - The Salvation Army Moneycare</p> <p>2nd Floor, 95 Phillip Street, Parramatta PO Box 3681, Parramatta, 2124 Ph 9633 5011 Fax 9633 5214</p>
<p>City - 1800 Credit Helpline</p> <p>Telephone Counsellor & Resource Counsellor 53 Regent Street, Chippendale, 2008 Ph 1800 808 488 Fax 9319 3798</p>	<p>Parramatta - The Smith Family</p> <p>15 Argyle Street, Parramatta PO Box 1000, Parramatta, 2124 Ph 9895 1200 Fax 9689 3965 Email janep@smithfamily.com.au</p>
<p>City – Creditline</p> <p>53 Regent Street, Chippendale PO Box K819, Haymarket, 2000 Ph 9951 5544 Fax 9951 5511 Email creditline@wesleymission.org.au</p>	<p>Penrith Creditline</p> <p>Suite 113, 114-116 Henry Street, Penrith, 2750 Ph 4731 2598 Fax 4732 2819</p>

<p>Consumer Credit Legal Centre (NSW)</p> <p>(Tuesday 10.00am - 12.30pm; Thursday 2.00pm - 4.30pm)</p> <p>PO Box 538, Surry Hills NSW 2010.</p> <p>Sydney Region Hotline 9212 4111</p> <p>Rural Hotline 1800 247 890</p> <p>Email CCLC_NSW@fcl.fl.asn.au</p> <p>Tel 9212 4216 (Administration only)</p> <p>Fax 9212 4711 (Administration only)</p> <p>TELEPHONE ADVICE ONLY:</p> <p>Free legal advice on borrower's rights, consumer credit/debt problems, contracts, repossession and bankruptcy.</p>	<p>Penrith - Wesley Gambling Counselling Service</p> <p>148 Station St, Penrith NSW 2750</p> <p>Ph 4731 3511</p> <p>Fax 4732 2819</p> <p>(FUNDED FOR GAMBLING CLIENTS AND THEIR FAMILIES ONLY)</p>
<p>Crows Nest – (Ryde Eastwood Financial Counselling Service)</p> <p>2 Ernest Place Crows Nest, 2065</p> <p>Appointments essential through Ryde Eastwood Financial Counselling Service on:</p> <p>Ph 9858 1377</p> <p>Fax 9804 7743</p> <p>Email financial.counselling@CCAS.org.au</p>	<p>Ryde Eastwood Financial Counselling Service</p> <p>2 Dickson Avenue, West Ryde, 2114</p> <p>Ph 9858 1377</p> <p>Fax 9804 7743</p> <p>Email financial.counselling@CCAS.org.au</p>
<p>Fairfield – Creditline</p> <p>6 William Street, Fairfield, 2165</p> <p>Ph 9754 1600</p> <p>Fax 9754 1833</p>	<p>Ryde Eastwood Financial Counselling Service</p> <p>2 Dickson Avenue, West Ryde, 2114</p> <p>Ph 9858 1377</p> <p>Fax 9804 7743</p> <p>Email financial.counselling@CCAS.org.au</p> <p>Community Education and workshops available to groups.</p> <p>GAMBLING COUNSELLING AVAILABLE</p>

<p>Granville – (Ryde Eastwood Financial Counselling Service)</p> <p>Multicultural Centre, 8 Factory Street, Granville, 2142</p> <p>Appointments essential through Ryde Eastwood Financial Counselling Service on:</p> <p>Ph 9858 1377</p> <p>Fax 9804 7743</p> <p>Email financial.counselling@CCAS.org.au</p>	<p>Sutherland – Creditline</p> <p>Community Care Centre, 3A Stapleton Avenue, Sutherland, 2232</p> <p>Ph 9951 5544</p> <p>Fax 9545 5164</p>
<p>Kingsgrove – The Salvation Army Moneycare</p> <p>61-65 Kingsway Street, Kingsgrove, 2208</p> <p>Ph 9336 3320</p>	<p>Westmead – (Ryde Eastwood Financial Counselling Service)</p> <p>Westmead Hospital, Hawkesbury Road, Westmead 2145</p> <p>Appointments essential through Ryde Eastwood Financial Counselling Service on:</p> <p>Ph 9858 1377</p> <p>Fax 9804 7743</p> <p>Email financial.counselling@CCAS.org.au</p>

Financial counselling services in regional New South Wales

<p>Albury – St David’s Care</p> <p>593 Olive Street, Albury 2640</p> <p>Ph 6021 7175</p> <p>Fax 6023 2448</p> <p>Email stdavids@albury.net.au</p>	<p>Newcastle – Moneycare (Monday to Thursday)</p> <p>The Salvation Army CSC Union & King Streets Newcastle NSW 2302</p> <p>Ph 4929 2300</p> <p>Fax 4926 4479</p> <p>Email carolyn_limeburner@aue.salvationarmy.org</p>
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<p>Bathurst - Creditline Central West</p> <p>Rocket Street, Bathurst PO Box 775 Bathurst 2795 Ph 6332 3456 Fax 6332 3457</p>	<p>Newcastle – Moneycare (Monday, Wednesday, Friday am)</p> <p>The Salvation Army DHQ Union & Parry Streets Newcastle West NSW 2302 Ph 4926 0231 Fax 4926 2228 Email justin_davies@aue.salvationarmy.org</p>
<p>Canberra – Lifeline</p> <p>69 Northbourne Avenue, Canberra PO Box 583, Canberra City 2601 Ph 6247 0655 Fax 6257 4290</p>	<p>Newcastle / Hunter- Creditline</p> <p>21 Gordon Avenue, Hamilton PO Box 154, Hamilton 2303 Ph 4961 5355 Fax 4962 3295</p>
<p>Dubbo - Community Legal Centre INC</p> <p>51 Bulije Street, Dubbo 2830 Ph 6884 9421 Fax 6884 9397 Email dclc@tpgi.com.au</p>	<p>Nowra – Creditline (Monday, Tuesday, Wednesday)</p> <p>130 Junction Street, Nowra 2541 Ph 4421 5365 Fax 4422 4016</p>
<p>Eastlake Macquarie - Eastlakes Family Support Service</p> <p>14 Hickory Road, Gateshead West PO Box 4003, Gateshead West 2290 Ph 4943 9255 Fax 4942 5205 Email eastlakes@iprimus.com (Services region between Charlestown and Nords Wharf)</p>	<p>Nowra - Mission Australia Financial and Gambling Counselling</p> <p>72 Berry Street, Nowra PO Box 926, Nowra 2541 Ph 4422 7112</p>
<p>Eastlakes – Moneycare (Thursday and Friday)</p> <p>The Salvation Army 360 Pacific Highway Belmont NSW 2280 Ph 4945 1912 Fax 4945 1930 Email kristen_hartnett@aue.salvationarmy.org</p>	<p>San Remo Financial Counselling Service</p> <p>28 Brava Avenue, San Remo 2262 Ph 4390 7888 Fax 4399 2398 Mobile 01419 299 804 Email fcs_srncc@email.com Services North Wyong Shire - Toukley, Gorokan, Lake Munmorah, Gwandalan</p>

<p>Eden – Anglicare (Wednesdays and Fridays)</p> <p>199 Imlay Street, Eden, 2551 Ph 6496 3325 Fax 6496 4235</p>	<p>Taree– Moneycare (Monday, Wednesday, Thursday, Friday)</p> <p>The Salvation Army 55 Manning Street Taree NSW 2430 Ph 6551 2570 Fax 6551 0914 Email pauline_smith@ae.salvationarmy.org</p>
<p>Eurobadalla Financial Counselling Service</p> <p>54 Campbell Street, Moruya PO Box 269, Moruya 2537 Ph 4474 0891 Fax 4474 2240 Email financial@batemansbay.com</p>	<p>Temora Community Centre</p> <p>182 Hoskins Street, Temora 2666 Ph 6978 0500 Fax 6978 0330</p>
<p>Forster Neighbourhood Centre</p> <p>Appointments essential CWA Cottage, Little Street (next to Tourist Information Centre), Forster PO Box 314, Forster 2428 Ph 6555 8300 Fax 6554 5234</p>	<p>The Entrance - Central Coast Financial Counselling Service</p> <p>The Entrance Neighbourhood Centre PO Box 101, The Entrance 2261 Ph 4334 2304 Fax 4332 9549 Services 2259 and 2260 postcodes only</p>
<p>Hunter Valley – Financial Counselling Hunter Valley Project</p> <p>Rutherford Community Centre PO Box 467, Rutherford, 2320 Ph 4932 9777 Fax 4932 9766 Email financial.counselling@hunterlink.net.au Maria Hatch 0418 275 576 Brenda Macpherson 0407 780 120</p>	<p>Tuncurry – Moneycare (Tuesday to Friday) The Salvation Army</p> <p>7 South Street Tuncurry NSW 2428 Ph 6554 6101 Fax 6555 3347 Email lenece_pek@ae.salvationarmy.org</p>

<p>Kempsey - Kempsey Neighbourhood Centre</p> <p>Old Station Master's Cottage, 5 Kemp Street, Kempsey PO Box 109, Kempsey 2440 Ph 6562 1731 or 6562 8300 Fax 6562 6831</p>	<p>Wagga Wagga Family Support Program 41 Trail Street, Wagga Wagga</p> <p>PO Box 2154, Wagga Wagga 2650 Ph 6921 7675 Fax 6921 8105</p>
<p>Lismore & Districts Financial Counselling Service</p> <p>13 McKenzie Street, Lismore PO Box 525, Lismore 2480 Ph 6622 2171 Fax 6622 0096</p>	<p>Wagga Wagga – Mission Australia Financial and Gambling Counselling</p> <p>72 -76 Fitzmaurice St Wagga Wagga 2650 Ph 6933 9700 Fax 6931 9001</p>
<p>Mudgee– Moneycare (Tuesday, Thursday am)</p> <p>The Salvation Army 23 Perry Street Mudgee NSW 2850 Ph 6372 6193 Fax 6372 61994 Email paul_barnett@aue.salvationarmy.org</p>	<p>Warrawong - Illawarra Legal Centre</p> <p>7 Green Street, Warrawong PO Box 139, Warrawong 2502 Ph 4276 1939 Fax 4276 1978 Email ilc@magna.com.au</p>
<p>Murwillumbah Financial Counselling Service</p> <p>Nullum Street, Murwillumbah PO Box 722, Murwillumbah 2484 Ph 6672 6237 Fax 6672 6280</p>	<p>Westlake Macquarie- Creditline</p> <p>Haydenbrook Road, Woodrising PO Box 4006, Booragul 2284 Ph 4950 5108 Ph/Fax 4959 9299</p>
<p>Nambucca Valley Neighbourhood Centre</p> <p>27 Wallace St., Macksville, 2447 Ph 6568 2305 Fax 6568 2218</p>	<p>Wollongong - Creditworthy (Mission Australia)</p> <p>1st Floor, 13 Auburn Street, Wollongong 2500 Ph 4229 4711 Fax 4229 8493 Email creditworthy@wollongong.hotkey.net.au</p>

Narromine- Centacare Financial Counselling Service 12 Dandaloo Street, Narromine PO Box 411, Narromine 2821 Ph 6889 4932 Fax 6889 4931	
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Interstate financial counselling services

VICTORIA

Financial and Consumer Rights Council 03 9663 2000	Credit Helpline (VIC) 03 9602 3800 or 1800 803 800
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SOUTH AUSTRALIA

Adelaide Central Mission 08 8202 5180	Para Districts Community Legal Service 08 8281 6911
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WESTERN AUSTRALIA

Financial Counsellors Resource Project 08 9221 9411	Financial Counsellor's Association of Western Australia 08 9325 1617
Consumer Credit Legal Service WA 08 9481 7662	

TASMANIA

Anglicare Financial Counselling Service 1800 243 232	Consumer Credit Solicitor at Hobart Community Legal Service 03 6223 2500 or 1800 232 500
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QUEENSLAND

Financial Counselling Services Qld 07 3257 1957	
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NORTHERN TERRITORY

Anglicare Northern Territory Financial Counselling Service 08 8985 0000 or 1800 898 500	
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ACT

See Regional NSW

Other useful contacts

Anglicare Australia www.anglicare.asn.au	Financial Counselling Association of NSW Includes a list of accredited financial counsellors in NSW: www.acwa.asn.au/fcan www.womens.gateway.nsw.gov.au
Auburn Asian Welfare Lidcombe 8 Rawson St Lidcombe NSW 2141 Ph: 9646 3695 * Mandarin, Cantonese and Vietnamese spoken	Gamblers Anonymous 9564-1574
Australian Bankers Association Level 3, 56 Pitt St Sydney NSW 2000 Ph: 8298-0417 www.bankers.asn.au	Greek Welfare Centre 378a King St Newtown NSW Ph: 9516 2188
Australian Banking Industry Ombudsman GPO Box 3A Melbourne City 3001 Freecall: 1800337444 www.abio.org.au	G – Line 1800 633635
Australian Consumers Association www.choice.com.au	Indochina-Chinese Association 10/124-128 Railway Parade Canley Vale NSW 2166 Ph: 9724 6648 or 9728 1773 * Cantonese, Mandarin and Vietnamese spoken

<p>Australian Finance Conference Ltd (AFC)</p> <p>GPO Box 1595 Sydney NSW 2001 Ph: 1800 231 587 Email: afc@afc.asn.au</p>	<p>Lifeline</p> <p>131114</p>
<p>ASIC</p> <p>Level 18, No 1 Martin Place Sydney NSW 2000 GPO Box 9827 Sydney NSW 2001 DX 653 Sydney Phone (02) 9911 2000 Fax (02) 9911 2333 www.asic.gov.au www.thesource.gov.au</p>	<p>Lifeline Western Sydney</p> <p>Locked Bag 5360 Parramatta NSW 2124 Ph: 9891 6212 * Arabic and Vietnamese spoken</p>
<p>Baycorp Advantage Public Enquiries</p> <p>PO Box 964 North Sydney NSW 2059. (02) 9951 7880 (fax)</p>	<p>Mortgage Assistance Scheme (NSW)</p> <p>Home Purchase Advisory Service Level 5 23-31 Moore Street Liverpool NSW 2170</p> <p>Freecall: 1800 806 653 Phone (02) 9821 6111 Fax : (02) 9821 6550 E-mail:admin@housing.nsw.gov.au</p>
<p>Centacare Blacktown</p> <p>51-59 Allawah St Blacktown NSW 2148 Ph: 9671 2011 *Cantonese and French spoken</p>	<p>NSW Dept of Fair Trading</p> <p>1 Fitzwilliam Street, Parramatta NSW 2150 Australia Tel: 61 2 9895 0111 Fax: 61 2 9895 0222 www.dft.nsw.gov.au</p>
<p>Centrelink Financial Information Service (FIS) Officers</p> <p>www.centrelink.gov.au/internet/internet.nsf/services/fis.htm</p>	<p>Parramatta Registry – Family Court of Australia</p> <p>1-3 George St Parramatta NSW Ph: 9893-5555 After hours emergency 9212-6787 www.familycourt.gov.au</p>

<p>Chinese Australian Services Society</p> <p>44-48 Sixth Ave Campsie NSW 2194 Ph: 9789 4587 Phone counselling available on Wed, Sat and Sun between 10.30am – 1.00pm Ph: 9787 8333 *Cantonese and Mandarin spoken</p>	<p>Privacy Commissioner</p> <p>Level 9, 133 Castlereagh St Sydney NSW 2000 Ph: 1300 363 992 or: (02) 9284 9600 Fax: (02) 9284 9666</p>
<p>City-Wesley Gambling Counselling Service</p> <p>53 Regent St Chippendale NSW 2008 Ph: 9951 5566</p>	<p>Redfern Legal Centre</p> <p>73 Pitt St, Redfern NSW Australia 2016 Ph: 9698-7277 www.rlc.org.au</p>
<p>Community relations Commission for a Multicultural NSW</p> <p>164-174 Liverpool Rd Ashfield NSW 2131 Freecall: 1300 651 500</p>	<p>Social Security Appeals Tribunal</p> <p>Level 11, 157 Liverpool St Sydney NSW 2000 Freecall: 18000110140</p>
<p>Consumer Credit legal Centre</p> <p>Level 1, 72-80 Cooper St, Surry Hills NSW 2010 Ph: (02) 9212 4111 Fax: (02) 9212 4711 Debt Hotline: 1800 247 890</p>	<p>Somerville Community Services</p> <p>08 8945 1533</p>
<p>Credit Advantage Ltd</p> <p>90 Arthur St, PO Box 964 North Sydney NSW 2059 Ph: (02) 9464 6000 or: 133 124 Fax: (02) 9951 7880 Credit Helpline 1800 808 488 http://finance.ninemsn.com.au/money/ www.scamwatch.gov.au www.consumersonline.gov.au www.consumer.gov.au http://www.youth.nsw.gov.au/links/law/</p>	<p>The Salvation Army</p> <p>Australia Eastern Territory Territorial Headquarters 140 Elizabeth Street PO Box A435, Sydney South, NSW, 1232 Phone : 9266- 9530 www.salvos.net</p>

<p>CreditLine</p> <p>53 Regent St, Chippendale NSW 2008 Ph: (02) 9464 6000 Fax: (02) 9951 7880</p>	<p>Translating and Interpreter Service</p> <p>Ph: 13 14 50</p>
<p>Department of Gaming and Racing</p> <p>9995-0333 Level 7, 323 Castlereagh St., Sydney 2000 www.dgr.nsw.gov.au</p>	<p>Wirringa Baiya Aboriginal Women's Legal Centre</p> <p>Cnr Livingstone & Marrickville Rds Marrickville NSW 2204 Freecall: 1800986587</p>
<p>Domestic Violence (Department of Community Services)</p> <p>Emergency accommodation, support and referral Freecall: 1800671442</p>	<p>Wollongong Relationships Australia</p> <p>Level 1 63B Market St Wollongong 2500 Ph: 4228 7711 * Croation, Greek and Turkish spoken</p>
<p>Family Court of Australia</p> <p>Sydney Registry 97-99 Goulburn St Sydney NSW 2000 Ph: 9217 7111</p>	<p>Women's Legal Resources Centre</p> <p>PO Box 57 Lidcombe North NSW 2141 Freecall 1800801501</p>