

MONEY MATTERS

Understanding and managing debt

This fact sheet is part of the *Money Matters* Series from Women's Health East. Find out more about the project at <https://whe.org.au/money-matters>

Types of debt

'Good' debt

- Mortgages – A mortgage allows you to buy a house, which generally increases in value over time. It is crucial not to overstretch what you can afford in repayments.
- Student Loans – Education is a long-term investment in your future.

'Bad' debt

- PayDay Loans are only a short-term solution that come with high interest rates.
- Credit card debt – If not paid off on time, can be subject to a huge annual interest rate.
- Personal loans come with high interest rates.
- Buy-now Pay-later services have account fees and late payment fees.

Credit files and credit scores

To find out more about credit scores, including how hardship impacts your credit score, visit www.creditsmart.org.au

You can access your credit reports and scores online. Ensure you can get a free copy.

Visit: www.equifax.com.au or www.illion.com.au

Mortgages

There are several considerations when you are considering taking on a mortgage, including making extra repayments, finding a lower interest rate, making higher repayments, and considering an offset account.

Visit: www.moneysmart.gov.au/home-loans/mortgage-calculator to find out how much you can borrow and how much your repayments will be, and www.moneysmart.gov.au/home-loans/mortgage-switching-calculator to compare the cost and saving of switching your mortgage account.

Who can I contact for support for problem gambling?

Gamblers Help Eastern offers support, advice and information to people affected by gambling (both the gamblers and non-gamblers), including financial counselling and therapeutic counselling.

Visit: www.each.com.au/service/gamblers-help-eastern/ or phone 1300 131 973

What assistance is available for financial hardship?

If you are experiencing financial hardship, speak to the 'Hardship Team' of your credit or utility provider or talk to a financial counsellor.

Support is available, including:

- Utility Relief Grants Scheme for Electricity, Gas and Water for eligible customers.
- Flexible Support Packages are provided by local community agencies for victims of Family Violence.
 - Contact the The Orange Door EMR network (contact details below)
 - Some banks provide support in the form of funds/services to assist their customers experiencing Family Violence.

Why would I go to see a financial counsellor?

Financial counsellors provide assistance, advocacy and information to those who are experiencing financial difficulty or who have problems with debt.

How do I find a financial counsellor near me?

National Debt Helpline offers free and confidential advice from professional financial counsellors as well as referral to a financial counsellor near you.

Visit: www.ndh.org.au or phone 1800 007 007 (9.30am to 4.30pm, Monday to Friday).

Where can I go to get help for Family Violence or Elder Abuse (including financial abuse)?

If you or someone you know is at immediate risk of physical harm or property damage, call Victoria Police on 000.

Other free services include:

- Safe Steps on 1800 015 188 or safesteps@safesteps.org.au - 24/7 family violence response (crisis phone line and planning for your safety)
- 1800 RESPECT on 1800 737 732 (family violence) or 1800 ELDERHELP on 1800 353 374 (elder abuse) - confidential information, phone counselling and support services.
- If you live in Melbourne's Outer East (Knox, Yarra Ranges, Maroondah) contact The Outer East Melbourne Area (OEMA) Orange Door on 1800 271 150 or OEMA@orangedoor.vic.gov.au
- If you live in Melbourne's Inner East (Boroondara, Manningham, Whitehorse and Monash) contact The Inner East Melbourne Area (IEMA) Orange Door on 1800 354 322 or IEMA@orangedoor.vic.gov.au

- Eastern Community Legal Centre on 1300 32 52 00 or <https://eclc.org.au/> – confidential legal, social and financial counselling support for people experiencing or at risk of family violence and elder abuse.
- 13 YARN on 13 92 76 - Aboriginal & Torres Strait Islanders crisis support line (24/7)
- Rainbow Door on 1800 729 367 - advice, referral and support for LGBTIQ+ Victorians

For more information please contact:

Women's Health East - 9851 3700 or www.whe.org.au