



What to do if you are in financial difficulty

Don't panic, it may not be as bad as it seems

And even if it is, there may be alternatives.

Start by working out a Budget Plan related to your pay period. If a joint income is received at differing periods, relate it to your food shopping cycle. Be honest - write down what you (and your partner/family) are actually spending.

Decide (jointly, if relevant):

- can basic living costs be decreased and how?
- priorities - needs vs. wants
- can you increase your income?

Meanwhile, if you have regular debt repayments that you can't meet in full or at all, contact the credit provider immediately and explain or negotiate. If you don't do this, the credit provider may commence legal action.

If after completing the Budget Plan your outgoings still exceed your income, call the Financial Counselling Service on 1800 007 007. You can make an appointment to get independent advice regarding your options, which could be:

- additional ways to economise on your budget
- offers of reduced payments to creditors – perhaps requesting freezing of interest or lower interest in case of hardship or disposing of some assets to pay the debts
- see <https://www.moneysmart.gov.au/> - managing my money – managing debts

Note: Two options which should only be considered after seeking advice are:

- a consolidation loan, because in the long term this may worsen rather than solve your problem if entered into without considering such things as additional/higher interest, loan establishment fees, security required by creditor, length of loan etc.
- bankruptcy - a last resort. The financial counsellor will explain the conditions and how it will affect you in the future

REMEMBER: It is never too late to seek advice

Do you need immediate assistance? Please call the Credit and Debt outline: 1800 007 007

DISCLAIMER: The information provided in this information sheet is of a general nature only, and is not intended to be legal advice. There may be errors or inaccuracies or the information may not be completely up-to-date. Always check the information provided before relying on it. The information relates to consumer law in New South Wales, Australia.