

Big cars driving us over the edge

ISABELLA SHAW

A LOVE of new family-sized cars and their accompanying large loan repayments is the main cause of crippling debt among locals, according to a national debt consultant.

Debt Mediators Australia, which provides advice on debt and bankruptcy problems to clients across the country, said there had been a massive 25-fold, or 2500 per cent, increase in inquiries from Blacktown residents over the past six months.

One-quarter of those Blacktown inquiries, the largest proportion, were from small business owners struggling with the increased costs of doing business.

The average credit card debt for locals was blowing out to a massive \$37,000.

Senior debt consultant Ben Paris said expensive cars were proving to be the biggest drain on resources, with many families borrowing heavily for car loans of up to \$30,000-\$40,000.

Mr Paris said loan repayments, along with the cost of insuring and running a big car, were tipping them over the edge.

"The cars depreciate rapidly and they're left owing \$40,000 on a \$15,000 car," he said.

"Selling the car ceases to be an option as they would be left with a \$25,000 or large shortfall.

"These large car loans reduce the clients' ability to both save and soak up the cost of living and is, in hundreds of cases each week, the main debt creating financial difficulty."

Mr Paris said clients were also battling a "perfect storm" of financial pressures.

He said when interest rates were at historically low levels, "it was easy to have the lifestyle you wanted for one low, low monthly payment".

"But interest rates have increased dramatically across all debt - credit cards, car loans and mortgages.

"With the 25 per cent increase in the cost of living over the past five years for a population that is fully leveraged, this creates a perfect storm for debt default."

These large car loans reduce the clients' ability to both save and soak up the cost of living and is, in hundreds of cases each week, the main debt creating financial difficulty,



Counselling services get more funds for the needy

ISABELLA SHAW

TWO financial counselling services covering Blacktown are to be given additional State Government funding to cope with ever-increasing demand.

The Salvation Army's Moneycare will receive an extra \$21,940, while Wesley Creditline will be boosted with an additional \$80,971.

Fair Trading Minister Linda Burney said the money was part of \$100,000 over two years for a statewide financial counselling training program and expanded services in new areas of NSW.

"Last year around 33,000 people in dire financial straits accessed financial counselling services,"

FINANCIAL COUNSELLING

● Moneycare offers free and confidential advice and support to anyone in financial difficulties. It does not lend money or provide material aid. Call Moneycare at Leihobridge Park on 9835 2756

● Wesley Creditline offers confidential counselling to vulnerable and disadvantaged people facing financial crisis. It does not lend money. Kingswood office: 4731 2598 or credit and debt hotline: 1800 808 488

● For location and contact details of your closest financial counsellor call the Office of Fair Trading on 13 32 20 or visit www.fairtrading.nsw.gov.au

Ms Burney said. "Personal debt is estimated at about \$800 billion nationally and the distress around can lead to depression and marriage and family breakdowns.

"I urge anyone who is struggling to pay their bills to contact their closest financial counsellor

who can clarify where you stand legally, help you work out a budget and advise you on how to best manage your debts."

New services will be established in the Blue Mountains, Central West, North West, Goulburn, the Southern Highlands and South Western Sydney.

Managing mortgage on line

PEOPLE in financial stress can now click on line to access a new practical guide to help them weather the storm.

Managing your Mortgage, launched last week, is a new addition to the Competition and Consumer Commission's website and includes simple, practical advice to support homeowners experiencing mortgage stress. The guide also informs home owners of deceitful real estate operators who target those under financial pressure and looking to sell quickly.

Key tips of the guide include:

● Seek independent advice from a financial counsellor, community legal centre or legal aid office to identify possible courses of action;

● Talk to the lender as soon as a problem is identified to discuss options;

● Check all terms and conditions of new loans before deciding to refinance; and

● If a sale is necessary, arrange a number of valuations to get the best deal.

For more information contact the ACCC infocentre on 1300 302 502 or visit www.accc.gov.au

Relief hint for those rates blues

HOMEOWNERS have a glimpse of some good news, with the latest economist predictions suggesting the Reserve Bank will keep interest rates on hold for the rest of the year, even slashing them as the economy slows.

Minister for Western Sydney Barbara Perry said the news should bring relief to locals, particularly those suffering under increasing mortgage stress.

Blacktown has become notorious for sheriffs knocking on the door, with western Sydney home to about half of the state's property repossessions.

But with the Reserve Bank leading the way, Ms Perry said she hoped the four big banks would take a hint.

"It means they have no basis to lift their rates," she said.

Prostate Problems?

If you have any of the following symptoms, you could possibly have an enlarged prostate!

- ✓ Regular and urgent trips to the bathroom at night?
- ✓ Straining and discomfort?
- ✓ An interrupted weak stream, or leakage problem?
- ✓ Incomplete emptying of the bladder?

We provide a non surgical, non invasive treatment programme for Benign Prostate Enlargement, which can relieve you of these embarrassing and irritating symptoms.

Call NOW for a FREE Telephone Consultation with one of our Clinical Staff

1800 429 361

PROSTATE HEALTH CLINIC

for lease Parramatta



PROFESSIONAL ROOMS/OFFICE SPACE

- First time offered in 27 years
- short distance from Church Street
- 160m² building area
- 500m² site area
- 7 rooms + 2 WC + Kitchen + Storage
- On site parking for 6 cars
- BTB Alarm + Security Grills
- Immaculate Presentation
- Long Lease

Dushan Djukic 0433 235 008
02 9744 8833 | www.mq.com.au



FAMILY LAW

DO YOU WANT TO KNOW YOUR RIGHTS?

Our Family Law Team can give you quick advice at your first **FREE** consultation:

- Property Settlement
- Custody/Residence
- Access/Contact
- Separation
- Divorce
- De Facto

For your **FREE** appointment with our Specialist Family Lawyers phone Lisa on 9672 2263

MATTHEWS DOOLEY & GIBSON

SOLICITORS & ATTORNEYS

9672 2263

www.mdlegal.com.au

