

# OPTION 5: TOWARDS INDEPENDENCE

## MOVING FROM HOME

- **Reasons:** Further education, seek employment, independence and disagreements
- **Issues:** Cost of financing and supporting yourself, where to live, safety, documents needed
- **Organisations** are separated to **government, religious and community** organisations:
  - o Gov't – Dep't of Family and Community Services, NSW Dep't of Community Services, Centrelink
  - o Relg's – Salvation Army, Anglicare, St Vincent de Paul
  - o Com'y – Youth refuge, local community centres and housing, Lifeline – funded by local/state gov't

## ARRANGING ACCOMMODATION

### TYPES OF ACCOMMODATION AND TASK SHARING

- House, share house, apartment, college, hostel, youth refuge
- Most choose to buy an apartment and share with others – sharing means ↓ costs, provides company
- Cheaper to stay at home – fewer security concerns, but reduces independence

## FINDING THE RIGHT PLACE

- Houses available are advertised in newspapers, real estate windows or community noticeboards
- Choose accommodation that meets most requirements – such as repairs, TV, telephone, locks, etc

## PROCESSES FOR ARRANGING A LEASE

1. Determine **type of premises** – size and location, then locate available premises
2. Obtain **residential tenancy agreement** (standard agreement between tenants and landlord)  
**Landlord:** person who owns the premises being rented  
**Tenant:** person who rents the premises
3. Complete the **condition report** (details exact condition of a property) – worn carpet, broken fittings, etc.
4. May be asked to pay **reservation fee** – reserve premises while application is being considered (1 wk rent)
5. Pay **rental bond** – Office of Fair Trading's Rental Bond Board – cover landlord for damages (4 wk rent) refunded after moving out

## MANAGING FINANCES

### MAJOR COSTS

- Two types of costs – Establishment and Ongoing costs
- **Establishment costs** are one-off – setting up your new place to live, such as rental bond, telephone connection, essential whitegoods (fridge, washing machine, furniture)
- **Ongoing costs** recur – rent, electricity, gas, water, phone, groceries and travel expenses

## AVOIDING FINANCIAL PROBLEMS

- Should have a budget to manage finance – meet any expenses as they occur
- When sharing, have each person pay into a central fund (kitty), have own mobile phone, have rules and roster

## ORGANISING A HOUSEHOLD BUDGET

- **Budget** – list of planned income and expenditure, to manage finance

## TYPES OF INSURANCE

- Insurance is **financial protection against unexpected events** – people pay a **premium**
- Insurance is a **contract**
  1. Obtains **quotes** from insurance companies
  2. Fill out a **proposal** – apply to a company for insurance – all relevant details about contract and property
  3. **Policy** is issued when proposal accepted – includes **inclusions** and **exclusions** (what is covered)
  4. **Renewal notice** sent every year – pay a further premium every year (or month)
  5. **Claim form** completed if the event covered occurs and you want compensation
- **Household insurance:**
  - o **Home** (storms, fire, explosions)
  - o **Home contents** (furniture)
- **Personal insurance:**
  - o **Life** (death)
  - o **Sickness and accident** (mainly self-employed people)
  - o **Health** (Medicare covers basic medical costs, additional private health insurance cover can be purchased)
- **Motor vehicle insurance:**
  - o **Compulsory third party** (kill or injure someone in accident) – ‘green slip’ when registering vehicle
  - o **Third party property** (compulsory + property in the motor vehicle)
  - o **Comprehensive motor vehicle** (cost of repairs, replacement and other vehicles involved in accident)
- **Other types of insurance:**
  - o **Workers’ compensation** (compulsory injury cover), **Public liability** (if a company is sued due to negligence), **Marine** (boats and ships), **Crop** (rain, locusts), **Pluvius** (loss due to rain – sports, etc)

## MAJOR PURCHASES

### BUYING A CAR

- Second largest purchase after buying home – others include furniture, fridge, washing machine, TV
- **Costs: Initial** (stamp duty, delivery charges) and **recurring** (insurance, registration, service, fuel)
- Purchase a **new or old car** from a **dealer or private seller**
- **Licensed car dealer** – ↑ cost, ↑ protection – regulated by laws, not applied to private sellers – guarantees:
  - o **Clear title on the vehicle** (car cannot be repossessed, passed on to you in the sale)
  - o **Warranty** – promise to repair any defects – new cars fixed in first 12 mths, 2<sup>nd</sup> hand fixed in first 3 mths
- **Problems:** set a max price, bargain to save \$, budget costs, obtain insurance, check when reg’n runs out, inspect the car before purchase

## PROCESSES INVOLVED IN PURCHASING MAJOR ITEMS

### - Pay by cash

- Purchase using notes and coins, debit card/EFTPOS or cheque

#### Advantages

- Instantly receive the good
- Avoid debt
- Negotiate a discount

#### Disadvantages

- Having to wait until saved sufficient funds
- Inconvenient to carry large sum of money

### - Pay by credit

- **Credit sales contract** – retailer provides you with credit, paid monthly + interest
- **Loan contract** – personal loan from bank, **continuing credit contract** – using a credit card
- **Lay-by** – pay deposit for good, make repayments later – avoid interest, but you don't get the good

## COMMUNITY INVOLVEMENT

- **Access for community services** from Internet (but low funding)
- **Contributing to the community** – highly desirable services are fully staffed and funded
  - Joining a volunteer organisation, making donations, donating blood, recycling clothing, etc

## LIFESTYLE ISSUES

- Pressures through **work, study and family commitments**
  - Balanced lifestyle of work, leisure, fitness and sleep to **avoid stress**
- Moving away from home can be **overwhelming** – time management is important