



Students Guide: How To Lower Your Living Expenses In Melbourne

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Abstract

Living in Melbourne as a student can be expensive, but there are several strategies to help lower your living expenses. Start by choosing affordable accommodation, such as shared apartments or university housing, to save on rent. Utilize public transportation or a bicycle to cut down on commuting costs. Take advantage of student discounts available at many stores, restaurants, and entertainment venues. Cooking at home rather than eating out can significantly reduce your food expenses, and buying groceries in bulk from discount stores can further stretch your budget. Additionally, consider finding a part-time job or freelance work to supplement your income, and be mindful of your spending by budgeting carefully and prioritizing essential expenses.



1. Introduction

Living expenses can be a significant concern for students, especially in vibrant cities like Melbourne. Known for its bustling urban life, cultural attractions, and diverse communities, Melbourne offers a unique but often costly experience. As a student, managing your finances effectively is crucial to ensure you can focus on your studies while enjoying what the city has to offer. This guide will provide practical tips and strategies to help you lower your living expenses in Melbourne, allowing you to make the most of your student life without breaking the bank.

2. Know About Cost Of Living In Melbourne Before Moving



When you calculate the cost of living in Melbourne or regional Victoria you may find that the expenses are different to what you have to pay in your own country.

What to include in the cost of living

Rent (or other accommodation), utilities, groceries, restaurants and transport are good places to start.

Rent and other accommodation

Tenants pay rent and also need to pay for electricity, gas, internet and cable services.

If you are sharing the rental of a property, you and the other tenants will probably split these expenses between you.

If you are living in a homestay, student accommodation or in a residential college on campus you may find that these expenses are included in your rental.

Utilities

In Australia you may hear people talking about 'utilities'. Utilities include electricity, gas, water, phone and internet.

Transport and travel

Transport costs vary depending on where you live. If you travel regularly by public transport you can save money by buying monthly passes. Most universities offer easy bicycle parking. As an international student you may be eligible for a 50% discount on the price of Myki, with an iUsepass.

Groceries and restaurants

If you plan to enjoy Melbourne's wonderful restaurants, include the cost of eating out in your calculations. You can keep costs low by cooking your own meals.

2.1. Save Money In Cost-Of-Living Crisis



Although inflation is easing, the cost-of-living crisis remains a strain for many Australians. Here are some easy ways to save money.

The price of groceries, petrol, insurance, renting, and mortgage repayments is taking a toll on many Australians, some of whom are struggling to afford the basics of shelter, heating and food. In 2022, inflation hit levels not seen in decades, reaching 7.8% by the end of the year, and prompting the RBA to begin a series of aggressive rate hikes. After 13 rate hikes, in which the RBA took the cash rate to 4.35%, inflation is finally easing, although at a slower

pace than hoped. As of May, 2024, the annual inflation rate is 3.6% and there is a small possibility the RBA will hike rates again this year.

Inflation has been most keenly felt in areas where people can't afford to cutback—vital insurances, rental or mortgage payments, and, of course, groceries, with food rising around 4% on average each year, although some staples have experienced much higher increases. In fact, so steep have been price rises at the check-out that a Senate inquiry is looking into claims that Australia's two major supermarkets—Coles and Woolworths—are price-gouging. The nation's food banks, meanwhile, have reported extraordinary demand.

Fuel, too, is on the march again, with the rising oil prices and a weak Australian dollar pushing the national single-day average price for unleaded 91 to \$2.17 in late April.

As Australians grapple with these higher costs of living right across the country, it's tempting to think that bargains are a thing of the past. But there are ways to save with a bit of planning and know-how.

Know Your Expenses



The first step to saving money is to understand how much you spend, and to understand what is necessary spending, and what isn't.

That means that every household item needs to be accounted for, so get out your bank statement for the past few months and start separating out your expenditure in a simple spreadsheet.

This data will help you organise your numbers by categories and give you a monthly total. Make sure you've included everything, such as annual expenses like insurance and car maintenance, so you can see clearly what you've got left at the end of each month.

Next, work out what you can cut out, and where you can reduce your spending. Identify non-essentials, such as dining out, unnecessary subscriptions and other recurring charges that need to be cancelled, and even entertainment costs.

Facing up to the numbers and taking control in this way can be daunting at first but in the end can feel hugely liberating.

Conduct a Financial Audit

If you have several debts, consolidating these in one monthly payment might be a good option for you. This involves rolling over the debts into the one loan so that you can make a single repayment.

Next, look at what you're paying in bank fees and credit card fees, which can vary significantly between providers, so get out the bank account statements and really understand what your bank is charging you.

There's a lot to be said for simply calling your bank and asking for a better deal when it comes to these charges.

While you're at it, call your bank and ask for a discount on your home loan interest rate as well. Start by comparing what you're paying against other lenders so you've got the information at hand to ask for a better deal.

Many banks, in particular, are getting on the front-foot and calling mortgage holders to offer them a cheaper rate before they have a chance to refinance so take advantage of this desire to keep your business and push for a 1% reduction in your loan (and ask them to waive any fees. They can do this). The key here is to be prepared to walk to another lender if there's a much better deal on the table that your bank won't match.

Of course, making sure you pay off your credit card in full is the best way to avoid interest charges so if you're struggling to meet these repayments each month, it may be time to ditch your credit card.

Also, shop around on your insurance policy to see if you can get a better deal elsewhere, but make sure when comparing policies that you're comparing apples with apples. A lot of consumers end up paying what is known as a "loyalty tax", which sees them pay too much on common insurances because they fail to shop around each year and so miss out on lower introductory rates for new customers.

Reduce Your Grocery Bills

Trimming the fat out of your grocery shop can make a huge difference, with plenty of everyday Australians offering tips on how to reduce your bill as low as \$150 a week for a family of four.

Start by planning ahead. Decide what your weekly meals will be, including lunches and snacks, and write a shopping list so you don't get distracted once you're in the supermarket.

Look for specials and switch to home brands, and convert over to frozen vegetables for some of the staples, which end up being far cheaper to purchase than fresh. Also look out for local weekly veggie boxes filled with local produce, such as Good & Fugly, which curates a weekly produce box of fruit and vegetables deemed 'cosmetically unsuitable' for supermarkets and delivers them direct to consumers in Melbourne and Sydney.

According to a report in Nine newspapers, Melbourne not-for-profit, The Community Grocer, has experienced a doubling of visitors at its produce markets each week. It sends out veggie and fruit boxes—for around \$20 each—to some 300 households each week.

Cutting out some meat from your diet, buying in bulk, and planting a few of the basics in your own garden can also help reduce your weekly food bill. Also, cut down to one grocery shop a week, rather than going in every day.

Rethink Your Household Bills



Running a house can be very expensive over the course of a month, so look for ways to reduce your bills, and electricity consumption.

Only run your washing machine when you've got a full load to wash, and use cold water. Also, just heat and cool the room you're using, rather than the entire home. You can cut costs by simply closing the blinds to block out the morning sun, or by making sure your heat isn't leaking out the open laundry window.

Turn off your appliances when they aren't in use, and wait to turn on your dishwasher until just before bed so you're not paying peak energy costs.

Make sure you are signed up to the cheapest deal possible. The Federal Government offers free tools and resources to help consumers compare plans. As each state is different, they also offer state-specific resources to help you choose the cheapest deal. It may take a few minutes of your time, but can save you hundreds of dollars.

For example, it is estimated that those who used the Victorian Government's Victorian Energy Compare website were able to save \$330 in the first year alone by switching to a cheaper deal. State Governments routinely offer rebates for customers who shop around during the winter months so keep your eyes peeled for these.

3. Student budgeting advice



The importance of having a budget as a student

Living on a student budget can be challenging.

If it's the first time you've lived away from home, you'll find yourself balancing expenses such as rent, groceries and transport with expenses for leisure activities, hobbies and course costs.

If you're returning to study full time, you will need to adjust your budget to suit a student lifestyle.

With a little planning, some financial assistance and the use of good budgeting apps, you can figure out a money plan that works for you.

At VU, we've got plenty of budgeting advice for students.

Our senior advisors specialise in welfare, finance and housing. They provide free and confidential assistance, to help you better manage your money and get the most out of university life.

Read on to find out how you can best manage your money, while you learn.

Calculate your budget



First, you need a clear overview of your finances and expenses. To get this, you need to create a monthly budget.

Commit to a 'financial fortnight' or 'money month' where you track your daily expenses. You can do this by:

- looking at your transaction statements online
- using a phone app to record your expenses
- writing down your cash and card purchases.

After completing your fortnight or month, you'll have a clear overview of your finances and you'll know where your money is going. Sometimes knowing how much you're spending can encourage you to spend less.

From here, you can work out how much you need for essential expenses, such as:

- rent or board if you're living at home
- bills, such as water, electricity, gas, internet, phone
- groceries
- medical and dental costs
- insurance, including private health
- childcare
- expenses for pets such as food, toys and vet bills
- petrol and car registration, insurance, servicing and maintenance
- public transport
- course materials, such as textbooks, laptop or tablet.

You can include family-related expenses if you have children, such as school fees, mortgage, house maintenance, electrical goods and furniture. You may also need to figure out additional costs if you're moving out of home for the first time.

Once you've got these expenses figured out, you'll know how much money you can allocate to other activities, such as:

- nights out
- dining out and takeaway
- movie tickets and entry to art galleries

- leisure activities like concerts, festivals and shows
- new clothes
- gym membership
- hair and beauty expenses
- gifts and donations
- travel
- subscription services (Netflix, Stan, Spotify, etc).

These are also the things you can cut back on, to make your budget work for you. Take this opportunity to see if there's anything you can do without for a little while or entirely, to save money.

You should also include how much you'd like to send to your savings and/or emergency fund every pay. Even if you can only save a little, it's good to make a start, as it will add up over time.

Then you can:

Work out your total income while studying for the year. This figure may fluctuate, depending on whether you're working casually, on a scholarship or receiving a study allowance.

Subtract your essential expenses from your total income.

The amount you're left with will determine how much cash you have left for leisure activities and holidays, or to add to your savings.

What is a reasonable student budget?

There is no template for an ideal student budget, as it depends on your own circumstances.

Some students may work part or full time, generating more income. Others need to allocate money for rent or a mortgage, or will have dependents and pets to take care of.

It also depends on what's important to you. You might not mind cutting back on dining out and takeaway, but want to maintain your gym membership while you study.

This is why it's a good idea to track your spending for a couple of weeks or a month, to see where your money is going. You can then use this data to create the perfect budget for you.

Ideally, you'll want to cover your essentials and leaves extra funds to allocate to 'fun', savings and if possible, an emergency fund.

It's also a good idea to plan for additional expenses. Create a buffer that you can use to cover any unexpected but necessary costs.

4. Find a Good Roommate To Cut Living Cost



Finding a roommate can be tough and sometimes feel overwhelming. Whether you're looking for a place to live or seeking someone to live with you, it's important to find a compatible match. Advertise with specific information so you can find someone who shares your interests and lifestyle. Meet with a variety of roommates before making a decision. Think it over carefully before making a final choice. With a little diligence, you can find an excellent roommate.

Finding Potential Roommates

Advertise online. Websites like Craigslist, Padmapper, and Roomie Match can help you find the right roommate for you. Such sites allow you to build a profile or post an ad seeking out a roommate to meet your needs.

Ask friends for leads. As your friends know you well, let them know you're seeking a roommate. Let them know to pass on any leads to you. As your friends know your habits and lifestyle, they'll likely to be able to point you in the direction of a compatible match.

Start looking early. A bad roommate can make life incredibly stressful. The sooner you start looking for a roommate, the better. Start seeking out a roommate a month or two in advance.

Provide as many details as possible. Seemingly small details can make a big difference in attracting the right match. While writing your post, include as many details as possible about your lifestyle and habits. If you're seeking a roommate for an apartment you're currently living in, make sure to provide details about the apartment and neighborhood.

Share your interests in an ad. While you don't need to be best friends with your roommate, it's always a perk to find someone you get along with. Include a little about yourself and your interests. This will help you attract a likeminded roommate.

5. Save Money on Food and Groceries



As an international student in Australia, grocery shopping and eating out can be expensive. However, there are strategies to budget and save without sacrificing quality!

Reducing your grocery bill can help free up cash to spend on exploring your new home, travelling or going out with friends. Here's our helpful guide on how to save money on groceries.

Make the most of discount grocery shopping

In Australia, ALDI, Coles and Woolworths are the largest grocery chains.

Research shows that ALDI is cheaper compared to Coles and Woolworths. ALDI has over 590 stores and operates in every state and territory in Australia except for the Northern Territory and Tasmania. So, depending on where you are studying, you may be able to visit this chain for your weekly shops to save some cash.

It's important to mention that ALDI supplies fewer Australian-produced products than some other chains. If you are environmentally conscious, local independent greengrocers, butchers and bakeries may be more sustainable options, although they may be more expensive.

Costco is another great option for saving money on groceries. The chain has stores located in NSW, VIC, QLD, SA and ACT. The concept behind Costco is to "buy in bulk" to save money. For long-life foods, frozen foods, staples, toiletries, cleaning supplies and more, buying in bulk can save you money in the long run, rather than buying items individually for a higher unit price.

Hypothetically, you might pay *\$3.50 for 200g of rice at your local supermarket, while Costco sells 5kg for \$10. This means you are actually saving money, paying \$0.20 per 100g at Costco and \$1.25 per 100g at your local Woolworths or Coles.

Individual Costco memberships start at \$65 per year and even give you access to the brand's petrol stations, allowing for great savings on more than just food. You could even share the membership with housemates, so you can buy pantry staples/milk/bread in bulk and share the cost.

Shop at the right time



Showing up at the supermarket or fresh food markets at the very beginning or end of the day, particularly on a Friday, can make a huge difference to your spending.

Stores want to get rid of perishable items (like meat or bakery items) at the beginning or end of the day. This means that they often put out a 'reduced' section in the bakery, one in the chilled section, and sometimes one in the fruit and vegetable section.

If you really want to go out to eat, remember that many places have cheap days or 'meal deals' for students. Local pubs also usually have meal deals and specials on specific days of the week.

Leverage food discount apps

Another great strategy to save money on your food bill each week is to take advantage of food discount apps. You can find great deals on groceries, takeaway chains, restaurants and more. Some of our favourites include:

Groupon: Provides a range of discounts on restaurants and bars, cafés, groceries and markets, as well as breweries.

Student Edge: Discover discounts on a variety of classic student go-to takeaway chains like Domino's, McDonald's and more.

EatClub: Score discounts and last-minute deals on restaurants and bars across New South Wales, Victoria, Queensland, and South Australia.

Frugl Grocery: A free app for iOS and Android that keeps you updated with the best grocery prices every week from Coles, ALDI, Woolworths, IGA and more. Create lists of regular pantry items you usually buy, and Frugl will tell you the best retail prices.

Opt for frozen produce

Another simple way to save money on your food bill is to opt for frozen food. Frozen fruits – like berries, mango, banana or pineapple – and vegetables – like broccoli, cauliflower, carrots and peas – will last much longer. Not only will this help you save money but it will help you cut down on food waste that can often occur when fruit goes off sitting in your cupboard or in the fridge.

Take advantage of loyalty programs

Most supermarket chains and even certain local stores offer loyalty and rewards programs. By signing up, you can accumulate points and receive discounts down the track.

Programs like Everyday Rewards (Woolworths) and Flybuys (Coles) can help you save money on groceries. For instance, for every 2,000 Everyday Rewards points you earn, you get a \$10 credit you can use on your next shop.

Similarly, ALDI has its own app for daily deals and discounts to help you buy groceries when they go on sale.

5.1. Guide To Cleaning Your Home On A Budget



When cleaning and organising their home, most people have the habit of focusing on just surface-level cleaning. They promise to take care of the deep cleaning tasks once they have sufficient time or money. Approaching your home's cleaning situation in this manner is never ideal. You must make it a priority to frequently organise and clean your living space. This is because a clean home is good for your mental and physical well-being.

However, it is easier said than done. Cleaning a home can prove to be expensive in a lot of cases. If you have not cleaned your space in a long time, hiring cheap end of lease cleaners Melbourne who offer house cleaning services is ideal. However, if you cannot afford it, learning some cleaning hacks will be important. Here is the ultimate guide to cleaning your home on a budget. Use this guide to get the perfect results without spending a lot of money.

Clean Your Living Space Frequently

One of the easiest and budget-friendly ways to keep your home clean is to complete the task regularly. On top of everyday tasks such as wiping surfaces and dishwashing, preparing a plan to tackle all the work systematically. This includes assigning particular days for an area or a room weekly or monthly. The frequency of your routine will depend on several factors, including the presence of pets, the number of occupants, and your geographic location.

If you live in a dusty environment, regular cleaning will be required. Not only should you stick to the cleaning schedule, but you should also treat any messes or spills immediately.

Typically, cleaning them up quickly using a moist cloth is not hard. However, if you leave them, they will harden and become difficult and expensive to remove.

Ensure Proper Ventilation

Due to the thermostats and temperature control systems, nowadays, most homeowners rarely open their windows. However, it is worth noting that opening them is essential if you want to bring in fresh air and maintain good indoor air quality. Regardless of the season, ensuring proper ventilation by opening windows is perfect for eliminating stale air.

According to professionals who provide the best end of lease cleaning Melbourne, the entrance of fresh air in your residence decreases the risk of mould, mildew, and bacteria taking hold. If not prevented, handling such problems can prove to be tough and expensive.

Do Not Use Single-Use Cleaning Materials



It is a fact that disposable, single-use cleaning materials are quite convenient to use. This includes things like paper towels, wipes, and disposable pads for the mop. However, you should know that convenience often comes with a price. They are harmful to the environment because they just end up in landfills after a single use. Usually, they are quite expensive as well.

Single-use cleaning materials, including plastic bottles are also associated with adverse health effects, including chronic respiratory problems, cancers, immune system disorders, birth defects and other potential hazards. Plus, they are quite expensive as you use and throw them after every use.

It is good to make a smart move and adopt a sustainable lifestyle to protect the indoor environment and the ecosystem.

So, it is best to replace the paper towels and wipes with rags and utilise a mop that does not contain pads, which must be changed regularly. It is way cheaper to disinfect and clean the cleaning materials and reuse them than to purchase several disposable ones.

Use DIY Cleaners



Just like the materials, cleaning agents are neither cheap nor good for the environment. The majority of traditional or store-bought cleaners contain ammonia, bleach, phosphates and other Volatile Organic Compounds that can cause indoor pollution, affect the marine life and increase greenhouse gas emissions. Thus, professionals bring tried and tested products for a professional end of lease cleaning Melbourne.

You can also prepare DIY cleaners as they are cheaper than buying store-bought products and are environmentally-friendly. You can use the following cleaners for effective cleaning:

Lemon

Lemon is perfect for disinfecting. Just slice a lemon and put it into a bowl that contains water. Now, put it into the microwave. Power on the microwave for ten to fifteen minutes. Remove the bowl before using a cloth to clean the microwave's interior.

Vinegar

Add equal parts of white vinegar and water into a bottle and shake it well. Use this excellent all-purpose cleaner to clean your microwave, kitchen countertops, floors, sinks, windows, and bathtubs. But avoid using it on natural stone.

Baking Soda

Sprinkle a few spoons of baking soda on any stain and let it stay there for some hours, ideally overnight. Wipe it away the next day to eliminate the stain. Professionals recommend using this method to remove stains from sofas, carpets, and upholstery.

Dust Your Home Smartly

There are a few things that make your home appear as unkept as dust all over the surfaces. Removing them frequently can go a long way in preventing more complicated issues. Depending on the situation of your residence, dusting should not take more than a few minutes every week. Using a reusable duster is the perfect thing to do here. A good quality duster will last for years if you keep it in good condition. Ideally, try to invest in a microfibre duster.

Keep Your Home Smelling Fresh Naturally



A lot of homeowners add a scent to their homes using things like air fresheners and candles. Even though they might add a delightful ambience to your home, high-quality candles are typically expensive. The air fresheners might cause allergies. This is why experts offering cheap end of lease cleaning Melbourne recommend using household items for deodorising your home.

Just position a bottom-heavy pot on the stove and add spices, herbs, fruit and the aromatics you prefer. Allow the water to boil and bring it down to a low simmer for some time. This way, your home will smell better.

Conclusion

By implementing these cost-saving strategies, students in Melbourne can significantly reduce their living expenses and alleviate financial stress. Embracing a budget-conscious lifestyle not only helps in managing day-to-day costs but also ensures a more enjoyable and sustainable student experience. Remember, small changes in daily habits can lead to substantial savings over time. By making informed choices and taking advantage of available resources, students can thrive academically and socially in Melbourne's vibrant environment without compromising their financial well-being.

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