Mortgage Stress Victoria

ELECTION PLATFORM

ELECTION PLATFORM 2026

Keeping Victorians in their homes

Three practical commitments to protect homeowners in a cost-of-living crisis

Mortgage stress is rising across Victoria as the cost-of-living crisis continues to bite, and demand for Mortgage Stress Victoria's services **doubled between January and August 2026**. Every home we help save takes pressure off homelessness services, public housing, hospitals and courts. We are asking Victorian party leaders and candidates to commit to three practical, high-impact reforms.

OUR ASKS AT A GLANCE

1

Fund frontline help for families in mortgage stress

$4.83 million a year (scalable) for more bilingual caseworkers in outer-suburban and peri-urban Victoria.

2

Appoint a specialist Owners Corporation Commissioner

Give apartment and unit owners the same protection already enjoyed in NSW and Queensland.

3

End penalty interest on overdue council rates

Stop councils charging up to 10% penalty interest on a risk-free debt, and make hardship support consistent statewide.

$8.40 returned for every $1 invested in MSV

In 2025/26 our service saved Victorian taxpayers at least $36.4 million.

01 Direct support for families under pressure

Fund early intervention that keeps Victorians in their homes

THE PROBLEM

- Almost half (44.5%) of mortgage holders spend more than a third of their disposable income on repayments.[1]
- Households above the 30% stress threshold have jumped from 24% in 2021 to over 40%, with four rate rises already in 2026.
- Renting is no longer a safe fallback. Losing a home can quickly mean homelessness, family breakdown, poor mental health and family violence.
- Many homeowners facing repossession are ineligible for legal aid because they own an asset. MSV fills that gap.

OUR ASK

$4.83 million per year (scalable) for MSV to employ more bilingual caseworkers, reaching more larger families and multicultural communities across Melbourne's outer suburbs and peri-urban Victoria.

WHY IT MATTERS

One in three Victorians were born overseas. Language barriers, stigma and unfamiliar financial systems stop many from seeking help until it is too late. Early intervention is far cheaper than homelessness: **every $1 invested returns $8.40** through avoided public housing, hospital, emergency and court costs.

> *I was terrified I'd have to sell the house just to survive. MSV made sure that didn't happen. They took away the stress so I could heal.*
>
> — **Samira, MSV Client (name has been changed)**

[1]Australian Institute of Health and Welfare, Housing affordability report.

02 A fair go for apartment owners

Appoint a specialist Owners Corporation Commissioner

1 in 5

Victorian homeowners live under an Owners Corporation (up to 1 in 3 in Melbourne)

+179%

jump in Owners Corporation-related bankruptcy filings in Victoria in FY2023-24[2]

$10k

an OC debt this small can push a homeowner into bankruptcy & homelessness

THE PROBLEM

- Victoria has no dedicated OC regulator. Consumer Affairs Victoria is a generalist enforcement agency which has taken limited to no enforcement action. OCs face little real scrutiny.
- NSW and Queensland already have specialist commissioners, and NSW has a specialist free legal service for struggling owners. Victorians deserve the same.

OUR ASK

Commitment to appoint a Specialist OC Commissioner and complete the reforms in the next term of government. The Commissioner would:

- oversee compliance with the OC Act and new hardship framework
- investigate breaches, including improper debt recovery
- resolve disputes between owners and OCs, and guide volunteer committees

WHY NOW

This is a low-cost reform backed by Parliament's Environment and Planning Committee (July 2026, Recommendation 1),[3] with support across the Government, Opposition and crossbench. It speaks directly to a large and fast-growing group of voters: apartment, unit and townhouse owners.

> *Victoria needs an independent Strata Commissioner. A watchdog with teeth to crack down on malpractice, advocate for the sector, advise government, drive reform, and help resolve disputes.*
>
> — **[Nick Reece, Lord Mayor, City of Melbourne[4]**

[2]Financial Counselling Australia, Who's Making Australians Bankrupt? (six-year follow-up report).
[3]Parliament of Victoria, Inquiry into renewable and affordable energy for apartments, Recommendation 1.
[4] Linkedin Post 5 October 2026

03 Fair council rates for households in hardship

Ban penalty interest and make hardship support consistent

10%
interest councils can charge on overdue rates, on a debt that is virtually risk-free

55%
of 1,242 MSV clients with closed matters were in rate arrears

94%
of Victorian council areas have MSV clients

THE PROBLEM

- Councils hold a charge over the property, so rate debts are always recovered when the property is next sold. A 10% penalty rate bears no relation to the real cost and risk of the debt.
- The December 2025 Ministerial Guidelines discourage interest for people in hardship, but leave wide room for interpretation.[5]
- Hardship support depends on your postcode. In one recent case a council took four months to assess an application, then rejected it.
- The Essential Services Commission has recommended a non-punitive, cost-reflective rate, in line with other essential services.

OUR ASK

Commit to use powers under section 172A of the *Local Government Act 1989* to ban penalty interest on overdue rates, or cap it at a non-punitive, cost-reflective rate set with advice from the ESC.

WHY NOW

The responsible Minister can act immediately, at no cost to the budget. For homeowners whose property value far exceeds their cash flow, this is immediate, real cost-of-living relief.

> *We would be rightly concerned if our bank was doing more to meet its social obligations than our council.*
>
> — **Deborah Glass, Victorian Ombudsman**[6]

Mortgage Stress Victoria
Contact: Denise Boyd | 1800 572 292 | policy@mortgagestress.org.au

[5] Ministerial Guidelines for Councils relating to Payment of Rates and Charges, December 2025.
[6] Investigation into how local councils respond to ratepayers in financial hardship: Victorian Ombudsman report 2021, p 4