Submission Cover Sheet

Inquiry into Home Buyer Concession Scheme Administration

Submission number: 011

Submitter: Names Withheld

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Submission to the ACT Legislative Assembly Inquiry into the Administration of the Home Buyer Concession Scheme

Thank you for the opportunity to contribute to this Inquiry.

Our family welcomes this public examination because our own experience with the administration of the Home Buyer Concession Scheme (HBCS) has been nothing short of distressing - financially, emotionally, and in terms of our faith in fair and reasonable governance.

Our Story

In 2021, after many years of disciplined saving, my partner and I were thrilled to purchase our first home. We scraped together just enough for a 5% deposit on a modest unit in Canberra's outskirts. The opportunity to afford the costly lenders mortgage insurance (LMI) on top of our deposit came through the ACT Government's **Home Buyer Concession Scheme** - a program we understood was specifically designed to help first home buyers like us enter the property market.

Fast forward to early 2025:
Without warning, we received an email advising that our stamp duty exemption was being **retrospectively reassessed**. We promptly provided every piece of requested information demonstrating we met the stated eligibility thresholds. Despite this, we were abruptly told we now owed nearly **$28,000**, payable within three weeks, or we would face escalating penalties.

We explained our position in detail, acting entirely in good faith, but were told we must still pay the amount immediately **and an internal review process into the decision would take six months**. For a young couple without substantial savings, this was impossible. We inquired about a payment plan, only to discover the so-called "assistance" demanded repayments at **12.42% compound interest** over a maximum of 12 months. This would have doubled our monthly mortgage outgoings during a cost-of-living crisis. We were left with no choice but to take out another loan, simply to comply under threat of further penalties.

We are still waiting for a fair resolution through the Administrative Appeals Tribunal (AAT). The entire ordeal has been financially and emotionally crushing.

How This Relates to the Inquiry's Terms of Reference

We concur with the ACT Ombudsman's findings that **current ACT Revenue Office (ACTRO) practices are neither fair nor reasonable**.

1. Tax should be calculated and applied at the time of purchase

In any sound taxation framework - such as GST - liabilities are determined at the point of transaction. This prevents retroactive hardship and unnecessary administrative burden. The ACTRO's practice of reassessing years later creates avoidable distress and results in **wildly inappropriate, retrospective demands** for payment of so-called "historical debts".

2. Misapplication of penalties and interest

The Ombudsman's report notes:

"We found that ACTRO's internal decision making for calculating penalty tax and interest did not always consider the above factors prior to issuing an assessment notice." (p.16)

Our experience confirms this. Despite clear evidence we acted lawfully and in good faith, the ACTRO applied **maximum penalties and interest as though we were wilfully avoiding tax**. This punitive, one-size-fits-all approach is grossly disproportionate and demonstrably harmful.

3. "Payment plans" that worsen hardship

The ACTRO's repayment terms are **not genuine assistance**. The maximum 12-month term, combined with high compound interest and mandatory monthly payments, effectively forces families into private bank loans with exorbitant interest rates - or into default. For those ineligible to borrow further, there is **no alternative but legal pursuit**. This approach is indistinguishable from predatory debt practices undertaken by loan sharks and other organised criminal syndicates.

4. Discretion exists but is not exercised fairly

Section 35 of the ACT Land Tax Act 2004 gives the Minister discretion to reduce or waive penalties and interest if "fair and reasonable in the circumstances."
The Ombudsman's assessment is damning:

"Ultimately, [ACTRO] lacks a fair and reasonable approach to addressing historical land tax." (p.24)

In our case, the discretion was not used at all. This demonstrates either a lack of understanding of fairness or a policy of deliberate non-application.

5. Preventable harm caused by poor administration

If the ACTRO can invest in business intelligence and data-matching capabilities to chase years-old debts, they can certainly apply those tools **proactively** at the time of purchase to avoid this situation all together. Instead, the office appears focused on finding and punishing faults rather than preventing them, resulting in harm that is entirely avoidable.

Why This is Misfeasance

The ACT Revenue Office's handling of our case demonstrates:

- **Negligent or wilful disregard for procedural fairness**;
- **Failure to exercise available statutory discretion** in a manner consistent with community standards;
- **A punitive approach that prioritises revenue extraction over lawful and reasonable administration**.

When an approved concession is revoked years later without clear cause, it undermines trust in government and mirrors the systemic failings of **Robodebt**—where the drive to collect money eclipsed lawful process, proportionality, and fairness.

Closing

We urge the Inquiry to recommend reforms that:

- Require all eligibility checks to be finalised at the point of purchase;
- Prohibit retrospective reassessment penalties except in proven cases of fraud or deliberate misrepresentation;
- Mandate proportionality in the application of penalties and interest;
- Enforce the use of ministerial discretion where fairness dictates.

Our experience shows that without change, the ACTRO's current practices will continue to cause **unnecessary harm to the very citizens these schemes are intended to support**.

Thank you for considering our submission.