Submission Cover Sheet

Inquiry into Home Buyer Concession Scheme Administration

Submission number: 020

Submitter: Names Withheld

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From: [redacted]
To: LA Committee - PAA
Cc: [redacted]
Subject: Submission: Inquiry into Home Buyer Concession Scheme Administration
Date: Friday, 29 August 2025 8:04:55 PM

[redacted]

To whom it may concern,

Please see below submission to the inquiry. We wish for our names to be removed please but are fine with other personal details around the facts (amounts, dates etc to be kept).

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Submission to ACT Legislative Assembly Inquiry into the Home Buyers Concession Scheme

Personal Details

Name: [redacted]

Contact: [redacted]

Mobile: [redacted]

Address: [redacted]

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We are a young family with two small children who purchased our first home in good faith, relying on professional advice when applying for the ACT First Home Buyer Grant and Home Buyers Concession Scheme (HBCS). What was initially approved has since been reversed years later, leaving us with an unexpected and unmanageable tax debt of over $22,000, compounded by high penalty interest rates (12.38%).

This submission outlines:

- Our circumstances and how we came to be caught in this situation.
- The steps we have taken to rectify the matter.
- The systemic shortcomings we have experienced.
- Suggestions for improvement to ensure other families are not placed in similar distress.

Purchase and Approval:

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    - Exchanged contracts for an off-the-plan unit on 25 May 2020, after saving many years to buy our first home.
    - Approved for the First Home Buyer Grant of $14,851 on 7 September 2021.
- **Reassessment and Debt**:
    - In April 2024 we were asked for additional information and complied within the timeframe.
    - On 2 May 2024 we received a reassessment for $22,438.06, including penalty tax and interest of $7,586.28 . This is almost 4 years later.
    - The reassessment was based on income from the 30 June 2019 year, not the 2020–21 year as advised by our solicitor. At that time I was on maternity leave with a dependent, and our income was significantly lower.
    - Had we exchanged our contract just 7 days later, we would have qualified for the off-the-plan concession announced on 4 June 2020, worth $11,500.
- **Impact**:
    - We were given only 19–21 days to pay this bill in full or incur 12.38% interest.
    - No ordinary family could reasonably pay $22,000 immediately without notice.

Attempts to Rectify

We have made every reasonable effort to find a solution:

- **Objection**: Lodged a formal objection (CRN 453709). This was denied on 26 June 2024 .
- **Debt Management Office**:
    - Requested a payment plan; only a maximum of 12 months was offered, equating to $1,871.50/month (plus interest) .
    - Rates assistance was suggested, but this is irrelevant to a conveyance duty debt and insufficient for a debt of this scale.
    - Requests for longer terms or interest suspension were denied, despite clear financial hardship .
- **Financial Hardship Actions**:
    - Approached superannuation (maximum $10,000 possible, not enough to cover debt).
    - Explored refinancing against home equity (not possible due to financial hardship flags and high expenses).

    - Entered financial hardship arrangements for other loans and credit cards.
    - Selling our home would be the only way to cover this debt, which would leave us unable to re-purchase due to lending restrictions .
- **Escalation**: Contacted ACT Ombudsman and Chief Minister's Office. Ombudsman made recommendations, but interest continues to accrue .

Despite repeated pleas for compassion and flexibility, we have been told **"the matter is final"**, with no meaningful assistance offered.

Broader Issues Identified

Our experience highlights systemic flaws:

1. **Reliance on Outdated Case Law**
    - Objection decisions referenced case law from 2018/19, pre-dating the current cost-of-living crisis .
2. **Rigid Payment Plans**
    - The blanket policy of 12 months for individuals does not reflect the reality of large debts, inflation, or family financial strain.
3. **No Pause on Interest During Objections**
    - Families accrue crippling interest while waiting for appeals or Ombudsman recommendations .
4. **Incorrect Advice and Timing Inequities**
    - We relied on legal advice about eligibility dates (title registration vs. exchange).
    - Policy shifts meant a matter of 7 days denied us a concession worth $11,500, despite clear intent to support first home buyers .
5. **Lack of Compassion**
    - At every step, ACT Revenue has applied rigid rules with little consideration of financial hardship, family responsibilities, or fairness.

      It has been the most distressing experience communicating with the ACT Revenue office.

Suggested Improvements

To better support first home buyers and avoid situations like ours, the following reforms should be considered:

- **Pause Interest Accrual** while objections, appeals, or Ombudsman investigations are ongoing.

Flexible Payment Arrangements beyond 12 months, especially for debts over $10,000.

- **Consideration of Financial Hardship** in debt recovery – genuine hardship should trigger compassionate arrangements.
- **Clear and Accurate Guidance** for applicants at the time of purchase, with accountability if incorrect advice is given.
- **Grace Periods** – reassessments years after approval should include fair notice and extended timeframes.
- **Cost-of-Living Context** – decisions should reflect current economic conditions, not just outdated precedents.

Finally, we are not seeking to avoid responsibility, but to highlight the devastating consequences of the current system. A young family should not be forced into selling their home or drowning in compounding debt because of rigid processes and a lack of compassion.

We hope this inquiry will recognise the human impact of these policies and recommend reforms that strike a fair balance between government revenue collection and genuine support for first home buyers, while we still continue to find a solution.

Thank you for the opportunity to contribute to this inquiry.

Kind regards,

[redacted]