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THE LEGISLATIVE ASSEMBLY FOR THE

AUSTRALIAN CAPITAL TERRITORY

ELEVENTH ASSEMBLY

ACT Auditor-General's Performance Audit Report:
Report No. 2/2026 – Management of the Home Buyer Concession Scheme

Government Response

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Introduction

On 4 March 2026, the ACT Auditor-General released performance audit report No. 2/2026 on the management of the Home Buyer Concession (HBC) Scheme.

The objective of the audit was to assess the effectiveness of the ACT Revenue Office's management and administration of the HBC with regard to the following:

Criterion one – Is the Home Buyer Concession Scheme effectively designed and delivered?

- Does the scheme have clearly identified, consistent eligibility criteria?
- Is the scheme effectively communicated and explained to eligible people?
- Is the scheme easy for eligible people to apply for and receive?

Criterion two – Is the Home Buyer Concession Scheme effectively managed and administered?

- Does the scheme have clear and complete policy and procedural guidance?
- Are applications for concessions processed effectively and equitably?
- Are probity and fraud risks managed effectively?
- Are reassessments of concessions, and objections to reassessment decisions, managed effectively and equitably?

The ACT Auditor-General's report made eight recommendations.

Overview of the ACT Government Response

The ACT Government is committed to ensuring that the management of the HBC Scheme is effective and appropriate. The ACT Government acknowledges and thanks the ACT Auditor-General for his report following the performance audit on the management of the HBC scheme.

Matters raised by the ACT Auditor-General's Report include those relating to historic website content that was available on the ACT Revenue Office website at the time of the audit field work. There is now a new ACT Revenue Office (ACTRO) website and new HBC content on the website.

It is important to note there is a low level of non-compliance subject to reassessment by the ACT Revenue Office (ACTRO), in the order of one to two per cent. This low level of noncompliance informs how the ACTRO administers the HBC Scheme, such as the tone and content of correspondence through-out the HBC process. This low level of non-compliance has also been taken into consideration in the Government's response to the audit report.

The ACT Government has taken a range of actions to update its HBC Scheme administration over time, and more recently. These include:

- as already mentioned, updated HBC Scheme content on the ACTRO website to clarify details and provide additional information to better assist taxpayers with their self-assessment. In addition, the new ACTRO website makes it easier for taxpayers navigate the website and find what they need;
- for compliance reassessments of conveyance duty due to HBC ineligibility, the payment timeframe has been extended to at least eight weeks and payment plans may be offered; and
- the compliance program in relation to the HBC Scheme has been revised so that, taxpayers have further opportunity to provide information before an investigation commences.
  - The ACTRO will issue a Request for Information (RFI) to HBC claimants. Should taxpayers disclose information via this opportunity in relation to their duty liability before an investigation is commenced, there may be reduced rates of penalty tax and interest.

These changes have clarified eligibility, provided taxpayers with greater accessibility to the HBC and improved taxpayer engagement.

The ACT Government has carefully considered the performance audit report and its recommendations. The ACT Government:

- agrees to three recommendations;
- agrees in part to three recommendations; and
- notes two recommendations.

The Government's response to each of the recommendations made by the ACT Auditor-General is detailed on the following pages.

Budget 2026-27 Updates

The 2026-27 Budget announced changes to the eligibility criteria for the HBC to expand the duty concession by removing the income and property price caps for transactions. The changes will assist more first home buyers and people who have not owned property in the past 5 years to enter the property market. All other eligibility criteria remain unchanged.

Response to recommendations made by the ACT Auditor-General in the Performance Audit Report for the Management of the Home Buyer Concession Scheme

RECOMMENDATION	GOVERNMENT RESPONSE
Recommendation 1 **Explaining the eligibility requirements** The ACT Revenue Office should develop comprehensive webpages that provide complete information about the Home Buyer Concession Scheme, including clearly explaining in plain language: a) all of the eligibility requirements and available exemptions from requirements; and b) the documents home buyers must keep as evidence of their eligibility.	**Agreed** The ACTRO has updated the HBC Scheme content on the website to clarify details and provide additional information to better assist taxpayers with their self-assessment. This content update occurred at the end of the field work for this audit and hence is not reflected in totality in the performance audit report. The Audit Office acknowledges this in their report. The changes to the HBC Scheme content include a centralised landing page, simplified (but still comprehensive) information in the “About the HBC” and “How to claim” pages, a newly designed HBC eligibility checker, and improved links to the existing conveyance calculator and information relating to previous assistance schemes (such as, the historic HBC and First Home Owner Grant). The “About the HBC” page contains all eligibility requirements and any exemptions to requirements. The “How to claim” page contains the applicable documentation required, for the HBC and any exemptions. In addition to the specific HBC Scheme content update, a new ACTRO website has been launched in April 2026. The new website has: • modernised the website’s information architecture to deliver clearer navigation, improved search functionality, logical content structure and simplified layout; • aligned with ACT Government design, branding standards and templates; and • delivered an accessible, user-centred website though mobile-first design, including

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	the use of plain English, application of the Australian Style Manual and adherence to WCAG 2.1AA accessibility standards. ACTRO is continuing to look at opportunities to improve the accessibility of the content on the website, particularly in relation to translations. ACTRO will continue to update the HBC Scheme content on the website to clarify any changes to eligibility criterion to better assist taxpayers with their self-assessment.
Recommendation 2 **Explaining home buyers' responsibilities and potential consequences of non-compliance** The ACT Revenue Office should ensure that all communications about the Home Buyer Concession scheme (including the relevant webpages and correspondence with home buyers) clearly explain in plain language that: a) home buyers are responsible for self-assessing their eligibility for the scheme; b) the ACT Revenue Office does not check home buyers' eligibility at the time the concession is claimed; c) the ACT Revenue Office will check home buyers' eligibility after the concession is claimed, and this check may occur several years later; and d) home buyers who are not compliant	**Agreed in part** The ACTRO has updated the HBC Scheme information available on the website. This includes new "About the HBC" and "How to claim" pages (see the response to Recommendation 1). On the "About the HBC", "How to claim", and "Codes and supporting documents" pages, there are clear statements that: • concession and exemption applications through the ACTRO are self-assessed; • the notice of assessment will be based on the information the taxpayer provides; • ACTRO does not confirm whether the information provided by the taxpayer is correct at the time of the notice of assessment; • compliance checks may be conducted after 2 years or more and supporting documents need to be kept for at least 5 years; and • penalty tax and interest may be imposed should a taxpayer be found ineligible for a concession and fail to notify the ACTRO. At the time of making an application for the HBC via the Buyer Verification Declaration (BVD) or correction of duty after registration of title, the taxpayer is declaring that the criteria have been or will be met. As an example, for the correction after registration of

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with all of the eligibility requirements will have to pay the unpaid duty and may also be charged interest and penalty tax.	title, there is a check box forming part of the declaration that states, "*The information provided in this form is true, correct and complete and that I/we have self-assessed my/our eligibility for this exemption, concession or change*." Home buyers claiming the HBC are also advised of the potential for compliance checks in the notice of assessment for duty issued after registering the land title transfer. The content of correspondence with home buyers considers the timing, nature, type and context of the correspondence, to ensure the content is useful and effective. As an example, currently the Commissioner for ACT Revenue issues an email to applicants of the HBC at 9 months from settlement, or issue of the Certificate of Occupancy and Use (COU). This serves as a reminder of the applicant's requirement to occupy the property for a 12-month period as their principal place of residence. It also provides information on how an exemption, extension, or reduction from the residence period can be sought. Matters raised in the Audit Report relate to instances of taxpayer non-compliance. While ACTRO is continuing to make improvements to its correspondence, it is doing so taking into consideration the principles listed in the above paragraph and the fact that there is a low level of non-compliance subject to reassessment by the ACTRO, being in the order of one to two per cent. It is not considered appropriate that all correspondence at every stage of the HBC process explain each item listed in this recommendation. This would become repetitive for the taxpayer, unduly increases the information that the taxpayer receives each time, makes it less clear to the taxpayer the purpose of that particular piece of correspondence and what action they are needing to take (if any). In addition, a balance needs to be struck between how and the frequency that information is provided, so as to not be perceived as threatening behaviour by ACTRO. It remains the primary responsibility of the Commissioner for ACT Revenue to collect revenue and to preserve the integrity of the revenue system. In this regard, compliance activities are vital to ensure that concessions are only received by those eligible.

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Recommendation 3 **Accessibility and communications** The ACT Revenue Office should ensure all communications about the Home Buyer Concession Scheme (including the relevant webpages and correspondence with home buyers) are accessible to all home buyers, including: a) using plain language and clearly explaining complex or specialised terms; b) breaking complex processes down into smaller steps, including by using visual representations or checklists where appropriate; c) providing access to translations into community languages where appropriate; and d) providing information about services available to home buyers who may need additional support to understand the scheme or to understand and respond to correspondence.	**Agreed** ACTRO has already made significant improvements with both the new ACTRO website itself and the HBC Scheme website content since 24 November 2025 (see response to Recommendation 1). ACTRO will continue to review HBC correspondence and make improvements to the accessibility of the information available to home buyers. There are already various avenues for applicants with questions about the HBC to receive information. • A person (or their representative) may contact the ACT Revenue Office (ACTRO) contact centre on 02 6207 0028 during business hours to speak to a revenue officer, or by email to revenue@act.gov.au or duties@act.gov.au, or by our online Contact Us form. • Updated HBC information on the ACTRO website (www.revenue.act.gov.au/home-buyer-assistance/home-buyer-concession-scheme) and the HBC eligibility checker (services.revenue.act.gov.au/eligibility-checker/home-buyer-concession-scheme) where eligibility criteria has been set out in plain language. • At the time a person is acquiring a property they may also obtain independent financial and legal advice, including on HBC, from commercial professional services. • The ACTRO provides notices, reminders and other engagement to assist taxpayers meet their obligations prior to any compliance action. • When a compliance review or investigation is initiated, case officers provide taxpayers their contact details giving taxpayers a direct avenue to ask questions relating to their matter. The “Translation and Interpretation” page on the ACTRO website provides the contact information for the Telephone Interpreter Service (TIS). ACTRO is investigating solutions to implement an automatic translation service (such as, Google Translate) so people can view information in their selected language.

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Recommendation 4 **Review and evaluation of new investigation processes** The ACT Revenue Office should review and evaluate the effectiveness of the new investigation processes implemented in April 2025, including whether: a) the content and type of correspondence and communication about investigations meets home buyers' needs; and b) the time allowed for responses to requests for information is adequate.	**Agreed in part** The ACTRO continues to review and improve the correspondence and communication used in compliance reviews and investigations. Updates will include the use of plain language, consistent with the changes made to the HBC content available on the ACTRO website (see the responses for Recommendations 1 to 3). The ACTRO considers the arrangements for taxpayers to respond to a request for information (RFI) to be appropriate at this time. Taxpayers who receive a compliance RFI have four weeks to respond. Should a taxpayer actively engage with ACTRO and request further time to respond, this is ordinarily granted.
Recommendation 5 **Determining rates of interest and penalty tax** The Commissioner for ACT Revenue should issue a revenue circular explaining clearly and explicitly all of the factors, circumstances and considerations that are relevant and applicable in determining the rates of interest and penalty tax to be charged on unpaid conveyance duty when home buyers are non-compliant with the Home Buyer Concession Scheme eligibility requirements. The revenue circular should be: a) used by ACT Revenue Office investigators as procedural guidance	**Noted** The framework for penalty tax and interest rates is prescribed under tax law. The Commissioner for ACT Revenue's circulars for penalty tax and interest are being updated to improve clarity and understanding (as advised in the ACT Government Response to the Standing Committee on Public Accounts and Administration Report No. 5 - Inquiry into Home Buyer Concession Scheme Administration). These circulars have application across tax lines and are not limited to conveyance duty and HBC. Circulars are also interpretative in nature rather than procedural. The tax laws and circulars are publicly available on or via the ACT Revenue Office website (Legislation, Circulars). ACTRO encourages taxpayers to access information available on its website as part of understanding their tax obligations. The ACTRO administers the application of penalty tax and interest in accordance with

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when preparing, reviewing and approving *Taxpayer Summary Reports*; and b) provided to home buyers who are subject to an investigation and home buyers who are found to be non-compliant with the eligibility requirements.	requirements and limits provided by tax law. As part of this administration, the ACTRO considers a taxpayer's circumstances and conduct in determining the rate imposed. In practice, an investigating officer will consider all information disclosed in the course of the review or investigation alongside the applicable legislation and circulars.
Recommendation 6 **Debt management policy and practice** The ACT Revenue Office should develop, implement and publicly communicate a debt management policy, and associated procedures, that align with the ACT Government's *Debtor Management Policy* and other applicable better practice guidelines, and in doing so; a) explain how the Office will identify and consider the needs of debtors who may be more vulnerable and debtors who may be experiencing financial hardship; b) provide an avenue for debtors to apply for consideration of financial hardship and procedures to ensure consistent assessment of such applications; c) establish minimum requirements for referral to suitable support services for debtors who may be more vulnerable	**Agreed in part** Information on debt management is available on the ACTRO website (Tax debt and payment plans - ACT Revenue Office). Tax laws include provisions that are explicit where they do or do not provide for financial hardship. For example, • the *Rates Act 2004* (Rates Act) provides for hardship deferral (note, no similar deferral is provided under the Duties Act); • the *Taxation Administration Act 1999* (the TAA), section 31(5) excludes financial incapacity as a factor that is beyond a taxpayer's control, in considering where no penalty tax is payable. There are also circumstances where financial hardship is not an appropriate consideration. For example, with the non-payment of conveyance duty at the time of a property purchase (as distinct from any subsequent compliance reassessment of conveyance duty due to HBC ineligibility). Conveyance duty is a longstanding and known cost of a property purchase. Concessions (such as HBC), exemptions and deferral schemes have been explicitly prescribed in tax laws, to provided circumstances where payment of conveyance is not required or can be delayed. There have been various policy amendments to the HBC to recognise vulnerable groups of

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and debtors who may be experiencing financial hardship; and d) provide adequately flexible payment options that are realistic for debtors who are assessed as experiencing financial hardship.	people, including: • family violence is now recognised with exemptions from eligibility criteria related to prior home ownership and inclusion of a domestic partner's income, and a 'competent person declaration' can be used as a form of evidence; and • taxpayers who are separated but not legally divorced can have an ex-spouse's prior home ownership or income excluded from consideration. For compliance reassessments of HBC, the payment timeframe has been extended to at least eight weeks and payment plans may be offered. The ACTRO is in the process of developing a formal debt management policy (as advised in the ACT Government Response to the Standing Committee on Public Accounts and Administration Report No. 5 - Inquiry into Home Buyer Concession Scheme Administration). In this policy, the ACT Government's *Debtor Management Policy* will be considered alongside the tax laws that govern ACTRO's administration. Vulnerability will be considered where appropriate, when developing the ACTRO debt management policy. Notwithstanding, ACTRO's responsibility is the administration and enforcement of tax laws. It does not provide legal and financial advice to taxpayers. Neither is ACTRO a commercial lender or financier (as provided in the explanatory statement of the Taxation Administration Bill 1998). Where payment instalment arrangements (payment plans) are provided they are to: • assist taxpayers to meet their tax obligations in certain circumstances, • ensure equity across taxpayers and the integrity of the tax system such that a taxpayer who does meet their obligations is not disadvantaged compared to a person who does not, and • ensure that the government is compensated for non-payment of tax liabilities

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	which were due. ACTRO payment plans can affect the interests of commercial lenders who may hold mortgagee interests over property. Tax debts are charges under law over related property and are registered with any payment plan. Unlike commercial lending, ACTRO does not undertake (nor have the capacity to) vet taxpayers as to their creditworthiness.
Recommendation 7 **Work with non-government organisations** The ACT Revenue Office should formalise its arrangements for working collaboratively with the non-government financial counselling and community support sector, including by establishing a forum for regular practice sharing and collaborative policy and practice development.	**Noted** The ACTRO already operates debt stabilisation arrangements with Care Financial Counselling for taxpayers who have sought counselling and remains open to working with other financial counselling and support services.
Recommendation 8 **Quality assurance** The ACT Revenue Office should implement a quality assurance program to ensure that: a) compliance investigations are conducted consistently and as required by procedural guidance; and b) objections are assessed consistently and as required by procedural guidance.	**Agreed** For the HBC, business intelligence is leveraged to detect potential non-compliance. With this approach, each HBC claim undergoes the same processes to determine whether a review of eligibility is warranted. Compliance officers undertake reviews and investigations in accordance with the relevant legislation, and circulars and procedural guidance, and their legal obligations as authorised tax officers. Decisions of a tax officer are delegated decisions as per Commissioner for ACT Revenue delegations, and financial delegations. Before a compliance reassessment is finalised, a supervisor (at a level set by the applicable delegations depending on the action) will review the proposed recommendation. This promotes consistency, equity, and accuracy of the

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	decisions being made. Most decisions are internally reviewable (objection). This provides an opportunity for taxpayers to seek a reconsideration of the decision and provide any additional information. This too acts as a cross-check mechanism. ACTRO will continue to review the compliance and objections processes in the context of quality assurance.