Legislative Assembly for the
Australian Capital Territory
Standing Committee on Public
Accounts and Administration

Submission Cover Sheet

Inquiry into Home Buyer Concession Scheme Administration

Submission number: 22

Submitter: Care

Date authorised for publication: 15 October 2025

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15 October 2025

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RE: Submission to Inquiry into Home Buyer Concession Scheme Administration

We would like to thank the Standing Committee on Public Accounts and Committee for inviting Care to appear at a public hearing for the inquiry into Home Buyer Concession Scheme administration at 10:40 am – 11:25 am on Wednesday 15 October 2025. We wanted to provide a brief submission outlining some insights into our clients' experiences that highlight opportunities for the ACT Revenue Office to improve systems, processes, and practices especially as they relate to people experiencing financial hardship and other vulnerable circumstances.

Drawing on client experiences, this submission highlights the negative impact of inflexible processes. The ACT Revenue Office's processes were described as lacking empathy and flexibility, exacerbating distress and disengagement. Our submission stresses the importance of early access to financial counselling, legal advice, and mental health support. Current repayment options are inadequate and hinder financial stabilisation. We are calling for more responsive and tailored hardship arrangements, including interest-free repayment plans and discretion when hardship or vulnerability is evident.

We observed that on 20 May 2025, the Minister for Finance, Ms Rachel Stephen-Smith MLA, expressed her concern about the distress experienced by some Canberrans as a result of their engagement with the ACT Revenue Office, noting that: "While it is important that the Revenue Office undertakes compliance work, it seems clear that it could engage with people in a more constructive and supportive way."

Our key recommendation is that the ACT Revenue Office should work with the financial counselling sector, the broader community sector, and people with lived experience to develop a policy or framework aimed at achieving best practice around financial hardship and vulnerability. Drawing on guidance from the financial counselling sector and recent ombudsman reports, this should include:

- Embedding trauma-informed, people-centred service delivery
- Reframing non-payment through a vulnerability lens
- Ensuring transparency and accountability
- Making vulnerability a whole-of-agency responsibility
- The creation of a stewardship group or consumer panel to ensure lived experience informs ACT Revenue Office policy and practice.

About Care

Care has been supporting the Canberra community since 1983 and we believe in financial fairness for all. We are a community organisation that provides free and confidential support and assistance to people living on low to moderate incomes or who are experiencing financial difficulty. Care operates the National Debt Helpline in the ACT through our Financial Counselling and Capability program. Care provides further support to clients across our Consumer Law, Community Loans, and Community Education programs.

Reflections on Care Client Experiences of Home Buyer Concession Scheme Administration and Other ACT Revenue Office Systems and Processes

Care has had only a small number of clients who have presented to us with debts or financial hardship related to the Home Buyer Concessions Scheme. Below we provide two client case studies. Key reflections from these case studies include:

- Inflexible and unfair systems and practices for clients experiencing financial hardship and/or vulnerable circumstances (e.g., mental health, and domestic and family violence)
- The need for early intervention and access to financial counselling and other supports
- Inadequate repayment options that can hinder financial stabilisation, cause significant distress and disengagement, and result in greater and unmanageable debt.

Based on our work supporting clients who have presented with debts relating to other ACT Revenue Office matters – e.g., rates and land tax - these reflections are not limited to the HBCS but are relevant to broader systems and practices. For Care, this highlights a particular need for improvements in the overall systems and practices of the ACT Revenue Office, especially in terms of ensuring fair and equitable responses to people experiencing financial hardship and other vulnerable circumstances.

CASE STUDY: CLIENT A – HOME BUYER CONCESSION SCHEME DEBT

Background

In 2023, Client A contacted Care Financial Counselling Service regarding a significant debt with the ACT Revenue Office. She had been advised she must repay $21,769.42 by June 2023 in relation to the Home Buyer Concession Scheme (HBCS).

Presenting Issues

- **Debt:**
  - Home Buyer Concession (house): $14,851
  - Penalty Tax (25% standard rate): $3,712
  - Interest (14/09/2020 – 27/03/2023): $3,204
  - Total: $21,769
- **Reason for debt:** Client A did not meet the residency requirement under the HBCS, as she was unable to live in the property due to serious health-related issues. Although she provided a GP letter in support, the ACT Revenue Office determined that she had not submitted a formal written request for discretion within the required 18-month notification period.
- **Other debts:** Strata arrears and ongoing mortgage commitments.
- **Health:** Diagnosed with a mental illness and a condition requiring surgery she could not afford.
- **Family violence:** Client disclosed a history of coercive control by her ex-husband. She reported that he had organised the HBCS application and had selected a property that was unsuitable for her to live in.
- **Mental health crisis:** Client disclosed suicidal thoughts linked to her financial situation and relationship history.

Client Experience

- Client reported confusion about the scheme rules and said she had not been aware of the requirement to lodge a formal request for a shorter residency period.
- She attempted to resolve the matter by contacting Access Canberra, but:
  - No extension of time or negotiation was offered.

  - Her interactions with staff at ACT Revenue were described as rude and lacking empathy.
  - She experienced long wait times (approximately 45 minutes on hold).
- She escalated the matter by emailing the Deputy Commissioner but reported no positive outcome.

Support Needs

- **Financial:** Advocacy to negotiate waiver of penalty tax and interest, and consideration of a hardship repayment plan.
- **Legal:** Advice on whether the Commissioner's discretion could still apply given her health circumstances and history of family violence.
- **Health & Safety:** Access to mental health services and medical treatment. Support around safety and recovery from coercive control.

Outcome

The matter was referred to Care Consumer Law. Outcome is unknown.

Practice Reflections

- The HBCS rules are very strict, even when someone is sick or affected by family violence.
- Because Client A did not send a formal request within 18 months, the Commissioner could not use discretion to reduce the residency requirement. This left her with a large debt.
- The process felt inflexible and harsh, which added to the client's distress and mental health struggles.
- The case shows how important it is for clients in crisis to get early support from financial counselling, legal advice, and health services.
- There is a need for fairer rules so that people in genuine hardship are not penalised just because of missed paperwork or deadlines.

CASE STUDY: CLIENT B – HOME BUYER CONCESSION SCHEME REPAYMENT

Background

In 2024, Client B was referred by the ACT Revenue Office to Care Financial Counselling Service after he contacted them for support regarding a letter requiring him to repay $26,000 under the Home Buyer Concession Scheme (HBCS).

Presenting Issues

- **Debt:** $26,000 owed to ACT Revenue Office.
- **Reason:** Client B was found ineligible for the HBCS because he sold his property before fulfilling the required 12-month residency condition.
- **Property timeline:**
  - Purchased: July 2022
  - Sold: March 2023
- **Sale outcome:** Property sold for the same price it was purchased, meaning Client B was already out of pocket due to legal fees, agent fees, and other transaction costs.
- **Other debts:** Money owed to family members who had assisted financially.
- **Financial hardship:** The decision to sell was directly due to financial stress and affordability pressures.

Client Experience

- Client reported that the ACT Revenue Debt Management team offered him a 12-month repayment plan.
- However, interest would continue to accrue on the debt under this arrangement.
- When he requested other hardship options, staff advised him to contact Care Financial Counselling Service.
- Client expressed frustration that despite his financial hardship, there were no meaningful concessions or flexibility offered beyond the short-term repayment plan.

Support Needs

- **Financial:** Negotiation for an interest-free repayment arrangement or extended timeframe to reduce financial pressure.
- **Legal:** Advice on whether his circumstances (sale due to genuine hardship) could be grounds for a remission or partial waiver.
- **Wellbeing:** General support managing the stress of ongoing debt and strained family relationships due to money owed.

Outcome

The case was not resolved. The caseworker at Care eventually lost contact with Client B, and the outcome of his negotiations with ACT Revenue remains unknown.

Practice Reflections

- The residency rule in the HBCS does not take into account people who sell their home because of financial hardship.
- Client B did not make a profit from the sale, but still ended up with a

large government debt on top of other costs.
- The repayment options offered were limited and not flexible enough for his situation.
- This case shows that the scheme can leave people worse off financially when life circumstances force an early sale.
- More flexible rules and better hardship support are needed so people in genuine difficulty are not unfairly burdened.

PRINCIPLES FOR DEBT RECOVERY, VULNERABILITY, AND HARDSHIP

Care welcomes indications that the ACT Revenue Office is taking steps to improve the way it engages with individual taxpayers on assessment and debt collection processes. We were also pleased that the ACT Revenue Office took up an invitation from Care, The Salvation Army, and Financial Counsellors ACT to meet with financial counselling representatives on 8 September 2025 to inform improvements to systems and processes for hardship and vulnerability. We also note that the ACT Revenue Office has previously engaged with Care to discuss hardship processes, and this engagement has introduced a debt stabilisation program.

We see value in further and ongoing engagement between the ACT Revenue Office and the financial counselling sector (and the broader community sector) as it takes steps to improve these systems and process and to provide an ongoing means to monitor their effectiveness and to identify and address any further systemic issues as part of a process of continuous improvement and better practice.

As recommended in submissions to this inquiry by The Salvation Army and the ACT Ombudsman, we also encourage the Committee to consider the joint ACT Ombudsman, Commonwealth Ombudsman and the Inspector-General of Taxation and Taxation Ombudsman publication 'How to tell people they owe the government money: best practice principles for notifying people about debts' as a guide for improving ACT Revenue Office debt collection communications and processes. The five best practice principles set out in this guide are:

1. Be transparent and accountable: Being transparent and accountable helps build and maintain public trust and confidence in the agency and its purpose
2. Tell people what the debt is and where it comes from: Think about the person you are communicating with
3. Provide clear information for requesting review, debt waivers and repayment arrangements: Tell people about rights to seek review and

waiver, enter arrangements to pay over time, and ensure they have access to sufficient information to fully participate in the process
4. Provide contacts for people to find out more information: While clear and tailored communication from the beginning goes a long way, there will always be circumstances where people have additional questions, require more information, or just need to speak to a person about their situation
5. Learn and improve: Undertaking a process such as recovery of old debts is a valuable opportunity to identify lessons learnt and implement changes to improve future practices.

Valuable lessons should also be drawn from the Australian Taxation Office (ATO) as it develops a Vulnerability Framework. In a joint response to the ATO's Vulnerability Framework Consultation Paper, Financial Counselling Australia has recommended ten consumer sector principles needed to ensure the framework enables the ATO to be more responsive, more equitable, and more in step with the needs and expectations of the community it serves. Care endorsed these principles in our submission to the ATO Vulnerability Framework Consultation Paper and we see them as relevant to efforts to improve ACT Revenue Office systems and processes. The following is a modified version of Financial Counselling Australia's consumer sector principles that we recommend be used to guide ACT Revenue Office efforts to deliver better outcomes for people experiencing vulnerability:

1. **Acknowledge the ACT Revenue Office's obligation to act in the best interests of the community.** This means that the ACT Revenue Office should prevent, identify, support, refer and resolve the issues affecting people experiencing vulnerability.
2. **Embed a culture of people-centred process.** The ACT Revenue Office should embed a culture grounded in compassion, dignity, empathy, and flexibility, while staying true to the law. Culture change should be championed by senior leaders and embedded across all levels of the organisation, especially in frontline interactions, to ensure consistently empathetic treatment in every interaction and policy.
3. **Reframe non-payment through a vulnerability lens.** The ACT Revenue Office should adopt a systems approach informed by AFSA's bell curve model, which explicitly recognises that many people who do not comply with their obligations want to but cannot. Policy and practice should be grounded in this understanding, rather than an assumption of systems misuse or personal failure.
4. **Acknowledge and take responsibility for the ACT Revenue Office's contribution to vulnerability.** This means acknowledging that ACT

Revenue Office processes can create, contribute to, and exacerbate vulnerability. There should be a commitment to minimising this impact through better design, staff training and service improvements.

5. **Embed transparency and measurable accountability.** The ACT Revenue Office should set clear, measurable objectives in relation to delivering better outcomes for people experiencing vulnerability. The ACT Revenue Office should identify current challenges, define what success looks like, and commit to tracking and publicly reporting progress over time. This is essential to build trust and demonstrate change.
6. **Commit to trauma-informed service delivery.** A trauma-informed approach recognises that people engaging with the ACT Revenue Office may have experienced hardship, violence, or systemic discrimination. It ensures that service delivery does not retraumatise or cause harm. It also supports better communication, decision making, and outcomes.
7. **Modernise community sector engagement.** The ACT Revenue Office's collaboration with the community sector should be underpinned by a genuine, ongoing commitment to engaging directly with the community and their advocates. This includes recognising the professional expertise of community representatives and the value of lived experience. The ACT Revenue Office should explore a new stewardship group with broad community representation or a consumer panel, modelled on those used by ASIC or AFSA, ensuring lived experience and frontline insight inform policy and practice.
8. **Make vulnerability a whole-of-agency responsibility.** Delivering fair outcomes for people experiencing vulnerability is not the job of a single team. The ACT Revenue Office must embed responsibility for vulnerability across its entire workforce including policy, design, digital systems, enforcement, legal, and senior leadership.
9. **Set timeframes and commit to evaluation.** There should be a clear commitment to review and refine the ACT Revenue Office's approach to vulnerability that should assess impact, identify unintended consequences, and centre the voices of people affected by ACT Revenue Office processes.
10. **Commit to an action plan, and co-design it with advocates.** The ACT Revenue Office should work with the community sector to co-design a clear action plan to address vulnerability. This should aim to ensure equity of access and fair treatment for all people interacting with the ACT Revenue Office and address specific barriers and harms experienced by victim-survivors of domestic and family violence.

Just last month, Financial Counselling Australia also released their 10 principles of good hardship practice. We also encourage the Committee to consider these principles as a source of guidance for the ACT Revenue Office to provide fair, compassionate, and effective support – ensuring that responses to people in financial difficulty are consistent, respectful and genuinely focused on resolving the underlying issues people face. The headline principles are:

1. Clear and respectful communication
2. Support is easy to access
3. Timely action and responses
4. Proactive identification and outreach
5. Preventing harm
6. Support is trauma-informed and non-judgemental
7. Support is tailored, realistic and sustainable
8. Empowered and well-trained staff
9. Respect for advocates and support people
10. System-wide consistency and accountability.

CONCLUSION

Care thanks the Standing Committee on Public Accounts and Administration for the opportunity to contribute to the Inquiry into Home Buyer Concession Scheme Administration.

The purpose of this submission has been to highlight systemic issues in the administration of the Home Buyer Concession Scheme and broader ACT Revenue Office systems, processes, and practices as they affect people experiencing financial hardship and vulnerability.

Care endorses principles developed by the financial counselling sector and ombudsman bodies to guide reform of ACT Revenue Office systems, processes, and practices. This would include:

- Embedding trauma-informed, people-centred service delivery
- Reframing non-payment through a vulnerability lens
- Ensuring transparency and accountability
- Making vulnerability a whole-of-agency responsibility
- The creation of a stewardship group or consumer panel to ensure lived experience informs ACT Revenue Office policy and practice.

We would welcome any further engagement on this matter and the content of this submission. Further information can be sought from Mr Geoffrey Buchanan, Policy Advocacy & Business Development Director, Care on [redacted] or [redacted].