



**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS AND
ADMINISTRATION**

(Reference: [Inquiry into Home Buyer Concession Scheme Administration](#))

Members:

**MR J MILLIGAN (Chair)
MS F CARRICK (Deputy Chair)
MS C TOUGH**

PROOF TRANSCRIPT OF EVIDENCE

CANBERRA

WEDNESDAY, 15 OCTOBER 2025

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**Secretary to the committee:
Ms S Milne (Ph: 6205 0435)**

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

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Amended 20 May 2013

The committee met at 9.30 am.

SIMPSON, MS STEPHANIE DORA
WEEDEN, MS CATHERINE

THE CHAIR: Good morning, and welcome to this public hearing of the Standing Committee on Public Accounts and Administration for our inquiry into the Home Buyer Concession Scheme administration. The committee today will hear from Ms Cathy Weeden and Ms Stephanie Simpson, as individuals, a panel of community organisations, being the Salvation Army, Care Financial and the Australian Multicultural Action Network, the Ombudsman, and the Minister for Finance.

The committee wishes to acknowledge the traditional custodians of the land that we are meeting on, the Ngunnawal people. We wish to acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region. We would also like to acknowledge and welcome other Aboriginal and Torres Strait Islander people who may be attending today's event.

The hearing is a legal proceeding of the Assembly and has the same standing as the proceedings of the Assembly itself. Therefore, today's evidence attracts parliamentary privilege. The giving of false or misleading evidence is a serious matter and may be regarded as contempt of the Assembly.

The hearing is being recorded and transcribed by Hansard and will be published. The proceedings are also being broadcast and webstreamed live. When taking a question on notice, it will be helpful if you use these words, "I will take that question on notice." This will help the committee and witnesses to identify what questions have been taken on notice.

Today, we welcome Ms Simpson and Ms Weeden. We are broadcasting the proceedings today; but, at any point, if you would like to make any comments or talk in a private discussion, instead of having it broadcast, please let me know and we can certainly change the hearing from being broadcast to an in-camera, private session.

Would either of you like to start by making an opening statement? These statements give a general outline of what you want to bring to our attention. If not, we will go straight to questions. I am happy to pass my substantive question to Mr Cocks.

MR COCKS: Let me start by saying thank you to both of you for coming along and being part of this inquiry. Not only is it very important for us to understand what is happening, but it is not an easy thing to put your personal circumstances out there.

What I want to understand from you is that there seems to have been a bit of misunderstanding publicly about what things look like when you apply for a concession ahead of time, and what the process is when the Revenue Office comes back and starts advising that the circumstances have changed. Would either of you be comfortable with giving a bit of a rundown of your personal experience when engaging with this process?

Ms Simpson: Sure. In terms of applying for the concession, I did so in 2021, when I was purchasing my property. At the time it was a self-assessment tool online. I think

you could also get separate legal advice, and I had some conversations with my conveyancing solicitor, which I understand is not necessarily considered to be the official legal advice, if you were to get that separately.

In doing so, in my personal circumstances, I got to the point where it asked whether I was in a domestic partnership. I believe that at the time it did say that it included a spouse. I looked at the definition of a domestic partnership, which appeared to be lifted directly from the legislation. It was definitely not in plain English or accessible, and there was no definition of a spouse.

At the time, for me, I was legally separated from my ex-husband. We had separated in the previous financial year, in November 2020. I thought, “This is a new financial year, for one thing; we are legally separated, with no financial entanglement. I’m using all my own money to purchase this property.” I had been in two motor vehicle accidents and had a compensation payout, so it was my money. I had no financial gain from separating from my ex-husband.

I thought, “We’re legally separated and soon I’ll be able to apply for my divorce. I’m not in a domestic partnership, not cohabitating.” It gives you the little concession numbers, you put that on your paperwork, and it all went through. I had self-assessed, essentially—because that was really the only way to do it—that I was eligible for the concession.

Last year, in 2024—three years later—I got a phone call from a compliance officer at the Revenue Office, who said that I had not responded to his letter. As it turned out, he had my email address wrong. He then sent me the letter, saying they were auditing me. On their records, it said I was still in a relationship at the time of the purchase of my property. I said that, no, I was legally separated. I had to go through all of my old paperwork—evidence of the date of separation, my divorce application and the divorce certificate that was granted; I provided all of that.

Basically, he came back and said, “You were still legally married; therefore your ex-husband’s income should have been included in your income test. You were liable to pay stamp duty, so we will be claiming that.” I had a bit of back and forth with him, arguing that I did not have access to my ex-husband’s income for tax purposes. His income was not assessed with mine; under the Family Law Act, I had to be able to prove that I was legally separated, in order to get a divorce.

He sent me the *Macquarie Dictionary* definition of a “spouse” in an email. I understand that is what legislation is often based on, but that does not reflect modern relationships and the interpretation of the law, definitely, by the ATO. That was, understandably, very upsetting. We had a bit more to and fro, where I provided further evidence, but it did result in me receiving the letter from the Revenue Office with the stamp duty penalty and interest, which was about \$35,000, due in three weeks.

MR COCKS: Three weeks to pay \$35,000?

Ms Simpson: Correct.

MR COCKS: Did they give you any advice on whether there was a reasonable way to

pay that over time or—

Ms Simpson: They had a debt management option, but interest would accrue at 8.9-something per cent for the amount outstanding, calculated daily. I thought it would be more financially viable to get a loan top-up because my mortgage interest rate was much lower. Obviously, that takes longer than three weeks to come through. Ultimately, I was in a very fortunate position where a family member was able to lend me the money, because a family member passed at the same time.

Yes, they did give some debt management advice, but it is not at the same level as banks are charging.

MR COCKS: Ms Weeden, do you want to give us some context?

Ms Weeden: My circumstances were a bit different. I purchased a property in 2020, at the start of COVID, with my then partner. From the time we moved in, and perhaps compounded by that time, that relationship broke down, and we sold that house in early 2022. We went through the courts and got consent orders for that separation. We had all of the legal documentation needed.

We had five kids between us, so it was a large house that we were living in. Neither one of us had a need for a house of that size, nor could we afford to buy the other party out, so we sold that house. At the time, I did not have anywhere to take my three children. I could not find another house in that time. I had moved to the other side of town. I did not want to disrupt my kids again with their schooling. When I did finally find a house and purchased it, it was a really emotional time, with resettling them. It had been a very tumultuous couple of years in that house.

Similarly, I had gone through the self-assessment process. But when I looked at the income threshold and prior property ownership, to be perfectly honest, I am looking at it and thinking, “I’m not a first homebuyer. I’m accessing this through a family law separation.” I was looking at taxable income; they were looking at net income. From subsequent research, no other government agency that I can see ever looks at income as net income. They took investment earnings and added that on top, with complete disregard for the cost that it might take. You have interest and all other elements, which is why the tax system looks at it as taxable income. I did, too, and thought, “I’m well below the threshold, from a taxable income perspective.”

With the prior property ownership, our consent orders specifically stated that it was an obligation of those that we would sell the house, to enable us to purchase new homes. I did not even consider that any other property that I might have held would have any impact on that whatsoever.

That was in December 2022. I think the first I heard from the Revenue Office was maybe around October 2023. Prior to that, I asked my conveyancer, at the time of settlement, “How do I provide you with my consent orders? I’ve put in this concession code for the concessional stamp duty.” She said to me, “You don’t need to provide that to me,” which I found bizarre. She said, “The Revenue Office will ask you for that at a later point.” Again, I thought that was unusual; if you were claiming something, I assumed that they would assess that, but they did not.

The email that I received—I think it was around October 2023—basically said, “You’ve received concessional stamp duty. You need to tell us if your circumstances have changed.” My circumstances had not changed, so I did not respond to that email. On the Thursday before Good Friday of Easter, in 2024, at around 4.45 pm, I received an email saying that I was being investigated. I felt like a criminal, for one.

I genuinely did not think I had done anything wrong. I had been through a separation with a husband a decade before, but he had left the country, so I had paid him out. When you do that, there is no stamp duty payable. You just pay the other party out and they transfer the property ownership over to you. I was unfamiliar with this, but I had assumed that, with consent orders, both parties were entitled to receive a concessional stamp duty.

On top of that, in my submission, I clearly articulated that the ACT Revenue Office made a considerable amount of money through my unfortunate circumstances. We sold two houses, bought a house together, sold that house and bought two separate houses once again, within a three-year period.

I genuinely would not think that a government department—or anyone, for that matter—would seek to have a financial gain from somebody’s hardship. I can assure you that if I had known beforehand what was going to happen, I would never have entered into that relationship or purchased that house. But it is what it is.

I spent that entire Easter weekend writing my initial response back, and thinking, “I’ve got all the evidence here.” They asked for my tax return, which I provided. That is when they told me, “You’ve breached the income threshold; you’ve also had prior property ownership.” These were all things which I had felt were irrelevant.

They told me that I was eligible to pay stamp duty, but I had paid stamp duty for the balance above the threshold, so I felt that I had done the right thing. I had paid that on time. I wrote that submission back to them and, on about 11 April, again, at 4.45-ish in the evening—and I was at a work event at the time when I read it—I received a notification that I was ineligible and I owed just under \$50,000—\$48½ thousand—with three weeks to pay—21 days.

My boss looked at me across the table and she said to me, “What’s wrong?” I could not speak. I had already sold other property at that point, to make some adjustments to my house; I had made and committed to decisions. We were 18 months down the track here. They were decisions I would not have made if I had known that that was the case. Interest rates were steadily increasing at that point in time. I had already gone back to my broker and said, “Can I borrow a small amount of extra money?” I knew that I had no capacity to borrow anything further, because he had already told me that.

I did not know what to do. It is always last thing in the afternoon; at the very least, you have the entire evening when you have nobody that you can speak to, in order to inquire. I did not sleep that night. It took me right back to the point where I had left that relationship, and that was a struggle, in and of itself, to get consent orders, to retain the assets that I had, to get myself to a position where I felt I could still provide for my family, and then this happened. It takes you straight back to the point where you were

trying to leave in the first place, and it was a really horrible time.

I rang the Revenue Office and was told, “We had a compliance freeze, so we weren’t assessing these,” which makes it entirely unfair and unreasonable to then apply penalties in interest for something that was completely outside my control. I was told that it was black-letter law, and that there was no flexibility on it; that I had a roof over my head and a job, so I was better off than many other people; that I was an intelligent woman so this should not be a problem. There was complete disregard for me, as a human being. I was literally a number, and I was revenue; and that is how I felt.

I asked to speak to a supervisor because I found that completely unacceptable. This was at that stage on a Friday, so I then went into another weekend. I spoke to my dad, and my dad said, “You need to reach out to the minister.” I wrote to the Chief Minister that weekend. I spent another entire weekend writing responses, which became a pattern for most of 2024, in fact.

The minister reached out to the Revenue Office, who then reached out to me later the next week to say, “We’re putting a freeze on this until we look into it further.” But that just went into a series of five or six appeals that I made to them to see reason. I put in an objection, which was rejected. I then applied for a debt waiver through the minister; that was rejected.

In the meantime, I undertook significant research into the disallowable instrument, into the practices of other states and territories and how they approach this. I was completely baffled as to how they could take two completely different sets of circumstances and conflate them into one instrument.

A first homebuyer is in a very different circumstance to somebody coming out of a family law split, yet we were subjected to the same criteria, which I felt were irrelevant. I did not apply for consent orders based on my income or my property ownership. I applied for them based on a family law separation.

I researched, and I provided some recommendations. I did not just ask to receive a waiver; I actually pointed out some of the failings that I felt the current instrument was not providing for in those circumstances, and I made a series of recommendations.

In July 2024, on a Saturday morning, I had a notification from Allhomes. I was still getting them because I had been on a property search for so long. It said, “Changes to the Home Buyer Concession Scheme.” It piqued my interest. I opened it up, and I saw that all the recommendations I had made had been adopted. They applied a different code for domestic violence, they increased the income threshold, they did it based on taxable income rather than net, they assessed in real time, and they allowed you to get evidence to become exempt from certain criteria, including prior property ownership. I burst into tears. I rang my dad, and I said, “Someone has actually listened, they have seen reason and they’ve made changes.”

I wrote back to the Revenue Office and said, “Thank you; I feel really hurt by this. Can you tell me when I will hear with regard to my appeal?” They said, “It takes time.” You can imagine my surprise when they came back and said, “No, your objection is not going to be upheld, and you’re still liable.” I said, “I don’t understand; you’ve made all

these changes.” They said, “We can’t assess it retrospectively.”

I completely understand that; legislation is not retrospective. However, given the circumstances, there was zero acknowledgement that I had provided them with all of this. I had spent days. Every weekend, every public holiday, I spent researching and compiling documentation, evidence and recommendations. It would be extremely coincidental, given the timing of when I had provided that to them, in April-May, and with the legislation being changed from 1 July, that they had adopted every single recommendation that I made.

I was then told that my only option was to apply to the minister for a debt waiver, which I did. The criteria that are within that include that the department’s action or inaction had contributed to the debt, which it had, that the timing for when they assessed that was completely outside my control, and that the legislation was leading to a perverse outcome, which I believe it was. They were using one set of criteria for two distinctly different sets of circumstances, and a fair and reasonable outcome could only be achieved by waiving of the debt. I felt that was entirely reasonable, given multiple circumstances, notwithstanding that if the legislation was not leading to a perverse outcome, why did they adopt all of my recommendations and make those changes? It was illogical, to me.

All that they conceded was the penalty and interest, and they extended the timeframe for me to pay. They gave me, I think, 15 months, until 31 July this year. I took that and thought, “Cathy, that’s probably the best that you’re going to get, and at some point you have to let this go,” because it was tearing me up.

I sat on that, I think, until about October, and I thought, “You know what? I’m actually not okay with that.” I may be intelligent, but if I don’t use that intelligence to stand up for the good of the rest of the community, I do not want to see other people go through what I did. That was months of hell. It put a lot of strain and pressure on my family, and a lot of financial burden on me.

I wrote back to them and asked to be reconsidered. They requested that I get evidence, basically, to prove that those were my circumstances. Most people who go through those sorts of circumstances learn very early on that you do not tell people, and if you go to get help, it often leads to worse circumstances.

Early in the piece, I had gone to see my GP, when we had first moved into the house and I really did not know what was happening or what to do. But I learnt very quickly that it was better just to keep that to myself. With getting evidence on that retrospectively, even my family did not know. My family did not know until we sold the house, because I was ashamed and I did not tell them what was happening.

I went to my doctor, and I had to disclose things that I would have preferred not to do, so that they could provide me with some evidence to be able to provide back. I did that, and they still came back to me to tell me that they could not apply it retrospectively; it would be unfair to every other person who would have to pay it. So why did they put me through that? It was completely humiliating. It was stuff that I would have preferred not to disclose, even to my family doctor, who knows me. It is the sort of stuff that I would rather keep private. I did not want people to know about that. There were very

few people at work that knew about that, and that was purely because of what I was going through on a daily basis.

So they still rejected it. I was then a little bit audacious, because I had really had enough at this point. I sent them an invoice and said, “If you’re not going to give me the concession then you can at least pay me for the time and effort, since you adopted every recommendation that I made.” To this, they told me they did not procure my services. Of course, I knew that they did not. But what is fair and reasonable in this circumstance? There was zero acknowledgement that I had done all the hard yards. “Here, you can go and take the credit for making these changes, and congratulations on now supporting those who are vulnerable. But you didn’t do any of the hard work. And you’re still penalising the people who did.”

There was blatant disregard for the human being that sits on the other side and the impact that that was having. It was incredibly disappointing. These are the people that we entrust with making laws and legislation to support us, and that is not what I saw happen.

MR COCKS: It seems like both of you, through this process, felt treated more as a source of revenue rather than actual human beings.

Ms Weeden: Yes.

Ms Simpson: Yes.

THE CHAIR: Thank you, Mr Cocks. We will move on to Ms Carrick.

MS CARRICK: Thank you for standing up for yourselves. It is very brave to do that, when you have a government that disregards your wellbeing. We do not want to see other people going through what you have been through—very tough times. It is hard to know what is fair and reasonable, but this does not seem to be very fair or reasonable—the way the whole process works.

I want to go back to the beginning of the whole process, the self-assessment, because there are different steps through the process—the self-assessment, the criteria, the reassessment, the appeal, and the payments. I want to go right back to the beginning of the process. There seems to be a lack of communication about what the criteria are and the ability to talk to somebody about it. Some of the submissions talk about being able to do a proper assessment at the beginning, as opposed to a self-assessment and then having it reassessed. I wonder how many people realise that it will be reassessed and the timeframes for that.

Can you tell me about the communication and whether it would be handy for people to have somebody to talk to in the Revenue Office that can talk about the criteria—whether it is the income thresholds or the definitions of a spouse—and a conversation about whether you are eligible in the first place, and to tell you about when the reassessment will happen, if you do not already have that notice of assessment, or whatever documents you need from the prior financial year?

Ms Weeden: Yes. It astounded me. I could not understand when the assessment would

even take place. As I said, I tried to provide to my solicitor my consent orders, which were, in my mind, the documents that legitimised my request. In those moments, and what you are going through in that separation, you are already dealing with a heck of a lot. When you have legislation that is unclear, as you say, if there were someone to speak to, it would certainly go a long way. On one occasion when I contacted the Revenue Office they told, “Well, there is no way we could assess these in real time.” Does the Tax Office say that to us when we do our taxes every year? Do they say, “Sorry, we will just assess that in five years time because we do not have enough staff”? How is that the public’s problem or responsibility? It is not. But the impacts are felt directly by us with complete disregard.

MS CARRICK: So, if you had the documents, they could assess it in real time, without having to—

Ms Weeden: Yes. And you have to have the documents, because it is based on the prior financial year, not the current. So it is impossible not to have it. So it is illogical to me to not assess it at that moment, unless it is a revenue-generating exercise, which is what it very much feels like. “We’ll delay it; we will have limited staff; and then we will penalise you for our delays.” That is what it felt like.

MS CARRICK: I suppose if somebody applied for it in, say, July or August of the year they might not have completed their tax return from the previous year to get their income, but then it would have to be very clear what the process was—but you had your tax return from the prior year and all the documents. Perhaps there should be options: you can either be assessed now or later, depending on the circumstances, as long as it is all very clear what the process is—but it does not appear to be that clear. Is there any reason why it takes those timeframes for the reassessment? It should not be that. Could it be done—

Ms Weeden: “Short staffed” is what they told me.

Ms Simpson: And mine was three years later. Even in the absence of having the appropriate staff to do real-time assessments and even making some semblance of an attempt to write their content in plain English would go a long way. I am also well educated, and I work in an environment that deals a lot with legislation. I have read a lot and interpreted a lot myself and I thought when I was going through their self-assessment that I understood it. So I cannot imagine how much harder it is for others to read and understand what they have put on their website. If you look at the average reading levels in Australia it is something like grade 9.

At least at that time, they had not made any attempt to simplify the language. In the process of the conversation that I had with the compliance officer, I looked at what other state governments do. The New South Wales government, for example, provides the legislation text and then provides the plain English interpretation directly underneath it. They did something very specific for the definition of a spouse, which they took to not include if you are legally separated. I shared that with them. They have now updated their website to include that interpretation—two days after the ABC segment aired.

I think the first step they should take is to at least try to make their information

accessible to the public, and not so easily misinterpreted. I think everyone is trying to do the right thing here. We do their self-assessment in the hopes that we are then armed with all the information we need to comply—and it is almost like it is making it harder to comply with how they have set it up.

Ms Weeden: If they are concerned that people are accessing illegitimately, I do not understand why they could not request for the documentation to be provided in real time, whether they assess it in real time or not. That is a them thing. That is based on staffing levels or whatever it might be. In my case, I was actively trying to provide it to my solicitor, believing that I cannot apply for something and not provide the evidence. If there are concerns that they need to do these reassessments because people are doing the wrong thing, ask people upfront to provide the documentation and evidence. Whether they assess it or not, by virtue of requesting it, I think you would reduce the number of illegitimate applications.

If you had a genuine intent to do the right thing by the people, you would not put them in a situation where the perception, if nothing else, is that you are trying to generate revenue and catch people out doing the wrong thing. I very much felt like a criminal, and I had done everything that I thought I needed to to legitimately purchase this property with the concession based on my consent orders.

MS CARRICK: Sorry; can I just check something? When you do the self-assessment, you do the form, doesn't it ask to provide the documents at that point?

Ms Weeden: No.

MS CARRICK: That is very strange.

Ms Weeden: It is literally like if you go to the ATO and go, "Hey, what is my tax withholding?" and you put in the details and it spits it back. It asks you a series of questions and, based on your responses, it tells you that you are eligible or you are not eligible.

MS CARRICK: So it basically waits for years down the track to do a matching process through the Tax Office and family law or whoever they match with to determine whether you are eligible or not later, as opposed to asking for the documents in the first place?

Ms Weeden: Correct. The self-assessment tool itself is literally just a form on a website; it is not even an application process. When you go through that, it then says, "Use this code," and I already knew that. I think I had actually had conversations with the Revenue Office earlier on and said, "This is what we are doing. We have got consent orders," and they said, "Yes, with your consent orders, this is the code that you will need to use." In fact, I had a discrepancy there because the code they originally told me is I think the code if you are transferring property, as opposed to buying the other party out. I was confused and so I rang back a second time and they said, "If you are both purchasing new properties and you have got consent orders, it is this code." My solicitor knew that anyway. So they knew the circumstances. That is the code that they put in, and they said, "No; you will just provide it later."

MS CARRICK: So, ideally, if they were to ask for the documents upfront and assess them at the beginning—and maybe that does not suit some people, but they would say, “As soon as you have the documents, we will assess them at that point, and be aware that there are potentially penalties and interest”—but, assumedly, they should try to do that reassessment ASAP, as soon as the documents are provided.

Ms Weeden: I think it took six months before I actually got my first rates notice anyway. So they had not even processed anything. I paid the stamp duty. I purchased the house in December, and I am pretty sure I paid the balance, which was over the capped threshold in January, and I do not think I got a rates notice until around June. So it was like seven months after I brought the house—and then you get this lump sum. So, on top of that, I then had two rate periods to pay. I knew that, so I was sort of putting the money aside.

I am one of those people who will always pay my bills on time. I would prefer you to send them to me. I hate knowing that they are overdue. So when you then receive something that you did not think that you owed it is a big shock. But every process appears to be delayed in there, which, to me, signifies a significant issue from a staffing perspective.

MS CARRICK: Yes.

Ms Weeden: Or a capacity.

MS CARRICK: The process assumedly could be better. I would like to move on to the reassessment process. Sorry; I will move on further than that, because I guess we have already discussed the reassessment process—that at it has not been timely.

Ms Simpson: I think mine was about eight months.

MS CARRICK: Eight months after?

Ms Simpson: From when I paid the money and then submitted my objection, their reassessment took eight months.

MS CARRICK: And over that time interest was still accruing?

Ms Simpson: I had elected to pay my amount in full. I was objecting with the hope that I would get all my money back. But, for people who could not do that, their interest would have continued to accrue.

MS CARRICK: On the payment options, why is it that, when they determine that you owed them \$35,000 or \$40,000, you only have three weeks to pay? Did they tell you why that is?

Ms Simpson: No.

Ms Weeden: No. It just says, “You have 21 days to pay,” which is why I could not breathe when I read it. I already knew, from prior experience, that I could not borrow that money from the bank—and you sit there thinking, “What am I going to do?”

MS CARRICK: That is very harsh. I do not understand that process. But we will ask why that is.

Ms Weeden: They can take months or years to assess—for things completely outside of your control—and, then, with no prior notice, you have got 21 days.

Ms Simpson: For such a huge amount of money. Even if you are in a position to get a mortgage top-up, I know my bank could not process that in three weeks.

Ms Weeden: It is unreasonable.

MS CARRICK: Yes; because you need time to refinance and work it out. We will ask why that is such a short timeframe?

THE CHAIR: Ed, do you have a follow up?

MR COCKS: Yes. Just reflecting on this conversation and both of your stories, it seems like both of you assumed that someone had actually assessed this—that, when you got that notice of assessment at the start, someone had gone through and said, “Yes, this person is eligible due to their circumstances.” Is that right?

Ms Weeden: I do not even think there is a process to do that. I think through the conveyancing process you either put in a code for a concession or you do not, and your initial stamp duty is processed based on that code being put it.

Ms Simpson: I do remember getting a letter from the Revenue Office that said that the concessions had been applied.

Ms Weeden: Yes, but even at that point it did not ask for any evidence.

Ms Simpson: No; there was nothing like that.

MR COCKS: I am just quite astounded that, as you have pointed out, the follow-up letters that you got said that you had three weeks to pay. From some of the other stories I have heard there had been discussion of threats of debt collection.

Ms Weeden: Yes. They are threatening letters and they are written in such a way—and I said this in one of my responses—that, if you have come out of the circumstances that I did, it was akin to coercive control. It was like, “If you do not do this, this is what will happen to you,” and “If you are thinking about appealing, here are all of the reasons why you should not. Here are all the people who tried before you and were unsuccessful. This is your only means of doing it and, if you do not and it is delayed, we will penalise you with further interest.” I think I had a 25 per cent penalty whacked on mine. I think the penalties go up to 75 per cent or 100 per cent. They can almost double them. They wanted me to feel that I had actually been applied leniency, but I still felt like a criminal. I did not do the wrong thing. I paid the duty on time.

The letters are absolutely appalling. As Steph said, we are intelligent women. I like to think I am fairly strong. I have been through some pretty difficult circumstances.

MR COCKS: Clearly.

Ms Weeden: I cannot tell you how I felt when I read those words. I felt sick. I cannot imagine how it would affect marginalised people—for example, where English is their second language. I feared taking action. I went to a lawyer initially and then I thought, “I cannot afford this, because, if I do not win, I am already facing \$48,000.” I wound up with a bill anyway that I had to pay on top of that—and I have had to pay. I have not been as fortunate as Steph. I did not get my money back; I have paid it. But I had to reconcile that because it was eating me up. My mental health was not in a good space from sort of March-April last year through until when I paid that debt in July this year. I just had to draw a line in the sand and go, “That is just that,” because it just tears you up.

Ms Simpson: Yes.

MR COCKS: Yes. It seems really traumatic.

Ms Simpson: Even the engagement with the compliance officers is very confronting in the way they speak to you. It is all incredibly black and white. There is no acknowledgement of your personal circumstances. It was horrific and incredibly traumatising and re-traumatising.

Ms Weeden: There was no compassion or empathy, and you are dealing with vulnerable people—and, in this circumstance, that is what we both were. There was a complete lack of empathy and it was almost bordering on aggressive at times in the conversation, which was like: “This is black letter law. You are acting like we have any discretion on this matter. You did the self-assessment. It was clear. You have breached. You were not eligible, for these reasons.” There was no empathy whatsoever.

I was already distressed. I was on the other end of the line, bawling my eyes out to them and I had been up all night stressing the night before. I had not slept. I was on the phone to them at 9 am on that Friday morning, because I was in a state where I did not know what to do. I was thinking, “Surely, I can appeal to somebody’s logic,” but they were horrendous. If nothing else, how are they going to educate the people on the other end of the phone, or the people that are all working in that area? I understand they have a job to do, but we are not numbers; we are people.

MS CARRICK: With this whole empathy, ideally, the government would have somebody there that could anticipate and identify people who are vulnerable. There will always be some that are in that position, so they should be aware that there will be a small percent of people that will end up in this position and be vulnerable. The question is: how do they anticipate that and identify these people and show compassion to help them through the situation, rather than pushing them off to the Salvo’s or Care Financial? There needs to be something in the system that—

Ms Simpson: I think it should be pretty clear. When I received my call and my letter, they had reassessed me and determined that I was still in a relationship at the time of the purchase of my property. You can see from even that little flag that there was some kind of relationship breakdown. There are very obvious flags when they are doing their

reassessment that would make it clear if someone maybe vulnerable or in a more tricky situation that might require more additional support.

MS CARRICK: Yes.

MS TOUGH: Thank you both so much for coming in and sharing that story. I know that it is hard to share and I really appreciate you sharing that with us.

I think both of you mentioned your conveyancing solicitor in the process and how they just put in the code. Did the conveyancing solicitor seem to know anything about how the codes and the scheme worked? You were both in the situation where you were not first home buyers but you did have a concession, which seems a bit—

Ms Weeden: I think Steph was actually a first home buyer.

Ms Simpson: I was actually a first home buyer.

MS TOUGH: Sorry, you were, yes.

Ms Simpson: When I saw the conveyancing solicitor, it seemed very clear cut. I was legally separated I was below the income threshold—all that kind of thing—and it was genuinely my first home. And my ex-husband had not purchased a home either. So it was very, very clear. They had no issue. It was all very clear cut. I actually went back to my conveyancing solicitor before I engaged separate lawyers when I was being reassessed to say, “I have just had this from the ACT Revenue Office,” and they were shocked. I know the owner or the head conveyancing solicitor personally phoned the Revenue Office to talk to them about my circumstance because he thought it was so appalling. They seemed to understand, but there was nothing they could do.

Ms Weeden: In my case, my solicitor knew that I was going through a family law separation. I had advised her and she, in completing all of my documentation, had directed me towards the self-assessment, which I undertook. I fully acknowledge and accept that that is on me. I can wholeheartedly tell you, I could it read afterwards and say, yes, it says net income, but who looks at net income? That is like saying the bottle of water sold for \$2; therefore, the shop made \$2, when I am pretty sure they did not.

MS TOUGH: Yes, when every other tax is done on your taxable income—

Ms Weeden: Yes. After my initial response to the ACT Revenue Office, when they wrote back to me and said, “Here’s what your actual income is,” I thought, “That’s not what my tax return tells me.” They added it on top, so they had obviously done record-matching, which is fine; I had nothing to hide. I sent them my full tax return; the investment properties that I had were on there.

Is it about the fact that I had the foresight? They were properties I had owned with my ex-husband, who left the country, so I did not exactly have a lot of options there. I was at great pains to maintain them so that I could provide for my three children, who I was left to support on my own in this country. I worked so hard for over a decade to hold on to those so that I could provide for my family. And trust me, it was not an easy feat to come out of that relationship and retain the assets that I had going in. To be penalised

for that, when I am trying not to be a burden on the system later, down the track, when I cannot afford my own retirement or to support my own children, which I have always done—it just feels like you are damned if you do and damned if you do not.

If you do things to try and support yourself, does that mean that I did not go through a family law separation? Does that mean that I should not be entitled to those concessions? My submission clearly showed that the ACT Revenue Office made significant amounts of money out of my hardship. At what point does that stop? That was one of the points I made to them: “How much more blood do you want to squeeze out of this stone?”

MS TOUGH: It is interesting, the role of the conveyancers and what knowledge—

Ms Weeden: They are not—

MS TOUGH: They are not responsible, no.

Ms Weeden: They do not know all of your personal circumstances, either.

MS TOUGH: Yes, and they do not need to.

Ms Weeden: No.

Ms Simpson: I cannot remember who I was speaking to, but they did say that, generally, they do not give that sort of advice, anyway, because it is not their area of expertise.

MS TOUGH: Yes, they are a solicitor-conveyancer rather than a tax lawyer.

Ms Weeden: Also, they are not required to provide it, so it would seem to make more sense that, when they are lodging the documentation at settlement, that would include—

MS TOUGH: The reason for the concession, the evidence—

Ms Weeden: The reason, and the requisite evidence that supports that. Whether it is right or not can be assessed at a later point, but to not even ask for it—

MS TOUGH: But just with the documentation at the time; yes, definitely. Mortgage brokers: are they suggesting this scheme? Did that come up in discussion at all?

Ms Simpson: My first mortgage broker was not very good, so I used a different one for my refinancing. I cannot recall. I do not remember, other than me saying, “I’m a first homebuyer,” and him saying, “Yes, there are concessions.”

Ms Weeden: Mine was phenomenal. In fact, I have gone back to him for mortgage health checks, and he was appalled to hear of my circumstance, but he rang me a few days later to tell me that another one of his clients had had a very similar circumstance, so he asked for guidance on what to do in those circumstances.

Again, I think it is unique, because the assessment sits outside their realm. If you tell them that you are a first homebuyer, they will obviously direct you. If you know that

you are going through a family law split, you know that you need consent orders through the court in order to be able to have the concessions. But, in both of our cases, we felt that we met that criteria. Whether it is conveyancing, solicitors, mortgage brokers et cetera, they only know to the extent that they know, and based on what people tell them.

MS TOUGH: You said that, since you approached the Revenue Office with a list of suggestions, those suggestions have been adopted. Was every suggestion adopted?

Ms Weeden: Yes.

MS TOUGH: Hopefully, going forward, that will make a huge difference for people.

Ms Weeden: Yes. I was brought to tears. I felt that they had heard me, but then there was the absolute disregard, and saying that it would be unfair to apply that criteria to me—

MS TOUGH: Retrospectively.

Ms Weeden: and not do it for others. I think they should do it for others. What they have done is not fair. It is not in the spirit of community. It is not in the spirit of taking care of vulnerable people coming out of difficult circumstances. I was not aware of it before, but I can tell you that, even when it came to writing my submission to this inquiry, I very nearly did not do so, because I simply did not have the energy left to do it. But every time I felt that I did not have the energy, I realised that if I did not do it, and nobody else did it, how would it change?

I would not want anyone to go through what we did. I did not want to go through it. It was horrendous. But lots of people do not have that same strength and do not perhaps have the knowledge or the ability to fight the system. I cannot speak for Steph, but that is absolutely why I did it, so I dug deep and I thought, “I can do this.” I had mountains of documentation that I had provided previously, and it was a matter of going through that to re-compile it. But if not us then who?

MS TOUGH: I really appreciate it, and I know the committee does as well. I know that, in my capacity as a member, I have received correspondence from multiple people on different aspects of how they have engaged with the scheme. I really appreciate you both for putting in such detailed and well-considered submissions and appearing to share your story today. Thank you. Is there anything else that you want to add?

Ms Simpson: For the most part, we have covered it all. It is a tricky system that, at the moment, projects itself like it is trying to be fair and help people who need it most, but it just does not do that. The penalties, I think, are grossly unfair and the treatment of Canberra residents is genuinely traumatising. I put a lot about that in my own submission. It would be nice to see greater support for people going through the application process; it would be nice to see that change and be improved.

Ms Weeden: Change the application process. Do not have first homebuyers and family law splits under one piece—

MS TOUGH: One code, yes.

Ms Weeden: of legislation or the disallowable instrument. They are two distinctly different sets of circumstances. I was told, “The scheme is designed for low income earners,” yet they changed the income threshold from around \$180,000 to \$250,000, and it went from net income to taxable. That makes that shift more than \$70,000.

MS TOUGH: Quite big, yes.

Ms Weeden: It is significantly more. Look at the cost of living; look at the cost of buying a house. Those things were all really relevant in my case, in particular, notwithstanding that I think the criteria should be different if the circumstances are different. Have the system reflect what is actually happening there. With people who are going through family lawsuits, I can assure you that I do not know very many who are choosing willingly to do that, irrespective of whether they want the relationship to end or not.

The implications of that are the things that hold people back in very unhealthy relationships. I can tell you that the fear for myself of what that would mean, to try and provide for my family, is what kept me there, and led to a very difficult relationship with my eldest son, who has now moved away.

MS TOUGH: I am sorry.

Ms Weeden: He has gone to university, so he is in a good place, but there was the damage that it did to our relationship; he resented me for staying as long as I did. I stayed because I was fearful of how I would navigate through that process to exit. In his infinite wisdom at the time, at the ripe age of 16—actually, he was 15—he did not understand that it is complex. It is not a matter of just deciding you do not want to be there anymore, packing up your bags and going. The financial implications are huge. There are so many barriers, and this does not have to be another one.

Ms Simpson: Even the final letter that I received from the Revenue Office, where they determined to refund me, was, in and of itself, almost upsetting. It said that, while they found me to be ineligible, due to my unique circumstances, they would offer me an act-of-grace payment—which I understand is a term under the legislation now, but at the time it was very upsetting; an act of grace?—and they would refund my money.

I can tell you now that my circumstances are not unique. Everyone must wait 12 months to get divorced. While it was a resolution, and I was getting my money back, it was still incredibly heartbreaking and very hard. Even reconsidering how they write their correspondence would go a long way to helping people as well, particularly when you are dealing with such large sums of money that are genuinely life-changing for people. That would also be really helpful.

Ms Weeden: You do not recover from that sort of debt that gets added at a certain point in life. You would have made different decisions if you knew. But to add insult to injury, in my case, my ex-partner was eligible and did receive it. Despite being happy to take 50 per cent of the proceeds of the sale of our house, even though I put in more equity, he was not happy to cover half of the downside impact, which I then bore myself.

It is not his fault. He did not write the legislation. But we went in believing that we were both eligible and, because I go to great pains and great lengths to ensure that I am financially sound and able to provide for my family, I had other sources of income. I worked really hard to maintain those and he did not; therefore, he was eligible, and I was not. That is a bitter pill to swallow.

MS TOUGH: Yes, definitely.

MR COCKS: I am very aware that it has been a pretty traumatic session for both of you, working through some difficult times, so I will not ask a question now, but I did want to say that I am incredibly grateful to you—I am sure everyone else at the table is—for having the courage to come and speak to us, and that, based on the number of cases I have advocated for, you are far from alone. Certainly, many people that reached out to me were concerned that, if they brought their stories, if they were still going through the process, it would have a detrimental effect, and their stories echo the sense that you have conveyed. Thank you for being their voice as well.

Ms Simpson: Thank you also for leading the charge on this.

Ms Weeden: Yes.

THE CHAIR: Once again, thank you very much for attending today. There were no questions taken on notice. On behalf of the committee and the visiting member, thank you for attending. We will keep you informed on how the report goes.

Short suspension.

BAINES, MRS SARAH, Financial Counsellor, The Salvation Army
BUCHANAN, MR GEOFFREY, Policy Advocacy and Business Development
Director, Care Financial Counselling
GANI, MR JOSHUA, Senior Policy and Advocacy Adviser, The Salvation Army
KRISHNAMURTHY, MR RAVI, President, Australian Multicultural Action
Network
MAYES, MS LEASA, Director and Financial Counsellor, Care Financial Counselling
SEILER, MISS EMILY, Policy and Advocacy Adviser, The Salvation Army

THE CHAIR: Good morning and welcome to our public hearing on the concession scheme as part of our Standing Committee on Public Accounts and Administration. We have the Salvation Army, Care Financial Counselling and the Australian Multicultural Action Network appearing as a panel here with us today. We are here until, I think, 11.25 and so we can invite opening statements and then we will go to questions.

I note that witnesses are protected by parliamentary privilege and bound by its obligations. You must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly. Sounds very serious, doesn't it? I can open to the floor for opening statements if anyone wants to give a short, brief statement and then we will go straight into the questions. So starting from my left. Do you want to make a statement?

Mr Gani: I have read and acknowledge the privilege statement.

THE CHAIR: You have been here before?

Mr Gani: Yes.

Miss Seiler: I have read and understand the privilege statement. I do have an opening statement to read out.

THE CHAIR: Yes, go for it.

Miss Seiler: Thank you for the opportunity to appear today. I would like to begin, of course, by acknowledging the traditional owners, the Ngunnawal and Ngambri people. The Salvation Army is here today to highlight the need for processes that anticipate, identify and respond to financial hardship. Through Moneycare, the Salvation Army has been providing financial counselling support for over 35 years to Australians experiencing or at risk of experiencing financial hardship across Australia. In the ACT, Moneycare provides free and confidential advice and advocacy support for community members with debts, including debts to the ACT Revenue Office.

All Canberrans should be adequately supported when navigating both concession schemes and the management and repayment of a debt to the ACT Revenue Office, including through the Homebuyer Concession Scheme. The reassessment and debt recovery processes of the scheme can have an increased impact on community members with experiences such as financial hardship, family and domestic violence, unemployment or disability.

Individuals with this experience can face greater barriers and complexities to both

accurate self-assessment and also subsequently for navigating appeal and debt repayment options. All stages of engagement with the ACT Revenue Office must be accessible to and inclusive of people in diverse circumstances and we highlight the need for compassionate and individualised approaches to both customer engagement and debt recovery. This must include identifying, anticipating and responding to financial hardship and referring community members to available community supports where appropriate. We again thank the committee for the opportunity to appear today.

Mrs Baines: I have also read the privilege statement.

THE CHAIR: And no statement? No.

Ms Mayes: I have also read the privilege statement and I might just make a brief starting point. At Care Financial Counselling we also see people who are in financial difficulty trying to navigate debts and looking at their options. In particular with the home buyers scheme the people that we saw did not anticipate these debts. They were not expecting to have to pay it back. They were intending to live in the property and they were intending to meet their requirements that way.

When they found out they had a debt they were trying to seek help. It was very, very difficult to seek help with long wait times on the phone and limited options provided. The payment plans that were offered were unaffordable and the affordable payment plans that they put forward were rejected, and with the interest increasing, it was increasingly difficult to find a solution and those people pretty much gave up on trying. So we are really committed to try and work with revenue for more options to help people navigate this very difficult issue. Thank you for that opportunity.

Mr Krishnamurthy: Thanks for giving this opportunity here. We are committed to strengthening multicultural voices, advancing social inclusion and ensuring the fairness in public policy.

THE CHAIR: Excellent, thank you all very much.

MR COCKS: I was just taking a look at the submission from Care dated 15 October which has a number of case studies contained in it, and it ties in. What I am trying to understand really is the human impact of the processes people are going through when they are identified through this program and there is an individual here—and it certainly would not be the only case where there has been a severe mental health impact and suicidal ideation identified. I am interested, are the mental health impacts something that you see with these types of circumstances?

Ms Mayes: Yes, yes, we do. I think for the people in the case studies—and just to be clear, we have not seen many people who have come to us with these particular debts, but the people that did, the reason that they did not meet the requirements was because of their mental health or because of family violence or their health issues. So that was one of the reasons they were not able to meet the requirements of residency and it also was one of the factors that made it more difficult for them to do something about it. I mean, they could have appealed. They might have been able to request a shorter residency period. But because of their mental health, they just were not able to do that and the time ran out and then with the options so limited, pretty much they gave up and

they just said, “There is nothing I can do”, and we do not know what happened to them, which is very concerning.

MR COCKS: So you said they did not meet the residency requirements because of their mental health?

Ms Mayes: They were in financial hardship, so they were unable to make the payments to their mortgage and other things. So they had to sell early and mental health was a contributing factor to that, so yes.

MR COCKS: So it was not that the individuals had bought a property, made a profit over a short period and then moved out or then moved on to rent it out. It is that they were not able to maintain the payments on the property.

Ms Mayes: That is correct and they did not make a profit. In fact, they were more in debt and this debt just exacerbated that situation.

MR COCKS: For the Salvation Army as well, and anyone who wants to jump in, really, I am interested in understanding what human effects you are seeing when people are approaching your organisations.

Miss Seiler: I will pass to Sarah on that one. Across the board, where people have an unexpected debt applied, it can have significant mental health impacts.

Mrs Baines: So in regard to an unexpected debt that turns up out of the blue like that would be the fact that straight away, the shock of it and it impacts on their entire family because all of a sudden they have to rally to find money to be able to pay this. If they come to a service like us, or Care Financial Counselling, they will at least go through options in regards to that. But if they feel that they cannot pay this debt, well, they have no hope. They just cannot see a way out of it. And in that regard, they will just not pay it. They will not ring anyone, they will not talk to anyone, they will not do anything about it. And then it just gets out of control that way.

MR COCKS: So they essentially retreat and they become isolated.

Mrs Baines: The whole ostrich thing is a real thing. They put their head in the sand and they just do the basics. From there, things can get out of control with mental health, with their family situation, with relationships. It can take a real toll.

MR COCKS: From the stories we have just been hearing, it does not sound like, in these specific circumstances, the ACT government is proactively reaching out to make sure people are okay or on track. It seems like they would just be building up debt for the entire time that they are retreating and unable to cope with that stress.

Mrs Baines: Correct and for a statement, you would like to think that there was an option on there. So you know, you go down and you see the national debt hotline. It gives them an olive branch. Ring that number and you can get any financial counselling, which is a free service, and at least then we can look at options on what we can do.

Mr Krishnamurthy: Yes, I think we discussed that when we got to that. They do go

through severe stress and anxiety and financial hardship affects all sorts of things. You know, their mental health deterioration. We know that. The fact that it does impact on their family relationships. Social isolation, we just heard. From the other side, I think people do lose trust in government systems because when you are put through different types of distress the basic question that comes to mind for the people going through this hardship is, can I trust the government? That is the basic thing which needs to be addressed as well.

MR COCKS: One of the other things I am interested in finding out, again from our first session today, it certainly sounds like those individuals and many of those I have engaged with have done their best to engage in good faith and try and provide the information. Are you seeing a trend of people who have gone out of their way to mislead or gain advantage from the system at all?

Mrs Baines: Absolutely not, no. No one.

MR COCKS: No, so it sounds like you have not seen any examples of that. The people who are coming to you have attempted to engage in good faith, have attempted to do the right thing and then down the track they have been hit by these notices?

Mr Buchanan: In our submission that we have just tabled with the committee today — apologies for the late submission—but in terms of financial counselling, the Australian financial counselling sector particularly point to AFSA's bell curve in terms of that question around are people intentionally not doing the right thing, or are people actually in a circumstance where they would love to be doing the right thing, but they just do not have the capacity or the capability to do so, whether that is a financial reason or another vulnerability, so around the hardship or mental health as well.

MR COCKS: Yes. I am interested, are there circumstances where the government should be identifying risk factors and taking a different approach? Or is it just that universally the approach is currently quite punitive and harsh and needs to be wound back?

Miss Seiler: So anticipating vulnerabilities and people experiencing financial hardship and forms of disadvantage is a very important factor. Recently you have seen the ATO Vulnerability Framework as an important basis for anticipating that people with these experiences are in the community and are going to be engaging with your services. So we have done a survey of all of Australia for our Social Justice Stocktake recently. In the ACT it was found 60 per cent of respondents saw financial hardship and inclusion as a problem in their communities and a quarter of respondents reported financial hardship as a struggle for themselves.

This is a significant proportion of people and it is something that needs to be anticipated for. When it comes to identifying specifically things around missed payments, so not necessarily for the Home Buyer Concession Scheme, but when we think about rates and things like that, missed payments can be a good way of identifying. But it really comes down to that availability of information and engagement with people who are experiencing financial hardship and other disadvantage and reaching out for support. So making sure that information is available and that they are referred to supports when it is needed.

MS CARRICK: I want to ask one question and then go back to the assessment process, because it is at that beginning of the—you have the assessment and the criteria and then the reassessment and then the appeal and then the payment options, the whole process. But before I get to the assessment process, are you able to work with the ACT government in any way to help manage the issues that your clients are coming to you with?

Ms Mayes: I can answer that. We have engaged with revenue just generally and it is mostly regarding rates debts. So we have an arrangement with them at the moment called the Debt Stabilisation Program and that is when we are working with a client. We provide them with a budget and they put the matter on hold for collection for 12 to 18 months while we work with the person and then there is an arrangement after that period where we look at a plan to pay back the arrears.

MS CARRICK: So with this scheme they seem to get three weeks to pay, a significant amount of money, 30 or 40 thousand dollars in 21 days. Is that usual practice for a government to do that?

Ms Mayes: It does seem to be practice, and with these particular debts I think it was 12 months, from memory, which if it is \$26,000 and someone is on JobSeeker, to actually put that forward is—I mean, it is just impossible. It is impossible to do. People can pay something. You know, occasionally they can make a payment, but not the amount and so then there is nothing in place. So it is very frustrating to try and navigate what to do next.

MS CARRICK: Going back to the beginning, it seems that in the process there is this self-assessment and then the candidates for the scheme are asked for their documents, whether it be their Notice of Assessment, their tax return or whatever evidence they need that they meet the criteria. Then it is not until later that the government will do a matching process through AI and they will match to the tax office and what have you, and then that is where they tend to find people are not eligible. Do you think that the government could improve processes to assess up front, to support people through the application process so that we do not end up in this situation?

Miss Seiler: Absolutely, and when we are thinking about what qualifies somebody for a homebuyer concession, we are looking at often key points of disadvantage. So we have the exemptions around family and domestic violence, family breakdown, and also when we are considering potential death of a spouse, things like that, and misunderstanding. So it is important that people are supported to understand their eligibility and understand their obligations. We acknowledge the importance of the scheme as it is and that it allows for streamlined processes. However, it is important to make sure that there are those supports there for people who need it and they are able to access it. The information provided on the website is very tricky to navigate from a financial hardship standpoint. So making sure information is clear is another key consideration as well.

MS CARRICK: Do you have any advice on how they might identify vulnerable people, to target their support?

Miss Seiler: That will depend on the individual circumstances. Do you mean with respect to assessment—

MS CARRICK: Through the application process, to stop issuing a big debt with three weeks to pay.

Miss Seiler: Our experience does not quite lie there. It is more about the management of the debt. I am not sure whether we could provide a good answer.

MS CARRICK: Yes, you are more at the back end of it than at the beginning.

Miss Seiler: Yes.

Ms Mayes: We are the same. We are at the back end. We see the results of it, rather than the assessment part. In saying that, though, there are income thresholds. People on lower incomes, probably just by definition, could be more vulnerable. With couples, because there are the two incomes, if something happens to one then the other person would be impacted as well. Also, domestic violence is a big factor there, which we have seen in one of the case studies that we presented. We do not tend to work with people on that.

Mr Krishnamurthy: Having a hybrid form of assessment model would be very helpful here. It is about keeping the self-assessment without slowing down; we can introduce into the system, based on several technology upgrades, the up-front verification checks. I am sure that could be implemented in the system.

Lots of us are working in IT. We know that conditional approval can be given as well. Giving this sort of conditional or concessional approval helps on the other side regarding applicants. They do need to check and verify the details from the applicants, but that can be done by taking the risk-based approach. I know that the tax office do the tax return assessments based on the risks of the individuals and businesses, so something like that could be implemented. That is, again, one of the improvements that could be done from the Revenue Office side.

Digital integration is given a high priority these days. We are not seeing any more phone calls; you cannot call customer service and you cannot see a person, to talk to. Most of the activities these days involve interacting digitally with computers. Digital integration can be improved if data-matching can be done at an earlier stage, rather than happening at a later stage, where people are disadvantaged. Giving that early education and early checks and having good digital integration will definitely improve the system.

MS CARRICK: I think that is a really good idea, using that language of “conditional approval”, because people think that they have the concession and, in fact, it has not actually been assessed yet. It is all a bit misleading, but that language would help, I think.

With the harshness of the penalties—25 per cent, eight per cent interest, and there is a cash component on top of that, so it could be over 12 per cent interest—there is the fact that it is applied right from the beginning. There could be a few years delay before they actually get assessed and, if they are found not to be eligible, the interest is charged from the very beginning. Is that a typical process or procedure across other

jurisdictions? Would they be doing that sort of thing?

Ms Mayes: They might have been eligible up to a certain point, too, in terms of living in the property and then getting rid of the property three months towards the end. They might have been eligible up to that point as well. For revenue, they do backdate. That is a standard thing that we see.

Miss Seiler: When it comes to other jurisdictions, where we have experience with taxation debts, typically, greater interest and penalties are applied. Our greatest experience, though, lies with consumer debts, where that is not the case. When it comes to the penalties, it depends, obviously, on the individual circumstances. We are talking, from our perspective, of people experiencing disadvantage and other circumstances. In those circumstances, where there is notification of what the client is experiencing, we are calling for responsiveness to those circumstances.

MS CARRICK: Can you tell me about your experience with the government applying waivers?

Miss Seiler: I do not believe we have experience with respect to waivers.

MS CARRICK: I do not know whether they do them very often.

Ms Mayes: We have had some very limited experience with waivers.

Mr Krishnamurthy: I have spoken with some of the organisations dealing with these issues in New South Wales and Victoria. In New South Wales, they have a similar structure, but they have a tiered complaints approach. That is what I heard from some of the organisations in Sydney. Sometimes they do a partial concession, and warnings as well, if they find that there is a genuine error. That is the situation there. Victoria, apparently, is giving a longer timeline because they are a bit more flexible, and they give more time for the appeal, based on the appeal decisions. I think that, in Queensland, it is pretty similar to what is happening in the ACT.

MS CARRICK: Perhaps they need to look at their payment plans, because the three weeks is damaging people—having a review of the payment plans.

Mr Krishnamurthy: Yes, good-faith mistakes versus intentional misrepresentation; that is where the whole difference comes from.

Mrs Baines: In regard to New South Wales, in exceptional circumstances they will waive the interest on rates, but it is quite a form. Through a financial counsellor, you can get the interest waived, not the actual debt, which is fine, because they own the property. Yes, there are exceptional circumstances, especially for someone, for example, on JobSeeker. That is not going to change; they have put in a submission to get on the DSP. In that regard, their income is not going to change; they cannot go back to work. We have been able to get those interest charges waived.

MS CARRICK: Do you think that there needs to be a review of the whole process—how they do the reassessment and how that is then feeding through into these circumstances, where people end up seeking help from you? Would that help?

Miss Seiler: As we said before, our experience lies at the back end, where there is already debt. When it comes to reassessment, we would not be best placed to answer that.

Ms Mayes: It might have made it clearer to people as to what the requirements are, perhaps; so that, when you apply, it is very clear what the eligibility criteria are, because you need to read through the application. That may have made it clearer and more transparent to the person, which, again, may have helped. It is hard to know exactly, but—

MS CARRICK: Yes. Maybe they need to review the whole process.

Ms Mayes: Or do a midway check to see if people still have their mind on meeting the eligibility criteria to get to the end point.

Mr Buchanan: The big focus of the submission that we have made is that there is this whole set of emerging principles around how to address both hardship and vulnerability, and to recognise the relationship between the two. The Australian Taxation Office is going through a vulnerability framework development process at the moment, so there will be lots of really useful insights coming out of that, and there are developing principles around that as well.

In terms of things like the payment terms or periods requiring repayment, in terms of taking a trauma-informed approach or a person-centred approach with a vulnerability lens applied—all those things together would help to indicate where there is likely to be a real problem in the system. When you are working with people with a vulnerability or hardship, those are the particular things that will probably have the biggest impact and have those more dire consequences for taxpayers, in terms of that mental health impact, especially. They may experience extreme distress and/or disengage entirely from the process. As we have experienced with clients, we do not know what has happened.

That is the kind of thing we would look for the ACT Revenue Office to explore. We know that there is work underway to look at how it approaches that across the board, as an agency. This provides yet another case study in terms of the Home Buyer Concession Scheme and the historic land tax recovery as well. There is a mounting evidence base to inform that process. It is not a great thing in itself, but it provides a lot of things to work with, to explore and to base that on, in terms of making sure that those processes and systems are improved, especially as they try to support people who are experiencing vulnerable circumstances or financial hardship.

MR COCKS: Miss Seiler, you made mention that a lot of the debts that your organisation deals with are in terms of private debts for people. I am quite interested in what is different about the experience of dealing with a debt to the government. Some of the things we were hearing this morning seemed quite threatening, when people are getting this correspondence. Is there a different power balance when you are talking about engaging with the government?

Miss Seiler: I might pass to Sarah on that, because she has a lot of experience with Public Accounts—15/10/25

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Mrs S Baines, Mr G Buchanan,
Mr J Gani, Mr R Krishnamurthy,
Ms L Mayes and Miss E Seiler

clients in this respect.

Mrs Baines: When working with government, in comparison to other lenders, the timeframes are very stringent, from government. They are shorter. For example, you can start out with small moratoriums, low payment arrangements, and end up with a life arrangement, for seven years, to pay off an old credit card. “No interest, no fees; pay that off, so that that’s paid off.” Let alone the fact of waivers, which other government organisations do not do. You have, for example, three-year, incorporating 10.75 per cent interest within that, and being able to pay it out by that due date. If you cannot commit to that and show a formal arrangement for that, it is dismissed. You still have the debt, but it has to have the 10.75 per cent in that arrangement; otherwise it will not even be looked at.

Out of all the creditors, government ones, in my nearly 15 years of being a financial counsellor, are the most difficult to work with, to be perfectly honest. When a client comes to us, they are not normally on amazing money. They have come because they are in hardship, they need options, and the only way to get them to be able to pay is to give them that hope that they will be able to move forward and get on top of it.

If they feel like they are always going backwards with their interest, they just discontinue to engage with us, discontinue to pay. It works much better if they get even a small amount of time with no interest; then they will normally pay more than what you have agreed to, just so that they can bring that down. It gives them hope, and hope empowers people, at the end of the day. When they feel that the hole is getting bigger, they just throw their hands up and say, “What does it matter?” It matters a lot, as you are aware.

MR COCKS: It sounds like things just keep going backwards, if there is not a bit of give from both sides.

Mrs Baines: Correct.

Miss Seiler: Yes, and there are lots of differences as well when it comes to the consequences. When we are talking about debts that are secured to the community member’s home, it is about understanding the consequences there and having a good understanding of what the debt means for the individual. People have a very good understanding of their mortgage and that it is secured against their property. When it comes to rates, there is less of an understanding of the implications that unpaid rates can have.

That is why we say that, when talking about disadvantage and experiences of vulnerability, it is about making sure that people are equipped with the information on what their obligations are, how to meet their obligations and, if they are unable to do that on their own, being referred to available community support, such as financial counselling, to meet their taxation obligations.

MS TOUGH: Touching on the government debt, and experiences of government debt. Mrs Baines, you mentioned the New South Wales experience and the ACT experience. I am guessing you probably have federal ATO experience thrown in there, during that 15 years.

Mrs Baines: Yes, and a bit of Victorian experience.

MS TOUGH: What are the different governments like, with respect to debts with the ACT Revenue Office and the interactions people have with the Revenue Office with those debts, compared to some of the other government jurisdiction debts?

Mrs Baines: In regard to ACT government debts, I can only go from what the clients have told me. The ones that I have recently had have come along due to the fact that they cannot get anywhere. The letters are rejected. They have come to financial counselling because they know they have limited options, and most people do not know what their options are, anyway. I would say that a very high percentage of people are not aware that those rates are a secured debt against their property.

They come along, and they say, “I can’t talk to them. They don’t listen to me. I can’t get anywhere.” That is when we help them. We take over the advocacy and become that piggy in the middle, so to speak. We are able to take that stress off the client and try to come to a place where both places can manage on what is going forward, to be able to make it so that the property is safe and something is being paid, because I would prefer them to pay something than nothing.

They cannot just forget about it and hope that it might go away. It is better to pay something, even if it is \$20, until you get on your feet, and we have gone through the options. It is about having a bit of time so that you are able to work through the process. They do not just come along, we give them a budget and they walk away. It does not work like that. At least we can go through the different options, and they can choose what they would like to do; we can then move forward in regard to working with those government debts.

MS TOUGH: Does the interest continue to accrue throughout the payment plan?

Mrs Baines: Yes.

MS TOUGH: Is that the same in other jurisdictions as well?

Mrs Baines: Yes.

MS TOUGH: So, even if someone is paying \$20 a week, the debt is probably still growing.

Mrs Baines: That is right, but they do—

MS TOUGH: But they are getting somewhere.

Mrs Baines: They are getting somewhere. If the conversations are with, say, a local council in New South Wales—whichever council you pick—they will make an arrangement and you can make an application, depending on the circumstances, to have the interest waived. But the main thing is that you make the property safe and secure and it does not go any further. They need to make those phone calls today so that we have something in place to make sure things are safe.

MS TOUGH: Do you have any experience in the ACT of interest being paused while those discussions are going on?

Mrs Baines: No.

MS TOUGH: But you do with councils in New South Wales?

Mrs Baines: Yes, but not the New South Wales government.

MS TOUGH: So it depends on the level of government. Interesting.

Mr Krishnamurthy: I want to add a few points here, if it is okay with everyone. If the rules are not clear, people do not know what to decide. I would say that is the first issue. With unclear rules, the reassessment becomes very rigid, and that increases the severity of the debt. The mechanism needs to be a bit stronger in this discussion. That is one of the reasons I mentioned, in my submission, the introduction of a grace period of, say, 30 days. That would be very helpful. They may find they missed a very important detail in the application, so they can take the 30-day grace period to update their record. They can say, "I missed this document. I am happy to resubmit it now." Giving that grace period would be very helpful. Penalties can be tiered as well, which is not happening in most cases. As we know, the community of practice was introduced across most of the federal agencies, and having an independent review panel would be very helpful in these types of scenarios.

MS TOUGH: Thank you. I want to move on. Mr Buchanan, you mentioned that the ATO is doing some work around the Vulnerability Framework. Do you know where that is up to?

Mr Buchanan: My understanding is that they had a consultation paper for which submissions closed earlier in the year. We are expecting to see the final version of that towards the end of this year. There are other things as well. In Victoria, for example, we are expecting to see something come out of the local government hardship policy area. There are a lot of things happening that would be relevant to this inquiry and the ACT Revenue Office.

MS TOUGH: That is useful. I will keep an eye out for those two things.

Miss Seiler: I draw attention to a document from the Tax Ombudsman: *How to tell people they owe the government money*. It has some great information and guidelines with respect to how to inform people, how to not come in too hot, how to seek feedback, and the importance of outlining what the processes are, should there be a concern with the individual's repayment of the debt, with respect to financial hardship.

MS TOUGH: Thank you.

MR COCKS: This is somewhat related to what you have been talking about, focusing on the debt management side of it. One of the concerns that keeps being raised by individuals affected is that they are essentially threatened with debt collectors coming in. Is that something that people who approach you have shown you in the material? Is

that a story that you are hearing?

Miss Seiler: I do not believe that is our experience when it comes to rates arrears. In general, people's responses to threats of debt collection include, of course, fear and anxiety, which we have spoken about, and the mental health impacts. That is why there is the importance of letting people know what their options are, what the expectations are and what the process is.

MR COCKS: Does the material that comes from the ACT government around these debts align with those principles that you have been referring to?

Miss Seiler: The feedback that we have received is that, particularly when it comes to rates arrears, the level of debt that the community member is in is not really communicated clearly, and also what the potential consequences are. The letter looks like a very standard rates notice, but it will have a negative figure balance at the top.

MR COCKS: Dr Krishnamurthy, on the communication front, one of the concerns that we were hearing earlier today again was that people who have English as a first language and are well educated also have difficulty in navigating the communication and all of the information from the Revenue Office. I am interested in whether that has a particular impact on multicultural communities, where English is not their first language, and other people who may be struggling to engage.

Mr Krishnamurthy: Definitely. When it comes to the CALD community, it is a bit of a different story. There is the stigma when the community gets to know about someone going through this sort of a thing. That creates a lot of barriers. We talked about social isolation, which is very common. I should not say that gossiping is very popular, but that is something a lot of our members go through. Complex systems are always very difficult to navigate through. That is what we are experiencing with the system here, for people who originate from places with a different language. When they go through this sort of system, it is very hard. There are a lot of websites that can change the language. People can click and then choose a different language to read through the material. That sort of approach is not available with the system. That is another improvement we can think about. There are different time pressures. People in certain employment go through all sorts of things, and the time pressure adds a lot more complication. It is about not having enough support and access. It affects their mental health and family relationship. People become muted. They say, "I do not have support here. I cannot go. I cannot talk in the community." Those are major issues.

MR COCKS: It sounds like there are definitely barriers. I will throw it open to the rest of our panel members. There are people who are struggling with other barriers as well. Is that communication an issue there? I am talking about the overly complex language that is in all of the government's documentation.

Miss Seiler: Yes; absolutely. Something we see across the board with our financial counselling service, particularly around financial information, is that it is difficult for a lot of people to understand. Of course, there are steps that could be taken to make that more comprehensible, but also referrals to existing community supports, when it is needed. The other thing that we have seen, which we have included as a case study in our submission, is around misunderstanding of requirements and possibilities when it

comes to repaying debt to the ACT Revenue Office. We had a case study where the gentleman had fallen into financial hardship. He contacted the ACT Revenue Office and was advised that the whole amount was repayable. So, for several years, instead of paying his rates as they fell due, he was trying to save to repay the whole amount at once. It was not until he attended financial counselling and was informed of his obligations and options that he understood that was the expectation. That is where communication is very important, as well as identifying people who are not meeting their taxation obligations and supporting them to meet them. There are many different reasons as to why people are not able to.

MR COCKS: It sounds like a supportive approach rather than a punitive approach.

Miss Seiler: Yes; correct.

Mrs Baines: But also to be aware that not every rates notice is at zero because people can afford to pay it. That is what I am concerned about. Every rates notice should have the National Debt Helpline on it for support, because you do not know what people are doing to pay their rates.

MS CARRICK: Or not doing. I want to go back to the hardship policy. Has the ACT government ever had a hardship policy for payments to the government? It has offsets and rebates—things for power bills and a range of things—so it seems strange to me that there is no hardship policy already. Perhaps they should be drawing on the ATO's one on vulnerability and local government hardship policies to develop one here, to bring a bit of humanity into the whole system. Do they need to develop a policy?

Miss Seiler: There is a deferral program for rates in place already. Care would be well placed to provide some more insight into that because of their involvement. However, when it comes to information around how hardship is treated, it is really important that the information is both there and also publicised to community members so that they can easily access it and understand what their obligations are and how they are going to be treated. When it comes to navigating the website, there is information there at the moment about how to engage with the ATO Revenue Office if you are experiencing financial hardship, but it is very tricky to find. It is really quite hidden. It is about making that more visible and easier for people in all circumstances to engage.

MS CARRICK: Is it easy to get through to the ACT Revenue Office and actually have a meaningful conversation about the issues?

Ms Mayes: Sometimes you can get through quite quickly, but at other times you can be waiting on the phone for 45 minutes.

Mrs Baines: I spent 10 minutes looking for their email address the other day. I still did not find it.

Mr Buchanan: In a broader sense, we had a meeting with the ATO Revenue Office about a month ago, and with the Salvation Army's Care as well. In terms of the development of a framework or a policy around hardship and vulnerability, what we are keen to see is an ongoing conversation and dialogue with the financial counselling sector, the broader community sector and people with lived experience as well. Looking

at other frameworks that are out there or emerging is going to be really important, as well as making sure that it is connected to the community that the Revenue Office is working in. That is where I think the biggest value of working is, especially with financial counsellors, to get their insights into the impacts of current processes and practices and how they could be improved, and to develop a framework around that. But they need to have an ongoing conversation to make sure that the framework is fit for purpose as time goes on, so that there is a process of continuous improvement and ongoing engagement. That is really important. We definitely welcome the Revenue Office's engagement so far. I understand they are talking with the Ombudsman as well. Those discussions and that dialogue is really important.

THE CHAIR: Excellent. That brings us to the end of this session. On behalf of the committee and our visiting guest, thank you for attending today. I do not think any questions were taken on notice. Look out for the report when we have concluded this inquiry. Thank you very much.

Short suspension.

DWYER, MS KATRINA, Senior Assistant Ombudsman, Defence, Investigations,
ACT and Legal, Commonwealth Ombudsman
MULDER, MS JOANNE, Acting ACT Ombudsman

THE CHAIR: Good morning and welcome to our public hearing as part of the Standing Committee on Public Accounts and Administration. We are inquiring into the concession scheme. We have Ms Dwyer and Ms Mulder here today. The committee welcomes you here. Would either of you like to start with an opening statement or would you prefer us to go straight to questions?

Ms Mulder: We do not have an opening statement today.

THE CHAIR: Okay. Please note that you are protected under parliamentary privilege and bound by its obligations. You must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly. We will go straight to questions. I will hand over to Mr Cocks.

MR COCKS: Thank you for being here. I again put on the record my gratitude for the really good work that your offices and teams have been doing around issues of fairness. There are reports like *What's Fair?* Based on what you are seeing, I am really interested in whether the fairness problems that were highlighted through other reports are also being reflected in the administration of the Home Buyer Concession Scheme reassessments.

Ms Mulder: We have received complaints about the Home Buyer Concession Scheme. Whilst we have only investigated one of those complaints, we have reviewed the other complaints. It is fair to say that there are some similarities, but I note that we have not investigated the scheme per se. The similarities we put forward in our submission were around issues around communication and things like record keeping. There are definitely some similarities, but we have not investigated the scheme.

MR COCKS: One of the things that we have been hearing about today has been around short deadlines, and really strict deadlines too. We are talking about three weeks to pay back \$50,000, and in some instances more. I am really interested in the view of the Ombudsman, the work that you have been doing around the impact of those short deadlines and whether those deadlines are actually reasonable.

Ms Mulder: We acknowledge that the deadline has increased from three weeks to eight weeks. Having said that, there have certainly been issues in the complaints around the deadlines and the ability to have a payment process in place. Where we would come from is that, for any scheme that is being administered, there is a need to be conscious of the impact of the actions being administered. The understanding of short deadlines, communication and eligibility requirements all comes into that. Ms Dwyer?

Ms Dwyer: I could add to that. You need to consider an individual's particular circumstances when you are determining whether there is an extension option et cetera, as well as—to build on what Ms Mulder was saying—making sure that there is communication about the different pathways that might be available for people to even seek extensions, for example.

Ms Mulder: Exactly. One of the things we have seen is about receiving information about the potentially extenuating circumstances prior to an assessment being made and those deadlines being determined—the ability to engage in whatever the program might be for an individual.

MR COCKS: I am not sure the degree to which you can go to this. There is the approach of self-assessments in general that are part of the Home Buyer Concession Scheme. It seems fairly concerning to me that people are being expected to navigate, on their own, complex administrative law matters when it seems that lawyers are struggling to navigate them. Is this something that you see elsewhere? Are there fixes for systems? It does not seem to be exactly the same as what the federal government does with a tax return, for example.

Ms Dwyer: I could respond in the first instance. Ultimately, whether a self-assessment process or some other process is undertaken, we would consider that it is a matter for government. But what we would say is that, if you are going to have that kind of mechanism for doing that, then you really need to make sure that the impacts for somebody making a declaration are very clear up-front, so that they understand what they are completing. In the complaints, we have seen confusion when that is being completed and confusion after that time, at the stage when the Revenue Office is engaging with the individual. Particularly if you have self-assessment and somebody is going to make a declaration, it is important that they have information available to them at the time about the consequences of what they are filling out.

MR COCKS: I assume that would extend to things like the self-assessment tool on the website. The reason I bring that up is that I have heard examples where people have used that tool and it has told them that they are eligible. They have relied on that and then, down the track, five years or so later, they have had a reassessment. Is there recourse for people because they have been told the wrong information by the government?

Ms Dwyer: To clarify, there is a question around whether the information is right or wrong, and that is certainly not something we have investigated, in terms of the detail on the website, but the information that is provided there needs to be clear enough so that somebody can make an informed declaration. What I have seen come through in the complaints is that there are instances where people have inadvertently ticked the wrong box. There are other instances where their circumstances have changed during the 12-month period and they have reached out to the Revenue Office to let them know that their circumstances have changed. It is important for the Revenue Office to get back to those people promptly to give them information around the likely consequences or next steps, rather than just pursuing a reassessment notice without going back to the person and clarifying. There are a couple of things from our office's perspective about communication and timely responses if people seek clarification on the information they have received.

MS TOUGH: Mr Cocks covered the things I was going to ask, so I will go to the next question. You said communication is something that could be improved by the Revenue Office. Witnesses this morning said they were often getting communication from the Revenue Office at a quarter to five in the afternoon. One was at a quarter to five on the Thursday before Good Friday. Have you seen that kind of thing in reports you are

getting about the Revenue Office, either regarding this scheme or other things, where the timing of the communication has compounded what is written down?

Ms Dwyer: I cannot speak to the specifics of that exact issue and whether timing has been raised with us in this context. In general, in other contexts in our commonwealth jurisdiction, we have had issues about requirements to report—in relation to social security et cetera. This is going back a few years. They were sent out just before Christmas. Our office suggested you might want to rethink how you are framing that and the timing of that. As a general principle, we would say, “Think about not just the message you are conveying but also how you are conveying it and how it is going to land for the affected person.” A key thing that we really encourage agencies to think about is putting the person at the centre of whatever they are administering—to think about: “This communication is going to somebody. What do they need to know? Do they feel that they have enough information or do they need to seek further information about what they need to do?”

MS TOUGH: You mentioned the commonwealth jurisdiction. You are uniquely placed in having oversight of two different jurisdictions. How do experiences with the Revenue Office compare with people’s experiences of the Taxation Office when they have tax debts to the federal government?

Ms Mulder: We do not have jurisdiction over the ATO.

MS TOUGH: Sorry—but other government jurisdictions?

Ms Mulder: If we took that more broadly in terms of other commonwealth agencies, there are certainly some similarities. Ms Dwyer very clearly articulated where we stand in terms of communication, engagement and putting the customer at the centre of the experience. Other reports that we published during the course of the year go to those principles as well. We certainly see some similarities.

MS TOUGH: Your submission briefly outlined some of the issues people have come to you about the Home Buyer Concession Scheme. Could you go to some of the biggest issues individuals have had? Obviously, the Ombudsman is the right place to go, but what has happened for individuals when they say, “I have to go to the Ombudsman”?

Ms Mulder: We can speak to some of the general principles, if that is okay. Obviously, we will not go into too many details, because we had only 16 around the Home Buyer Concession Scheme in the previous financial year. We do not want to get too detailed in case we inadvertently release something. I am sure Ms Dwyer will help me with some of this. Sometimes they come to us because they have not been able to get the answer from the Revenue Office or they have been dissatisfied with the answer that they have received, so they come to us. Generally, the things that come through are things that we have said: communication, record keeping and having better engagement.

Ms Dwyer: Ms Tough, your question went to why people have come to us. To add to what Ms Mulder was saying, at a general level there is a range of reasons people come to the Ombudsman. Sometimes they have engaged with an agency and they are not happy with the response. Sometimes they have not engaged with the agency, and that can be for a variety of reasons. Either how they could speak to the agency was not clear,

so they came to us, or it could be that they came to us because they do not trust what the agency might tell them and they want us to have a role in engaging with the agencies. That is the first part of why people come to the office. They also often come because they are aggrieved, they are upset or they have been impacted and they need to tell someone that. Our complaints staff listen to people talk about their experience. Part of the role is to try to untangle what the person is concerned about and what has actually happened. That is probably a bit more than you needed, but it is a bit of context as to why they come to us.

MS TOUGH: That is helpful for me to understand.

Ms Dwyer: Specifically in the context of this scheme and what we have seen come through in the complaints, the self-assessment eligibility process is one reason. It is also about the objections and appeals processes, interest charges and penalty rates, as well as the debt repayment options and the timeframes that Mr Cocks alluded to earlier.

Ms Mulder: Also, often what we find across all jurisdictions is that it is about a better explanation of the answer, even if they do not like the answer. A better explanation of the answer is often where we come in. That is why one of our core principles goes to communication—communicating the decision and why it has happened that way.

MS TOUGH: Thank you. Are the Revenue Office and other agencies proactive in telling people: “If you don’t like this decision, the Ombudsman is there”? Or is it that more people, when they look at what is going on, find the Ombudsman?

Ms Dwyer: I must admit I cannot speak to the Revenue Office specifically and whether they are communicating that, although we can take that on notice and come back on it, if you would like. As a general point, I would say there are agencies that do make clear, either on their website or in their communications with the public, that, if they are dissatisfied, they can come to us. As a general principle that the office has, we would encourage people to go to the agency in the first instance, usually because the agency is best placed to actually take action fairly quickly, in an ideal world, to address the person’s concerns. However, there are circumstances, as we have said, where people have been to the agency and they are not happy with the outcome they have received. As Ms Mulder said, there are instances where a better explanation is the outcome for the person. It is not uncommon that people are happy with that, to be honest. A better explanation is quite powerful, which is why communication is important.

MS TOUGH: Definitely. If that is easy for you to check, that would be great. If that is not something you can find out, that is also fine as an answer. It would be interesting to know the pathway the Revenue Office is giving people.

MS CARRICK: In your submission you talk about better engagement with individuals prior to the reassessments and mitigating the adverse consequences that are happening. My question takes us back to the beginning of the process. We heard in evidence this morning that they just fill in a form with their self-assessment and they are not at that point asked for any documents to provide evidence for it. They get letters to say that they have received the concession, but there is nothing to say that it is conditional on an assessment that might happen in three years time with some data matching. Would it be fair to say that, in your view, the processes should be reviewed for this scheme?

Ms Mulder: I think where we would be coming from are, again, the principles of best practice in terms of administration. I think Ms Dwyer has spoken to some of that already around making it very clear upfront what someone is applying for, what the eligibility requirements are, what the consequences are if you are not found to be eligible, how long documentation needs to be kept for and, indeed, the timeframe in which the organisation can come back and undertake particular checks. So I think that is where we would be coming from. The type of administration is a matter for government, but the principles by which that is implemented and administered, as Ms Dwyer said before, are the things that we focus on.

MS CARRICK: In a previous session they suggested that it could be called a conditional assessment, so that at least people know that it has not been approved, and that there be more timely audits. But, anyway, I guess the principles are, as you say, making it clear. Another suggestion was to actually do the assessment at the beginning as opposed to later. I guess I do not have any more questions, because I think that it is right to apply the principles and have a clear process that people can understand so they do not find themselves in situations where they feel wronged and they are coming to you to let you know.

THE CHAIR: I will open it up to any member here who may have a question.

MR COCKS: I am interested in the application—or non-application, as it seems to be—of a five-year limit to how far back the Revenue Office can go in reassessing. I am interested in whether, from your perspective, there is a view on what is a reasonable trigger to go back and reassess after that five-year limit that is contained in the legislation.

Ms Mulder: Just to clarify your question: when you say “what is a reasonable trigger”—

MR COCKS: I might have some of these wrong, but the Revenue Office is going back further than five years to reassess some of these instances and it seems to be based on some sort of algorithm triggering. What I am trying to work out is: where is it reasonable to actually go back and reassess people beyond the time they have been told they have to keep documentation?

Ms Dwyer: Thanks, Mr Cocks. The legislation says five years is how long people have to hold records, as I believe it—I am happy to be corrected by the committee, which has been hearing evidence this morning. As to the question around what is a reasonable period of time, whilst that might be sort of a policy question, because the five-year keeping of records thing is a thing in the legislation, I think if the Revenue Office know that they are going to ask people for records that go back further than that, they need to be clear about that at the time when the person is doing the self-assessment process. They also need to be realistic about timeframes. If they issue a reassessment notice and somebody lodges an objection or something, for example, they need to allow people time to provide the information or reasons why they cannot locate that information and whatever other evidence they are able to provide.

So I think there is probably a policy question in there around what is a reasonable time.

From our perspective, we would not comment on what we think is a reasonable period of time; we would be guided by what the law says. As I understand, there is no statutory limit in terms of the Revenue Office being able to go back. But the processes around how they do that and doing that in a way that is fair and does not cause additional distress to people is where our key focus would be.

MR COCKS: I am interested in this one, because I think section 64 of the legislation does have a statutory limit, but there is an interpretation that the government is using to go back beyond that statutory limit. But it sounds like that is not something that you can go to.

Ms Mulder: I think that is why we are saying that, because we have not examined the scheme, we are not in a position to provide you with a comment on that.

Ms Dwyer: Yes.

MR COCKS: That is understandable. The government does say, in that initial reading—it is a very strange language—that the very first notice that they would provide is called a “reassessment notice”. In that initial reassessment notice, it also advises people that they may be reassessed within that five-year period and that they need to keep those documents for five years. I am wondering whether, if the government is intending to go back and reassess beyond that, there should there be some sort of concession for having gone beyond the time that people are required to keep that information.

Ms Mulder: I am not sure we can comment on the concession, but I think we would certainly encourage transparency and communication around what the intentions are in terms of how the policy or the program is being implemented. Language is important as well. I think we have made that comment as well. Words can be interpreted in different ways. So it is really important to be clear in communicating with people around what the expectations are and what the consequences are.

MR COCKS: Given you have not examined the scheme itself, I imagine you cannot really comment on whether the documentation and information provided currently is meeting that threshold.

Ms Mulder: No, not to that degree. Certainly, as we have both commented on, we have some complaints that are bringing through some common themes—for example, communication, self-assessment and the issues that Ms Dwyer mentioned before. We are certainly seeing those themes come through, but we have not investigated each of those themes.

Ms Dwyer: I would just add, as we touched on earlier, what we are seeing come through—and this was also borne out in evidence from some of the witnesses to this committee this morning—is that the impact to people is real. When they are getting a reassessment notice and they are asking about something that was 10 or 15 years ago, the Revenue Office needs to be thinking about its communications to people—how they are framed, what the expectations are if somebody is going to need to provide further information or they have asked for the opportunity to provide further information, ensuring that responses are communicated back to them in timely way and providing

clarification to them.

MR COCKS: I imagine from where you sit, you cannot really go to the question of whether it is reasonable to be applying 11 per cent or 12 per cent interest over a five- or seven-year period.

Ms Mulder: We are not in a position to comment on that—sorry.

MR COCKS: That is okay. Thank you.

THE CHAIR: On behalf of the committee and our visiting member, we would like to thank you for attending today. As I understand it, there has been a question taken on notice. If you are able to provide a response to that question taken on notice to the committee secretary within five business days of receiving the uncorrected proof, that would be greatly appreciated. Thank you very much.

Hearing suspended from 11.59 am to 12.33 pm.

STEPHEN-SMITH, MS RACHEL, Minister for Health, Minister for Mental Health,
Minister for Finance and Minister for the Public Service

HOLMES, MS LISA, Acting Commissioner, Revenue, Chief Minister, Treasury and
Economic Development Directorate

PIRIE, MR MITCH, Acting Under Treasurer, Chief Minister, Treasury and Economic
Development Directorate

THE CHAIR: Good afternoon and welcome to our afternoon session on the Home Buyer Concession Scheme. We now welcome Ms Rachel Stephen-Smith, the Minister for Finance, and CMTEDD officials. Please note that you are protected by parliamentary privilege and bound by its obligations. You must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly. Minister, would you like to make an opening statement?

Ms Stephen-Smith: No, thank you.

THE CHAIR: You would like a good 60 minutes of questions?

Ms Stephen-Smith: If we finish early, I am not going to complain. But it is entirely up to you.

THE CHAIR: I will handball this across to Ms Tough to start.

MS TOUGH: Minister, in the budget there is funding for additional staff for the Revenue Office for improved customer engagement and to reduce processing times for internal reviews. I have had constituents reach out to me about the Home Buyer Concession Scheme and other Revenue Office schemes. I understand that, because of this budget measure, the Revenue Office is undertaking a program of work to improve processes internally. Can you provide an update to the committee on where this work is at?

Ms Stephen-Smith: I will hand over to Ms Holmes in a minute. There are probably two things. There was already a program at work that the Revenue Office was undertaking and then we committed the additional \$28.4 million in the budget, offset by some additional revenue, to ensure that we could improve Revenue Office processes. That includes some capital funding for the future IT needs of the Revenue Office as well.

I understand from the previous commissioner that there had been staff who had been working on this IT project previously, reducing resources that were available for other work. So, in part, this funding ensures that we will have sufficient staff to undertake the customer engagement work and improve those processing times and internal reviews. But I will hand over to Lisa, to talk about what is happening.

Ms Holmes: I have read and understood the privilege statement. There has been a lot happening in this space. There have been a number of changes in terms of the Home Buyer Concession and the exemptions and things which are available. There have been a number of changes in relation to domestic violence and separations due to breakdowns. Apart from that, we have been working on a number of things. Since April, rather than immediately sending out an assessment, an investigation formal notice, we have been

sending out a form which basically is asking for people to provide us information first. That gives people an opportunity to voluntarily provide us information, which, if there is a decision that they are no longer eligible, has an impact on the amount of interest and penalties which might apply. We have also extended the payment periods from three to eight weeks. That happened a number of months ago.

We have been progressively making changes to correspondence. We have already made changes in relation to revised debt management wording on notices of reassessment. We are currently working on further changes in relation to that particular correspondence. We are working on providing more reasons for decisions and being more trauma informed in our approach and how we lay out those notices. We are also looking at whether or not we include a national debt helpline number on those forms as well.

We have been working on changes to the website and the questionnaire. We are looking at consolidating in relation to the website. We are looking at consolidating all our home buyer concessional information on a single page. We are looking at simplifying language. We are also looking at re-designing the questionnaire so that, as people work through and answer questions, they then just get the bit that is relevant to their circumstances as they work through the questionnaire. We are looking at releasing the website content and the questionnaire in November. Once we are comfortable with what we are proposing, it then needs to be developed for the website. We are also going to be totally redoing our website. The aim of that particular project is to make it easier for people to find information on the website and to be able to navigate around the website.

MS TOUGH: You mentioned that the process is initially just asking people for information before a formal assessment. How does that impact what interest they might be liable to pay if they are found to not be eligible?

Ms Holmes: Under the legislation and the circulars, if someone has done a voluntary disclosure then we can reduce the amount of penalties by 80 per cent.

MS TOUGH: Okay. So, if someone sends that information and they are found not to be eligible, there is a pathway for the penalties to be—

Ms Holmes: For a reduction, yes.

MS TOUGH: Thank you.

MS CARRICK: With the process through this whole scheme of self-assessment there is the criteria, the reassessment, the appeal process and the payment options. I want to start at the beginning with the self-assessment. Is there an opportunity to do upfront assessments?

Ms Holmes: Based on the criteria as they currently stand, no.

MS CARRICK: Why is that?

Ms Holmes: If you look at the criteria for a home buyer concession, it is that someone is over 18—well, that is certainly known.

MS CARRICK: Yes.

Ms Holmes: The other criteria, particularly in relation to income and in relation to the residence period is not known—certainly the residence period. When someone actually settles or gets a certificate of occupancy, they then have 12 months to start their residency. At that point, in order to meet the criteria, they need to have 12 months of continuously being in the home. We certainly cannot assess that beforehand.

In relation to the income, from the perspective of the Revenue Office, there is a delay in the data that we get from the ATO in relation to assessed taxable income. The amount of the income is based on the financial year prior to the transaction date. It depends on how close those dates are as to how much of an issue it becomes. But, at the end of the day, often the Revenue Office does not have that information. Certainly the person who is applying should know that information.

MS CARRICK: When somebody becomes noncompliant, what is the split between the issues of noncompliance? Is it primarily residency, income or that they owned a home previously? There is a range of criteria. So, in relation to the criteria, what would be the split in the issues of noncompliance as to why people become noncompliant?

Ms Holmes: We see all of those elements.

MS CARRICK: Okay.

Ms Holmes: It is not just always income. We see it in relation to people being over the allowable amount of income. We see it that they have had prior property. We see instances where someone is not in the property for the 12 months. There are multiple circumstances that we see in terms of why there are reassessments occurring.

It is probably worthwhile mentioning that, in terms of the self-assessment—and I know there has been a lot of focus on that self-assessment—there is actually only a very small percentage of people who actually do get reassessed. If you look at the duty exemptions and concessions that are provided, only about one per cent are actually reassessed. So, in the main, I think it is important to recognise that the self-assessment process is working and that most people are able to look at that and to be able to put in the correct information in relation to that self-assessment. By having the self-assessment it means that we are not delaying people getting that support.

MS CARRICK: When you say only one per cent are reassessed, is it one per cent that are reassessed or one per cent that are found to be noncompliant? How do you check the residency, the income and all that if you do not assess 99 per cent of them?

Ms Holmes: It is one per cent who have had reassessments issued.

MS CARRICK: That are found to have an issue?

Ms Holmes: Yes. Sorry; I was not clear, Ms Carrick.

MS CARRICK: That makes more sense, yes. On some of these issues that occur with

noncompliance, I understand that you cannot do the residency one—having to live there for 12 months—upfront but, with the other ones, if people have their notice of assessment from the year before, is it possible for them to provide the documents upfront, to have the majority of the criteria assessed?

Ms Holmes: It would cause delays in the assessment. At the moment, under the barrier-free conveyancing arrangement that we have in place, the Revenue Office is not part of the settlement process. Anything that requires the Revenue Office to be doing checks before someone actually gets that concession or exemption basically then delays the provision of that.

MS CARRICK: If somebody has their documents, could they submit them and get an assessment done in a more timely way than waiting for the matching to happen later on?

Ms Holmes: As I said, it would mean that there is an additional process which is happening before settlement in terms of determining someone's eligibility. That certainly causes a delay and potentially costs involved. But we still could not assess someone actually being in the property for the residence for 12 months upfront. So do you start doing some upfront when you have to do some after the fact anyway?

MS CARRICK: It could like nip some of it in the bud. With the residency you have to wait 12 months, but we heard some evidence that some of the reassessments were two and three years after settlement. Could it be more timely, say in sort of 12 months, that the reassessment is done?

Ms Holmes: In relation to the residency requirement, people have 12 months to start that residency requirement, from the date of the settlement or their certificate of occupancy. Then they have to be in the property for 12 months. That in itself means that you cannot really start doing an assessment in terms of all of the various criteria until after that time period has elapsed.

MS CARRICK: Could it be done within, say, 14 months?

Ms Stephen-Smith: I think what Ms Holmes is saying is that you might have settled on a property that has not even been built or completed yet. So you have to wait for it to be finished, a certificate of occupancy to be issued and then 12 months. So that would extend that timeline.

MS CARRICK: Yes, right.

Ms Stephen-Smith: Or you might have purchased a property that is currently tenanted and you are in the process of selling your own property and you do not move straight into it. So you might not move in for another six months. You have up to 12 months to move into the property and then you have to be in it for 12 months.

MS CARRICK: Okay.

Ms Stephen-Smith: So, by that time, probably two years has passed but it might even be longer than that if you are waiting for a certificate of occupancy.

Ms Holmes: Yes.

Mr Pirie: I have read and acknowledge the privilege statement. It might be worth noting as well that ACTRO does have an Active Compliance Program. While what we are talking about here is the earliest point at which they can undertake an assessment and the information is brought to their attention through their compliance program at a later date, they can still undertake an investigation and potentially reassessment. So that is part of their compliance program.

MS CARRICK: Would it be possible for the letter that they receive saying that they have received the concession also say that it is conditional? At the moment, it appears to me that they think that they have got the concession and it comes out of the blue, as a big shock, when they get their reassessment. If it said that the concession has been granted conditionally until the assessment is done, maybe people would be more astute to the criteria and whether they meet it or not.

Ms Holmes: Certainly, Ms Carrick, we are always open to improvements in the clarity of information in understanding their obligations. I am just waiting to see if I had a message in terms of whether or not that was already in play. I would be surprised if that was not already in play in some of the changes that we have already made.

If I can just go back one of your questions just before about what we are seeing from the assessments and the reasons for their reassessments, if we are looking at 2023-24, 64 were to do with residency, 138 were to do with income and 28 were to do with prior property. In a number of instances there were actually multiples of those. So one person did not meet the criteria, not just on one of the tests but actually multiple of those tests.

THE CHAIR: How long is it estimated that it would take to assess each application—not the reassessment, but when someone puts through an application? If you were to assess it, how long would you expect it would take for someone to run that assessment, providing all documents were provided?

Ms Stephen-Smith: If the Revenue Office were assessing it other than the residency requirement?

Ms Holmes: I would have to take that on notice.

THE CHAIR: If there were something introduced to say that every application must be assessed before given approval, we would like to know how long it would take for that assessment to occur. Could you put in a timeframe for the department that every application must be assessed within, say, seven days? You can apply for a bank loan and you will have an answer within five days.

Ms Stephen-Smith: Sometimes. It took my bank 28 days for them to give me an answer.

THE CHAIR: But you can see where I am going with this. Could you provide whatever you can?

Ms Stephen-Smith: Banks, obviously, have some statutory responsibilities in terms of

ensuring that they are lending within the person's capacity to repay. But they also rely heavily on the person providing them with all the information, and you will be ticking a range of boxes saying, "All of the information I have provided to you is true and correct," and the bank will be saying, "We are making our decision on the basis of the information provided."

I think one of the challenges that we would have with any kind of upfront assessment is, as Ms Holmes said, that it will add time for everybody. For 99 per cent of people who are eligible—they are claiming their concession; they are eligible for it—currently, this process will have very little impact on that. This would be a whole lot of extra stuff that those 99 per cent of people would have to do upfront in order to ensure that a smaller group of people who were not eligible are caught earlier on. But you still cannot rule out that that group of people may not provide all of the information.

I am aware from conversations with the previous commissioner, for example, that one person might say, "My income is within the threshold," while not declaring the fact that there are actually two people in this household and, when you add their income together, they are clearly not going to be eligible. So you are not going to be able to prevent people applying who are ineligible without doing a really significant process of cross-matching with the tax office to understand all of the eligibility criteria.

Ms Holmes can correct me if I am wrong but, in terms of the sort of reassessment process, my understanding is that people initially get correspondence about nine months in, saying, "You got this concession. These are the requirements of the concession. Do you believe that you still meet these requirements of the concession? If you believe that, for some reason, you do not meet those requirements, please tell us now and then we can work with you." So that proactive correspondence is already in place for anyone who thinks, "We actually didn't quite meet that requirement," or "Our circumstances have changed, and we have not been able to move into the property. We have ended up having to move interstate and rent out the property. We better let everybody know." So there is an opportunity, proactively, to do that, which obviously requires action from those people who were not or are no longer eligible. Some people might have never been eligible and their lawyer might have made a mistake. That is taken into account as well in terms of the penalties and things.

So I think the risk is that you make a process much more time consuming and much more cumbersome for the vast majority of people for whom this is currently a very easy and straightforward process, where they get access to a concession to which they are entitled.

THE CHAIR: I understand it could impact a lot of applicants who would normally get this process done pretty quickly. But we heard stories from individuals who have been impacted quite significantly, and you would think that that would be significant enough that change should be made. You would think that, when introducing such a scheme like this, you would ensure that there are enough resources available to implement it effectively to avoid this type of impact that we are seeing happen to individuals. My question is: if you were to do a proper assessment for each application that comes through, what additional resources would you need to effectively put in place something like that?

Ms Stephen-Smith: We have taken that question on notice, and we will come back on notice. But I think if you look at the experience, for example, during the pandemic period—and Mr Pirie might be able to comment on this—where the government was providing quite significant support to small businesses, for example, and those assessments were being done, the complaint that we were getting from everyone was, “It is taking too long to do the assessments. It is a lot of work for us to fill in all the paperwork and then it takes a really long time to get the assessment back.”

We absolutely recognise—and I probably should have said this upfront—that there have been some people who have experienced a really significant impact from the way that this process has been implemented. A lot of changes have already been made and are being made by the Revenue Office to understand the potential for those negative impacts on people from a reassessment process or any kind of compliance process. I think that is where we need to focus our improvement effort rather than slowing down a settlement process for 99 per cent of people who are eligible for the concession who may then not be able to get the house that they wanted to get or they may not be able to settle on. And that potentially adds costs. If you are renting and you are trying to settle a property purchase and you are renting, living in a hotel or whatever you are doing in the meantime, that is not a costless exercise for those vast majority of people.

I think we just need to be a little bit clear about what it is you would be recommending if the committee were to recommend that we do upfront assessment for everybody. That is a very significant change to process, and it is really inconsistent with the way that most tax processes work, including when you do your tax return at the end of the year. There is now a lot of connected information and a lot of prefill, but there is still information that you are the only one that holds and you put that information in. The tax office trusts you to have put in accurate information, and then they may or may not come back and check whether you actually made all those deductible gifts or whatever.

Mr Pirie: Sorry, Minister; I just want to add that, in terms of the administrative effort, I think it is worth noting that there were 3,500 applications for concessions in 2024-25. So a significant task would be required were it possible to do it. The number is actually larger when you take in concessions that are more broadly available—for example, pensioner, duty concessions, off the plan concessions, and so forth. So it is not a small number of transactions.

THE CHAIR: So, when someone puts in an application, they are automatically approved, or is there a period of time until they get their concession?

Ms Holmes: The way it works is that, when someone is purchasing a property, they fill in a buyer verification form and they self-assess and say whether or not they think they should get that—and there are three possible options there. They are ticking that box and it just automatically follows from that. So, if a person is saying that they are eligible for a home buyer concession, when we get the information that the settlement has occurred and it goes through the system, it will automatically apply that exemption.

THE CHAIR: Okay. So, in between the time when it is put in, why can’t you assess it?

Ms Stephen-Smith: I think Ms Holmes just said that the concession is automatically

applied. So the stamp duty will be zero or whatever it is going to be from a concessional stamp duty perspective.

Ms Holmes: We get that information as part of the settlement process from the Land Titles Office.

MS CARRICK: Why couldn't it be assessed between the application going in—presumably, they might do that at around the time they sign contracts, and the settlement period is usually four weeks; there is time during that settlement period.

Ms Holmes: It creates uncertainty for the individual, for starters, in terms of, “Do I have it or not?” There are also all the issues that the minister has already talked about, in terms of the time it takes, you could not assess all the criteria, anyway, there is an impost on people providing information that needs to be assessed, and we would still be assessing based on the information that that person is providing. We might not have the information, for example, from the data feed from the ATO, to be able to do our compliance checks at that point.

Ms Stephen-Smith: People are either providing their own information or you are asking people to provide substantial amounts of paperwork associated with that. If people are providing their own information, they are presumably using the same information that they are currently using to do the assessment themselves. We always encourage people to get legal and financial advice. The same information that they are using to make their own assessment, and which is shared with their lawyers and financial representatives to make their assessment, would be provided to the Revenue Office. There is no particular reason to think that that information would be different.

If people are using incomplete information from the start—they are not including somebody else's income, they are not including the fact that the other co-purchaser has previously owned a property—you will still have to go back and reassess. We then have the residency requirement. You will still have a potential further compliance reassessment process down the track.

It is a significant impost for the individuals involved and it is a significant impost for the Revenue Office, but it will not negate the need to then send an email or letter, at nine months, and say, “Hey, do you still meet all the criteria,” and to do the data matching that might identify that someone potentially did not really meet the criteria, and to still do that work.

To the extent that someone feels more reassured by the fact that they have had a pre-assessment and then gets a reassessment, they will say, “This is even worse than the current situation, because you explicitly told me that I had been assessed and I was eligible, and now you're telling me that I wasn't.” But the original assessment was done on the basis of incomplete or inaccurate information.

You will not avoid the problem that has arisen here with people experiencing trauma as a result of being reassessed. There will still need to be a compliance program. The compliance program itself is what has caused the trauma, not the original process. That is what we need to fix, and that is what we are endeavouring to fix.

MS CARRICK: How much data matching is there? How many places do you have to go to, to data match? Obviously, there is the ATO. That will give you the incomes and whether people have put a partner on the tax return. I suppose that does not mean they are living together.

Ms Holmes: We have had a question on notice on this one. We have a range of software tools that we use. That includes Microsoft Business, Intelligent Software Suite, Power BI and Graph DB. In terms of some of the databases that we access, there is a range that we use, which includes the ATO, the Australian Business Register, the ACT Rental Bonds, and data to do with registration and utilities.

Ms Stephen-Smith: I want to correct something that I said earlier, in response to Ms Tough's question about the budget measure. I was misreading the table. The total impact of that budget measure is net revenue of \$28.4 million. The additional expense funding for the Revenue Office is just under \$3 million over two years, plus \$12.5 million in capital for the IT project that I was talking about. Apologies for misreading that table.

MS TOUGH: All good; thank you.

Ms Holmes: Ms Carrick, I can also confirm that the initial note of assessment of duty for homebuyer concession does include words reminding people about the residency criteria, what records they need to keep and potentially to contact the Revenue Office if there is an issue that they identify in relation to their eligibility.

MS CARRICK: Timeliness is an issue that has arisen. Apart from the residency one, which I understand, with the other criteria, is it possible to do the data matching and say, "These criteria have been checked and your application is conditional upon meeting the residency requirement, which will be assessed further down the track"?

Ms Stephen-Smith: We have just indicated that it is not possible to do that in a timely way because the data to be matched from the ATO may not be available. Also, you are still relying on the information that is provided by the individual. If there is a co-purchaser that is never mentioned in that information that is provided to the Revenue Office, who either has owned a property previously or has an income that will take them over the threshold, the Revenue Office cannot know that prior to the whole settlement process.

The only way that you could really make it work from a buyer convenience point of view is to do almost an advance eligibility check, in the same way that the bank says, "Yes, we are willing to lend you money. Off you go and do your property search." You would almost have to do it that early to say yes or no. Again, like the bank, the Revenue Office would be relying on the information that was provided by the individual at that time, and relying on them to tick a box saying, "All the information I've provided to you is true and correct."

It is unclear to me how that will provide any more assurance and how it will avoid any subsequent compliance process still being undertaken, because, later on, the Revenue Office will have more information available to them that may indicate that there is a problem. They will still be undertaking that active compliance program, and they will

still be writing to people saying, “Let us know if you think there is a problem.”

I do understand what you are saying, and I have had these conversations as well with the previous commissioner about whether there are changes that we could make. I think that, when you look at all the implications of that, particularly for the vast majority of people who are just using the system in the way it is at the moment and with no problem at all, you are creating a lot of hoops for a lot of people, and you are not actually going to fix the problem by doing that.

MS CARRICK: With most of the non-compliances with income—you just gave us the stats that 138 are from income non-compliance—to match that with the ATO office, and if they do their tax returns when they are supposed to do their tax returns, you could not always do an assessment prior to settlement because some of them would not have their tax returns done. Some would; it would depend on when you have purchased throughout the year and when your tax return is done. Presumably, that check can be done in a more timely way, to pick up those ones.

Mr Pirie: Page 13 of the government’s submission to the inquiry goes to this point, and notes that, depending on the timing of a property transaction, that criterion can take from weeks, as you know, to up to 18 months to verify, after a person has lodged their tax return.

MS CARRICK: It takes that long for the ATO to make the matching feed available? Maybe it is an ATO issue.

Ms Holmes: It takes three months after the end of the financial year for the data to become available to us from the ATO. You have that three months immediately; it then depends on the timing as to when the property transaction occurred, vis-a-vis the timing in a financial year.

Ms Stephen-Smith: One of the things that the Revenue Office has sought to do, in terms of updating the website and the information available, is to be clearer about what that income criteria actually refers to. We have certainly heard from some people who have written to us and given evidence that the disconnect between gross income and assessed income has been a problem for some people in the past.

Providing greater clarity, both through the instrument and on the website, around exactly what it is that we are talking about there has been one of the steps that the Revenue Office has taken to reduce that potential for confusion and misunderstanding, which was totally understandable from some people.

Ms Holmes: Using assessed income also means that it is clear in the sense that people can look at their ATO notice of tax assessment for the figure.

MR COCKS: This has been a fairly frustrating conversation to sit through, because it is not like this has not been done before. Until 2017, my understanding is that there was a process that assessed applications before any concessions were provided. Is that incorrect?

Mr Pirie: I will take that on notice.

Ms Stephen-Smith: We will take that on notice. I would note that the concession scheme has expanded considerably since that time, because the homebuyer concession is the methodology with which we are implementing reductions in stamp duty for a much wider range of people as we undertake tax reform. If the criteria for concession were very limited up to 2017, that would have been a much smaller group of people than we are talking about now. We will take the question on notice, but we will also look at—

MR COCKS: I can tell you that that was the case. I would be very concerned if you were not aware of that. The barrier-free model, as it has been described, was very widely publicised at that time.

Ms Stephen-Smith: Mr Cocks, obviously, you have some information there. Was the change made as a result of the implementation of the barrier-free model? Was it part of the barrier-free—

MR COCKS: That is correct. The barrier-free model is what changed it.

Mr Pirie: That is the advice coming through—the barrier-free model.

Ms Stephen-Smith: Yes.

MR COCKS: There was a process until 2017 that involved assessing things before settlement. Since that time, there has been a bit of a shift in the way the Revenue Office operates, as far as I understand, and there are now far more comprehensive links into the ATO, for example, in terms of access to data. Is that correct?

Ms Holmes: Certainly, the business intelligence that we have now is significantly improved, if you are comparing it back to that period of time, yes.

MR COCKS: We are now living in an era when there is real-time, essentially, payroll through to the ATO. If income is the concern, surely, given the technological shift that has happened since 2017, things will be a bit more efficient than they were then.

Ms Stephen-Smith: They may have real-time access to income. Your pay, as in pay as you go, is not your only source of income for people who are small business owners, for example. The tax office would be very unlikely to have access to that information in a timely way.

MR COCKS: For the vast majority of people—you wanted to talk about the 99 per cent—income data is fairly rapidly available through the ATO.

Ms Stephen-Smith: There is also a range of deductions that people make through their income tax. I used myself as an example, even though there was clearly no way I would have ever been eligible for a concession. My income, as assessed by the tax office at the end of the year, is significantly less than the income that they would assess for me, on a month-to-month basis, because I have a significant number of deductions, in terms of both charitable gifts and public office holder levies that I am compulsorily required to pay, that I then—

MR COCKS: Minister, I thought it was assessed on gross income.

Ms Stephen-Smith: I am sorry?

MR COCKS: I thought these concessions were assessed on gross income rather than taxable income.

Ms Holmes: No.

Ms Stephen-Smith: No.

Ms Holmes: It is now assessed taxable income. It is the figure that you get on your notice of assessment from the ATO, after you have lodged at the end—

MR COCKS: Now the shift has been made. But previous examples were assessed on gross income.

Ms Stephen-Smith: That is correct, and that is one of the shifts that has been made to make it clearer for people to avoid these problems in the future, in relation to confusion about what incomes people will be more likely to know about. The fact that they know does not necessarily mean that the connection will be able to be made between the Revenue Office and the tax office. Again, when we talk about the implementation of barrier-free, that was done for the benefit of the people who are purchasing property, and we would effectively be reversing the move to barrier-free conveyancing. That is what you would be asking us to do—reverse barrier-free conveyancing.

MR COCKS: Your view is that it is an either-or; either you are completely hands off or it is a complete reversion? There is no middle ground on ways to partially preliminarily assess what you can in the first instance or collect more information in the first instance?

Ms Stephen-Smith: I understand where you are coming from because, as I said, I have had these conversations with the former commissioner, but partial assessment is not going to fix the problem. You will still have to have a compliance program. You will still rely on information that people are giving you at the time that may subsequently turn out not to be true. I accept, 100 per cent, that there are a group of people who have inadvertently claimed a concession for which they were not eligible and have been surprised at their reassessment. I absolutely agree that that has clearly happened.

In some cases that has been as a result of poor advice from their financial or legal advisers. I am aware, from conversations with the previous revenue commissioner—I think I have said this before—that some people have had those professional organisations repay them the penalties and interest, as a result of recognising that they did not do their job in the way that they should have, as professionals. There are some people who, inadvertently, have—

MR COCKS: I understand, but the reason for that is that the Revenue Office have been telling people to attempt to recover the money from their professional—

Ms Stephen-Smith: As they should, if they received incorrect advice. Why should the taxpayer pay the price of a lawyer or an accountant providing incorrect advice to somebody? Why should that be something that the taxpayer pays?

MR COCKS: I think that is a false equivalence, Minister. Essentially, the individual has paid an amount, and we are talking about penalties that the government is levying on individuals. The individual has not done the wrong thing. They have made every best attempt to provide the right information.

Ms Stephen-Smith: That is right.

MR COCKS: Is it fair to treat an individual as a criminal when they have made every effort to provide the government with the right information, but the government has not put in the due diligence to assess the application in the first place?

Ms Stephen-Smith: Firstly, no-one is treated as a criminal. This is not a criminal offence. Secondly, if the reason they have been reassessed is that they provided all of their accurate information to their conveyancing professional and their conveyancing professional wrongly claimed the concession on their behalf, why shouldn't that professional organisation be held to account for that and be required to repay? I do not understand the point that you are making there.

There is a reason—we have talked about this previously—that penalties and interest apply, and we can talk about that separately, in terms of some of the things that we have been looking at there. What I was going to say was that, clearly, some people have inadvertently claimed a concession for which they were not eligible, and there have been some instances where, because of the circumstances of those individuals, waivers have been given.

There are other people who are not giving accurate information to the Revenue Office. They are deliberately not giving accurate information to the Revenue Office or their conveyancing professional, and there is no reason to believe that, with an up-front assessment, they would give accurate information.

MR COCKS: Do you have any data on the number of people where it is deliberate versus any inadvertent error?

Ms Holmes: I do not have data in front of me, but I can certainly draw the attention of the committee to the case studies which were included in the government's submission. We included 10 case studies of some of the things that we have found in our compliance activities. There are situations where we have found that people are over the income criteria; they have had other property. There is one case study that we have listed where an individual and their partner bought three properties and claimed homebuyer concession on all three properties within the space of three years.

MR COCKS: On the first of those, that case study does not say whether the person thought that they were eligible and submitted an application, versus intentionally attempting to deceive the government.

Ms Stephen-Smith: Mr Cocks, someone buying three properties—

MR COCKS: Sorry, it is the first example—someone who may have had another property. We had an example today of someone who owned other property and genuinely believed that they were eligible when they applied. They believed, genuinely, that the government had assessed them as being eligible; then, years down the track, they were slugged with astounding amounts of interest, a \$50,000 bill. That is not tax return amounts of money. That is not tax return amounts of risk.

Ms Stephen-Smith: It depends on what your income is, whether it is tax return amounts of money.

MR COCKS: They are not the people that we are talking about, to be fair, Minister.

Ms Stephen-Smith: I understand that, Mr Cocks. I have said the whole way through that there are some people whose circumstances I really sympathise with. That is why we have gone to all this effort, and are continuing that effort, to improve the up-front information that is available to people, so that they can more clearly understand the eligibility requirements, assess themselves, and get legal and financial advice against those, to ensure that they are in fact eligible at the time that they apply. We are also improving our compliance processes and investing in ensuring that we have additional resources within the Revenue Office to undertake more timely compliance and more timely processing of objections.

In most of the cases we have talked about, it is the surprise that people get, the tone of the letters, the length of time that it took to issue the reassessment in the first place, and the length of time that it took to undertake the objection process. That is people's primary concern. Most people have said, "Okay, if I wasn't eligible, I'm actually okay being told I'm not eligible, and I'm happy to pay the stamp duty. What I'm not happy about is the length of time, the amount of interest, the penalty, and the way that the office communicated with me." Those are all of the issues that we are looking at.

Obviously, in terms of penalty and interest, that is very consistent across the country. It is, in part, a separate conversation. The issues that people have expressed real concern about are primarily around the compliance process itself. I would again emphasise that there is a routine process of communicating with people who have received a concession after nine months to check in with them, to reiterate the criteria, and to ask them to think about whether they are actually eligible. If they are not, they should let us know.

Sure, we can continue to improve that process. But the effort needs to be in ensuring that people are encouraged to let the Revenue Office know if their circumstances have changed, or if they believe, for some reason, that they have claimed a concession for which they were not eligible. We also need to improve the timeliness and the tone of our compliance processes, which is exactly what the Revenue Office is doing.

Mr Pirie: Page 10 of the government's submission to the inquiry also notes that, if people are uncertain or cannot satisfy themselves about what their assessable income was in the previous financial year, whether they have previously owned a home, or whether they intend to live in the home for 12 months, they have up to 12 months from the purchase of the property to claim the concession. If a taxpayer or home purchaser

is unsure of their ability to meet the criteria, that option is available to them as well.

MS CARRICK: You mentioned data matching that went to the rental board, I think you said?

Ms Holmes: Rental bonds.

MS CARRICK: Rental bonds. Presumably, with technology, that could be run more regularly to see if the property in question is being rented.

Ms Holmes: That is why we are looking at that data, yes.

MS CARRICK: That would pick that one up more quickly, in a more timely manner. Sure, you can wait for 12 months or two years to see whether somebody meets the residency requirement, but if you pick up after four or six months that there is a rental bond there, non-compliance with that residency criterion could be picked up in a more timely way. Is that correct?

Ms Holmes: It goes to the timing, how we are running that data and when we are doing the matching. We are not just doing it, of course, for homebuyer concession; it is across all tax lines.

MS CARRICK: How often is the data matching done? How often do you access all of these databases to check things?

Ms Holmes: We are continually getting information. It depends on how often we get it from these various sources, and from running programs. As I said, it is across all tax lines.

MS CARRICK: I have one other question about the payment plans. You moved from three weeks to eight weeks.

Ms Holmes: That was for the time to pay?

MS CARRICK: Yes.

Ms Holmes: People then have an option as to whether or not they request a payment plan, if necessary.

MS CARRICK: Within the eight weeks, they can request a payment plan?

Ms Holmes: People can request a payment plan to go beyond the eight weeks.

MS CARRICK: What would that normally look like—paying \$20 a week? What would the payment plan look like?

Ms Holmes: Normally, we are looking at a payment plan over 12 months. It is about giving someone more of an opportunity, if they cannot achieve it within the eight weeks, to seek another source of funding which is on a more commercial basis.

MS CARRICK: When you say seek another source of funding on a commercial basis—

Ms Holmes: Such as a financial institution, where they could get a cheaper source of interest.

MS CARRICK: Rather than paying back the penalty to the ACT government over 12 months, in instalments? Can they do that? Rather than going to another institution, can they have a payment plan in which they pay back the ACT government over 12 months?

Ms Holmes: Yes, payment plans are available, generally up to 12 months, for individuals. They are paying a certain level of interest. Often it would be in someone's financial interest to try to get something through a bank instead, at a lower rate of interest.

MR COCKS: Minister, I understand from previous conversations with your office, and previous briefings that I have had, that you look at the retrospective recovery program as a social policy issue, and bring a social policy lens to the issues that we are looking at. Is that correct?

Ms Stephen-Smith: I suppose, being a social policy person, I bring a social policy lens to all of the policy work that I do. I am not quite sure what you mean by that. I have had conversations with the former commissioner and with the Ombudsman around how the Revenue Office can better communicate with people. It is about understanding that we do not know what is going on in somebody's life, when they receive a piece of correspondence, and that we need to operate as much as possible in a trauma-informed way to ensure that the impact of that correspondence will not be some of the negative impact that we have seen.

For example, the Revenue Office has changed the way that it initially communicates with people when there is a concern, which Ms Holmes can talk about. Also, it is about ensuring that there is a very clear pathway to get further information or to speak to somebody, if they have a concern. One of the things that we heard about the correspondence previously was that people did not feel that there was an immediate point of contact, if they had questions about what this meant.

MR COCKS: Let me rephrase the question. Have you taken any social policy type analysis of the types of situations where people feel, effectively, unfairly targeted by the retrospective clawbacks?

Ms Stephen-Smith: Again, I am not quite sure what you mean. Obviously, we have been concerned about people who were applying under the domestic and family violence criterion, who have complex lives. Communicating and engaging with the Revenue Office is not always easy for people, in terms of providing evidence of that situation. Obviously, we want to make sure that we are supporting people who are in that situation as best we can. Again, I am not quite sure what you are getting to. I do not believe that the Revenue Office has been targeting people specifically. I think they have been undertaking a compliance process.

THE CHAIR: Mr Cocks, could you put the question on notice, or ask the question now

and the minister can take it on notice? Are you happy with that?

MR COCKS: Okay, I will do my best to ask this as quickly as I can. Minister, do you think it is fair and reasonable for someone to be hit with a clawback because they missed the residency requirement as they were hospitalised for a number of months?

Ms Stephen-Smith: That is definitely an individual circumstance which could be taken into account. That is why having that immediate number to call, asking people—and I might ask Ms Holmes very quickly to talk about the way that this is now being communicated. Rather than just being issued with a reassessment, people are now being asked, in a slightly softer way, for any information that may be relevant.

MR COCKS: Previously, Minister, people in similar sorts of situations have been rejected for any sort of compassionate treatment.

Ms Stephen-Smith: The pathway for waivers through that kind of individual circumstance is an act-of-grace payment through the Treasurer, not necessarily a decision of the Revenue Office. Lisa will very quickly touch on the changes that are being made.

Ms Holmes: Rather than sending out a notice of investigation, we are sending out an email asking for more information from an individual. It depends on how that individual responds, as to what our steps are, from that point in time.

If an applicant's situation changes, such as to do with residency, in the example that you were giving, there is the ability, within a certain period of time, for the commissioner to make an exception, shorten the period or give them more of a period in terms of the residency criteria. But the individual has to come to us and let the Revenue Office know about that, and engage with us about that.

THE CHAIR: As I mentioned earlier, you are able to put questions on notice. However, we do have one more piece of homework for the minister to take home. Ms Carrick?

MS CARRICK: Could you take on notice your compliance work around what the criteria are? What are the compliance checks for each of the criteria, including the data matching and the databases that you access for those checks? How frequently do you do those checks, and how long does each one take?

Ms Holmes: I will make one immediate comment, Ms Carrick. We do the data matching; we basically come up with some possibilities. That is then provided to a team. It is not an automatic process. There is some identification of possible things for investigation, and on which to ask a taxpayer for more information. It is not an automatic process that someone is automatically sent out something. It goes to a team to look at.

MS CARRICK: I would hope so, because it is not Robodebt.

THE CHAIR: For the benefit of the committee, could you still provide an answer to the section as well?

Ms Holmes: Yes.

THE CHAIR: It can give us information as a collective on that very important topic. I note that there have been quite a few questions taken on notice. Please provide your answers back to our amazing committee secretary within five working days of receiving the uncorrected proof *Hansard*.

On behalf of the committee and our visiting member, we would like to thank the minister and officials for attending. We would also like to thank all the witnesses that have attended the hearing today. Of course, we thank broadcasting, Hansard and our committee secretary. As I said earlier, if members wish to submit any questions on notice, please upload them to the parliamentary portal as soon as possible, and no later than five business days from today.

This meeting is now adjourned. Thank you for your attendance.

The committee adjourned at 1.36 pm.