REPORT SNAPSHOT

Management of the Home Buyer Concession Scheme

Why did we do this audit?

The Home Buyer Concession Scheme provides concessions on conveyance duty for first home buyers in the ACT. Home buyers must self-assess their eligibility for a concession. If they are found to be ineligible for a concession they have claimed, they must pay the unpaid conveyance duty and may also be charged interest and penalty tax.

The audit considered the ACT Revenue Office's activities to explain the scheme to home buyers, conduct investigations into potential non-compliance, set rates of interest and penalty tax and manage home buyers' debts.

What did we find?

- The Home Buyer Concession Scheme has complex eligibility requirements, which were not effectively communicated and explained to home buyers.
- The ACT Revenue Office adopted a compliance investigation approach that resulted in the full rate of interest and 25 percent penalty tax being imposed on unpaid conveyance duty when home buyers were non-compliant with the scheme's eligibility requirements.
- In managing home buyers' debts, the ACT Revenue Office did not adequately consider or respond to the needs of home buyers who may be more vulnerable or may be experiencing financial hardship.

What are the key issues?

- Tax concession schemes should be managed and administered in a way that is transparent, fair and reasonable for all taxpayers.
- When conducting investigations or recovering debts, taxation offices should consider and respond to the needs of people who may be more vulnerable or may be experiencing financial hardship.

What did we recommend?

- The audit made eight recommendations that aim to improve the way the ACT Revenue Office communicates and explains the Home Buyer Concession Scheme and the way the Office conducts compliance investigations and manages debt.