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REGIONAL RELOCATION GRANTS AMENDMENT BILL 2014

Second Reading

The Hon. NIALL BLAIR (Parliamentary Secretary) [4.26 p.m.], on behalf of the Hon. Duncan Gay: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

I am pleased to introduce the Regional Relocation Grants Amendment Bill 2014.

This amendment bill proposes legislative changes to the Regional Relocation Grants Act 2011.

The Act provides for the Regional Relocation Grant Scheme to encourage population and economic growth in the regions.

Since its inception in July 2011, the scheme has helped over 4,400 people and their families relocate from metropolitan areas of New South Wales to regional New South Wales for the purpose of employment, self-employment or purchasing a home.

The scheme is part of the Government's Decade of Decentralisation policy, a key Coalition election commitment which aims to stimulate regional economic development.

Complementary initiatives include the Jobs Action Plan, which has supported the creation of more than 15,000 regional jobs through payroll tax rebates to eligible businesses for creating new jobs; and Government Agency Decentralisation, which has a target to relocate 1,500 jobs to regional New South Wales by 2021. So far, 466 jobs have been relocated or planned for relocation.

Other complementary Decade of Decentralisation initiatives include Government funding through the Regional Industries Investment Fund and the State Investment Attraction Scheme. These funds have helped regional projects that will generate investment of almost \$3.9 billion and are expected to create more than 11,600 regional jobs.

The Regional Relocation Grant scheme includes two categories of grants: the Regional Relocation Home Buyers Grant and the Skilled Regional Relocation Incentive.

The skills incentive was introduced in January 2014 as part of the Government's efforts to better target the scheme to a younger, more economically active demographic.

Both the home buyers grant and the skills incentive have been administered on a first-come first-served basis and the scheme is subject to the available budget allocation. The scheme's budget for 2014-15 reached capacity in August 2014.

In accordance with the provisions of the Act, the Government published a legislative order on 29 August appointing a scheme closure date of 30 September 2014. The Government recognises that the skills incentive has been successful in meeting its target audience—a younger, economically active demographic—and in helping to attract much-needed skills and businesses to the regions.

This is why the Government has agreed to deliver additional funding to continue the skills incentive.

We have made the difficult decision to discontinue the other part of the scheme, the homebuyer's grant—which has been less successful in meeting the Government's objective to drive economic and jobs growth in regional New South Wales. The home buyers grant is not directly tied to jobs or regional skill needs.

As the Act does not provide for partial closure of the scheme, both the home buyers grant and skills incentive were closed.

The key purpose of the amendment bill is to enable the continuation of the Skilled Regional Relocation

Incentive, which contributes to the Government's continuing efforts to drive growth and employment in regional areas.

The key amendments proposed are:

Firstly, to allow the Skilled Regional Relocation Incentive to operate retrospectively from 30 September 2014 through to 31 March 2015.

Secondly, to confirm closure of the Regional Relocation Home Buyers Grant as of 30 September 2014 by specifying that this grant is only applicable to relocations that commenced on or before 30 September 2014.

Thirdly, to provide for a few consequential amendments and general provisions to clarify the operation of the amended Act.

The skills incentive will continue to be offered as a \$10,000 incentive as of 30 September 2014 through to the newly defined "incentive scheme closure date" of 31 March 2015.

The bill does not change the eligibility requirements of the Skilled Regional Relocation Incentive.

The grant will continue to be paid in two equal instalments of \$5,000 to eligible applicants who relocate from metropolitan to regional areas in New South Wales.

The first instalment will continue to be paid no sooner than three months after an eligible relocation and the second at least a year after payment of the first instalment.

For self-employed applicants who are relocating or setting up their own business, engagement with the small business advisory services of the Office of the New South Wales Small Business Commissioner is still required.

This was a suggestion by the shadow Minister during discussions on previous amendments to this legislation, and one which the Government was happy to accept.

A small change is proposed to the wording of this engagement with the small business advisory services, namely to "participate in an approved program" rather than "complete an approved program" to better reflect the ongoing nature of the business advisory services and program.

The bill proposes to rename the Act to reflect its new focus on the skills incentive and to make a few minor amendments such as the making of applications and the removal of redundant clauses.

Applications for both the home buyers grant and the skills incentive cannot be made more than six months after each grant's respective closure date. This is in keeping with standard practice and the initial intent of the Act.

The skills incentive scheme closure date is specified as 31 March 2015; however the Minister for Finance and Services may appoint an alternative scheme closure date by legislative order.

The amendment bill enables the continuation of the Skilled Regional Relocation Incentive. The skills incentive has successfully targeted the desired economically active demographic for relocation to regional NSW.

The Office of State Revenue reports that since the introduction of the skills incentive (January 2014) until the end of July 2014:

- 32 per cent of recipients were under 30 years of age;
- 75 per cent were under 40; and
- 92 per cent were under 50 years old.

Continuation of the relocation skills incentive means that it will continue to attract city-based families, young professionals, small business owners and tradespeople to regional communities.

The skills incentive has already helped attract doctors, architects, real estate agents, engineers, mining and farming workers, chiropractors, optometrists, teachers and police officers to regional New South Wales.

It is estimated that continuation of the skills incentive will help deliver 85 successful job seekers or business operators and their families to regional New South Wales per month.

Continuation of the skills incentive will help deliver employment outcomes and support existing efforts to drive business and job growth in regional communities and boost local economies.

It provides an important incentive to help attract the much-needed skills, jobs and business opportunities that contribute to the prosperity of regional communities and this State as a whole.

I commend the bill to the House.