



## Full Day Hansard Transcript (Legislative Council, 13 November 2013, Proof)

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Extract from NSW Legislative Council Hansard and Papers Wednesday, 13 November 2013 (Proof).

### REGIONAL RELOCATION (HOME BUYERS GRANT) AMENDMENT BILL 2013

#### Second Reading

**The Hon. DUNCAN GAY** (Minister for Roads and Ports) [4.03 p.m.]: I move:

That this bill be now read a second time.

I am pleased to introduce the Regional Relocation (Home Buyers Grant) Amendment Bill 2013. The bill proposes legislative changes to the Regional Relocation (Home Buyers Grant) Act 2011, which established a grant-scheme for home owner-occupiers in metropolitan areas if they sell their metropolitan home and purchase a regional home as their principal place of residence. The principal Act combined with these proposed amendments is designed to address skill shortages in regional areas as well as ease housing pressures in the metropolitan areas of New South Wales—that is, the Sydney metropolitan and Newcastle and Wollongong local government areas. These new measures are part of the Government's response to the final report of the NSW Decentralisation Taskforce. These amendments are intended to improve the targeting of the scheme to economically active applicants and to minimise the potential misuse for very short relocations, or "minor moves".

The proposed legislative changes make provision for three sets of amendments to the principal Act that will take effect on 1 January 2014. The first set of amendments extend the original grant scheme to people residing in metropolitan homes that they do not own—that is, renters—who are prepared to relocate to a regional location in order to enter the regional housing market. The second set of amendments establishes a new grant called the Skilled Regional Relocation Incentive available to people undertaking an eligible employment relocation or an eligible self-employment relocation to a regional area. The third set of amendments contains general provisions to enhance and clarify the operation and functioning of the amended Act.

Eligible applicants under the first set of key amendments, which is the extension of the Regional Relocation Home Buyers Grant, must have lived in one or more metropolitan homes for a continuous period of two years under a lease, licence or other arrangement for valuable consideration. For non-home owners, rental history over a period of two continuous years can be established by a lease agreement or other form of documentary evidence so that people who have been renting without formal leases or who are not signatories to a lease can access the grant. To mitigate the potential misuse of the scheme in areas that border metropolitan and regional boundary lines, the bill introduces "minor moves" clauses that stipulate that each metropolitan home must be at least 100 kilometres in a direct line from the regional home that is purchased. Following discussions with shadow Minister the Hon. Mick Veitch in relation to this aspect of the bill the Government moved an amendment during debate in the other place, details of which I will provide shortly.

The second key amendment, which is the introduction of the Skilled Regional Relocation Incentive, provides for the payment of \$10,000 in two equal instalments to eligible applicants who relocate from metropolitan areas to regional areas to commence employment between 1 January 2014 and 1 July 2015. Importantly, the incentive is open to either relocations for eligible employment, which includes apprenticeships, or relocations for eligible self-employment. Similarly to the Regional Relocation Home Buyers Grant, an applicant for the incentive must have resided in one or more metropolitan homes for a continuous period of at least two years. Additionally, the eligible applicant must have been living in a metropolitan area within 12 months of commencing employment in the regional job for which they are relocating.

For the Skilled Regional Relocation Incentive to be payable to an applicant, the applicant must be employed on a full-time basis for at least two years in one or more regional areas. The two-year period does not have to be continuous so long as the applicant is employed on a full-time basis for at least two out of three consecutive years in an eligible regional location and meets all other eligibility criteria. "Minor moves" provisions limiting relocations of less than 100 kilometres from the applicant's former home or place of employment also apply to the Skilled Regional Relocation Incentive.

To ensure that the grant is restricted only to genuine regional relocations the Chief Commissioner of State Revenue has been given discretionary powers under the legislation to call for further documentary evidence that can demonstrate the bona fides of grant recipients. This initiative is also available to entrepreneurs and the self-

employed including people wishing to join or establish a regionally located partnership. To be eligible, self-employment relocation applicants must relocate from a metropolitan area for the purposes of self-employment in a regional small business that they purchase or establish.

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An applicant establishing a regional small business also will be required to complete a small business advisory program approved by the Small Business Commissioner, such as the Small Biz Connect program, unless they are buying, and provide evidence of purchase, of 50 per cent or more of a partnership. Crucially, small business advisory programs such as Small Biz Connect will help businesses familiarise themselves with their new markets and provide business planning and diagnostic services that will ensure their long-term success and sustainability.

The third set of key amendments that is designed to refine the general scope, functioning and targeting of the scheme include removal of the scheme target of 40,000 Regional Relocation Grants and the introduction of a funding cap, which is subject to the available budget allocation, restriction of the scheme to one grant per household, and the extension of clawback provisions to both the expanded Regional Relocation (Home Buyers Grant) and the Skilled Regional Relocation Incentive whereby a person incurs a liability to repay an amount as outlined in the principal Act. The three sets of amendments will enhance the current scheme and provide more opportunities for skilled workers and property buyers to obtain financial assistance to relocate to the regions. Both the Regional Relocation Grant and Skilled Regional Relocation Incentive encourage regional areas of New South Wales to continue their contribution to the prosperity and diversity of the State and should be supported.

Yesterday in the other place the Deputy Premier moved an amendment to the bill, which was supported by the Opposition. As I noted earlier, the bill seeks to require a person to move at least 100 kilometres from his or her original place of residence. This is in response to data showing that a proportion of moves under the existing scheme are for relatively minor distances. In fact, 29 per cent of applicants were for a distance of 100 kilometres or less and the shortest move was one kilometre from the Newcastle local government area to the Lake Macquarie local government area. Following discussions between the Office of the Deputy Premier and the shadow Minister, the Hon Mick Veitch, MLC, the Government moved this amendment to clarify an apparent unintended consequence of the drafting of this part of the bill, which would have resulted in a person living in Penrith, for example, having fewer regional relocation options than a person living in Sydney's eastern or northern suburbs. That is not the Government's intention.

The amendment provided the Chief Commissioner for State Revenue with the ability to approve moves of less than 100 kilometres, if the commissioner is satisfied that the move meets the intent of the bill. The Department of Trade and Investment will coordinate the preparation of guidelines to assist the commissioner in those instances. The Office of the Deputy Premier has indicated it is happy to share the guidelines with the shadow Minister, if desired. The shadow Minister also stressed the importance of ongoing support and contact for relocating small business owners. The Government has no desire to add additional red tape to the process and therefore is not proposing to amend the legislation. However, we agree that ongoing contact between the Office of the Small Business Commissioner and a relocating small business is desirable. Those arrangements have been confirmed with the Office of the Small Business Commissioner. The Government is happy to provide a briefing on this particular aspect also, if required. I commend the bill to the House.