



New South Wales

# Regional Relocation (Home Buyers Grant) Amendment Bill 2013

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

## Overview of Bill

The object of this Bill is to amend the *Regional Relocation (Home Buyers Grant) Act 2011* to permit grants to be made available under that Act to persons who relocate from metropolitan areas to regional areas for the purposes of employment, self-employment or purchasing a home.

## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on 1 January 2014.

## Schedule 1      Amendment of Regional Relocation (Home Buyers Grant) Act 2011 No 26

The *Regional Relocation (Home Buyers Grant) Act 2011* (the *principal Act*) established a scheme for the payment of grants to persons who live in their own homes in metropolitan areas (*metropolitan homes*) if those persons sell their metropolitan homes and purchase homes in regional areas (*regional homes*) and relocate and reside in those regional homes.

**Schedule 1 [15]** extends the scheme to persons who reside in metropolitan homes that they do not own. In such a case, the person must still purchase a regional home and relocate and reside in that regional home. To be eligible for such a grant, the person must have had his or her principal place of residence in one or more metropolitan homes for a continuous period of 2 years and each such metropolitan home must have been occupied under a lease or licence or other arrangement for valuable consideration. Each metropolitan home must be at least 100 kilometres from the regional

home that is purchased. **Schedule 1 [17]** extends the 100 kilometre requirement to the current scheme in the principal Act so that the metropolitan home that is sold must be at least 100 kilometres from the regional home that is purchased. **Schedule 1 [16]** makes a consequential amendment.

**Schedule 1 [19]** inserts proposed Division 2 into Part 2 of the principal Act. The proposed Division provides for the payment of a skilled regional relocation incentive of \$10,000 to persons who relocate from metropolitan areas to regional areas for the purposes of employment or self-employment. A person who applies for the incentive (the *applicant*) is eligible for the incentive in respect of a relocation if the applicant is an eligible applicant and the relocation is an eligible employment relocation or an eligible self-employment relocation.

To be an eligible employment relocation, the applicant must be employed on a full-time basis for at least 2 years (or such lesser period as may be permitted by the Chief Commissioner of State Revenue (the *Chief Commissioner*)) in one or more jobs in regional areas (*regional jobs*). Employment in the first regional job must commence on or after 1 January 2014 and before 1 July 2015. The applicant also needs to have relocated from a metropolitan area for the purposes of the regional job, having resided in one or more metropolitan homes for a continuous period of at least 2 years ending within 12 months before commencing employment in the regional job. The applicant's regional job and home must be at least 100 kilometres away from the applicant's former metropolitan home.

To be an eligible self-employment relocation, the applicant must relocate from a metropolitan area for the purposes of self-employment in a *regional small business* (being a business in a regional area that has an ABN and is conducted by an individual who is a sole trader or by a partnership where each partner is an individual). The applicant must have resided in one or more metropolitan homes for a continuous period of at least 2 years ending within 12 months before commencing self-employment in the regional small business. The regional small business and the applicant's regional home must be at least 100 kilometres away from the applicant's former metropolitan home. The applicant must establish or purchase the regional small business in which the applicant is to be self-employed.

To establish a regional small business the applicant must either set up a small business in a regional area or relocate a small business from a metropolitan area to a regional area. To purchase a small business the applicant must purchase at least 50% of a small business in a regional area. The establishment or purchase of a regional small business is not eligible for a regional relocation grant if a person has already been paid a regional relocation grant in relation to the establishment or purchase of the small business. Self-employment in the regional small business must be commenced by the applicant on or after 1 January 2014 and before 1 July 2015. The applicant must be self-employed in the regional small business for at least 2 years (or such lesser period as may be permitted by the Chief Commissioner) following the applicant's relocation. The applicant must also complete a business advisory program approved by the Small Business Commissioner unless the applicant is purchasing part of an existing regional small business and a person who has been a partner in the business (or who has operated the business as a sole trader) will continue in the business as a partner with the applicant.

**Schedule 1 [5]** sets out the requirements to be met to be an eligible applicant for a regional relocation grant (which includes a skilled regional relocation incentive). To be an eligible applicant, the applicant must be a natural person who is an Australian citizen or permanent resident and the applicant or any member of the applicant's household must not have already received a regional relocation grant. **Schedule 1 [5]** also makes it clear that a person may not be paid more than one regional relocation grant and that more than one grant cannot be paid in relation to the establishment or purchase of a regional small business. **Schedule 1 [24]** provides that a skilled regional relocation incentive is to be paid in 2 equal instalments at least a year apart.

**Schedule 1 [3], [6]–[10], [12]–[14], [18], [22], [23], [27] and [28]** rename the current regional relocation grant as the regional relocation home buyers grant and make a number of other amendments that are consequential on the amendments made by **Schedule 1 [15] and [19]**.

**Schedule 1 [1] and [2]** amend the long title and the name of the principal Act to take into account the proposed skilled regional relocation incentive.

**Schedule 1 [4]** makes provision for determining whether a principal place of employment or principal place of business is in a regional area or within 100 kilometres of a specified place in the case of a person (such as a tradesperson) whose work takes place in a number of locations. **Schedule 1 [4]** also provides that a regional relocation grant is taken not to have been paid if it is later paid back.

**Schedule 1 [11]** provides that only one regional relocation home buyers grant is payable in respect of the purchase of a regional home.

**Schedule 1 [20]** provides for the time in which applications for a regional relocation grant must be made and also provides that an application is to be accompanied by any evidence required by the Chief Commissioner to demonstrate the applicant's eligibility for the regional relocation grant.

**Schedule 1 [21]** provides that all interested persons must be applicants for a regional relocation home buyers grant. Section 5 (2) of the principal Act (which is proposed to be relocated to section 4B (1) by **Schedule 1 [5]**) requires that every applicant meet the requirements for the payment of a regional relocation home buyers grant for any one of those applicants to be eligible. An *interested person* means each owner of the regional home that is purchased who was, in the case of an application made on the basis of the disposal of a metropolitan home, also an owner of that metropolitan home.

**Schedule 1 [25]** provides that if an applicant has a liability to repay an amount under the principal Act, that amount is a charge on the applicant's interest in land. Either the regional home that was the subject of a regional relocation home buyers grant or, in the case of a skilled regional relocation incentive, on any interest held by the applicant in land. **Schedule 1 [26]** makes a consequential amendment.

**Schedule 1 [31]** provides that the Minister for Finance and Services can appoint a scheme closure date if it appears to the Minister that the number of regional relocation grants authorised to be paid under the principal Act has exceeded or will exceed the amount of money appropriated from the Consolidated Fund for the purposes of regional relocation grants during the period of 1 July 2013 to 30 June 2015. **Schedule 1 [33]** provides that funds for the purposes of regional relocation grants are to be appropriated by Parliament. **Schedule 1 [29] and [30]** make consequential amendments.

**Schedule 1 [32]** provides that a regional relocation home buyers grant is not payable in respect of the purchase of a regional home if the purchase is commenced after the scheme closure date and a skilled regional relocation incentive is not payable in respect of employment in a regional job, or self-employment in a regional small business, if the employment or self-employment is commenced after the scheme closure date.

**Schedule 1 [34]** inserts a number of savings and transitional provisions consequent on the enactment of the proposed Act.