



THE PROPERTY OBSERVER INSIGHT

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Sydney tenants offered incentive to leave rental market and move regional

By Diane Leow
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Long-term city renters in New South Wales will be offered \$7000 and skilled workers will be offered \$10,000 if they relocate more than 100 kilometres to a NSW region, as part of an overhaul to the NSW government's regional relocation grant scheme.

The revisions were announced as part of the government's response to the final report of the NSW Decentralisation Taskforce earlier this month. The original scheme only applied to city homeowners purchasing new property in regional areas.

"The grant will support efforts to ease Sydney's tight rental market and help to boost population growth in regional areas to meet the expected increase in demand for jobs being driven by our [investment](#) in regional infrastructure and business growth," said Minister for Regional Infrastructure and Services Andrew Stoner.

[Applicants](#) for both grants will need to move more than 100 kilometres to be eligible under the revisions. The changes will be implemented from next January. [Applications](#) for both grants will be subject to annual caps, which stands at \$10.4 million for 2013-2014.

The government has also set a target to move 1500 public sector jobs from metropolitan Sydney to regional areas by 2021.

The regional relocation grant scheme was an important part of the Coalition's 2011 election campaign, promising a "decade of decentralisation" in NSW. It offers \$7000 to homeowners in Sydney, Newcastle, and Wollongong who are willing to sell their property and purchase a regional property worth up to \$600,000 to use as their principal place of residence.

Despite initial budget targets of 7000 grants a year, to a cost of \$49 million per year over four years, only 2351 homeowners have taken up the grant since July 2011. The revised scheme draws upon recommendations from a taskforce commissioned by the government to review

its decentralisation policies.

The taskforce's main criticism of the grant was that it was too low. It recommended raising the grant to \$10,000 and extending it to renters willing to purchase property in regional areas.

The government has since agreed to extend the \$7000 grant to renters in addition to the new \$10,000 [employment](#)-based incentive. City renters will need a minimum of two consecutive years' rental history to be eligible for the \$7000 grant.

The new skilled worker grant will not be tied to home ownership. However, two years' residence in Sydney, Newcastle or Wollongong and proof of offer of employment at least 100 kilometres away will be required for eligibility.

"The NSW Government is delivering on its commitment to generate growth in regional economies, manage the State's predicted population growth and deliver greater [opportunities](#) for local decision-making to regional communities," Mr Stoner said.