

Regional Skills Relocation Grant

Frequently asked questions

How much funding is available?

The Regional Skills Relocation Grant will provide 250 grants of up to \$10,000 each year, for up to four years.

Who can apply?

The Regional Skills Relocation Grant is available for businesses operating in eligible industries in regional NSW. The funding is available to assist with the relocation costs of eligible skilled workers they employ who move from metropolitan areas to regional NSW.

Businesses must be operating in a regional NSW eligible industry and:

- relocating to, or setting up in, regional NSW and creating at least five ongoing full-time equivalent (FTE) jobs in a regional local community
- or
- already operating in regional NSW and seeking to recruit eligible workers.

The business must be seeking employees who:

- are relocating from a metropolitan area to regional NSW with the regional residence at least 50 kilometres from the original metropolitan residence and within the same region as the eligible business

have an occupation that features on the Commonwealth Skilled Occupation List for the Skilled Work Regional (Provisional) visa (subclass 491).

NB: This list of occupations is specifically designed to meet the needs of regional Australia.



To search for an eligible occupation simply apply the filter - 491 –Skilled Work Regional (Provisional) visa (subclass 491) – State or Territory nominated from the drop-down Skilled Occupation List menu:

<https://immi.homeaffairs.gov.au/visas/working-in-australia/skill-occupation-list#>

- are Australian citizens or permanent residents on the date they commence employment.

What is meant by a ‘metropolitan area’?

For the purpose of this grant, metropolitan areas are defined as Greater Sydney, Newcastle, Wollongong and interstate capital cities.

What is meant by ‘regional NSW’?

For the purpose of this grant, regional NSW is defined as all of NSW excluding Greater Sydney, Newcastle and Wollongong.

What is meant by an ‘eligible industry’?

To be eligible for funding, employers must be a business or co-operative:

- operating in an ‘engine’ industry, enabling industry or emerging engine industry as described in the relevant Regional Economic Development Strategy (REDS), or
- aligned with government strategies including the 20-Year Economic Vision for Regional NSW

Industries identified in the REDS reflect the regions competitive advantage and ability to trade their goods outside the local area or sell their services to non-locals. Retail and restaurants are ineligible because they only operate and sell locally.

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Examples of 'engine' or 'emerging' industries include:

- agriculture
- forestry
- manufacturing
- mining
- tourism.

Other eligible industries are those enabling industries that provide key inputs or services to an 'engine' or 'emerging' industry identified in the REDS. For example, transport and logistics are eligible where they address barriers faced by eligible industries such as agriculture and manufacturing.

In rare cases, population-serving industries that are typically ineligible may be deemed eligible where it can be demonstrated that such service 'exports' are material to the Functional Economic Region (FER).

Further information on industry eligibility is available at <https://www.nsw.gov.au/regional-nsw/regional-economic-development-strategies>

What are Regional Economic Development Strategies?

The NSW Government assisted local councils to develop Regional Economic Development Strategies (REDS) based on the concept of a functional economic region (FER). FERs represent relatively self-contained areas of common economic interest, usually including more than one local government area. The REDS are informed by economic data and community input and help to better target specific industry investments to grow or establish a regional competitive advantage. The REDS provide a clearly articulated economic development strategy for the region that can be used to inform and guide the economic development activity of councils and business.

Further information on the REDS is available on the Department of Regional NSW website at <https://www.nsw.gov.au/regional-nsw/regional-economic-development-strategies>

What relocation costs are eligible to be reimbursed?

Relocation expenses covered by this grant are for the following costs only:

- furniture removal
- travel for immediate family to relocate
- temporary accommodation for up to three months
- furniture storage for up to three months.

What constitutes immediate family?

Immediate family includes any person living as a member of the eligible employee's household immediately prior to their relocation from a metropolitan area to regional NSW. It also includes pets. Evidence of the eligibility of immediate family members will be required as part of the application process.

What is meant by 'public sector'?

The term 'public sector' refers broadly to the entities that exist and people employed for public purpose. For the purpose of this program, the public sector includes all three levels of government (federal, state and local), statutory authorities and government corporations.

What is the application process?

Businesses should register their interest with the Department of Regional NSW on regionalnsw.business@regional.nsw.gov.au

Registered businesses operating in eligible industries will then be invited to complete an online application form.

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My business has an employee(s) that has relocated from another regional NSW town to commence employment in my regional business. Are they eligible?

No. Financial assistance is only available for skilled employees relocating from Greater Sydney, Newcastle, Wollongong or an interstate capital city to regional NSW. Proof of relocation will be required to activate the grant and enable the reimbursement of relocation expenses.

How long does the employee have to be working within my business before their relocation costs can be reimbursed?

Eligible employees must:

- remain in the role for a minimum of 3 months before the business can lodge a claim for reimbursement of relocation costs
- have commenced their employment in the regional location after 1 October 2018

Businesses can only claim relocation costs incurred after 1 October 2018. Businesses must have received notification of grant activation in order to submit a claim.

What evidence is required to show relocation costs have been paid?

Businesses will be required to provide copies of invoices, with evidence of payment, submitted to them by the eligible employee. Evidence of payment can include receipted invoices, copies of the general ledger, extracts of business bank statements, or direct deposit receipts.

How will the funding be administered and how will payments be made?

Payments of activated grants will be made in arrears upon submission of the reimbursement claim form. Supporting documents showing expenses incurred in the relocation and evidence of

payment will need to be included. Only the relocation costs outlined in the guidelines will be reimbursed up to \$10,000. Grants will be paid electronically to the nominated business account.

How do I follow up if a grant for my business hasn't been paid?

Businesses that have submitted a reimbursement claim form can email regionalsw.business@regional.nsw.gov.au to enquire about the status of their payment.

Will GST apply to the grant payment?

The grant is not a taxable supply and therefore no GST will be attached to the payment. The payment will be GST-exclusive and the total available for each grant is to the maximum value of up to \$10,000.

Businesses will need to issue an invoice to the Department of Regional NSW exclusive of any GST, and attach this, along with copies of the relevant relocation invoices and evidence of payment, to the reimbursement claim form.

Example: The eligible employee has submitted invoices to the business totalling \$8,800 including GST. The business will reimburse the employee \$8,800 and invoice the Department of Regional NSW \$8,000 (excluding GST) when they submit their reimbursement claim form. The business may be able to claim a tax input credit for the GST of \$800 through their accounting processes.

Is the grant taxable income?

Yes, in our opinion the grant will be assessable income in the hands of the employer/grant recipient.

All information provided by the Department of Regional NSW is general in nature and is designed to aid employers/grant recipients to formulate their own conclusions on Australian regulatory matters. The information must be applied to your current circumstances only. The employer/grant recipient should seek independent advice regarding the income consequences pertaining to the Regional Skills Relocation Grant.

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What are the fringe benefits tax implications of the grant?

If the grant is used to reimburse or pay for eligible relocation costs as specified in the letter of approval and the employer meets all the requirements under the Fringe Benefits Tax Assessment Act 1986 with respect to relocation costs, the reimbursed payments to employees will most likely be exempted from fringe benefit tax.

All information provided by the Department of Regional NSW is general in nature and is designed to aid employers/grant recipients to formulate their own conclusions on Australian regulatory matters. The information must be applied to your current circumstances only. The employer/grant recipient should seek independent advice regarding the fringe benefit tax consequences pertaining to the Regional Skills Relocation Grant.

My business hasn't employed anyone from a metropolitan area yet but may do so in the future. Should I apply now?

Businesses operating in an eligible industry seeking to employ skilled workers with an occupation on the Commonwealth Skilled Occupation List for the Skilled Work Regional (Provisional) visa (subclass 491) (see <https://immi.homeaffairs.gov.au/visas/working-in-australia/skill-occupation-list> and apply the filter - 491 – Skilled Work Regional (Provisional) visa (subclass 491) – State or Territory nominated from the drop-down Skilled Occupation List menu) should register their interest with the Department of Regional NSW at regionalnsw.business@regional.nsw.gov.au

I'm unsure if my business is eligible to receive financial assistance. What should I do?

If you would like further information about the Regional Skills Relocation Grant or other financial assistance, you can contact the Department of Regional NSW (see contact details below).

More information

Visit the Regional Skills Relocation Grant website at <https://invest.nsw.gov.au/assistance/regional-investment-attraction-package/regional-skills-relocation-grant>

Contact us

All initial enquiries should be directed to the Department of Regional NSW:

e: regionalnsw.business@regional.nsw.gov.au
p: 1300 679 673