

**Senate Select Committee on COVID-19**  
ANSWERS TO QUESTIONS ON NOTICE  
**Treasury Portfolio**

**Division/Agency:** Productivity Commission  
**Question No:** XXXXXX  
**Topic:** Chairman's appearance at National Cabinet  
**Reference:** Oral  
**Senator:** Gallagher

**Question:**

Senator **Gallagher:** Mr Brennan, did you provide a presentation to national cabinet?

Mr Brennan: I did, yes.

Senator **Gallagher:** Could the committee have a copy of that?

Mr Brennan: I'd have to take that on notice because it is a cabinet document, so it's not really my election, in a way, to determine. But I'm happy to take that on notice.

**Answer:**

Mr Brennan's presentation is an official National Cabinet document and is therefore Cabinet-in-confidence. Providing the document would disclose the deliberations of Cabinet.

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**Question:**

Senator **Gallagher:** To wrap up on the why did young people's incomes decline report, published on 30 July, what ministers have you had contact with over that report or who have sought a briefing on it?

Mr Brennan: Can I take that on notice—if that's alright? I will have to check.

**Answer:**

Ministers generally do not seek briefings from the Productivity Commission on research papers and are generally briefed by their departments on such papers. The Commission has not provided briefings to any Minister on the research paper 'Why Did Young People's Incomes Decline?'.

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**Question:**

Senator **WATT**: How effective is the HomeBuilder scheme in addressing issues around housing affordability and rental stress?

Mr Brennan: It is too early to say, and I would have to look at the detail of the HomeBuilder scheme to have a sense of what the implications for the private rental market might be.

Senator **WATT**: There has obviously been a significant focus on the opportunity to renovate one's home through the HomeBuilder program. Will that assist in any way in dealing with housing affordability or rental stress issues?

Mr Brennan: I would have to think about that further. I confess that I haven't really thought much about HomeBuilder in the context of rental stress.

Senator **WATT**: How could giving people a grant to renovate their kitchen do anything to assist with housing affordability?

Mr Brennan: As I said, I would have to reflect on that.

Senator **WATT**: I suspect that you could reflect on it till kingdom come and still find it difficult to see how that would help with rental stress.

Mr Brennan: Obviously that's only one part of the HomeBuilder scheme. In many ways the intent of the HomeBuilder scheme is more around underpinning confidence in the construction sector rather than a specific focus on rental stress or rent as a share of income. So any result would be a by-product. But, as I said, I would have to think about that a bit more.

Senator **WATT**: Feel free to take it on notice. I look forward to seeing the answer.

**Answer:**

The Productivity Commission has not assessed the HomeBuilder program.

In relation to the issue of rental stress, the Productivity Commission released the research paper 'Vulnerable Private Renters: Evidence and Options' on 25 September 2019. In that paper the Commission considered three policy options for addressing private rental stress:

- Policies that diminish the different tax treatments facing individual and institutional investors
- Commonwealth Rent Assistance
- residential tenancy legislation.

The Commission stated in that paper that 'Commonwealth Rent Assistance (CRA) is the clearest path to improving affordability' (p. 13 of Vulnerable Private Renters: Evidence and Options).