Governments' top policy failures of the year highlighted

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The Morrison government's decision to slash the fuel excise tax for six months in an attempt to ease the cost of living pressures triggered by soaring petrol prices has emerged as one of the biggest policy failures of the past year.

A study by the Evidence-Based Policy Research Project has revealed that policymakers formulating the fuel excise tax cut did not consider alternatives, did not release any analysis of its impact, and it was rushed through parliament without proper communication and consultation.

Other policy duds for the year that scored poorly on measures including consultation, modelling and consideration of alternatives included the NSW government's changes to slap protesters who stop traffic with automatic $22,000 fines and a Victorian windfall gains tax on property owners whose land value soared as a result of a government project nearby.

The analysis comes as part of an annual study by a left-leaning and a right-leaning think tank of 20 high-profile policies. They examine these and their formulation in an attempt to encourage better regulatory outcomes.

"Having auditors general, integrity bodies, and select committees of inquiry rake over failed policies and processes does not fix the underlying problem which is that no government in Australia consistently addresses [a series of important] questions when making policy," the study author Percy Allan said. "Adopting an NSW-like-Statement of Public Interest for each policy would do that."

Mr Allan, who heads the Evidence-Based Policy Research Project was a forceful advocate for the NSW Statement of Public Interest, which came

into effect in the middle of the year, and now forces each piece of legislation to answer several questions – relating to need, evidence in favour of the approach, alternatives considered and expected impact, and pathway to change – before being introduced to parliament.

The study's authors found the [fuel excise tax cut's](#) poor formulation meant it stopped being effective before it had lapsed.

"Once the bill was implemented, retail fuel prices fell almost immediately, and the saving was passed on – in full – by wholesalers to retailers.

'Rushed through parliament'

"However, by June 2022, fuel prices had clawed back – almost to levels before the cut was announced," the report found. "The bill was rushed through parliament and there was no inclusion of principles, performance measures or a review process."

This year's study was completed by the right-leaning Blueprint Institute and the left-leaning Per Capita Institute, with each group ranking each policy and its formulation out of 10.

The think tanks ranked a Queensland housing legislation amendment to give renters more powers as an exceptionally well-developed policy at 9.5, along with NSW's mandatory disease testing act, which ensures that the police or emergency services workers immediately receive blood testing after coming into contact with someone who has deliberately thrown bodily fluid at them.

The federal government's Fair Work amendment from 2021 also emerged as one of the best-formulated policies of the year, with Blueprint Institute finding the package, which included JobKeeper provisions and other measures to assist businesses bounce back from COVID-19, to be thoroughly scrutinised despite opposition.

"The bill that was introduced to parliament was very different to the bill that passed – showing it was highly contentious. Nevertheless, the bill was based on a demonstrable, evidence-based need, included wider consultation, and explored a range of options, including engaging in key costings of various policy options," Blueprint chief executive David Cross said.

The process of imposing an automatic fine of $22,000 on protesters who stopped traffic was found to be "unacceptable" before it was introduced to parliament, with little consultation, consideration of options and a rushed legislative debate.

"Despite supporting the bill, the opposition found that the policy process was compromised and would have benefited from a longer deliberation period that allowed for stakeholder consultation," Mr Cross said.

"The Greens were more critical of the expedited process, arguing that there were no grounds for the bill to be 'rammed through the chamber'. The policy process did not allow for public input."

The think tank was critical of changes that Victoria's Andrews government made to a windfall tax legislation, to claw back gains that landowners received from government rezoning decisions.

The legislation applied to any land that was subject to a government rezoning that resulted in a value increase of more than $100,000. The marginal tax rates applied were 62.5 per cent for value rises of between $100,000 and $500,000 – and 50 per cent for uplifts exceeding $500,000. The tax applies only to the increase in value.

The think tank found the government could not even answer queries about the need for the new tax.

"No clear statement, based on factual evidence or stakeholder input, was given to justify the windfall gains tax," Mr Cross said.

The policymakers did not consider alternatives, did not complete any thorough analysis of the need and the threat, did no consultation, and submitted a poorly compiled explanatory memorandum before introducing the legislation to parliament.

Citizens for Democratic Renewal co-chairman Glen Barnes said: "It is concerning to see that our politicians are still struggling to meet minimum standards of evidence for the legislation they enact, even on issues of low complexity."

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