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# An Assessment Framework for Resilient Public Policy

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# Overview

- I. Principles for Policy Assessment
- II. Evidence-based policy making
- III. Resilient Public Policy
- IV. Murray-Darling Basin Water Policy Reform
- V. Commonwealth Resource Taxation Reform
- VI. Takeaway Messages

# I. Principles of Policy Reform

1. Specify the problem
2. Explain need for government intervention
3. Outline objectives of reform
4. Identify policies currently in place
5. Consider alternatives to achieve objectives
6. Assess impacts of alternatives
7. Plan implementation and review process

## II. Evidence-based Policy Making

1. Methodology matters
2. Good data is a prerequisite
3. Transparency of analysis
4. Evidence-building takes time
5. Good evidence requires good people
6. Importance of independence
7. Need for receptive policy environment

# III. Resilient Public Policy

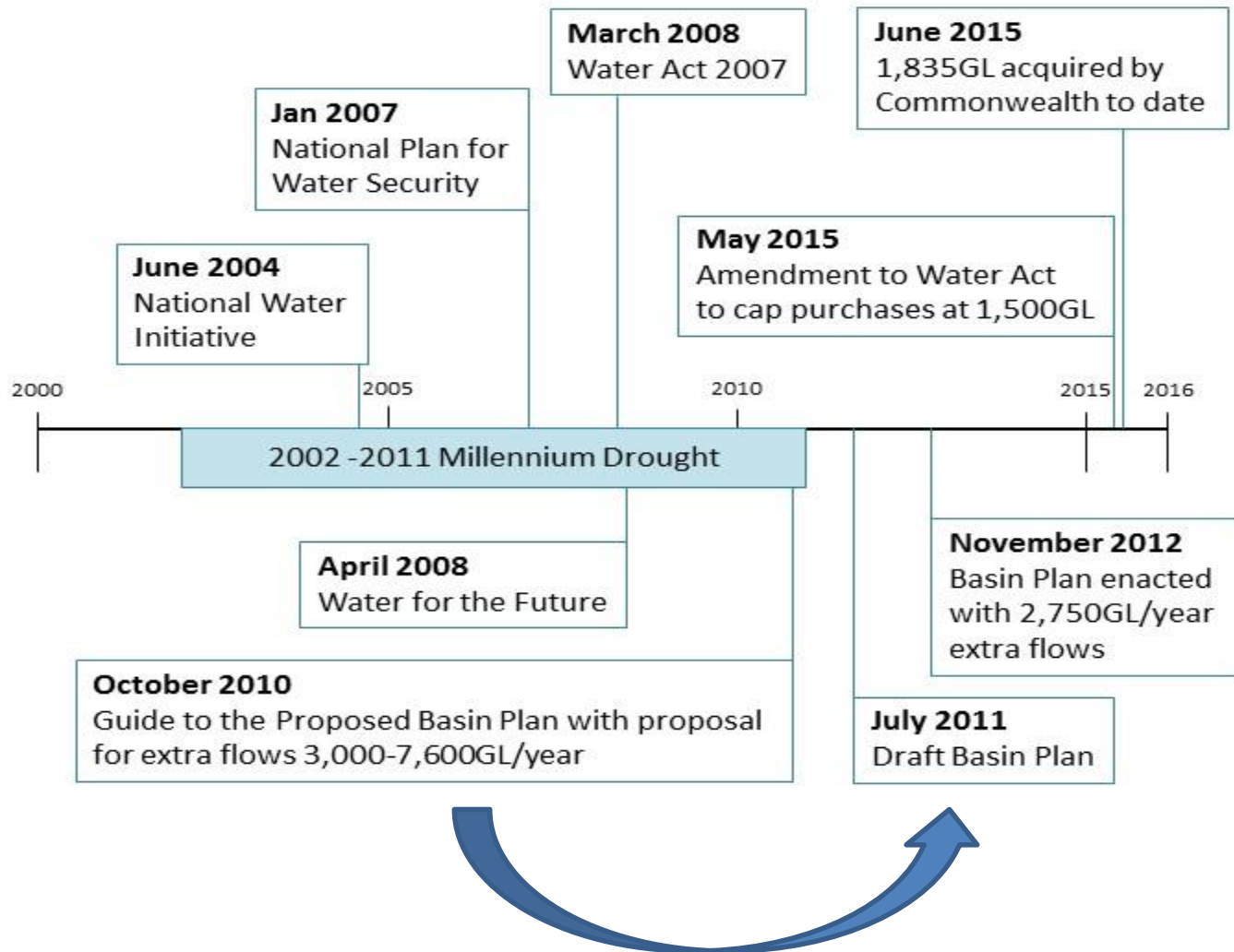
Resilient policy decision-making should be:

- (1) **Evidence-informed** that makes use of best available data that are analysed with robust and accepted methods by qualified/capable and unbiased analysts;
- (2) **Contestable** such that decisions are taken with genuine opportunity for consideration of the goals, evidence, alternatives/options and risks;
- (3) **Timely** so that evidence and options are available when needed, and when decisions makers are receptive;
- (4) **Adaptive** (SIAMU\*) such that there is timely/regular review of policy as circumstances change and within the 'policy cycle';
- (5) **Transparent** as to what is the policy problem that needs fixing, the evidence for the policy, and what the policy implementation will (and will not) achieve; and
- (6) **Envisioned** such that there is a compelling narrative that guides implementation accounts for who loses & who gains, who is acted upon and vision of what is to be achieved

\*SIAMU = Specify, Identify, Act, Monitor and Update

# IV. Murray-Darling Basin Water Reform

# Timeline: MDB Policy Development





# Processes & Outcomes

## PROCESSES

**Evidence-informed:** evidence disputed by irrigators and scientists from the beginning, contested assumptions, serious questions still remain about interpretation and results

**Contestable:** decisions were contested in the media, but not contested openly at the critical stage of the development of the legislation which determined the Basin Plan approach/outcomes

**Timely:** Basin Plan implemented five years after Water Act and political 'buy in' partially delivered

**Adaptive:** Plan sets sustainable diversion limits to 2022 with limited flexibility at the decade level

**Transparent:** almost all of the decisions and conclusions were made behind closed doors, information rather consultation

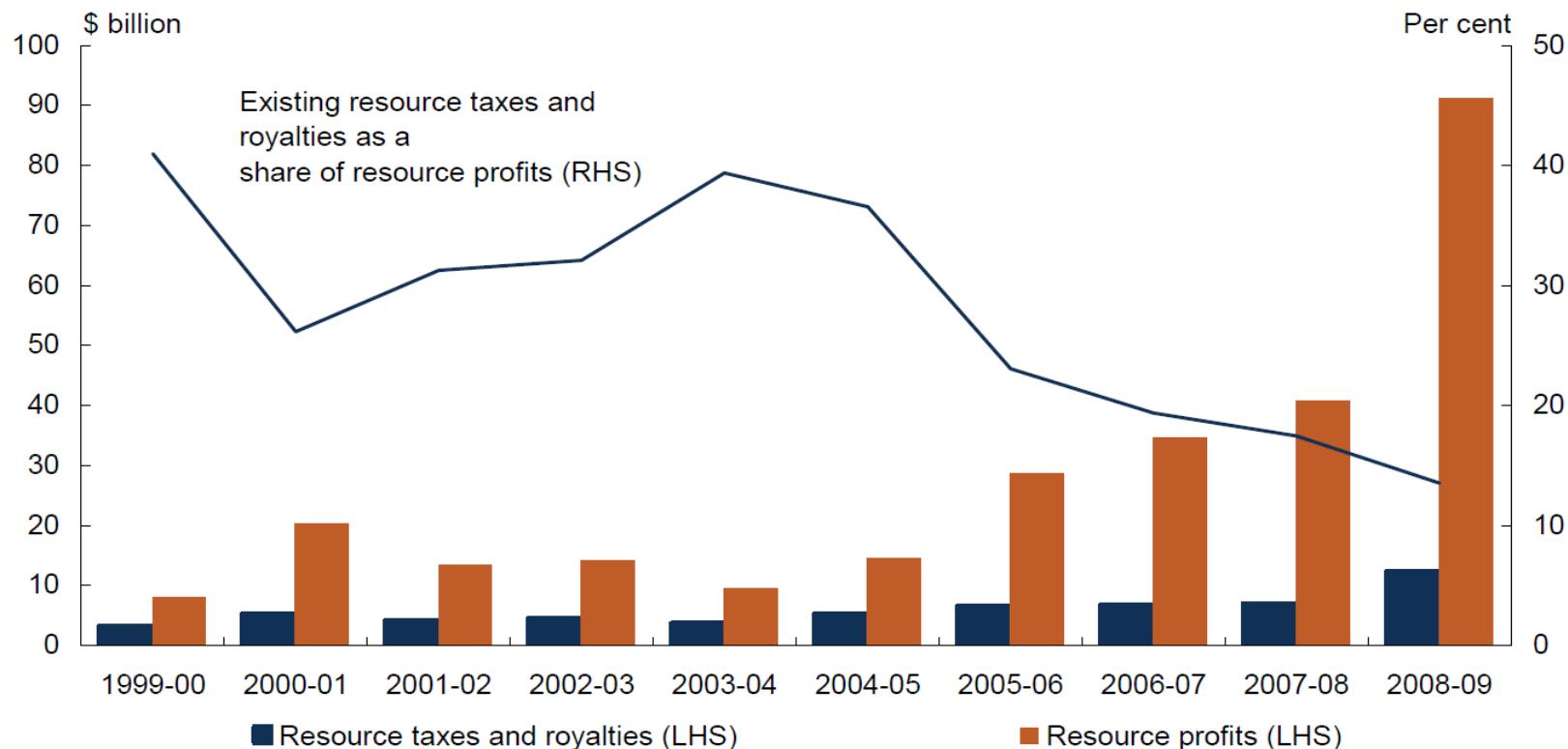
**Envisioned:** Ineffectively articulated

## OUTCOMES

Large (but likely insufficient responses if drought returns) increase in environmental flows but increases permitted groundwater extraction, done in highly ineffective way at cost of several billions more than necessary

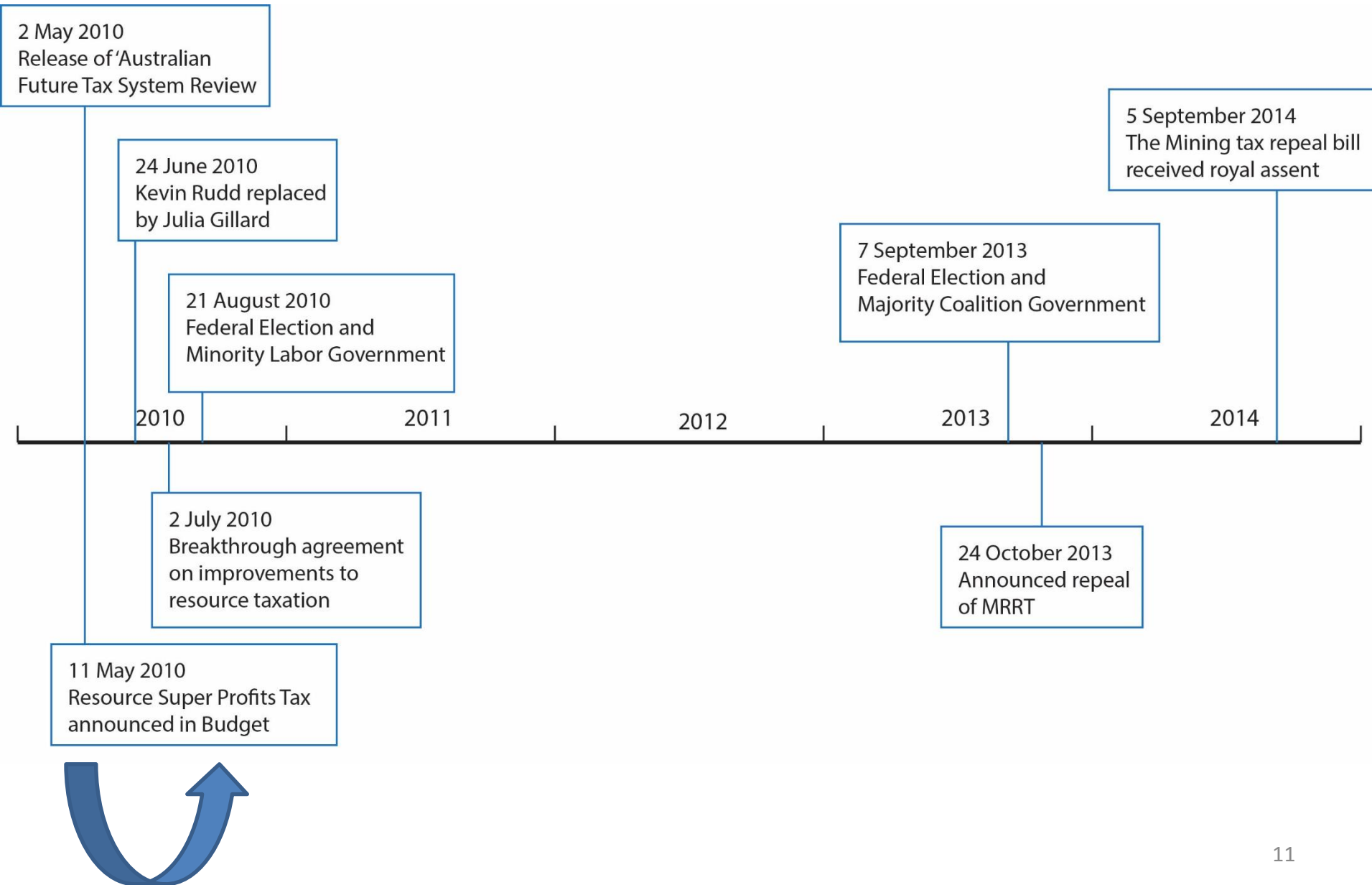
# V. Resource Taxation Reform

# Perceived Policy Problem

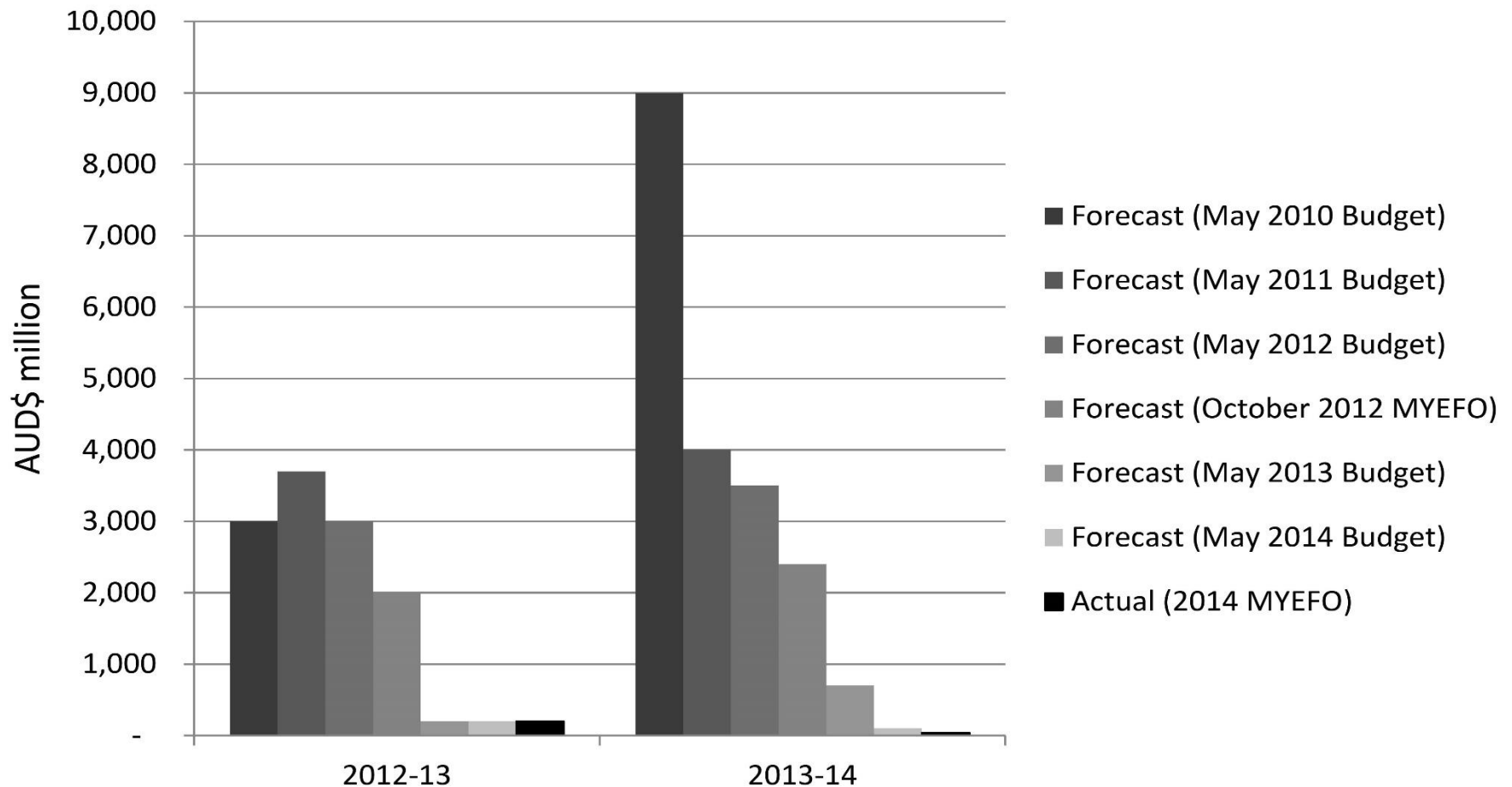


Source: Australian Attorney General 2010

# Timeline of MRRT Policy Development



# MRRT Revenues (Actual versus Forecast)



# Processes & Outcomes

## PROCESSES

**Evidence-informed:** evidence disputed from the beginning, contested assumptions, official projections by government proved to be seriously flawed

**Contestable:** decisions contested in the media, tax was not “sold” to public or debated in an effective way and justification and specification of tax not contested with stakeholders

**Timely:** Announced on delivery of Federal Budget as a “complete surprise” and almost a decade after the mining boom began

**Adaptive:** MRRT which replaced the RSPT was adapted to suit large mining companies concerns and was a political ‘fix’

**Transparent:** information rather consultation

**Envisioned:** Ineffectively articulated

## OUTCOMES

MRRT raised \$232 million in 2013-14 and \$400 million in total since 1 July 2012. The Resource Super Profit Tax was projected to generate revenues of \$12 billion over period 2012-2014

# VI. Take Away Messages (1)

1. Policy that is ***envisioned*** and where general public recognises there is a problem that needs fixing much more likely to endure
2. ***Haste is waste***, as shown by MRRT very short timelines greatly increase risk of failure
3. ***Proof bears fruit***, decisions that are not fully evidence informed undermine policy reform, as per with MDB Plan and MRRT

## VI. Take Away Message (2)

4. **Transparency** about process and timelines are key ingredient to successful reform
5. Public policy processes are never fully predictable so reform should be **adaptable**. Failure to adapt greatly increase chances of reform failure
6. Public **policy worth doing is worth explaining**. Both MRRT and Guide to Basin Plan failed this crucial test and undermined the policy reform process.
7. Contestability and **meaningful conversations** support durable policy