

The Turnbull government desperately needs a circuit breaker. It is in an appalling mess over tax policy and it can't afford to wait until the budget to have it sorted out.

This week had shades of Malcolm Turnbull's opposition days when things started to unravel. Only shades of, mind you, but Turnbull should move decisively to bring the situation under control.

The week was marked by mistakes of overreach, against the background of the absence of a government tax policy.

How could Turnbull say that "increasing capital gains tax is no part of our thinking whatsoever", when he knew that wasn't right and had to have his office immediately correct it?

How could Assistant Treasurer Kelly O'Dwyer claim Labor's policy would "increase the cost of housing for all Australians", when she had heard Turnbull shouting that it would drive the value of people's homes down?

It's either hubris – an attitude of "I can say anything and get away with it" – or gross carelessness.

The sin is then made worse by a failure to just admit you've stuffed up – which would give the best chance of limiting the damage. Attempting to explain the mistake away, like a lawyer defending the indefensible, only drags out the agony.

When these snafus happen, parliament's Question Time – so often written off as useless or worse – comes into its own. The opposition used parliament effectively this week to pursue the tax blunders. It has exploited Question Time skilfully on other fronts – late last year Mal Brough was roasted to a crisp; this month the same happened to Stuart Robert. Both are now on the backbench.

Turnbull has amped up his attack on Labor's negative gearing policy to such a degree that it is cited as evidence he is turning into Tony Abbott. It can rather be seen as the usual scare tactics we get from leaders when they have or require a target. Abbott on the carbon and mining taxes to be sure. But also Bill Shorten on a higher GST, an onslaught that helped to pre-emptively kill that option.

Turnbull's attack, however, is weakened by the absence of any Coalition policy on negative gearing. He can make all sorts of claims about Labor's proposal but if he doesn't want to rule out his own rejig, critics can just assert he has nasties in the cupboard.

That comes to the question of what Turnbull should do now. Two options are obvious: an early announcement on superannuation, with other tax policies left to the budget, or a broad pre-budget tax statement.

There are strong arguments to bring forward the tax package, releasing it as soon as it can be finished.

Treasurer Scott Morrison has flagged the prospect of unveiling the superannuation revamp ahead of the budget.

But other changes – that may include a cap on negative gearing concessions and an overhaul of work-related deductions – would be best put out ASAP as well.

One course would be to release a tax policy that includes all the changes and nominates the amount available for personal (and possibly company) tax relief, with the tax tables left to the budget. That would give the government some, albeit modest, good news for that night.

What would be the advantage to the government of the early tax statement?

First, it would fill the present vacuum, which is agitating backbenchers – who might start

exercising their muscle again, as they did over the GST – and damaging the government.

Second, it would enable the Coalition to attack more credibly the opposition's policy with appropriate contrasts – although it would also throw up targets for Labor to exploit.

Third, it would de-clutter the budget. Admittedly the tax package is ever-shrinking but still complex enough to justify standing alone.

Fourth, it would facilitate explaining the changes to the public and having them understood.

Fifth – though more doubtfully – it might help rehabilitate Morrison, because he would have something solid to talk about. At the moment Morrison has become such a whipping boy that he is a political liability. In the best scheme of things for the Coalition, Morrison would be spearheading the assault on Labor's tax policy while Turnbull preserved a more positive image.

Finally, if the government is seriously considering a July double dissolution launched the day after the budget, having the tax package out beforehand would be safer and cleaner, so Turnbull could better manage the messages of the campaign's early days.

While some argue the government shouldn't be "spooked" into an early release, the counter case is that it would be common sense, given where things are at, and the alternative is not worth the pain.

One complication put forward is that the work hasn't been completed. Last week Morrison said the government only started looking at some options when the leadership changed, because Abbott had them off the table. OK the dog ate the homework, but the tax policy process has been allowed to become chaotic and sloppy.

It's time for the government to finish its assignment and hand it in to those who will judge it – the public.

Grattan on Friday: Malcolm Turnbull should announce the government's tax policy pronto

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