

**Submission  
By  
THE  
NEW ZEALAND  
INITIATIVE**

**to the Justice Committee**

**on the**

**Term of Parliament (Enabling 4-year Term) Legislation  
Amendment Bill**

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## **1. INTRODUCTION AND SUMMARY**

- 1.1 This submission on the Term of Parliament (Enabling 4-year Term) Legislation Amendment Bill is made by The New Zealand Initiative (the **Initiative**), a Wellington-based think tank supported primarily by major New Zealand businesses. In combination, our members employ more than 150,000 people.
- 1.2 The Initiative undertakes research that contributes to developing sound public policies in New Zealand. We advocate for the creation of a competitive, open and dynamic economy and a free, prosperous, fair and cohesive society.
- 1.3 The Initiative's members span the breadth of the New Zealand economy; good governance and effective policymaking are important for economic growth and prosperity. The views expressed in this submission are those of the author rather than the New Zealand Initiative's members.
- 1.4 The Term of Parliament (Enabling 4-year Term) Legislation Amendment Bill seeks to address the unusually short three-year parliamentary term, which is rare by international standards and creates challenges for implementing substantive policy changes.
- 1.5 The arguments for and against extending the parliamentary term essentially come down to balancing government effectiveness (which favours a longer term) with accountability (which favours a shorter term). The Bill attempts to address accountability concerns through changes to the composition of select committees. Unfortunately, that approach is unnecessarily complex and would cause confusion and uncertainty. It should be simplified to achieve the same objectives more effectively.
- 1.6 The New Zealand Initiative submits that the Bill should proceed, subject to the following recommendations:
  - A referendum on the change to a four-year term is to be held at the 2026 election;
  - Remove the proportionality requirement from the Bill to focus it solely on establishing a four-year term;
  - Address select committee composition through amendments to Standing Orders to take effect with the implementation of a four-year term;
  - Provide for a four-year term for local government as well as central government;
  - The first four-year parliamentary term commences after the 2029 general election; and
  - The first four-year term for local authorities commences after the 2031 local elections.

## **2. HISTORY OF NEW ZEALAND'S PARLIAMENTARY TERM**

- 2.1 During the early years of New Zealand's experience with representative government (1854-79), the parliamentary term was five years, as in the United Kingdom. It was changed to three years in 1879 after the abolition of the provinces, which had generated fear of an excessive strengthening of central government's power. Since 1879, three-year terms have been the norm, except for three periods of extraordinary circumstances –

World War I (five-year term, 1914-19), the Great Depression (four-year term, 1931-35), and World War II (five-year term, 1938-43).<sup>1</sup>

- 2.2 The Electoral Act 1956 required a referendum or 75% vote by members of parliament (MPs) to change the term of parliament (this provision was carried into the Electoral Act 1993). In 1967 and 1990, referendums for four-year terms were overwhelmingly defeated (with 68% and 69% respectively voting for the status quo).
- 2.3 The 1990 referendum came after the 1986 Royal Commission into the Electoral System. Although the Royal Commission did not recommend a four-year term, this was in the context of the then first-past-the-post (FPP) electoral system and weak restraints on the exercise of government power. It favoured a four-year term if steps were taken to strengthen restraints, most notably a change to a Mixed Member Proportional (MMP) system, an increased number of MPs, stronger select committees, and a vigilant media. Notably, it recommended deferring any referendum on the term length until it was clear that such restraints would be advanced.<sup>2</sup>
- 2.4 The referendums on the electoral system, which resulted in the introduction of MMP, took place in 1992 and 1993. Therefore, the 1990 referendum on the parliamentary term took place *before* there was clarity on restraints on government power. It is perhaps not surprising that the four-year-term referendum was defeated. The referendum was held at a time of political volatility and coincided with a large swing against a government that had become deeply unpopular.
- 2.5 Since then, MMP has been introduced, under which all but one government has been a coalition or minority government with support agreements with other parties. The number of MPs has increased from 99 in 1993-96 to 123 in 2023-26. Since the 1980s, select committees have played a stronger role handling nearly all legislation with permanent committees for specific subject matters. The media cycle (amplified by social media) is intense and ceaseless, keeping politicians on their toes. The conditions of the Royal Commission for a four-year term have been met.
- 2.6 Furthermore, the Reserve Bank Act provides for the independent operation of monetary policy and the Fiscal Responsibility Act (now Public Finance Act) provides greater transparency for fiscal policy. Digital technology has changed how people access information and engage with politicians.
- 2.7 Recent opinion polls have suggested majorities or pluralities of support for a four-year term.<sup>3</sup> A new referendum on a four-year term is, therefore, timely, if not overdue.

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<sup>1</sup> Royal Commission into the Electoral System 1986, <https://elections.nz/democracy-in-nz/what-is-new-zealands-system-of-government/report-of-the-royal-commission-on-the-electoral-system/>

<sup>2</sup> Ibid

<sup>3</sup> For example: 61% support 25% opposition in a November 2020 poll by Research New Zealand <https://www.rnz.co.nz/news/political/431221/support-growing-for-four-year-parliamentary-term-poll-shows>; 60% support 36% oppose in a December 2020 One News Colmar Brunton Poll <https://www.1news.co.nz/2020/12/10/majority-of-kiwis-support-extension-to-four-year-parliament-terms-poll/>; and 40% support 30% opposition in a January 2025 poll by HorizonPoll <https://horizonresearch.co.nz/page/709/poll-finds->

### 3. INTERNATIONAL TERMS OF PARLIAMENT

- 3.1 As shown in Table 1 below, New Zealand's three-year parliamentary term is unusually short by international standards.

**Table 1: International terms of Parliament (United Nations member states)**

Type of Parliament	2 Year Term	3 Year Term	4 Year Term	5 Year Term	6 Year Term	7-9 Year Term	No term
Unicameral (n=111)	1	3	49	53	0	0	5
Bicameral – Lower (n=82)	1	3	25	49	3	0	1
Bicameral – Upper (n=82)	0	1	15	30	21	4	11

Source Wikipedia, *List of Legislatures by Country*

- 3.2 Only six of the 193 United Nations member states have three-year terms for their unicameral or lower houses (Australia, El Salvador, Mexico, Nauru, New Zealand, and the Philippines). A further two have a shorter term, the Federated States of Micronesia's unicameral congress with a mix of members elected for two- and four-year terms and the United States' House of Representatives with its two-year term. The rest have mostly four- or five-year terms, although three have six-year terms.<sup>4</sup>
- 3.3 Upper houses, where they exist, also tend to have longer-terms (some as long as 6-9 years) or even life membership (e.g., the United Kingdom's House of Lords).<sup>5</sup> Many are appointed rather than elected.
- 3.4 Australia has a three-year term for its lower house, the House of Representatives. However, members of its upper house, the Senate, have six-year terms (although staggered with half of senators facing election every three years) and its states and territories mostly have four-year terms. Like in New Zealand, there has been discussion on moving to a four-year term, with the two main parties' leaders supporting an increase and by the public, according to a recent opinion poll.<sup>6</sup>
- 3.5 Most countries with unicameral parliaments have four- or five-year terms. Therefore, it is not correct to suggest that a second chamber is a necessary condition for a four-year term.
- 3.6 It has also been suggested that having a codified constitution is another necessary condition for a longer term of parliament. A codified constitution is a single written document outlining the fundamental principles, laws, and rules on how a state is governed. New Zealand does not have a codified constitution. However, it has a Constitution Act, a Bill of Rights Act and various other Acts that include provisions that might be in a codified constitution.

<sup>4</sup> List of Legislatures by Country, [https://en.wikipedia.org/wiki/List\\_of\\_legislatures\\_by\\_country](https://en.wikipedia.org/wiki/List_of_legislatures_by_country). A unicameral parliament is a parliament with a single chamber (i.e., no upper house).

<sup>5</sup> Ibid

<sup>6</sup> Four-year parliamentary terms, Parliament of Australia, April 2024, [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_departments/Parliamentary\\_Library/Research/FlagPost/2024/April/4YearTerms#:~:text=Prime%20Minister%20Anthony%20Albanese%20and%20Opposition%20Leader%20Peter,on%20the%20merits%20of%20a%20longer%20electoral%20cycle](https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/Research/FlagPost/2024/April/4YearTerms#:~:text=Prime%20Minister%20Anthony%20Albanese%20and%20Opposition%20Leader%20Peter,on%20the%20merits%20of%20a%20longer%20electoral%20cycle).

- 3.7 New Zealand is one of only six countries without a codified constitution. The other countries without a codified constitution are Canada, Israel, San Marino, Sweden and the United Kingdom.<sup>7</sup> All but New Zealand have four-year or five-year terms for their unicameral or lower houses. Like New Zealand, Israel, San Marino, and Sweden combine a unicameral parliament with no codified constitution.

#### **4. GOVERNMENT EFFECTIVENESS VERSUS ACCOUNTABILITY**

- 4.1 The brevity of New Zealand's parliamentary term creates challenges for effective governance:
- The first year is typically spent establishing the government, setting direction and (when a new government) reversing or repealing previous policy and legislation.
  - The second year is the main period for implementing policy.
  - The third year increasingly becomes focused on the upcoming election.
- 4.2 It has been suggested that a determined and well-prepared government can develop and implement major high-quality reforms within three years, with the 1984-90 Fourth Labour Government (which was rewarded with a second term) being a notable example. However, that government operated under the FPP electoral system which delivered Labour two large parliamentary majorities, featured strong party discipline (especially in its first term), and an economic crisis which focused minds. Much the same could be said of National from 1990-93. Since MMP's introduction, however, most governments have been focused on short-term management rather than structural reform. The challenges of managing multi-party governments (the norm under MMP) will be an important reason for this, but, as the Bill's Regulatory Impact Statement acknowledges, a short parliamentary term might also be a factor in this tendency.<sup>8</sup>
- 4.3 Under MMP, time pressures have intensified and compressed. Coalition negotiations can consume weeks or months of the already limited term, further reducing the effective time available for policy implementation.
- 4.4 Once a new government is in place, it can take time to settle and develop a coherent policy programme for the term. No single party majority governments have existed since MMP's introduction.<sup>9</sup> The more parties involved and the stronger the coalition/support parties are relative to the leading party the harder this can be to manage. Even if the leading party in a new government has 'done the work' in opposition, the compromises and trade-offs of coalition will put stress on its programme.
- 4.5 Once a new government has delivered its quick wins (e.g., in their 100-day plans) and its quick repeals of the previous government's legislation, important policy reform takes time. These require careful consultation, drafting, implementation, and assessment - processes that rarely fit neatly into a three-year window. A compressed timeframe can lead to:

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<sup>7</sup> List of National Constitutions, [https://en.wikipedia.org/wiki/List\\_of\\_national\\_constitutions](https://en.wikipedia.org/wiki/List_of_national_constitutions)

<sup>8</sup> Regulatory Impact Statement: Enabling a 4-Year Term of Parliament, Ministry of Justice, 25 September 2024, <https://www.regulation.govt.nz/assets/RIS-Documents/Regulatory-Impact-Statement-Enabling-a-four-year-term-of-Parliament.pdf>

<sup>9</sup> In the 2020-23 Parliament the Labour Party had a support agreement with the Green Party, despite Labour holding a majority of seats.

- Rushed policy development with inadequate public consultation.
  - Insufficient time for proper implementation planning.
  - Limited opportunity to assess policy effectiveness before the next election.
  - Excessive focus on short-term initiatives rather than long-term structural reforms.
- 4.6 The pressure on governments to rapidly implement major policy changes within a brief window can result in poor quality policy and legislation. The 2020-23 Labour government rushed to take advantage of its once-in-a-generation majority to advance a wide range of major policy reforms. Meanwhile, since 2023, the current coalition government has undone much of its predecessor's policy and legislation and is hurrying to advance its major reforms. Both governments cut corners, for example, by not consulting or doing so only perfunctorily, suspending requirements for regulatory impact statements, providing poor quality statements due to tight timeframes, and excessively using parliamentary urgency to debate and pass legislation.
- 4.7 By reducing time pressure, a four-year term should allow for more deliberative, evidence-based policy development. However, a four-year term is not in itself sufficient. It also requires stronger mechanisms for the quality of policy development, such as:
- Passage of a Regulatory Standards Bill.
  - Strengthening of regulatory impact statements, with stronger sanctions for non-compliance.
  - Establishment of an independent fiscal institution.
  - Further strengthening the ability of select committees to hold governments accountable and scrutinise and amend draft Bills.
- 4.8 As mentioned above, an upper house is not necessary for a longer-term of parliament. Stronger select committees that are more independent of government could act as a de facto upper house.
- 4.9 The most prominent argument in favour of maintaining a three-year term is that it protects accountability through pressure on governments from knowing they will soon be facing up to the electorate. This is especially so if there are fewer checks on a government through, for example, an electoral system that results in more majority governments, the lack of an upper house, and the lack of a codified constitution. A three-year term might also reduce the potential for voter apathy and political neglect.
- 4.10 These are all reasonable arguments, but a shorter-term of parliament is not the only way to keep parliament accountable. As mentioned above, since the change to MMP, almost every government has either been a coalition or a minority government with support parties. There are more MPs to hold governments accountable and they are also more representative of the population. Select committees have become more influential and effective, digital communication has improved access to information and to politicians, while media coverage (including social media) is intense. There is also much greater transparency around fiscal and monetary policy, with moves to improve it for regulatory policy.
- 4.11 On balance, the Initiative prefers a four-year term. We support the ability of voters to decide by referendum whether New Zealand should move to a four-year term. We, therefore, support the Bill's intent. However, we believe the Bill has flaws and that a four-year term can be much better implemented. This is discussed in the following section.

## 5. COMMENTS ON SPECIFIC ASPECTS OF THE BILL

### Enabling Rather Than Mandating a Four-Year Term

- 5.1 The Bill provides for an optional extension of the parliamentary term to four years, contingent on meeting a "proportionality requirement" for select committees. While we support both a four-year term and enhanced select committee independence, we believe the Bill's approach introduces unnecessary complexity.
- 5.2 The optional nature of the extension creates uncertainty about the timing of elections. It could confuse voters and result in much uncertainty, making it unclear whether the new term would be for three or four years. Important constitutional arrangements, such as the term of parliament, should be clear, consistent, and predictable.
- 5.3 As stated in the Bill's Regulatory Impact Statement, "*Prior to each general election, there would be uncertainty about the length of the upcoming parliamentary term ... This uncertainty would undermine democratic accountability and risks undermining the legitimacy of Parliament and its exercise of public decision-making powers.*"<sup>10</sup>
- 5.4 We recommend amending the Bill for a fixed four-year term rather than an optional extension. This would provide certainty and clarity for voters and institutions.

### The Proportionality Requirement

- 5.5 The Bill makes extending the term contingent on the membership of subject select committees being proportional to the party membership in the House of Representatives of the non-Executive members (the proportionality requirement).<sup>11</sup> New Zealand has a large Executive relative to its parliament size – 30 out of 123. Under the Bill, the 30 Executive members would be removed from calculations for select committee composition, giving opposition and crossbench parties majorities on them.
- 5.6 The scrutiny function of select committees should be improved by making them more independent of the government of the day. However, we acknowledge the risk that they could become overly 'oppositional' or governments seek to bypass them. These risks would need to be managed.
- 5.7 On the other hand, the proportionality requirement might have a desirable side effect of encouraging governments to have smaller Executives so they can have more representation on select committees. Research in 2024 by the New Zealand Initiative found that New Zealand has more ministers than similar countries and that some ministries are responsible to many ministers. For example, the Ministry for Business, Innovation and Employment had no fewer than 16 Ministers (and now 18).<sup>12</sup>
- 5.8 However, while we support improving the ability of select committees to scrutinise and hold governments to account, we believe the Bill's mechanism is unnecessarily complex and could be addressed more effectively through Standing Orders rather than primary

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<sup>10</sup> Regulatory Impact Statement: Enabling a 4-Year Term of Parliament.

<sup>11</sup> The Executive comprises Ministers, Associate Ministers, and Parliamentary Under Secretaries.

<sup>12</sup> Cabinet Congestion: The Growth of a Ministerial Maze, The New Zealand Initiative, 26 March 2024, <https://www.nzinitiative.org.nz/reports-and-media/reports/cabinet-congestion/>

legislation. Standing Orders are the rules of procedure for the House and its committees. Changes to Standing Orders are almost always made by consensus rather than imposed by government majorities.

5.9 According to Kiwiblog’s David Farrar, *“I asked the Office of the Clerk if the House has ever voted to amend Standing Orders on a narrow majority of the Government of the Day. This has not happened in living memory. There is a deep tradition of changes being made by consensus. In fact the only non-unanimous vote on Standing Orders was in 2003, and that wasn’t over the substance, but just over not being given more speaking slots in the debate”*.<sup>13</sup>

5.10 We recommend:

- Removing the proportionality requirement from the Bill to focus it solely on establishing a four-year term.
- Addressing select committee composition through amendments to Standing Orders to take effect with the implementation of a four-year term.

## Local Government

5.11 The Bill is silent on the term for local government. The Review into the Future for Local Government recommended a four-year term for councils and it was also favoured by Local Government New Zealand in its draft position paper on Local Electoral Reform.<sup>1415</sup>

5.12 Both tiers of government should have the same term, either three or four years. We recommend that the referendum be applied to both. It would be desirable to have local and general elections two years apart if passed.

## Implementation Timeline

5.13 We recommend the following timeframe:

- Referendum on the change to a four-year term to be held at the 2026 election;
- The first four-year parliamentary term would commence after the 2029 general election; and
- The first four-year term for local authorities would commence after the 2031 local elections.

5.14 This approach would provide adequate time for public education about the change and for the necessary amendments to Standing Orders regarding select committee membership to be developed and implemented.

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<sup>13</sup> A Too Complicated Solution, Kiwiblog, 9 March 2025, [https://www.kiwiblog.co.nz/2025/03/a\\_too\\_complicated\\_solution.html](https://www.kiwiblog.co.nz/2025/03/a_too_complicated_solution.html)

<sup>14</sup> The Future for Local Government, Final Report, June 2023, [https://www.dia.govt.nz/diawebsite.nsf/Files/Future-for-Local-Government/\\$file/Te-Arotake\\_Final-report.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Future-for-Local-Government/$file/Te-Arotake_Final-report.pdf)

<sup>15</sup> Local Electoral Reform Draft Position Paper, Local Government New Zealand, March 2025, [https://d1pepq1a2249p5.cloudfront.net/media/documents/LGNZ\\_ERWG\\_draft\\_position\\_paper.pdf](https://d1pepq1a2249p5.cloudfront.net/media/documents/LGNZ_ERWG_draft_position_paper.pdf)



## **6. CONCLUSION**

- 6.1 The New Zealand Initiative supports the goal of enabling voters to decide through referendum whether the parliamentary term should be extended from three to four years.
- 6.2 However, we recommend significant changes to the Bill to simplify its approach while maintaining its core objectives:
- A fixed four-year term rather than an optional extension;
  - Addressing select committee independence through Standing Orders rather than primary legislation;
  - Providing for a four-year term for local government as well as central government; and
  - Implementing the change after the 2029 election, following a referendum at the 2026 election.
- 6.3 These changes would preserve the Bill's intent while creating a clearer, more consistent constitutional arrangement that would be easier for the public to understand and support.
- 6.4 A four-year term, combined with enhanced parliamentary scrutiny through select committees, would significantly improve the quality of governance and policymaking in New Zealand, supporting better long-term outcomes for all New Zealanders.
- 6.5 A longer term would also align with the practical reality of New Zealand politics. Although the compositions of governments can change after elections, there has not been a single-term government since 1975.<sup>16</sup> This suggests that voters effectively grant governments a minimum of six years in most cases.
- 6.6 We appreciate the opportunity to submit on this Bill and hope the Committee finds our submission constructive.

**ENDS**

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<sup>16</sup> A recent example of a government's composition changing was the sixth Labour Government of 2017-23. From 2017-20 the Labour Party governed in coalition with New Zealand First and support from the Green Party. From 2020-23 Labour governed in majority with a support agreement with the Greens.