

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

Submission of Taituarā to the Justice Committee

April 2025



Taituarā-Local Government Professionals Aotearoa ('Taituarā) thanks the Justice Committee (the Committee) for the opportunity to submit in respect of the *Term of Parliament (Enabling the 4-year Term) Legislation Bill* (the Bill).

Taituarā is New Zealand's leading network for local government professionals.

A few words about us. Taituarā is Aotearoa New Zealand's leading membership network for professionals working in, and for, local government. We have a membership base of 1,019 members drawn from local authority Chief Executives, managers, and staff across all 78 local authorities.

What unites Taituarā members is our commitment to be our own professional best, supporting local government excellence through connection, collaboration and care for the wellbeing of our communities.

Taituarā strengthens the local government sector as a whole by using our members' insight and experience to influence the public policy debate. We submit on legislation and regulationsto provide perspectives on what works and how to make policy work.

Taituarā submits on this Bill to:

1. strongly recommend to Parliament that any extension of the Parliamentary term to four years, be accompanied by an extension of the term of local authorities
2. make Parliament aware of the implications moving to a four-year term would have for local authorities, both in general and in the case where the term of office is variable.

Taituarā supports a four-year Parliamentary term in principle.

"Arguments against a longer term are weak. Some assert that change is unnecessary because only rarely have there been one-term governments. They say this proves that governments have a suitable period of time to execute their plans.

*This view fails to understand the cadence of a three-term government. Year One and Two: get things done. Year Three: election mindfulness, policy hesitancy and the governance downtime of campaigning."*¹

Taituarā considers that a four-year electoral term sends better incentives for quality policy-making and law-making in general.

¹ Rich (2025), The Case for a Four Year Electoral Term, retrieved from <https://businessnz.org.nz/wp-content/uploads/2024/10/Katherine-Rich-Four-year-electoral-term.pdf> on 8 March 2025.

With the three-year term an election is always 'just around the corner'. A shorter term incentivises governments to look for short-term policy wins as opposed to longer-term structural reforms.

The regulatory impact statement (RIS) that accompanies this Bill cites evidence that there are electoral costs for an incumbent government pursuing major reform later in the term (resulting in a reduced chance of an incumbent leader being re-elected by about 17 percent).² The benefits of major reforms (be the economic, social or environmental) materialise over the long-term and tend to be dispersed across a population as a while costs are short-term and concentrated. Such is often the case with economic management, policies impacting trade and the like.

A shorter electoral cycle also disincentivises the seeking of cross-party consensus. An election is always 'just around the corner' especially in a system reliant on government of more than one party. New Zealand has seen this in spheres such as resource management reform and to a lesser extent water services reform where successive governments have continually 'run out of runway' or there are sudden policy reversals (the costs that the local government sector bore as a result of the repeal and then recalibration of water reforms serve as a good example).

Shorter electoral terms also incentivise shorter-term planning and investment cycles in Government. There is no compelling reason strategic documents such as the Government Policy Statements for Health; Housing and Urban Development; and Transport Funding, and local authority long-term plans have statutory shelf lives of three years other than that this aligns with the electoral cycle. Investments in infrastructure tend to require a medium-term outlook with a longer-term payoff. The three-year electoral cycle incentivises thinking in three year 'bites' and frankly is one of the larger drivers of the infrastructural deficit. One of the consequences of moving to a longer term is that planning horizons for statutory mandated plans and strategies would need to be amended. They are based on the three-year cycle!

A longer-term would allow for better quality engagement with the public, and at an earlier stage in the process. The 'standard' Select Committee process allows for six weeks for submissions (as has been the case with the Bill).³ These processes come after the headline policy decisions have been undertaken and much of the detailed legislative design has been done. It is also doubtful that six weeks allows submitters such as sector organisations to engage with and seek the consensus of its members. Engagement before the legislative phases is variable in its depth and in its quality.

² Gabriele Ciminelli, Davide Furceri, Jun Ge, Jonathan D. Ostry, and Chris Papageorgiou. The Political Costs of Reforms: Fear or Reality?; IMF Staff Discussion Note 19/08; October 2019

³ We are not criticizing this current process. After all, this reform proposal is to be followed with a referendum.

A longer term would allow for pre-legislative engagement to become more of the norm, for example through means such as the British 'white' and 'green' paper system. It would allow for a longer Select Committee process to engage and to fully consider the results of that process, and exercise better legislative scrutiny in general.

The RIS notes that over a twelve-year term there would be three central government elections rather than the four elections that a three-year term would provide. However there are 'swings and roundabouts' in that a longer Parliamentary term may mean more by-elections (though the MMP system reduces that, a by-election occurs only if the vacancy occurs in an electorate seat).

We understand that New Zealand is one of only eight of 183 countries with elected lower houses or unicameral parliaments with a term of three years or less. A small majority of these countries actually have a *five-year* term (99 countries of 183).⁴

Any move to a four-year Parliamentary term must also be extended to local government

Our key recommendation to the Select Committee is that any move to a four-year term for central government must be accompanied by a similar move to a four-year term for local government.

The RIS noted that there could be significant practical challenges if local government elections coincided with the general elections. We would like to elaborate on those.

Central and local government elections are held under quite different rules and processes. For example, central government elections are always held as an 'in-person vote', local government elections could be but are not due to lower turnout. People who know they will be overseas can ask for a special vote in a general election, those same voters have to be sent a vote by mail for local elections (which is dependent on knowing where they will be). Electors can email overseas votes in a Parliamentary election, that option is not available in local elections and so on. The difference in rules and procedures can be frustrating for electors at the best of times but will only be multiplied when the two elections happen together,

We observe that there is evidence that holding elections together does increase turnout. But in the words of Anderson (2024)

"very little is known about what happens with the electorate outside of the simple increase in voting. Just because citizens choose to vote, it does not mean that they actually pay attention to all the campaigns or feel that their participation is valuable. Using 20 years of American National Election Study survey data and focusing primarily on the low-salience House of Representatives, this paper examines the psychological

⁴ Ministry of Justice and Department of Internal Affairs (2024), *Regulatory Impact Statement: Enabling a four-year term of Parliament*, pp 6-7.

effects of concurrent elections in the United States. It concludes that, while concurrent elections do boost turnout, lower-salience candidates receive less attention during concurrent elections, leading the public to rate them more negatively and know less about them. Higher-salience office candidates avoid these negative consequences. Thus there is a trade-off with concurrent elections – more people tend to vote when multiple offices are contested simultaneously but those voters also tend to focus on the higher offices and ignore the bottom of the ballot.”⁵

Anderson speaks of higher salience elections subsuming lower salience elections. That would be the impact of holding central and local elections in the same year, which is that central government issues and concerns would dominate the process.

The RIS notes that the conduct of a general election is a major practical and logistical undertaking that is not a one-year project. Elections require lead-in time to prepare. This would be particularly true of a year in which local and central elections coincide as the Commission also has a substantive role in local elections (providing roll information, supporting the special voting process). We are not sure how the Commission would provide the surge capacity needed to manage both in the same year – and frankly suspect that local government elections would be the poorer for it.

On a more pragmatic note, we are far from certain that any Prime Minister would accept having their freedom to call an election at the opportune time tied by the fact local government elections are on the second Saturday in October. (All the more true as a Parliament that runs full term tend to have their elections in October and November).

Much of this Bill is taken up with strengthening the powers the House has to hold the Executive to account. We observe that the mechanism for holding a poorly performing local authority to account are actually far stronger than for central government. Part 10 of the Local Government Act provides the Minister with a broad set of powers to intervene in local authorities where a problem exists. These range from asking the local authority for information on how it intends to resolve the problem, through appointment of Crown Observers or Crown Managers, to a Commissioner or calling an election.

Recommendation

That the Bill provide for a four-year term of Parliament and for four-year terms of office for all local authorities, local boards, and community boards.

⁵ Anderson (2024), *Crowded Out : The Effects of Concurrent Elections on Political Engagement, Candidate Evaluation, and Campaign Learning in the United States*, Journal of Representative Democracy, vol 60,

Moving to a four-year electoral cycle will necessitate change to the timeframes for many central and local government processes.

Important central and local government processes are currently undertaken once every three years for no reason other than to align them with the electoral cycle. This includes processes such as Departmental Statements of Intent but also includes policies and funding commitments such as the Government Policy Statement on Land Transport Funding that signal the priorities for the National Land Transport Fund.

Important local government processes also run on a three-yearly cycle to coincide with the same cycles as per the Local Electoral Act 2001. These include the Long-term Plan, Regional Land Transport Plans, Regional Public Transport Plans, and Representation Reviews.

Recommendation

That the Select Committee note the existence of procedural and accountability requirements on local authorities that are tied to a three-year cycle and that it recommend amendments to align those with a four-year cycle. Among others these include the Local Government Act 2002, Local Electoral Act 2001, and the Land Transport Management Act 2003.

The model offered in this Bill creates constitutional and practical problems.

Though we would support a four-term in principle, this does not mean we support the Bill in *its present form*.

The Bill would create the potential for the term of Parliament to vary depending on whether the conditions around Select Committee membership from outside the Executive are met. The Regulatory Impact Statement that accompanies this Bill provides a sound explanation of the issues that having an uncertain Parliamentary term can create. We summarise these below:

1. the potential for a variable Parliamentary term also creates substantial uncertainty as to how often (and even whether) there will be changes to Government policy. Local authorities are major providers of the network and community infrastructure necessary to support Government's growth and sustainability objectives, the more certainty there is around policy settings the better
2. many public sector processes and policy settings are contingent on, or subject to, a three yearly review

While we are not experts in Parliamentary procedure we observe that, in themselves, the select committee arrangements in this Bill will not prevent poor legislative or policy design in the long run. Such a process may make poor design more transparent to the public and delay or defer the passage of 'poor law';, A Select Committee report recommending a Bill not proceed can be overridden by a majority of Parliament. A report that amends a Bill can be amended in the Committee of the House stage. It does send one incentive that may be helpful – in that these proposals may make for a smaller Executive!

We also observe that if the composition of Select Committees really were a barrier to a four-year term there are options that would overcome this. For example, this could be guaranteed through legislation (for example as a provision in the upcoming Parliament Act), While we agree that primary legislation should avoid impinging on the ability of the Parliament to regulate its own procedures – the Bill has already achieved this by linking the Parliamentary term to proportionality of select committees.

We submit that legislation should provide for a referendum on a four-year term for all central and local government elections without further conditions.

While a lengthened Parliamentary term will incentivise better policy and law-making this only a start. We explored other means for improving the policy and law-making process in *Legislators Gonna Legislate* our submission to the December Regulatory Standards Bill discussion document.⁶ We suspect many of these are the 'practice improvements' referred to in the RIS.

Recommendation

That all provisions tying the Parliamentary term to the proportionality of Select Committees be deleted from the Bill. The intent of these amendments is to provide for a simple 'yes' or 'no' referendum on a four-year term.

⁶ Online at https://taituara.org.nz/Attachment?Action=Download&Attachment_id=3168