

The case for a four-year electoral term

Katherine Rich

Prime Minister Christopher Luxon and the Coalition government are pitching a referendum on extending New Zealand's parliamentary term to four years.

It's a good idea, but printing the question on Kiwis' ballot papers will be the easy part. Garnering support will be a Herculean task if previous attempts by both National and Labour governments over the last 6 decades are indicative.

Extending the term is an important step towards improving the New Zealand's governance and encouraging longer-term plans to fix major economic problems.

A four-year term is a complex constitutional debate which could fill books and conference programmes, but here are a few points in support:

It would improve governance and reduce costly policy flip-flops. It's been nearly a year since the last election, and New Zealand's predictable policy pendulum continues to swing. The current government has reversed many of the policies of the last government and announced new ideas to get our country out of the economic mire, while the Opposition, like a classic Greek theatre chorus, announces its intention to reverse them.

The pendulum swing is familiar to Kiwis. NZ's centre-right and centre-left governments both have a habit of overturning major policies of the previous administration, creating upheaval and costing taxpayers dearly. Recent policy swings tally in the multi-millions and have prompted calls for more bipartisanship between the two political blocs on the major issues.

Many citizens dream of a political commitment to a longer-term plan for our country, particularly in infrastructure and other major investment portfolios.

New Zealand's three-year electoral term is one reason for the policy pendulum swings and the failure by successive governments to execute long term solutions. Most countries operate with four or five-year electoral terms.

Three years is too short to govern successfully, particularly when we are facing complex economic problems or long-term trends (e.g. the costs and impacts of the aging population), only solvable by making unpopular decisions.

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.

In the three months before an election, decision-making by government and the public service is either halted, tentative or postponed. In an MMP environment where only a few percentage points determine whether it's a centre-left or centre-right team, governments temper their ambition in Year Three for fear of losing power. It slows the country down.

Some might note that Australia, like New Zealand, also has a three-year term, but Australia's system is very different, with its state systems and Senate providing additional scrutiny to temper more extreme changes in policy direction, unlike NZ's unicameral system.

Three years is barely enough time for a new government to get important changes introduced and implemented before facing another election. It means that any courageous policy changes which just might improve New Zealand's poor economic performance are vulnerable to being attacked and dismantled before they can be properly implemented.

A longer electoral term would give new governments a better chance of embedding new policies so they become the norm. It would bring more stability and save many millions of dollars for taxpayers, with three elections, not four, every twelve years.

A four-year term is not a new idea. It's been discussed each decade by both National and Labour since at least the 1960s and put to the public twice by referendum.

The 1967 referendum of Sir Keith Holyoake's government was a classic. Kiwis voted to get rid of 6 o'clock closing in pubs – aka the 6 o'clock swill - but dismissed a four-year term overwhelmingly. The results for Sir Geoffrey Palmer's government were slightly better in the 1990 referendum, but it was still a clear rejection.

Political leaders wanting to change the minds of voters will have to present a compelling narrative to explain the benefits in a way that rebuts fear, cynicism and tendency towards the status quo.

BusinessNZ has long been a supporter of a longer term. This is because business leaders value policy stability and a predictable environment where they can pursue productivity, innovation and growth, and feel confident about investing. Business investment horizons surpass political terms and

successive flip-flops do nothing to enhance New Zealand's reputation as a safe place to invest and do business.

But it's not just business – more New Zealanders hanker for policy stability because they understand the impacts on their daily lives from the failure to align on policy and the cost of pulling out of contracts and shutting down projects.

Energy, roading, health, immigration, education, climate change and welfare are not the only major policy areas where long-term plans and leadership are required. Making the tough decisions to improve New Zealand's economic indicators while maintaining support to stay in power is like walking a tightrope.

Having a longer-term environment – a four-year rather than three-year term – might give politicians the confidence to commit to longer-term plans and bolder policy reform.

And it might just help get greater consensus between the centre-right and centre-left on the big core policies.

The challenge in extending the electoral term is significant, but if more Kiwis understand its benefits and the severity of the economic problems ahead for the next generation, perhaps any proposed referendum might be third time lucky.

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