

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

1. Introduction

- 1.1 Infrastructure New Zealand (INZ) welcomes the opportunity to submit to the Justice Committee on the Term of Parliament (Enabling 4-year Term) Legislation Amendment Bill (the Bill).
- 1.2 INZ is New Zealand's membership organisation for the infrastructure sector. We promote best practice in national infrastructure development through research, advocacy and public and private sector collaboration. Our members come from diverse sectors across New Zealand and include infrastructure service providers, investors and operators.

2. General Remarks

- 2.1 INZ supports a national conversation on adopting a fixed four-year Parliamentary term, recognising the benefits that would bring to infrastructure development by allowing more time for sound policymaking and implementation. Compared to other democracies, New Zealand's three-year cycle is short and limits the ability to plan, legislate, and deliver significant projects effectively. A longer term would provide greater certainty for the infrastructure sector, boost investor confidence, and support long-term planning and investment in capability and resources.
- 2.2 Instead of a straightforward shift from three to four years, the Bill creates an optional system where governments can choose a four-year term if select committee membership is proportionally allocated to non-Executive members. This will create uncertainty, as term length could change with each election, potentially unsettling the infrastructure industry and investors, not to mention the electorate more generally.
- 2.3 INZ advocates for a straightforward transition to a four-year Parliamentary term to be taken to a referendum as it would align New Zealand with international norms, provide more political and policy stability, enhance investor confidence, and boost productivity. This would strengthen the infrastructure system, support New Zealand's economic growth, and improve our position as a reliable, forward-looking place to invest and build.

2.2 Local Government electoral reform alignment

- 2.2.1 INZ also supports Local Government New Zealand's (LGNZ) [Local electoral reform draft position paper](#) proposal for a four-year local government electoral term to align with a four-year Parliamentary term with elections staggered two years apart from general elections. This approach would support long-term planning, improve alignment between tiers of government, and help ensure local issues are given the necessary prominence.

3. Four-Year Term is a Positive for Policy Development

- 3.1 INZ supports and welcomes a national debate through a public referendum on the Government's proposals for a four-year term. A longer Parliamentary term would provide more certainty for New Zealand's infrastructure development.
- 3.2 The current three-year cycle is one of the shortest among comparable democracies. The United Kingdom and Canada have five-year terms. The United States has a four-year presidential term. In comparison, Australia's House of Representatives operates on a three-year cycle but is complemented by a six-year term for Senators.
- 3.3 The stated purpose of the Bill is to help improve law-making. New Zealand's current three-year term is too short to effectively develop policy, implement legislation, embed necessary system changes, and begin to measure results. An extended period between elections would give the Government more time to carry out and be fairly judged on its policy and legislative programme.
- 3.4 The Bill, as currently drafted, risks creating unnecessary confusion. The infrastructure industry and potential investors in infrastructure need the certainty of a fixed four-year term, not a provision that leaves open the possibility of either a three- or four-year term. The proposed ambiguity undermines the stability and clarity the sector is seeking. We suggest that this concern would also apply to other sectors of the economy and across the public.

3.2 Certainty in the Infrastructure Pipeline

- 3.2.1 A four-year term could have very positive consequences for the infrastructure sector. It would provide greater confidence to the industry over government direction. It can foster greater political stability, which would encourage increased private investment.

- 3.2.2 Changing to a four-year term would provide greater confidence and pipeline certainty to businesses in our sector and allow them to make more assured and forward-looking decisions regarding investment in people, equipment, and overall capability.
- 3.2.3 New Zealand's current electoral cycle creates an environment where governments spend disproportionate time campaigning and settling in rather than governing. Governments, particularly new government's, understandably take time to bed in. This can take up a significant proportion of a three-year term, leaving limited time (including Parliamentary sitting time) to get things done before the next election rolls around. As a result, essential nation-building projects are often delayed, or subject to significant political and policy changes as they span multiple Parliamentary terms and elections with little real progress. This creates uncertainty, undermines investor confidence, significantly drives up costs, and ultimately reduces the chances of delivering these projects.
- 3.2.4 Major infrastructure projects have long lead times for planning, procurement, consenting, and construction. A four-year term would allow governments more time to complete this process, pass any necessary legislation, and implement it before the next election. This would provide greater confidence to businesses in our sector and allow them to make better informed decisions regarding investment in people, equipment, and overall capability.

3.3 Select Committee Representation

- 3.3.1 A four-year term reduces the frequency of electoral accountability, making strong internal checks, particularly through select committees, crucial. There are concerns that dominant government could pass major legislation early in its terms without adequate scrutiny, especially if it controls committee leadership. To maintain adequate oversight, reforms such as opposition-led or co-chaired committees, independent resourcing, and non-partisan chair appointments should be considered. INZ recommends that Parliament adopt such measures if the four-year term is implemented.

4. The Bill Overcomplicates a Simple Issue

- 4.1 The Bill provides the opportunity to extend the maximum term of Parliament from three to four years at the start of a Parliamentary term. This is intended to allow more time to develop and progress well-tested policy and legislation.

- 4.2 However, instead of a simple switch from three years to four, the legislation as it is currently drafted introduces an optional framework where incoming governments can either stick with a three-year term or move to four, contingent on whether they agree to select committee membership being proportionate to the non-executive membership of the House. This means that opposition parties would likely hold a majority of members on key select committees.
- 4.3 While these amendments may be well-intentioned to ensure greater scrutiny, they provide greater uncertainty as every election would include debate over the length of the next term of Parliament.
- 4.4 INZ recommends that the Bill be amended to enable a straightforward change to a four-year term pending the result of the proposed referendum.
- 4.5 The Bill proposes, if passed, that the changes to the Parliamentary term be put to the public via a referendum. To achieve the desired alignment with local government, INZ proposes that the referendum question includes moving both the Parliamentary term and local government electoral cycles to every four years with elections spaced two years apart. We believe this provides the public with an appropriate opportunity to have their say on the issue across both tiers of government.
- 4.6 INZ recommends retaining the proportionality requirement referred to in the Bill, which effectively proposes providing Opposition parties a majority on key select committees by excluding Executive Members of Parliament from the proportionality calculations. This is a proposal that can effectively offset concerns over a longer term (and the power of the Executive) by providing greater Parliamentary (Opposition) scrutiny on the actions of the Executive.

5. Changes to Local Government Terms.

- 5.1 We agree with LGNZ's position as set out in the Local Electoral Reform Draft Position Paper that advocates for transitioning local government to four-year electoral terms, with elections staggered two-years apart from general elections. INZ agrees that this would enhance councils' ability to implement long-term strategies and improve collaboration across tiers of government.
- 5.2 We believe there needs to be alignment and consistency across the two tiers of government, and the same issues that apply to central government with regard to the necessary time to carry out reforms also apply to local authorities.

- 5.3 Furthermore, we support the recommendation that central and local government elections be spaced two years apart to avoid creating administrative challenges and heightening the risk of important local issues being overshadowed by national ones.

6. Conclusion and Recommendations

- 6.1 INZ welcomes the Government's recognition of the advantages a four-year Parliamentary term offers, particularly in enabling the development and advancement of well-considered, evidence-based policy and legislation.
- 6.2 INZ supports a straightforward shift to a four-year Parliamentary term to improve policy development, legislative implementation, and long-term infrastructure planning. A longer-term would provide greater certainty for the sector, strengthen investor confidence, and reduce disruption caused by frequent election cycles.
- 6.3 The draft legislation is overcomplicating the issue. While the intent may be to enhance scrutiny, it risks creating greater uncertainty by turning each election into a debate over the following term length, adding another layer of instability for industry and investors already navigating shifting political priorities.
- 6.4 INZ recommends retaining the proposed amendments to the way select committee membership is determined and excluding Executive members from those calculations. This will enhance Parliament's ability to scrutinise the actions of the Executive Branch and balance the shift to a longer term.
- 6.4 INZ recommends that local and central governments are both transitioned to four-year terms with staggered election cycles. Separating electoral cycles is necessary to reduce administrative pressure and ensure local issues receive appropriate attention without being eclipsed by national campaigns.
- 6.5 INZ recommends the proposed referendum include aligning both parliamentary and local government elections to four-year terms, staggered two years apart, to allow the public to consider the change across both levels of government.
- 6.6 INZ thanks the Justice Committee for the opportunity to submit on the Term of Parliament (Enabling 4-year Term) Legislation Amendment Bill. Furthermore, we would welcome the opportunity to present orally to the Select Committee.

Annex 1: Table of Recommendations

Reference	Contents	Comment/Amendment
Section 5	Extends the term of a Parliament to 4 years if the Governor-General, on the advice of the Prime Minister, issues a Proclamation declaring that the term of the Parliament is 4 years.	Amend Establish a clearly defined four-year parliamentary term, removing provisions that provide for the extension based on the Prime Minister's advice, the Governor-General's Proclamation and associated select committee membership requirements.
Section 5 Subsection (4)	Parties without executive members hold more select committee positions than those with executive members, based on their share of non-executive seats in the House.	Modify Modify to include the proportionality requirements of select committees based on non-Executive members and include alongside a straightforward switch to a four-year Parliamentary term.

Yours sincerely,



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