

# THE INTRODUCTION OF FIXED FOUR YEAR TERMS

In October 2015, over 750 small businesses across Queensland participated in the Westpac Group CCIQ Pulse Survey of Business Conditions and told us their thoughts on the potential introduction of fixed four year terms. Two in every three small businesses supported a move from three-year to fixed four year terms in Queensland Parliament due to a range of negative impacts felt during State Election campaign periods. CCIQ believes that the introduction of fixed four year terms will provide greater economic stability and a more sensible approach to growth in Queensland's economy.

## KEY FINDINGS:

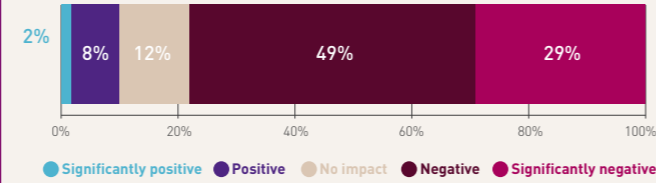
- The average term of Queensland parliament has been just 2 years and 9 months.
- Queensland is the only State to not have 4 year terms and together with Tasmania the only State to not have a fixed term component.
- Findings show that the majority of businesses support a move to four year terms with a fixed component of four years.
- A convincing majority of businesses have observed that state elections and the election campaign periods have a negative impact on Queensland's economy.
- The area of business most negatively impacted as a result of a state election was in 'total sales revenue' followed by 'profitability'.
- Lower consumer confidence and spending was considered to be the main reason for the negative impacts on business.
- Businesses favoured an election to be held in March if Queensland were to move to a fixed four year term of Parliament.

Parliament	Term	Date of change to 4 year term	Fixed term component
Commonwealth	3 years	-	Nil
NSW	4 years	1981	4 years
VIC	4 years	1984	4 years
<b>QLD</b>	<b>3 years</b>	<b>-</b>	<b>Nil</b>
WA	4 years	1987	4 years
SA	4 years	1985	4 years
TAS	4 years	1972	Nil
ACT	4 years	2004	4 years
NT	4 years	Always 4 years	4 years



## Question 1 – What impact do you think State elections and election campaign periods have on Queensland's economy?

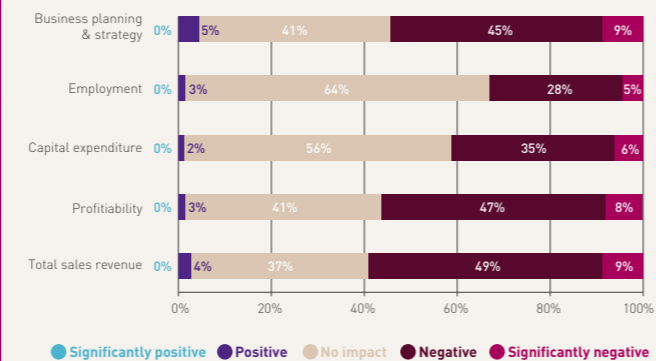
78% of businesses consider there to be a negative (49%) or significantly negative (29%) impact on the Queensland economy as a result of the State elections and election campaign periods.



“ In my 18 years of operating business in Queensland, there is always a significant decrease in business decisions during and after an election period – the economy stops. ”

## Question 2 – What impact has State elections and election campaign periods had on your business in the following areas?

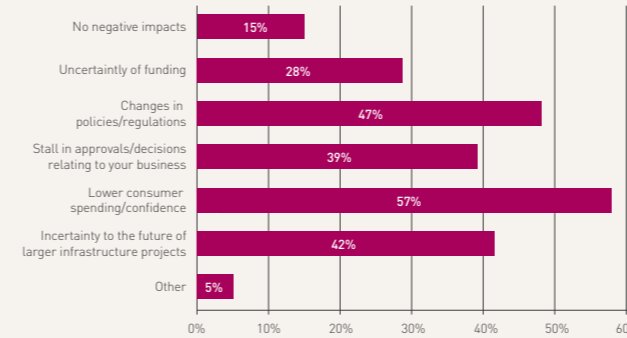
At least 1 in 2 businesses will experience a negative impact on their revenue, profitability and ability to undertake businesses planning and strategy as a result of State Elections.



“ Economic activity definitely slows during and even for some time after an election. Uncertainty is death. ”

## Question 3 – If there is a negative impact on your business as a result of State elections, election campaign period or government caretaker provisions, please tell us how this occurs.

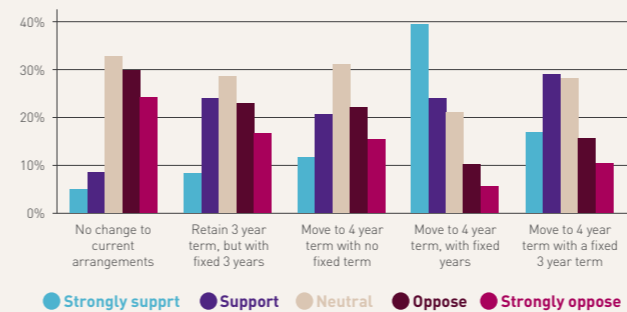
The major impact of elections on business occur through lower consumer spending with 57% of businesses indicating a negative impact. This is followed by changes in policies/regulations (47%), and uncertainty to the future of large infrastructure projects (42%).



“ Our business historically drops to around 50-70% turnover for a period of 6 weeks. In the last 2 cycles the period has been 3 months. ”

## Question 4 – Please indicate your business' support for the following reform options for Queensland parliamentary terms/state elections.

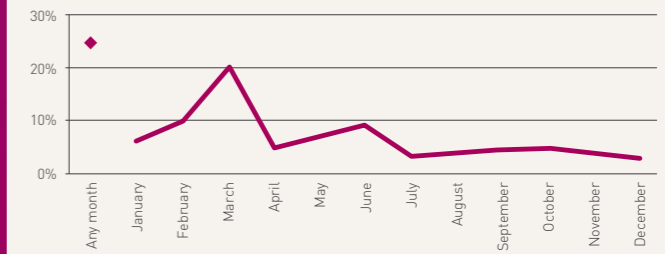
Two in every three businesses support a move from three year to fixed four year terms in Queensland Parliament, with this option the most preferred.



“ Fixed term, fixed date. Take the guessing game out of when the next election is. That way, business and governments can plan and not guess. ”

## Question 5 – If Queensland were to move to a fixed 4 year term of parliament when would be the best time of the year to hold an election?

The most preferred month of the year for an election was March mainly due to minimal disruption to business operations but also seeking to realise efficiencies with holding State elections together with local government elections.



## Summary

The Chamber of Commerce and Industry Queensland (CCIQ) based on this research is calling for sweeping changes to parliamentary terms in the Queensland.

The increase in parliamentary terms from three to fixed four years in CCIQ's view minimises any decline in consumer spend associated with election, but also enables government sufficient time to facilitate good, long-term economic planning.

Businesses indicated that the "stop-start" growth associated with elections caused job creation to be delayed, as they wait to see the outcomes of the election before proceeding. This postponement is similar for the purchase of non-critical expenditure and investment decisions, as well as any plans of business expansion.

**CCIQ believes fixed four parliamentary terms would be beneficial because it:**

- Provides for private sector certainty about the term of government with guaranteed tenure for the implementation of policies and projects that facilitate better economic growth;
- Provides State Government with the ability to plan the parliamentary timetable more effectively with greater certainty for parliamentary committee inquiries/processes and implementation of fiscal and economic policy; and
- Incumbents no longer have a partisan advantage in choosing an election date.

**In conclusion CCIQ is of the view that if Queensland were to adopt fixed four year terms, business would be able to plan around state elections and make employment and investment decisions with greater confidence.**