

24 September 2015

The Research Director
Finance and Administration Committee
Parliament House
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Dear Research Director

The Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide input to the Finance and Administration Committee's Inquiry into the introduction of four year terms for the Queensland Parliament; the *Constitution (Fixed Term Parliament) Amendment Bill 2015*; and the *Constitution (Fixed Term Parliament) Referendum Bill 2015*.

More specifically CCIQ wishes to provide commentary into the Committee's consideration of:

- A comparison of three and four year parliamentary terms, including advantages and disadvantages;
- A comparison of parliamentary terms in other Australian jurisdictions;
- Mechanisms for determining the referendum question that will be put to the Queensland public; and
- The possible starting date for any new arrangements, if adopted.

CCIQ has long held the view that state elections cause serious disruption to the economy with both consumers and business putting on hold major decisions relating to purchases, capital expenditure and employment levels.

The Role of CCIQ

CCIQ is the State's largest business organisation and has a statewide membership across all industry sectors and business sizes. The Chamber is committed to representing the interests of our members and the Queensland business community as a whole. The most important aspect of our role is to provide advocacy on industry related issues, designed to build a better business operating environment.

Small business is the backbone of the State's economy employing over one million Queenslanders. Through our understanding, engagement and relationships with small business the Chamber has provided considerable insight and assistance to Government in delivering an environment that enables them to grow and employ.

CCIQ has dramatically changed our approach to advocacy in recent years to be a true voice of business through continually canvassing and then articulating business community views on various issues in a non-partisan manner. Through this approach CCIQ has become a trusted source of business viewpoints to State Government.

In this context the Chamber notes that Queensland is the only State that currently has three-year parliamentary terms. Furthermore these terms are not fixed with the Premier able to call an election at any time subject to the agreement of the Governor. Accordingly CCIQ wishes to provide the following specific contribution to this process.

CCIQ Support for 4 year terms

CCIQ believes that a three year term is not a sufficient time to allow the State Government to facilitate good economic planning for both the private and public sectors; undertake effective planning of the parliamentary timetable; or to concentrate on policy and program delivery without the distraction of imminent elections.

The last 5 state elections have been held 31st January 2015; 24th March 2012; 21st March 2009; 9th September 2006; 7th February 2004 and over this time the average term of parliament has been just 2 years and 9 months.

CCIQ is aware of many projects or policy initiatives stalling through change of government or at the very least delayed through care taker arrangements implemented during elections. Accordingly in our view longer parliamentary terms have the potential to enhance business confidence and business investment, by eliminating uncertainties created by frequent elections and subsequent shifts in government policy or attitudes to towards certain projects.

CCIQ's Pulse Survey has continually highlighted the detrimental impact that both Federal and State elections have had on business confidence, general business conditions, total sales revenue, profitability, capital expenditure and employment levels.

The Chamber also notes that at present all states and territories other than Queensland have extended their parliamentary terms to four years, with the majority also including a fixed term component as well. CCIQ consistently favours the alignment of jurisdictional approaches to governance and regulation.

Parliament	Term	Date of change to four year term	Fixed term component
Commonwealth	3 years	-	Nil
NSW	4 years	1981	4 years
VIC	4 years	1984	4 years (since 2006)
QLD	3 years	-	Nil
WA	4 years	1987	4 years (since 2011)
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 (since 2008)

CCIQ support for fixed terms

CCIQ is of the view that if Queensland were to adopt fixed terms business would be able to plan around State elections and make major project and investment decisions with greater confidence. Additionally CCIQ believes fixed parliamentary terms are beneficial because:

- 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;
- Provides organisations such as ours the ability to undertake more effective advocacy and campaigns on member needs to current and future State Governments; and
- Incumbents will no longer have a partisan advantage in choosing an election date.

In CCIQ's view extending Queensland's parliamentary term to four years without introducing a fixed term component, would not achieve the desired goal of creating certainty and confidence, as it would leave a number of these factors unresolved.

Limitations of fixed four year terms

CCIQ notes a number of limitations to fixing the parliamentary term including potential for longer and more expensive election campaigns and impeding the opportunity for an early election in the event of a political crisis.

Similarly, a longer election term can be unfavourable if instability is prolonged where the government is reliant on cross benches for support and / or the public has to potentially endure a longer period of government when that government has lost popular support.

However these points in the Chamber's opinion do not outweigh the considerable benefits as identified previously. By way of compromise, a model that combines both maximum and fixed-term arrangements have been introduced in a number of states (although those states have now moved to four-year fixed terms).

A mixed model, whereby the parliament has a maximum term of four years, with the Assembly not dissolvable during the first three years after an election, has previously been recommended for introduction in Queensland by both the Queensland Constitutional Review Commission and the Parliament's Legal, Constitutional and Administrative Review Committee.

The longer term would provide greater stability and predictability to the political system, and uncertainty and indecision would be restricted to the last quarter of the parliamentary term.

CCIQ Summary Position

However, CCIQ currently favours 4 year fixed terms as they allow the serving government greater opportunity to deliver on its election promises and make meaningful change before recontesting an election. Four year terms of government in CCIQ's view:

- 1) Provide for better government and better public policy making because decisions can be made in the interest of outcomes and better services for Queenslanders, rather than short term political gain or what may be the news of the day;
- 2) Remove the constant speculation from the political process and provides fairness to all political parties rather than what is in the interest of the government of the day; and
- 3) Provide confidence in government and certainty in government, from the public and also from the business community, which drives investment, economic confidence and job creation.

Accordingly for these reasons CCIQ urges both the State Government and the LNP to support the Constitution (Fixed Term Parliament) Amendment Bill 2015. More specifically CCIQ would support and recommend the following approach to this issue:

1. A general election be held on the second Saturday in March in the fourth calendar year after the year in which the last election was held.

2. The Legislative Assembly expires on the day that is 4 years from the day the writ for the general election was returned for the assembly, thus ensuring a fixed, four year term.
3. Allow for exceptional circumstances in which the Governor could dissolve the Legislative Assembly and issue a writ for a general election, specifically if –
 - a) each of the following happens –
 - i) a motion of no confidence in the government has been passed, or a motion of confidence in the government has been defeated in the Legislative Assembly;
 - ii) the Governor considers that no government can be formed that will command the confidence of the majority of the Legislative Assembly;
 - iii) at least 8 days have passed after the passage or defeat of the motion;
 - b) the Legislative Assembly rejects a Bill for an ordinary annual appropriation Act; or
 - c) the Legislative Assembly fails to pass a Bill for an ordinary annual appropriation Act before the day the Governor considers the appropriation is required.

Furthermore CCIQ supports the actioning of the above outcome through the following means:

1. A referendum be held once the Constitution (Fixed Term Parliament) Amendment Bill 2015 is passed by the Legislative Assembly.
2. The above Bill is not presented to the Governor for assent, unless it has been passed by the Legislative Assembly, and has been approved by a majority of electors at a referendum.
3. A referendum on this issue would be held in conjunction with a local government elections in March 2016.¹

The Chamber through our Pulse Survey of Business Conditions* intends to canvas with Queensland businesses their experience with state elections and the impact they have had on their business as well as asking them which option of reform they would favour going forward. Accordingly CCIQ invites the Finance and Administration Committee to provide the Chamber with any questions that they wish to examine in particular. CCIQ would welcome the opportunity to include these in the Hot Topic section of the Pulse Survey. Any contribution would need to be received by Wednesday 30th September 2015 with the survey commencing 1st October 2015 and closing on the 16th October 2015. We apologise for the very tight timeframe.

Finally CCIQ would welcome the opportunity to appear before the Committee to further explain the arguments contained herein and the results of the forthcoming survey.

Yours sincerely



Nick Behrens
Director - Advocacy

** The Pulse Survey has been measuring Queensland business confidence and expectations for over 20 years. The survey publishes quarterly the results from key questions put to the Queensland business community on National, State and individual economic performances. The survey is unchallenged in terms of being the most authoritative, timely and comprehensive snapshot of Queensland business sentiment with over 500 Queensland businesses interviewed as part of each survey. The survey contains data from the largest firms in Queensland through to the smallest, and provides a sample covering the entire business community.*