



Business Dynamism Inquiry
Productivity Commission
sent via: BusinessDynamismInquiry@pc.gov.au

Submission to reducing barriers to business dynamism in Australia

[4 Year Terms Australia](#) is an independent advocacy group calling for Australia's Federal Parliament to move to four-year terms with a fixed election date.

Australia has one of the world's shortest parliamentary terms, costing our economy over \$60 billion. A longer, more stable parliamentary term is one of the most significant structural changes to boost Australia's productivity.

Recommendations

- Establish a convention similar to [New Zealand](#) where that the prime minister announces the election date with at least six months' notice.
- Develop legislation for a fixed election date and a four year term through a Constitutional Committee or equivalent body.
- Introduce a fixed election date by legislation, then hold a referendum to secure it.
- Once a fixed term is established, build the case for a referendum on four year terms.

Australia has one of the world's shortest parliamentary terms

Australia is one of only [eight countries with a parliamentary term of three years or less](#). Because Australia's Prime Ministers have very broad discretion on election timing, the average length of time between federal elections has historically been even shorter, at only [two years and eight months](#). Our current system leaves little time to undertake meaningful policy reform and is costly for businesses which [delay investments](#) due to high levels of political uncertainty.

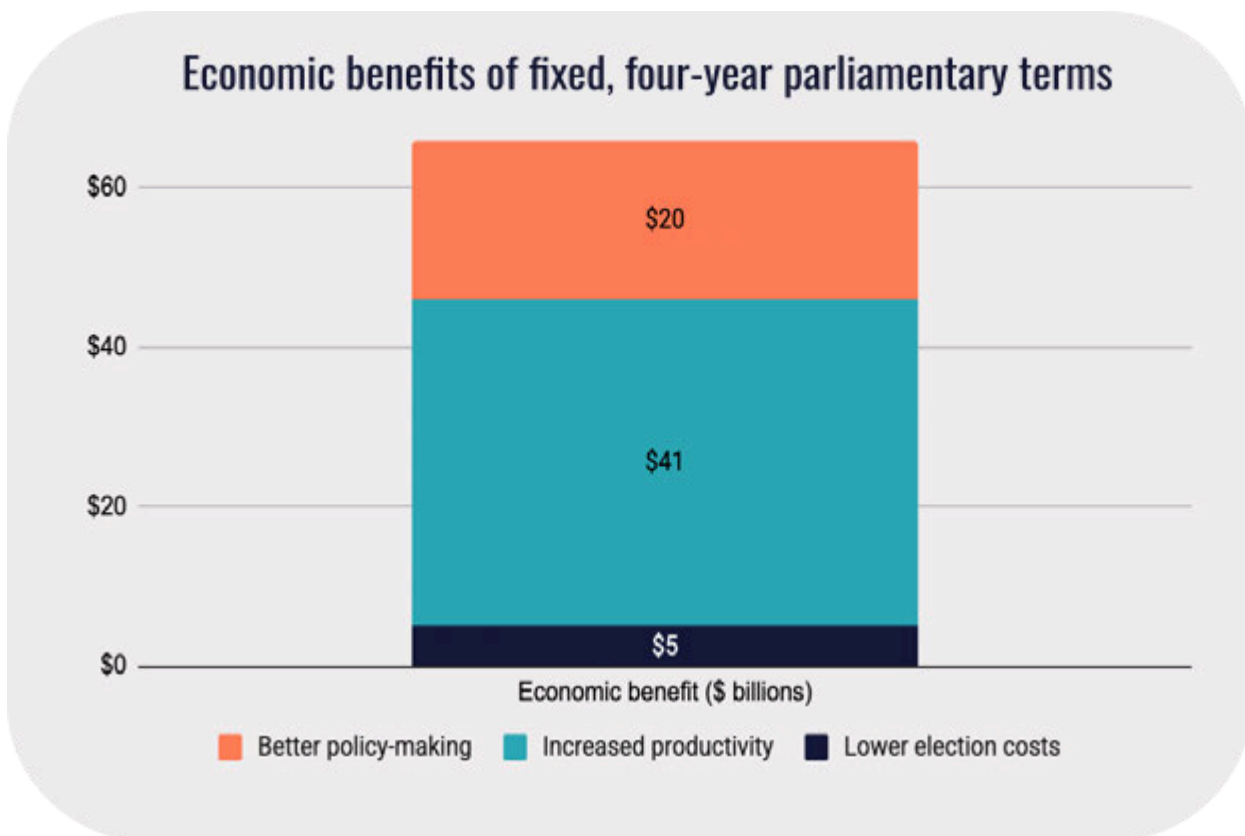
Australia's federal election cycle is out of step with all other levels of government. All Australian states and territories now operate on four-year terms. All except Tasmania have fixed terms. Local councils also all have four-year terms with fixed election dates. This mismatch inherently creates issues managing federal elections around state, territory and local elections.

Fixed, four-year terms would deliver billions in productivity gains

Excessive election frequency and the uncertainty of potential early elections lead Australian governments to have a short-term bias. This reduces economic dynamism through greater uncertainty, with Australia's [GDP growth slows by around 0.5 per cent in election years and business investment is 2.4 per cent lower](#).

Four-year terms with fixed election dates provides the right balance of government accountability and effectiveness. This can deliver over [\\$40 billion in business investment over 20 years](#); through improved policy development by the Federal Parliament, lower administrative and election-related costs, as well as stronger business and consumer confidence that results in increased productivity and investment.

Source: Mandala Partners, [The value of shifting to four-year parliamentary terms](#), 2025



Thank you for the opportunity to respond to this inquiry. If you have any further questions or would like to discuss in further detail, please contact us

Marty Gray

4 Year Terms Australia

