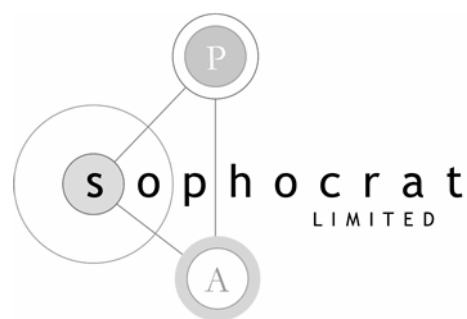


“A useful and accurate summary of the Royal Commission’s discussion of MMP. I am sure this will greatly enhance the referendum debate.”

Dr Helena Catt, Department of Political Studies, University of Auckland.



**A Royal Commission chose  
MMP for New Zealand.  
Here’s why.**

*The vital points from  
the Commission’s report,  
in plain words*

## Postscript - Third Edition

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I published this booklet in 1993, while still at university. Approximately 5,000 copies were sold. I hope it made a difference, especially as the referendum was won by a very slender margin.

When the referendum was announced, I felt I had a citizen's duty to make an informed decision. So I got hold of the Commission's Report and read the whole thing. I was impressed by the care, thoroughness and clarity of the Commissioners' reasoning, and when I'd finished I understood and agreed with their decision to recommend MMP.

Then I realised most New Zealanders wouldn't have access to the full report, or the time to read it, so I got to work and prepared this booklet. I did my best to convey the relevant parts of the Commission's report honestly and accurately. Whether or not people agreed with the Commission, I hoped they would make a better decision with the assistance of the Commission's reasoning.

I have published this version because I've heard it is still used by students as a "crib" for the Royal Commission's report. The original was printed on flimsy paper, and I expect replacement copies may be useful.

There were two editions of the original booklet. The first edition sold out, but most of the second was remaindered. This version was recreated from the first edition, with minor changes: it has been re-formatted, one or two typos corrected, and this postscript has revised.

As a publishing venture, the booklet was not a commercial success. I was very grateful for the kind assistance of Hon Justice Wallace, Chairman of the Royal Commission, who donated \$500 to help cover costs, and to my uncle Peter Hay (now deceased) who lent me a significant sum to pay the printers.



David Robert Hay  
*BCom/BA, Master of Public Policy*  
**Managing Director**  
Sophocrat Ltd

May 2004

democracy ceases to work for us we may stop believing in it.

There no reason to stop believing in democracy: it is the only way we can be free within society.

It matters that we continue to believe in democracy, and it matters that our faith is well founded. To achieve this, we need to be sure our political decision-making processes are fair and democratic.

#### Democratic decision-making

A democratic decision-making process is one in which people whose lives are being changed by decisions are brought into the discussion. It is accepted that everybody has something useful to contribute, and they can be trusted to put aside their personal interests and do what is right for everyone. A final decision is not made until all participants have agreed to, or understood, the chosen course of action.

This method of decision-making will mean;

- decisions will be of better quality because they draw on a wider pool of knowledge and experience,
- they should last longer in practice, because a change of leadership is less likely to bring reversals decisions, and
- the time spent on making decisions is later saved: they are easier to implement if everyone understands them.

Democratic politics is a slow, messy frustrating business. But it has to be: the extra effort needed to make decisions democratically is the price we pay for living in an open society. Freedom and democracy suffer in countries where politics, including economic management, is thought to be a simple process - because simplicity is usually

provided by the self-serving ideology of an elite, whose interests dominate everybody else's.

Democratic politics means politicians have to work harder and smarter, and accept their role is to manage decision-making processes which involve the wider community, rather than making every decision by themselves.

MMP can encourage democratic decision-making. If we elect some minor parties, the major parties will need to take their views into account. The government will have to work harder and smarter, to manage the political decision-making process, rather than control it from the top down.

#### Conclusion

MMP is not a cure-all for a political system with which New Zealanders are increasingly unhappy. That cure lies with the way our politicians choose to behave. But by voting-in MMP we will create a structure that requires our politicians to change their behaviour:

- We will get a wider choice of political leadership, so government MPs face real competition for their jobs. Like the rest of us, they will have to work a lot harder to justify their employment.
- We will also create a decision-making structure that requires our leaders to act more democratically.

Finally, we will send a clear message to government, political parties, politicians and civil servants that we are not happy with their current style of decision-making, and we demand better from them as guardians of our personal sovereignty.

A vote for MMP tells our leaders we still believe in democracy, we believe it can work, and we believe ours can be improved.

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## MMP in detail

MMP can take a variety of forms. In this section we review some of the specific aspects of the MMP system which the Commission thought suitable for New Zealand.

### Basic MMP

The basics of MMP are:

Each voter has two votes; one for the local MP of their choice, the other for the party of their choice.

Votes for local MPs are counted in the same way as the present system: the candidate with more votes than any of the others wins, and goes to Parliament to represent your electorate. The local MP may belong to a party, or be independent.

Votes for parties are counted across the whole nation, not by electorate. The share of these votes a party gets determines the share of the MPs it will have in Parliament. If it has 15% of the party votes, it will hold about 15% of the seats in Parliament.

If a party has already won seats in Parliament by

putting up candidates in local electorates, but it does not have enough of these to make up its share of seats, then it is allowed to add more MPs to make up its proper share.

The extra MPs are chosen from a list. If the party needs seven more MPs to make up its share of seats, it takes the first seven people on the list. If one of the people on the list has already been elected in a local electorate, they are crossed off the list and the next person down is taken.

If a party wins no seats in electorates, it makes up its full share of seats in Parliament directly from its list.

The lists are made up and published before the elections, so voters will know who is most likely to get into Parliament if they vote for a particular party.

### MMP in more detail

The form of MMP the Commission recommended for New Zealand has these particular features:

#### **MMP should only be introduced if the size of Parliament is increased to 120 MPs.**

The Royal Commission investigated the need for an increase in the number of seats in Parliament, as a separate issue from MMP, and recommended an increase from the present 99 to 120 (for reasons why, see page 17). The Commission thought MMP would not be acceptable with less than 120 MPs because there would be too few local electorate seats, which means electorates would be too large. According to the 1986 census, the population per local seat would be 55,000 with 60 local MPs.

Of the 120 MPs, 60 should be elected locally and 60 from party lists.

There should be equal numbers of local and list MPs, to discourage any difference in status between the different types of MP (see page 9). Also, lists allow parties to select candidates in a way which will reflect special interests and minorities in the community (see page 9). There need to be enough list seats to allow this to happen.

#### **Lists must be democratically constructed.**

The Commission recommended changes to the

Electoral Act that would ensure that party members could have a fair say in the selection of candidates for lists. This is to make sure party bosses cannot control the lists (see page 9).

#### **Of the locally-elected MPs, at least 15 MPs should be from the South Island.**

The South Island is currently guaranteed a minimum share of the seats in Parliament, regardless of its smaller population. This should continue.

#### **The lists are made up by the Parties, and voters can not alter the order in which MPs appear on lists when they vote.**

Lists could be "open" or "closed". Open lists allow voters to rearrange the order in which MPs appear on the list when they vote, while closed lists cannot be altered by the voters. The Commission thought the idea of open lists was attractive, but they would make voting very complicated, and voters would need to know a lot about politicians in order to use them effectively. Open lists might lead to more people spoiling their votes (a simple system was thought important to prevent this happening - see page 5). Finally, open lists might lead candidates from the same party to campaign against each other, which would harm party unity (important for effective parties - see page 8).

flawed; Labour got more votes than National in 1978 and 1981, yet National held on to power. We were unable to dismiss a government the majority of people no longer wanted.

What about the first of those powers? Does our electoral system give us the power to choose a government that will properly serve our interests?

No, it doesn't. Under FPP small parties rarely get a chance to participate, which means:

- They don't get a chance to build up the skills and knowledge needed to govern effectively, which limits our choice - because there is no real choice between a party that has experience in Parliament and one that hasn't.
- We can't properly assess small parties' abilities. Their ideas and actions are not subjected to the scrutiny of Parliament and the media, so we can't make a properly informed decision whether to vote for them.

These issues are important. If you were hiring a company manager, you would want someone who had the hands-on experience to do the job properly. You would also want to know their track record, to judge whether they will serve your interests well.

MMP will let small parties into the political system - in select committees, Parliament, and electoral work where their MPs can develop the knowledge and skills to govern. Once they have a track record we can judge their abilities and make an informed choice whether to appoint them guardians of our personal sovereignty.

To re-cap: one indicator of whether we live in a true democracy is our effective ability to choose who will govern us. Effective choice requires knowledge of the alternatives, based on observation and experience. If we cannot know how a party is likely to perform, we cannot make a proper choice when we come to elect our government. MMP will enhance our ability to observe the actions of alternative governments, and improve our ability to choose effectively.

At the moment a party can acquire a majority in Parliament with less than a majority of the votes of all the citizens and with a lesser share of votes than its opposition. This gives it absolute power within our society.

Decisions of government are made by Ministers in Cabinet, sometimes without consulting either the other government MPs or the rest of their party. This means a small group of people can control the absolute power of government.

### Traditional approaches to decision-making in New Zealand

New Zealand has a tradition of authoritarian government. This reached its peak under the leadership of Robert Muldoon, but many decisions of the last three governments have also been forced upon New Zealanders undemocratically.

#### Democracy and economics

In a period when we have undergone profound economic change, many government decisions have been guided by economists. Many economists believe there are only two ways of introducing change: fast or slow. They think fast is better: they say the pain of change will not be as drawn out, and the benefits will arrive quickly.

Many economists also believe people are only ever out for themselves, so consulting people whose lives may be affected by reforms is a waste of time. Their "vested interests" would compromise the reform process.

For those reasons, they tell governments to bulldoze reforms through quickly and without talking too much to the people, which contributes to undemocratic decision-making.

It seems the ability of government to act undemocratically has combined with the poor strategic abilities of its economic advisers and our tradition of authoritarian government, to make our political decision-making processes undemocratic and unpopular. Many New Zealanders no longer believe in our political system.

#### Democracy and belief

It matters if we stop believing in our political system.

Let me explain it like this: imagine you have a five dollar note, which you are about to tear into shreds. Why not? It's just a piece of paper, which probably cost only a few cents to print.

But you believe this piece of paper has greater value. You have this belief because you know from experience it is true. The note has value because you believe it has value.

Actually, money has value because *everybody* believes it has value. And everybody believes this because it is true in their experience.

The idea of democracy is maintained in a society in the same way: we believe in democracy because it works, and democracy works because we believe in it.

But hold on: democracy only works if both of those statements are true. If we stop believing in democracy, it will cease to work for us. If

*We believe in  
democracy  
because it works,  
and democracy  
works because we  
believe in it.*

## MMP and democracy

The following essay is the personal viewpoint of the author. It does not represent the work of the Royal Commission on Electoral Reform.

Politics is the business resolving conflicts of interest in a society. It follows that no political system can be perfect: in a perfect society, no interests would conflict and there would be no need for politics. In a society where politics is necessary, because of conflicting interests, some interests must dominate over others.

In a democracy, as opposed to most other forms of political organisation, no single interest dominates all others, and all interests must be compromised to some degree. It may not be the perfect form of political organisation, but it is the fairest among all interests.

We do not live in a democracy, just because adult citizens can vote in a secret ballot every three years. There are many things which determine whether we are governed democratically, among them:

- the way candidates are selected by their parties,
- how well parties listen to their members,
- how much notice the Cabinet takes of Caucus,
- the advice politicians get from the civil service,
- how the media and opinion polls affect the government's decisions, and
- the regard we have for politicians (which could affect the type of person that the profession attracts).

MMP will not directly change some of these things. If you feel our country is not well served by its political system, then you may be disappointed if MMP is introduced.

But if MMP is not a cure-all for our political ailments, it will still be important. Whether we live in a democracy depends fundamentally on two things:

- whether our elections are fair and democratic, and
- whether we are governed democratically between elections.

We need to know how MMP might change these aspects of our political system.

### What do we mean by democracy?

The literal meaning of democracy is rule by the people, as opposed to, say, autocracy (rule by an

individual.) A broader meaning for democracy is: *Government of the people, by the people, for the people.*

### Why have representative democracy?

If we are going to have rule by the people, of the people, and for the people, then why have government? Why not have a *direct democracy*, where everyone can vote on important issues?

Government is a process of decision-making. Governments decide to change things or leave them alone, and when they decide change is needed, they decide to undertake one out of many alternative policies.

Making decisions by direct democracy may work well in small groups, if everybody understands the issues and is experienced in the decision-making process. In a large and complex group, such as a nation, direct democracy would not work:

- To be involved in decision making, we would have to spend a great deal of time on the decision-making process. It would cut into the time we spend working, playing and generally living our lives. If we let a small group of people make decisions for us, we can get on with other things.
- Modern society is complex, and nobody could be an expert on every decision. If experts make decisions for us, we can focus on our own areas of expertise.

*Representative democracy* is more efficient and effective than direct democracy for those reasons. We give up some of our personal sovereignty to the government, to be freed from involvement in making even-political decision, and because government has greater expertise in deciding on and undertaking policies.

As citizens we entrust our personal sovereignties to the government, in the way shareholders in a company entrust their power of ownership to professional managers.

### Does our electoral system work?

Like shareholders, we want the power to select managers who will serve our interests, and we want the power to dismiss managers who don't come up to -scratch.

Our current electoral system gives us the second of these powers. We can, and do, dismiss unsatisfactory governments. But the system is

### Independent candidates can not appear on the party-list section of the voting paper.

A major purpose of MMP is to ensure fair shares between parties. The party list part of the vote has that purpose. Independents will have to stand in local electorates.

### If a party won more seats in local electorates than its fair share (determined by the list votes), then the total number of MPs in Parliament would be increased to compensate the other parties.

This is necessary to make sure the system remains fair. The experience of West Germany, which has a similar form of MMP, has shown this is unlikely to occur. It has happened there twice since 1949, with only one or two seats being added each time. Small parties tend to get support from national list votes and large parties tend to win electorate seats. It is only when a small party gets unusually high support in a number of electorates this problem is likely to arise.

### A party must have more than 4% of the national list vote in order to get any seats in Parliament (this has been changed to 5%).

This is to prevent too many small parties having seats in Parliament, which the Commission considered necessary to ensure effective government (page 7). Based on 1984 election figures, a party would have needed 77,000 votes to reach a 4% threshold, and this would give it five seats in Parliament. With a 5% threshold for the same figures, a party would need 96,250 votes and would get six seats.

For the mathematically-minded: the list system requires figures to be rounded up or down to determine the proper allocation of seats between parties. Rounding over all parties might increase or decrease the number of seats in Parliament. The Commission recommended using a formula to ensure the total number of seats is not affected by rounding. It tends to round the parties with a small share of the votes upward, and round down parties with large shares -on the basis that parties with small shares are more severely affected by the loss of a seat than those with big shares.

### If a local electorate MP left Parliament, there will be a by-election. If a list member left, the next available person on their party's list will be appointed.

### The Maori seats should be abolished, and the 4% threshold could be waived for Maori Parties.

The Commission's reasons for this are given on page 12.

## What you will be voting for

The Electoral Reform Act 1993, which sets out the form of MMP which will be introduced, closely follows the Royal Commission's recommendations. The major differences are:

### Threshold Increased

The threshold has been increased from 4% to 5%. A party will need more votes for a place in Parliament, and will acquire a minimum of six seats.

### Maori Seats Kept

The Maori seats will be kept. The number of Maori seats will no longer be fixed at four, but will depend on the number of Maori who choose to go on the Maori roll.

### Safety Clause

A Select Committee will be convened after 1 April 2000, to consider whether we need a further referendum and, if so, which proposals should be put to the voters. These could include the choice of going back to FPP. The Select Committee must report to Parliament by 1 June 2002.

This means the elections of 1996 and 1999 would be under MMP, and the choice to return to the present system might be presented at the 2001 election.

## How & why the Royal Commission chose MMP

The Royal Commission set out ten criteria by which to judge a voting system. Below are the criteria, followed by the sort of questions which each criterion might lead us to ask about a voting system:

- Effective voter participation: Is the voting system simple, and does it reflect the will of the people?
- Effective representation of constituents: Are local MPs accountable to their electorate? Are they encouraged to act on behalf of their constituents?
- Effective government: Will the government be stable, and have the power to introduce its policies?
- Effective parliament: Will Parliament fulfil its proper role as a place where government's policies can be discussed, criticised and modified?
- Effective political parties: Will the voting system help parties fulfil their functions of developing and promoting policies, selecting representatives and training cabinet ministers?
- Fairness between parties: Will the share of seats a party gets in Parliament reflect its share of voter support?
- Political integration: Will the various groups in society be encouraged to work together for the common good?
- Representation of minority and special interest groups: Will the various groups in society get a fair hearing in Parliament?
- Effective Maori representation: Will the special place of Maori in our society be properly recognised?
- Legitimacy: Will voters accept the government has the right to rule?

Some criteria matter more than others, some overlap, and some don't fit well together. In choosing a voting system it is important to balance the criteria, and to get the best mix of them. The mix and balance will be different for

different people.

The Commission's Report set out and explained these criteria, then looked at our current system; First-Past-the-Post (FPP), according to each. Then it discussed the pros and cons of four alternative voting systems, which were presented at last year's referendum. These were: Preferential Voting, Supplementary Member, Single Transferable Vote and Mixed Member Proportional.

The Commission then looked more closely at just two of them: the Single Transferable Vote system, and the Mixed Member Proportional system (MMP). These two were both judged according to each of the ten criteria.

After discussing all the pros and cons of the two systems in detail, the Commission decided that MMP was better than STV, and better than our present system.

It is not easy for anyone reading the report to compare the systems directly because of the way it is set out, especially if you are only interested in comparing MMP and FPP, as we are for the upcoming referendum.

In the following section I have put one criterion at the top of each page, followed by a brief explanation of what it means. Beneath are the points the Commission made about FPP and MMP.

Where the Commission is quoted directly, a number in brackets indicates the chapter and paragraph reference, according to the system used in the Report. For example; (2.129) means paragraph 129 of chapter 2.

I have included notes which interpret or expand on some of the commission's points. These appear in italics at the bottom of the page.

To avoid confusion, some details have been updated. For instance: I refer to the threshold as 5% where the Commission used 4%, and the number of existing seats as 99, which it will be in this year's election, but which is more than when the Commission wrote its report.

decided 120 would be sufficient - up 21 from the present number.

Below is a table which shows how this compared with similar democratic countries in 1986:

Country	Estimated Population	Number of MPs	Population Per MP*
NZ	3.3m	97	34,000
NZ, if changed		<b>120</b>	<b>27,500</b>
Finland	4.9m	179	27,500
Norway	4.2m	157	27,000
Denmark	5.1m	200	25,500
Sweden	8.3m	349	24,000
Ireland**	3.5m	166	21,000

\* Figures are from 1986, and rounded to the nearest 500.

\*\* This only the Lower House of the Irish Parliament. They have another 60 MPs in the Upper House, giving them 15,500 people per elected politician.

### Determining Electoral Boundaries

The Commission presented detailed recommendations about how boundaries ought to be set, and if Maori seats were to be retained, how they should represent tribal areas.

### Political Party Financing

It was recommended there should be no limit to donations to parties, but parties must publish audited accounts. They should disclose the source of all donations worth more than \$250 at local level, \$2500 at national level.

### Maori Representation

The Commission said a fair and satisfactory way of representing Maori people was extremely important to the future of New Zealand and to race relations generally.

It decided MMP would be best. Otherwise, the matter should be decided in consultation between Maori and the Crown.

It also said there are deeper constitutional questions about the proper relationship between Maori and the Crown. These questions needed urgent attention, but were outside the scope of the Commission's inquiries and should be the subject of a separate Commission

### Referenda

The Commission looked at the arguments for and against the greater use of referenda, whether they should be binding, and whether they should be compulsory if initiated by petition.

It recommended referenda be used from time to time and government should regard them as binding, but it could not be legally bound by them. Referenda should not be compelled by public petition.

### Administration and other issues

Many recommendations were made on relatively minor matters, under this heading. An important one was that elections should be conducted by an independent electoral commission. Another was that the Electoral Act should be made more easily understandable by the public and less easily changed by Parliament.

## About the Commission

### The Commissioners were:

John Haddrick Darwin..... *Former Government Statistician*  
Kenneth James Keith..... *University Professor*  
Richard Grant Mulgan..... *University Professor*  
The Hon. Justice John Hamilton Wallace..... *High Court Judge (Chairman)*  
Whetumarama Wereta..... *Research Officer*

### How the Commission went about its task

#### Consultation

The Royal Commission undertook extensive consultations before it started deliberating:

- It invited submissions by advertising on television and in the press, and through posters put up in the nation's post offices. As a result it received 804 written submissions.
- It held public meetings in Auckland, Wellington and Christchurch.
- Because it had to inquire into Maori representation, it held five meetings on marae - three in the North Island, two in the South Island.

There were no MPs on the Commission, but it made a special effort to hear the views of past and present MPs.

#### Research

Commissioners made brief trips overseas to look first-hand at the way other systems work. They went to West Germany, the Republic of Ireland, Australia, Canada and the United Kingdom.

The Commission also asked for a history of the present system to be written by Mr. B. Ritchie of the Justice Department, and a history of Maori representation to be written by Professor M.P.K. Sorrenson of Auckland University. Both histories were published as part of its Report.

### Other things it looked into

The Royal Commission didn't just look into the voting system. The government of the day set out wide-ranging "Terms of Reference", which told the Royal Commission what to look into. In essence, these were:

- Whether it is necessary or desirable to change the laws and the methods for holding elections.
- Whether we should retain the existing voting system or change it.
- Whether there should be more Members of Parliament. If so, how many.
- Whether the current method of determining electoral boundaries should be changed.
- The nature and basis for Maori representation in Parliament.
- Whether the length of the term of Parliament should be changed.
- Whether referenda should be held more often and under what conditions. Whether referenda

should be binding on the government.

- Whether present rules about spending on election campaigns and funding political parties should be changed.
- Any other relevant matters it thought should be looked into.

#### Length of Term of Parliament

The Commission recommended a referendum be held to decide whether to extend the term of Parliament to four years. This was done at the last election (1990). The extension was soundly defeated.

#### Number of Members in Parliament

The Commission weighed the cost of having more MPs against the benefits: a larger pool of talent, more independence in caucus, improved quality of debate in Parliament, greater sharing of the workload in select committees.

It thought 140 MPs would be appropriate, but the public wouldn't support that large an increase. It

## 1 - Effective voter participation

For you, and all other citizens, to play an effective part in elections:

- the voting system should be easy to understand,
- the power to elect the government must rest in the hands of the people, and
- everybody's vote should be equally effective.

### Voter Participation: FPP

We traditionally have a high rate of voter turnout, and people tend not to vote informally (fill out the voting paper wrongly). The simplicity of the current system may partly account for that.

The government usually gets a clear majority under the existing system, so it may be said the people are electing the government directly, rather than letting parties form a government by making coalitions. Coalitions are more likely under MMP, but we have also had coalition governments under the present system.

FPP forces the voter to try to make two choices with one vote: you choose local MP and you choose a political party. If you don't want to vote for the local candidate who represents your party of choice, your vote is less effective.

It might be thought that voters have more real power to elect governments under FPP, because a small change in party support can lead to a change of government. However, it is the unfairness of FPP between parties that makes this seem true: It is usually the voters in marginal seats who have real power to decide the government, which means the votes of a small part of the population are more effective than the rest.

Under FPP, if you vote for the losing candidate you may feel your vote is wasted. If you vote for the winner, or the loser, in a "safe" seat, you may feel your vote is less effective.

### Voter Participation: MMP

MMP makes it clear there are two choices to be made: one for a party, one for the local MP. This greater choice should make many your vote more effective.

Every vote will count, unless it is for a party that gets less than 5% of the national total. The greater power and effectiveness of voting under MMP should make people more satisfied with their involvement in the political system.

MMP increases the chance of coalitions, and some people think this takes the selection of government from voters and gives it to party officials. The Commission thought this view underestimates the power of electors;

- the threshold system limits the number of alternative governments possible;
- potential coalitions would be evident before an election, so voters would have a choice of coalitions rather than a choice of parties;
- voters who disapprove of a coalition could vote for their favoured party at local level, and a minor party on the list. Enough voters doing this would prevent an undesired coalition. In West Germany and Ireland voters are aware of the power this gives them and use it effectively. The Commission didn't doubt the ability of New Zealand voters to do the same.

## 2 - Effective representation of constituents

A local MP is important for helping people deal with the government and its agencies. The voting system should encourage MPs to work for the good of their constituents, and it should make sure MPs are accountable to their constituents.

### Representing Constituents: FPP

Because we have a system of government which is very centralised and has wide-ranging powers, it is desirable that MPs are strongly linked to their constituents. The present system does this, which is a healthy feature of it. MPs told the Commission their constituency work keeps them in touch with the views and opinions of their electors.

However, electors tend to vote for parties, rather than local candidates. They may find themselves having to vote for someone they don't want as a local MP, in order to support their preferred party.

Others may be represented by an MP of a party which they don't support, which the Commission thought a significant problem.

Parties nominate favoured candidates for safe seats, regardless of their connections with the local community.

Electoral boundaries are also a problem - they can cut through recognised communities, and they can change between elections, breaking established relationships between MPs and constituents.

Under FPP, MPs are clearly accountable to an electorate, but a popular and effective MP could be unfairly punished by the electorate for the shortcomings of their party.

### Representing Constituents: MMP

MMP was chosen over other forms of proportional representation because it keeps in place the relationship between MP and constituents.

There will be fewer local electorate MPs than at present, but 60 local MPs is about one for every 55,000 people, compared to one for every 34,000 (as it was in 1986). This compares well to other countries with FPP systems.

Because the share of MPs a party gets is not affected by local electorate votes under MMP, parties will be less interested in having boundaries set according to voting patterns. There will be less tendency to set electoral boundaries which divide existing communities, and for boundary changes to break up established relationships between MPs and their constituents.

The two-vote process also lets voters elect a local MP who will best represent their electorate, regardless of party.

MPs from party lists may attach themselves to a particular electorate, or group of electorates, especially those held by opposition parties. Constituents would then have a choice of MPs to approach about local issues. This happens in practice overseas, especially when candidates are on their party list as well as contesting an electorate for a local seat. The Commission thought this arrangement a good one, but the benefits should not be overstated, because a list MP's relationship to an electorate is not as strong as that of its electorate MP.

## Conclusion

### Overall: FPP

The Commission said:

“... New Zealand's voting system has serious deficiencies” (2.56).

Its weaknesses are severe, and even where it has strengths there are major concerns.

#### Its strengths:

- **Effective Representation of Constituents:** There is a direct link between constituents and MPs. But not for those whose MP is not of their preferred party.
- **Voter participation:** Participation in election? is encouraged by the simplicity of the system. But participation in *democracy* is not very good, because many voters have no influence on the outcome of elections (especially those in safe seats).
- **Effective Government:** The system gives parties the power to govern as they see fit. But there is no restraint on the power of the Cabinet.
- **Effective Parties:** Parties tend to be unified and powerful. But significant groups of people can't represent their own interests for themselves
- **Legitimacy:** The legitimacy of the FPP is accepted. But the results of recent elections have called its legitimacy into question, and people may only accept FPP because they are unfamiliar with other systems.

#### Its weaknesses:

- **Fairness between parties:** The system is unfair to parties, both large and small. When large parties lose elections they often get far less seats in Parliament than they deserve. Small parties can represent big sections of the nation and not get any seats at all.
- **Effective Maori Representation:** Maori people simply don't get their fair say in government under FPP.
- **Minority and Special Interest Groups:** Our society is becoming more diverse. It would be good if different interests could work together in Parliament, each on its own terms. FPP seems unlikely to allow this.

### Overall: MMP

The Commission thought it should only recommend a change to MMP if the change would fix the problems of the present system without creating major difficulties of its own. Every member of the Commission thought MMP was better.

MMP is better in areas where the present system is weak:

- It ensures fairness between parties.
- There are no accidental advantages or disadvantages to parties due to the spread of support across electorates and electoral boundaries.
- Minor parties stand a chance as long as their support is more than the threshold.
- There is better voter participation because people can make a clear choice between the local candidate and the party they want to support. Most votes will count and be seen to count, in the overall vote.
- The national lists are likely to improve representation of Maori, women and minority viewpoints.
- MMP is much fairer than FPP and its fairness will preserve confidence in the political system as our society becomes more diverse.

In areas where FPP has strengths, MMP has comparable but different advantages:

- **Effective Government:** With a threshold which prevents too many small parties entering Parliament, governments will be at least as effective in implementing their policies. They will be more effective if it means policies are more consistent, consultative and broadly supported.
- **Effective Representation of Constituents:** Neither MMP nor FPP is clearly preferable.
- **Political Integration:** changes in New Zealand society mean MMP may assist political integration by giving diverse interests a place in the political system.
- **Effective Parties:** both MMP and FPP are similar, but MMP has an advantage in helping obtain a balance of interests within parties.
- **Effective Parliament:** MMP is better than FPP because it encourages the election of MPs who are expert in policy issues.

## 10 - Legitimacy

Voters have to accept the government is legitimate: that it has the rightful power to govern. They must be confident the means of electing a government is fair, even when an election goes against their own wishes.

### Legitimacy: FPP

The current system has a long history of acceptance by the people of New Zealand, which gives it the legitimacy that comes with tradition.

On the other hand, results of the 1978 and 1981 elections caused some people to question the government's legitimacy. In both cases small parties were severely under-represented in Parliament, and the party that had the most votes overall actually lost. If such unfair results continue, the history of acceptance could quickly be lost.

The Commission said until 1986, the system was generally accepted as being legitimate, but Herald NRB polls had shown significant support for changing it.

### Legitimacy: MMP

The Commission said MMP is fair, and therefore legitimate, in ways FPP can never be. Its reasons are given in the conclusion, on the next page

## 3 - Effective government

Governments must have the power to govern responsibly and effectively. An effective government must have the ability to implement its policy. The voting system should produce stability and continuity within governments, and between one government and the next.

### Effective Government: FPP

The current system usually gives one party an outright win, and the power to introduce its policies unmodified by the demands of another party. The government can act decisively and quickly, which makes it effective in some respects.

Because FPP promotes single-party government, it tends to result in dramatic changes of government and dramatic changes of policy. There can be a seesawing effect, which does not make for stable, effective government in the long-run.

These shifts in policy can be far more dramatic than the shifts in public opinion which lead to a change of government.

A complete change of government means the entire Cabinet will change at an election, with loss of the skills and knowledge of the outgoing Ministers. This is less likely to happen with coalition governments.

### Effective Government: MMP

MMP would probably increase the number of smaller parties represented in Parliament. This might mean parties spend too much time negotiating coalitions, and coalitions could make government decision-making difficult.

Although MMP does not mean we must have coalitions, it is important to assess whether coalition or minority governments would be ineffective.

Multi-party coalitions in other countries tend to be unstable and ineffective only when there is a low threshold, allowing many very small parties into Parliament, or where there are very deep social or political divisions within a country. The Commission recommended the (now 5%) threshold to prevent too many small parties in Parliament, and it thought with our political traditions and expectations MMP shouldn't produce unstable or ineffective governments.

Under MMP governments will have to negotiate difficult issues with other parties. Policies are then less likely to be changed back and forth by different governments.

"Our clear impression from the submissions made to us is that electors would welcome more consultative government and greater continuity of policy." (2.158)

Some MPs from a defeated coalition party could join in a new coalition to form a new government. The new government could draw on those MPs' knowledge and experience, which would be an aid to stability and effectiveness.

## 4 - Effective parliament

Parliament is where laws are passed, where issues of policy are debated, where the actions of government can be openly criticised and discussed. It provides a place where people can express their hopes and complaints. The voting system should encourage Parliament to do these things effectively.

### Effective Parliament: FPP

Many submissions received by the Commission expressed unhappiness with the way MPs behave in Parliament. A strong desire was expressed for a less confrontational process.

The Commission said many people seemed not to realise Parliament is an adversarial system. Its proper role is to be a place where ideas and policies are debated and criticised. They also said a lot of cooperative work takes place in Select Committees, which we don't hear so much about.

The Commission was more concerned about the way the single-party system allows Cabinet to abuse its power, by controlling information and pushing legislation through Parliament without proper debate. At the moment, neither the opposition nor the government caucus can do much to stop this. Parliament is less effective if it does not have the ability to sometimes change proposed legislation or prevent it from becoming law.

### Effective Parliament: MMP

MMP is expected to help make Parliament more effective. The list system means parties could ensure experts in policy, legislation and parliamentary procedure would have a secure place in Parliament.

The presence of smaller parties in Parliament means a greater variety of views would be expressed.

The behaviour of major parties would be enhanced by the scrutiny of smaller parties.

If there were too many small parties in Parliament the opposition could be fragmented and therefore less effective in countering and scrutinising government policy. This should not be a problem as long as there is a 5% threshold. No party would have less than six seats, so fragmentation would be minimised.

The Commission considered the functions of Parliament would be enhanced by MMP, both as a forum for debate and as a means of checking the actions of government.

The Commission proposed an increase of the number of MPs to 120 partly because it thought this would make Parliament more effective (see page 17). As the Electoral Reform Act stands, this will only happen under MMP.

## 9 - Effective Maori representation

Maori should be fairly and effectively represented in Parliament, in a way that reflects their place as the indigenous people of New Zealand. The voting system should contribute toward this aim.

### Maori Representation: FPP

There are currently four Maori seats and 9v general seats. The number of Maori seats was fixed in 1867 and has not changed since - no matter how many are on the Maori roll, or how the Maori population has grown, or by how many the number of general seats has increased. Labour changed this in 1975 so the number of Maori seats would be set on the same population basis as the general seats. National changed it back when it won the 1975 election.

Because the Maori seats are considered safe Labour seats, neither Labour nor National makes a real effort to win them or to effectively deal with Maori interests and needs. FPP makes it very difficult for a Maori party to win any seats.

The Maori seats cover very large areas compared to general seats, making constituency work difficult.

Having a separate roll for Maori may work against tolerance and understanding between Maori and Pakeha cultures, and separate representation tends to make other MPs think Maori concerns are a matter only for Maori MPs.

Under FPP, separate seats may be the only way Maori can have a presence in Parliament. They are an important symbol of Maori hopes for proper recognition of their place in New Zealand society.

### Maori Representation: MMP

There are different ways Maori can be represented under MMP. The major choice is whether to keep the separate Maori seats.

The Commission recommended not having separate seats.

Under a MMP, parties would have a strong incentive to compete for the nationwide Maori vote, and would need to make their policy accordingly. Therefore Maori would be more likely to be represented on party lists.

The Commission recommended dropping the 4% threshold requirement for Maori parties, to provide stronger incentives for the other parties to take account of Maori needs and interests.

There are weaknesses in dropping separate Maori seats: Maori MPs would most likely get their places on party lists, which breaks the direct link between Maori MPs and the Maori people. Much of the success of this approach would rest on how well parties responded to the challenge of meeting Maori interests.

Despite these problems, the benefits would outweigh such difficulties.

"By giving Maori an effective vote and by providing the conditions under which they can expect a just and equitable share of political power, the MMP system can also be expected to foster and encourage the growth of understanding between Maori and non-Maori and the desire on the part of both to look to the common interest."  
(3.79)

### Author's comments

*To repeat, from page 3; the Maori seats will be kept. The number of Maori seats will no longer be fixed at four, but will depend on the number of Maori who choose to go on the Maori roll.*

*The Commission said changes to Maori representation in Parliament could not resolve important constitutional issues to do with the Treaty of Waitangi. These issues, although urgent, were beyond the scope of the Commission's terms of reference and should be discussed in a different forum.*

## 8 - Representation of minority and special interest groups\*

Parties and MPs should respond to the needs and interests of significant groups in the population, such as women, ethnic minorities, workers, farmers, the elderly and so forth. The voting system should encourage the make-up of Parliament to reflect that of the electorate.

### Minority and Interest groups: FPP

The current Parliament is a poor reflection of the community from which it is drawn; in terms of age, race, sex and occupation. This is common in FPP systems everywhere.

Some groups believe they are not properly represented, whether or not MPs claim to act in their interests. They would prefer be represented by their own people.

Under the current system, MPs need broad support within their local electorate, so it is in their interests to look after the needs of some minority groups.

On the other hand, parties are less likely to choose candidates from minority groups in case they don't attract broad support.

If someone from a minority interest group is elected, the need to maintain broad electoral support may stop them voicing their special concerns.

### Author's comments

*\*I am concerned about the Commission's use of the terms "Minority" and "Special Interest" in this section. They could suggest to some readers that people belonging to such groups are thought to deserve privileges that set them apart from the rest of the population.*

*It would be fairer and more accurate, in my view, to describe such groups as nationwide constituencies of political interest: constituencies whose political interests are defined by their age, race, sex, occupation, income, (or whatever), rather than by where they live. The elderly, for instance, should not be denied the right to representation in Parliament simply because they do not all live in the same suburb!*

## 5 - Effective political parties

Political parties are an essential part of a democratic political system. It is the parties' role to select representatives for the people, to prepare MPs for Ministerial office, to develop policies and promote them to the citizens. Each party needs to be united in its aims in order to do these things. The voting system should recognise the importance of parties and enhance their proper functioning.

### Effective Parties: FPP

An effective party should make policies, promote those policies in public and in Parliament, and have control over those who act in its name.

The Commission thought the current system generally encourages effective parties. Because FPP works against smaller parties and independents, dissidents have reason to work within their parties for change. This way FPP encourages party unity, which the Commission saw as a good thing.

However, where particular MPs are vital members of the party team, there is no way the party can make sure they get into Parliament except by putting them in safe seats. Those in marginal seats can easily be lost. This means elected MPs are not always those a party would most prefer to have in Parliament.

The need for candidates with broad appeal under FPP means parties tend not to get a balance of gender, race and other interests among their MPs.

This last point is discussed further on page 12.

### Effective Parties: MMP

MMP could improve the policy development functions of parties. The list system allows selection of MPs with expert knowledge or special skills. They would be safe from the gamble of standing as candidates in marginal electorates.

The Commission wondered whether the dual method of voting under MMP might create two classes of MP, and produce divisions within parties: list MPs might be seen as more likely to become Ministers, and local electorate MPs as more representative of the people. The Commission saw this has not happened in West Germany, and thought if we have equal numbers of list and constituency MPs it is less likely to happen here. Also, parties have an interest in not letting such divisions happen, as they could undermine party unity.

Under MMP the selection of candidates for party lists would be very important. The Commission recommended changes to the Electoral Act to make sure all parties would be internally democratic:

- The party rules must ensure any party member can participate in the selection of candidates.
- Any party member must be able to challenge their party's selection rules and procedures in court.

The Commission recommended these changes to the Electoral Act be reviewed after two elections, to ensure they are working properly.

All these conditions are included in the form of MMP we will be voting for (see pages 2-3).

## 6 - Fairness between parties

People mainly vote for the party they want in government. A fair voting system should ensure the number of seats a party gets reflects the share of citizens who support it.

### Fairness between Parties: FPP

Elections are essentially contests between political parties. FPP wasn't designed for parties. When it was introduced, there weren't any - all the candidates stood as independents.

FPP doesn't give political parties a fair deal:

- Smaller parties can have significant support across the nation, but not get even one seat in Parliament. When they do win seats, they are not fairly represented: In 1981 Social Credit got one seat for every 186,000 of its votes (on average), while National got one for every 14,900 of its votes, and Labour got one for every 16,300.
- A party can win more votes than its opponent but have fewer seats in Parliament. This happened in 1978 and 1981.
- Since 1954, every government has been elected by less than half the voters.
- A small change in support for the major parties often leads to a much larger change in the number of seats each party gets. A 5% change in voter support can lead to a 25% change in the number of seats a party gets.
- Election results depend too much on where electoral boundaries lie. Changes in electoral boundaries between two elections could result in a change of government, even if people voted exactly the same way in both elections.

The Commission said some small-party support is protest voting, to show disapproval of the major parties, so genuine small-party support could be overstated.

### Fairness between Parties: MMP

MMP will give parties a share of seats in Parliament the same as their share of nationwide support (if they have more than 5% of the vote)

Under MMP, much of the unfairness associated with setting electoral boundaries will be avoided (see page 6).

There are some concerns to be addressed:

- If many small parties just missed out on the 5% threshold, the major parties would get more than their fair share of seats.
- If a party which is not well supported across the nation won some constituency seats, it might get more than its share of MPs. In this case the overall number of MPs in Parliament would increase to give the other parties their fair shares.
- A small party with the "balance of power" could have more power than its electoral support. The Commission said this should neither be disregarded nor over-rated. Overseas experience shows small parties abusing their position in this way are usually punished by the voters at the next election.
- MMP makes coalitions more likely, but not absolutely necessary: a major party can still attract enough support to govern by itself. It can do so even if it has less than half the seats in Parliament, if its opposition is divided.

These imperfections of MMP have to be weighed against the benefits of a Parliament which properly reflects the will of the people by ensuring parties get their fair share of seats.

People might also vote for their least-disliked major party, rather than their most-preferred small party, because they feel a vote for the small party would be wasted. The genuine small-party vote would then be understated.

## 7 - Political integration

The political system ought to reflect differences in the community, but it must also encourage the different groups to work together and have regard for the good of all.

Failure of political integration is the same as political disintegration, which can lead to conflict and violence. The situations in Northern Ireland and Beirut are examples of political disintegration.

### Political Integration: FPP

How well FPP works in the interests of the nation as a whole is not clear.

At local level, MPs may be encouraged to appeal to a wide range of interests and to look out for the interests of the community as a whole, regardless of particular party interests within it.

At national level, FPP might be thought to promote wider national interests because it discourages special interest parties.

On the other hand, our society is becoming more and more diverse, which makes it harder for politicians and large parties to represent everybody's interests. MPs may have to balance too many interests and minority views, and they compromise many or all of them, trying to appeal to the middle ground.

Significant interests may prefer a greater say in their own right. Groups denied a voice of their own might stop supporting our system of law and government, and resort to civil disobedience or more extreme means of being recognised.

### Political Integration: MMP

MMP would provide representation for various groups in society without compromising political integration:

- Under MMP the major parties have an incentive to appeal to significant groups within their party structures, which would enhance integration.
- By giving interest groups the chance to represent themselves, or get a better hearing in the major parties, MMP would encourage them to stay within the political system, preventing political disintegration.
- The 5% threshold would prevent the growth of too many small or extreme parties.