CHAPTER 2 : THE VOTING SYSTEM

Term of reference 2: Whether the existing system of parliamentary representation (whereby in respect of each electoral district the candidate with the highest number of votes is elected as the member of Parliament for that district) should continue or whether all or a specified number or proportion of members of Parliament should be elected under an alternative system or alternative systems such as proportional representation or preferential voting.

CRITERIA FOR JUDGING VOTING SYSTEMS

2.1 We have adopted 10 criteria against which to test the existing plurality system and other possible systems. The criteria follow from the discussion in Chapter 1. No voting system can fully meet the ideal standards set by the criteria. Nor are the criteria all of equal weight. Some of them, if carried to their full extent, are mutually incompatible. Others overlap and none is independent. If a system is designed to achieve one particular objective, the likelihood of meeting other objectives may thereby be lessened. The best voting system for any country will not be one which meets any of the criteria completely but will be one which provides the most satisfactory overall balance between them, taking account of that country's history and current circumstances.

(a) **Fairness between political parties.** When they vote at elections, voters are primarily choosing between alternative party Governments. In the interests of fairness and equality, therefore, the number of seats gained by a political party should be proportional to the number of voters who support that party.

(b) **Effective representation of minority and special interest groups.** The voting system should ensure that parties, candidates and MPs are responsive to significant groups and interests. To facilitate this, membership of the House should not only be proportional to the level of party support but should also reflect other significant characteristics of the electorate, such as gender, ethnicity, socio-economic class, locality and age.

(c) **Effective Maori representation.** In view of their particular historical, Treaty and socio-economic status, Maori and the Maori point of view should be fairly and effectively represented in Parliament.

(d) **Political integration.** While the electoral system should ensure that the opinions of diverse groups and interests are represented it should at the same time encourage all groups to respect other points of view and to take into account the good of the community as a whole.

(e) **Effective representation of constituents.** An important function of individual MPs is to act on behalf of constituents who need help in their dealings with the Government or its agencies. The voting

system should therefore encourage close links and accountability between individual MPs and their constituents.

(f) **Effective voter participation.** If individual citizens are to play a full and active part in the electoral process, the voting system should provide them with mechanisms and procedures which they can readily understand. At the same time, the power to make and unmake governments should be in the hands of the people at an election and the votes of all electors should be of equal weight in influencing election results.

(g) **Effective government.** The electoral system should allow Governments in New Zealand to meet their responsibilities. Governments should have the ability to act decisively when that is appropriate and there should be reasonable continuity and stability both within and between Governments.

(h) **Effective Parliament.** As well as providing a Government, members of the House have a number of other important parliamentary functions. These include providing a forum for the promotion of alternative Governments and policies, enacting legislation, authorising the raising of taxes and the expenditure of public money, scrutinising the actions and policies of the executive, and supplying a focus for individual and group aspirations and grievances. The voting system should provide a House which is capable of exercising these functions as effectively as possible.

(i) **Effective parties.** The voting system should recognise and facilitate the essential role political parties play in modern representative democracies in, for example, formulating and articulating policies and providing representatives for the people.

(j) **Legitimacy.** Members of the community should be able to endorse the voting system and its procedures as fair and reasonable and to accept its decisions, even when they themselves prefer other alternatives.

2.2 The criteria we have outlined fall into a number of related but distinct categories. Criteria (a) to (d) concern the requirements of groups and interests in the community with respect to the voting system. Criteria (e) and (f) are about balance between the needs and interests of individual voters. Criteria (g), (h) and (i) concern the impact of voting systems on our political institutions, while the last criterion, legitimacy, addresses more generally whether the requirements of the preceding 9 have been adequately fulfilled.

2.3 This chapter uses these criteria to

(i) assess our present plurality system (paras. 2.4 to 2.57);

(ii) discuss possible alternatives to it and eliminate those we consider not to require further examination (paras. 2.58 to 2.100); and

(iii) describe and evaluate those systems which appear to be possible improvements to plurality and contrast them with each other and with plurality (paras. 2.101 to 2.186).

In the light of that discussion, we recommend the introduction of a proportional system which retains constituency representation. This chapter ends with a discussion of the details of that system (paras. 2.187 to 2.209).

AN ASSESSMENT OF PLURALITY IN SINGLE-MEMBER CONSTITUENCIES

Fairness between political parties

2.4 Our present system of plurality voting usually fails to achieve results which give parties seats in Parliament proportional to the votes of their supporters. That is well known. The extent of the disproportionality is not, however, so well appreciated. The plurality system was not designed to achieve proportionality between political parties. Indeed, political parties did not exist when plurality was introduced. Under plurality, voting is within distinct geographical areas or constituencies, each containing more or less the same number of people and each returning 1 member to represent that area. The existence of political parties is theoretically irrelevant to this process. The total number of votes cast for each party on a nationwide basis is not used to determine the overall allocation of seats and there is no fixed relationship between the votes a party receives and the seats it wins.

2.5 The extent to which the plurality system produces proportionality between political parties depends entirely on the distribution of party support in relation to the boundaries of the individual electorates. If each party's votes were uniformly spread throughout the country, the party with the greatest overall support would win every seat in a plurality system. At the other extreme, if all the supporters of each party lived in constituencies that did not contain any supporters of other parties, a plurality system would produce a Parliament in which the seats each party gained were approximately proportional to the votes each party received. In New Zealand, the distribution of party support lies somewhere between the two extremes and has differed both between parties and between elections. Consequently the disproportionality of the plurality system affects different parties in different ways at different elections. Some common patterns can, however, be identified. Although we refer only to New Zealand in the following discussion, similar effects are evident in other countries which use the plurality system.

2.6 **Disproportionality between major parties.** Because the distribution of party support comes somewhere between one extreme which would produce total dominance for the largest party, and another which would produce proportionality, it can be expected that when the largest party has a reasonable lead in votes it will receive more seats than its proportional entitlement but will not win all seats. New Zealand elections do, in fact, commonly produce results of this type. Table 2.1 shows the relationship between seats and votes in every New Zealand election since 1935. A small difference in votes between major parties

often translates to a significantly larger difference in seats. (This has been described as the "cube effect" because the number of seats larger parties win in an election is often approximately proportional to the cubes of their votes.) This was particularly evident in New Zealand elections in 1960, 1972, 1975 and 1984.

2.7 While a major party which gains more votes than its chief competitor usually benefits from the disproportionality of plurality, this is not necessarily so when the votes for major parties are close. A party may then receive a greater number of votes than a competitor while failing to win as many seats. Thus Labour failed to win Government while winning more votes than National in the 1978 and 1981 elections. This occurred because Labour supporters were more concentrated in particular areas than were their National counterparts.

2.8 **Unfairness to minor parties.** While plurality creates disproportionality between all parties, it particularly disadvantages the supporters of parties with a lesser share of the vote. Minor or new parties are heavily penalised unless they gain a very significant share of the vote throughout the constituencies (probably around 30%, at which stage their allocation of seats begins to increase rapidly) or have their support concentrated in particular parts of the country and win seats there. As a result, the system often denies a party with a sizable share of the vote commensurate representation in Parliament. In 1981, 20.7% of voters supported Social Credit candidates but Social Credit gained only 2.2% of the seats. In effect it took an average of 186,000 votes to elect each Social Credit MP whereas National won 1 seat on average for every 14,900 votes received and Labour 1 seat for every 16,300 votes. In 1984 an average of 73,600 Social Credit votes were required while National needed 18,700 and Labour needed 14,800. A party with substantial but evenly based electoral support may do particularly badly, as evidenced by the 1984 election in which some 236,000 New Zealand Party voters, 12.3% of the electorate, did not succeed in electing a single MP.

2.9 One of the consequences of the disproportionately low number of seats won by minor parties in New Zealand is that since 1954 all Governments have been elected with the support of fewer than half the voters. All Governments in that period have been majority Governments formed from a single party, with the highest percentage vote for the party winning Government being 48.4% and the lowest 38.8%.

2.10 If fairness is judged in terms of the relationship between the percentage vote each party attracts and the percentage of seats it receives, there is overwhelming evidence that plurality voting is grossly unfair to supporters of minor parties. It should, however, be kept in mind that some of the support for minor parties results from so-called "protest" voting. Some voters use the system to indicate disapproval of major parties by voting for alternative minor parties rather than, for

Table 2.1: New Zealand election results, 1935–1984

	Total no. seats	Labour % valid vote	Labour no. seats	Labour % seats	National % valid vote	National no. seats	National % seats	Social Credit % valid vote	Social Credit no. seats	Social Credit % seats	Values % valid vote	Values no. seats	Values % seats	New Zealand % valid vote	New Zealand no. seats	New Zealand % seats	Others[1] % valid vote	Others[1] no. seats	Others[1] % seats	Informal[2] %	Turnout[3] %
1935	80	46.1	53	66.3	32.8[4]	19	23.8	-	-	-	-	-	-	-	-	-	21.0	8[5]	10.0	0.8	90.8
1938	80	55.8	53	66.3	40.3	25	31.3	-	-	-	-	-	-	-	-	-	3.9	2[6]	2.5	0.7	92.9
1943	80	47.6	45	56.3	42.8[7]	34	42.5	-	-	-	-	-	-	-	-	-	9.7	1[8]	1.3	1.1	82.8[9]
1946	80	51.3	42	52.5	48.4	38	47.5	-	-	-	-	-	-	-	-	-	0.3	0	0	0.8	93.5
1949	80	47.2	34	42.5	51.9	46	57.5	-	-	-	-	-	-	-	-	-	1.0	0	0	0.7	93.5
1951	80	45.8	30	37.5	54.0	50	62.5	-	-	-	-	-	-	-	-	-	0.2	0	0	0.4	89.1
1954	80	43.8	35	43.8	43.9	45	56.3	11.0	0	0	-	-	-	-	-	-	0.5	0	0	0.7	91.3
1957	80	48.3	41	51.3	44.2	39	48.8	7.2	0	0	-	-	-	-	-	-	0.3	0	0	0.5	92.9
1960	80	43.4	34	42.5	47.6	46	57.5	8.6	0	0	-	-	-	-	-	-	0.4	0	0	0.6	89.8
1963	80	43.7	35	43.8	47.1	45	56.3	7.9	0	0	-	-	-	-	-	-	1.3	0	0	0.6	89.6
1966	80	41.4	35	43.8	43.6	44	55.0	14.5	1	1.3	-	-	-	-	-	-	0.4	0	0	0.6	86.0
1969	84	44.2	39	46.4	45.2	45	53.6	9.1	0	0	-	-	-	-	-	-	1.5	0	0	0.9	88.9
1972	87	48.4	55	63.2	41.5	32	36.8	6.7	0	0	2.0	0	0	-	-	-	1.5	0	0	0.6	89.1
1975	87	39.6	32	36.8	47.6	55	63.2	7.4	0	0	5.2	0	0	-	-	-	0.2	0	0	0.5	82.5
1978	92	40.4	40	43.5	39.8	51	55.4	16.1	1	1.1	2.4	0	0	-	-	-	1.3	0	0	0.6	68.4[10]
1981	92	39.0	43	46.7	38.8	47	51.1	20.7	2	2.2	0.2	0	0	-	-	-	1.4	0	0	0.5	91.4
1984	95	43.0	56	58.9	35.9	37	38.9	7.6	2	2.1	0.2	0	0	12.3	0	0	1.1	0	0	0.4	93.7

Sources: AJHR, H33 & E9; J.O. Wilson, *New Zealand Parliamentary Record, 1840–1984*, Wellington, 1985.

Notes: [1] Including Independents

[2] Informal votes as percentage of all those who voted

[3] Number of valid votes as percentage of number of electors on roll

[4] United-Reform alliance

[5] 2 Ratana, 2 Country Party, 4 Independent

[6] 2 Independents

[7] 2 seats won unopposed

[8] 1 Independent

[9] Civilian votes only

[10] Wilson (p. 286) estimates that removing duplications on the roll used for this election would increase turnout to 79.9 percent

example, by abstaining. Voters of this type do not expect the party for which they vote to become the Government or even to win any seats and do not necessarily feel dissatisfied if that party fails to gain a proportionate share of the seats. There is no reliable evidence to indicate how much of minor-party support is of this type or to what degree voting patterns would change under a different system of voting.

2.11 Finally, it should be noted that proportionality between votes and seats is not necessarily the same as proportionality between votes and power. Systems which enhance the prospects for small parties are sometimes said to give a minor party disproportionate power to influence policy as the coalition partner of a larger party or as the party which allows a minority Government to stay in office. This is a point to which we return in para. 2.126 and later.

2.12 **Boundary setting.** In New Zealand, no formal account is taken of the distribution of likely voter support for each party when constituency boundaries are drawn. As already indicated, however, decisions as to where boundaries are drawn may have a profound effect on the proportionality of election results. In an extreme case, boundary changes could in themselves cause a change of Government even without a shift in the voting behaviour of the electorate. In any case, boundary changes are often disruptive to parties and candidates and, indeed, particular parties may be consistently, albeit unintentionally, disadvantaged by the boundary setting process. It would be possible to offset plurality's tendency towards disproportionality if those responsible for setting the electorate boundaries were required to take into account the distribution of each party's supporters. However, for reasons which we discuss in para. 2.77, we consider there are serious problems with such a change and we do not recommend its adoption.

2.13 In summary, the plurality system as operated in New Zealand fails to achieve fairness between the supporters of political parties. The system's tendency towards disproportionality generally favours the largest as against all other parties, and is particularly severe on the electoral prospects of small parties. While plurality usually disproportionately favours the party with greatest popular support, variations between parties in the distribution of their support and the positioning of constituency boundaries mean that the party with the largest vote can fail to win the largest share of seats in the House. In view of the fact that elections are primarily decisions between alternative party Governments, we see the disproportional results produced by plurality as a major deficiency in our present system.

Effective representation of minority and special interest groups

2.14 Under the plurality system a successful candidate in a constituency has to be widely acceptable within that constituency. Depending on the composition of the electorate and the relative strength of the parties, candidates may also need to be responsive to the views and wishes of significant minority and special interest groups.

Under plurality, however, these groups will not necessarily be able to achieve representation in their own right. The evidence known to us strongly indicates that plurality systems everywhere have a poor record in terms of the election of women, ethnic and other minorities, and those from certain occupational and socio-economic groups. Because of its particular importance and unique character, we discuss Maori representation under a separate criterion.

2.15 Although the under-representation of minority and special interest groups does not entirely result from plurality, that system does contribute to it. The very fact that each candidate must be widely acceptable within the electorate may deter the political parties from selecting candidates belonging to minority communities and special interest groups. Table 2.2 shows the number of women elected to the legislatures in different countries as a percentage of the total number of representatives in those legislatures and suggests that, when the influence of other social factors is discarded, the plurality system does tend to contribute to the under-representation of women. While the percentage of women in New Zealand's current Parliament compares favourably with many other nations, this is a recent development and all members of the Commission share the concerns expressed in a number of submissions about the continued under-representation of women in our political system. We address this issue, so far as it relates to women candidates and candidates from minority ethnic groups, in Chapter 9 at paras. 9.26 and 9.27.

Table 2.2: Women representatives in different legislatures

Type of Electoral System	*Women Representatives as % of Total*
Plurality	
Britain (1983)	3.5
USA (Senate and House of Representatives) (1983)	4.3
Canada (1980)	5.0
New Zealand (1986)	12.6
Alternative Vote	
Australia (Lower House) (1986)	5.4
Single Transferable Vote	
Malta (1981)	4.6
Ireland (Nov. 1982)	8.4
Australia (Senate) (1985)	18.4
Party List	
Israel (1981)	6.6
Belgium (1978)	7.5
Portugal (1981)	7.5
Italy (1977)	8.4
Austria (1981)	10.0
Switzerland (1981)	10.5
Netherlands (1977)	15.3
Norway (1977)	22.5
Denmark (1981)	23.5
Sweden (1983/84)	28.1
Finland (1983)	31.0
Mixed Member	
Federal Republic of Germany (1983)	9.8

[Source: adapted from Vernon Bogdanor, *What is Proportional Representation?* (Oxford, 1984) p.114, updated.]

2.16 In terms of age, occupation and ethnicity, New Zealand's Parliament is a poor reflection of the community from which it is drawn. The average age of MPs on their election in 1984 was around 46 years, relatively young for New Zealand Parliaments but nevertheless considerably older than the average age of the voting population. Farming, legal, teaching and other professional groups are over-represented while other occupational groups are under-represented. The vast majority of the current Parliament are of European origin, while 6 are New Zealand Maori. There are no MPs of Pacific Island origin nor any belonging to other non-European ethnic groups. Moreover, because plurality requires MPs to be widely acceptable within their local constituencies, minority representatives once elected have little opportunity to represent effectively the interests of the particular group to which they belong.

2.17 In conclusion, the lack of significant representation in the House by ethnic minorities and other distinct groups may be acceptable to those groups if they perceive their interests to be largely coincident with and adequately represented by those who are elected. We consider, however, that some groups in the community are strongly of the opinion that they are not adequately represented in our Parliament.

Effective Maori representation

2.18 We discuss all aspects of Maori representation in Chapter 3. Maori representation under plurality is considered in paras 3.33 to 3.63, and we here record our major conclusions.

2.19 New Zealand's Parliament currently consists of 4 Maori and 91 General seats. At the next election there will be 4 Maori and 93 General seats. This element of separate Maori representation is significant. Although we are convinced of the general advantages of having all voters, Maori and non-Maori, on a single or common roll, we consider that because of the inherent limitations of plurality in respect of minority representation, the use of a common roll under plurality would not provide an acceptable form of Maori representation until either the Maori population increases, or there is some further protection for Maori rights and interests.

2.20 Our present system of separate Maori representation under plurality does have some valuable features. The 4 seats have become an important symbol to Maori people of their special status as the indigenous people of New Zealand. They guarantee that the Maori people will have representatives in Parliament who are elected by, and are accountable to, Maori voters, who can serve their constituents in a Maori way, and who can use their standing as MPs to promote and protect Maori rights and Maori interests within Parliament, the Government, and the wider community. All Maori people can now choose whether to vote on the Maori roll or on the General roll. All the major political parties nominate candidates for the Maori seats, and that can have some effect in bringing Maori concerns into the mainstream of New Zealand politics.

2.21 In our view, however, the present form of Maori representation carries with it important disadvantages. Some might be overcome by changes within the present system, but others will persist for as long as the plurality system operates, and still others stem directly from the fact of separate representation. It is obvious that the Labour Party's hold on the seats is so secure that there is little electoral incentive for it or the other parties to compete for the Maori vote or to commit resources to contesting elections for the Maori seats. Maori candidates and MPs in General seats have to pay most attention to the views of non-Maori voters. The plurality system makes it difficult for a Maori party to succeed even in the separate Maori seats. The 4 Maori seats are so large that even the most diligent MP finds it impossible to service them adequately. Separate representation gives the majority culture a licence to ignore the political interests of the Maori people. Finally, there are various problems associated with the existence of a separate roll and the Maori option, with voting arrangements and special votes, and with the fact that the number of Maori seats is fixed regardless of the number opting for the Maori roll. Many of these problems are deeply felt by the Maori people themselves.

2.22 Overall, we consider New Zealand's system of separate Maori representation with plurality to be seriously deficient in providing for the effective representation of the Maori people. Moreover, as we point out in Chapter 3, separate representation works against the development of mutual understanding between the races, a factor which is also relevant to the next criterion.

Political integration

2.23 As far as possible, any system of voting and representation should foster national harmony without stifling separate interests. An assessment of the degree to which plurality systems encourage political integration depends largely on attitudes to the issues raised in paras. 2.14 to 2.22. The consequences can be disastrous if each group within the nation pursues its own objectives oblivious of the needs and desires of other groups or of the community as a whole. By encouraging parties and candidates to appeal to a broad cross-section of the electorate, by providing a single member who is expected to look after all his or her constituents regardless of party or other affiliations, and by providing disincentives to the development of parties representing a single group or issue, plurality systems may be seen as promoting political and social harmony.

2.24 Nevertheless, plurality frequently fails to reflect the diversity in society. Particularly where divisions of interest and experience are pronounced, political integration may be impaired rather than promoted if those divisions are not reflected in Parliament. Groups denied a voice become alienated from the political system and may resort to extreme and undemocratic measures. New Zealand society is steadily developing in a more diverse way and is no longer as homogeneous as it once was. The growth of new groups and interests has also been

accompanied by increased demands from already existing groups for a greater say in their own affairs. As we have already said, we consider that the plurality system has a weakness in that the requirement for candidates to have broad appeal tends to submerge legitimate minority views. Indeed, in their competition for the middle ground, major parties may be tempted for political reasons to counter moves by their opponents to cater for minority groups.

2.25 In summary, we consider the present plurality system encourages parties and individual candidates to seek broad support from the community and to eschew extreme or selfish positions. While we consider this to be generally integrative, we see the plurality system's relative inability to provide for effective minority and special interest representation as a threat to political integration.

Effective representation of constituents

2.26 In view of New Zealand's centralised system of government and public administration and the large powers Governments exercise, it is highly desirable for our electoral system to provide a strong link between MPs and constituents. The plurality system, with its single-member constituencies provides such a link. In New Zealand each MP is responsible for, and accountable to, more or less the same number of people. Furthermore, the MP who provides the constituency service represents the entire electorate, not merely those who choose to vote for him or her. The question of which MP is obliged to serve which constituents is clear. This serves to moderate the divisive effects of party affiliation and is distinct from work in the legislative chamber where party lines are much more rigid.

2.27 The ability of constituents to take up their concerns through an MP with specific responsibilities to the local community is a healthy feature of our system which protects the rights of citizens and enhances the historic role of Parliament in attending to grievances. The system also appears to work well whether the MP is in Government or in Opposition. There may be room for debate as to whether all the constituency work is necessary or whether some could better be carried out by other governmental and community organisations. Nevertheless, under our system of administrative Government, as distinct from some European countries which have separate and decentralised administrative systems, the MP performs an important local role. Constituency work is also, as MPs stressed to us, a valuable way for the MP to keep in touch with the views and opinions of electors.

2.28 Despite its advantages, constituency representation under plurality has some weaknesses. While we are confident that most MPs attend to constituents' concerns irrespective of the personal characteristics or views of the individual concerned, on certain occasions or issues some constituents may feel uncomfortable approaching their particular MP. Indeed, no one person could ever be an acceptable constituency representative for every resident of an electorate. Perhaps the most likely reason for a constituent to be

deterred from approaching an MP is when the MP is of a different political persuasion. Under the plurality system it is inevitable that some voters in every constituency will be denied a representative of their preferred party. However the extent of this non-representation is not always appreciated. In a large number of constituencies (for example, 53 out of 95 in 1984, and 64 out of 92 in 1981) the votes for losing candidates exceed the number given to the winner. Indeed, in some instances a candidate may win with less than 40% of the vote, e.g., in 1984 Pakuranga where 35% was sufficient, Ohariu-38% and Bay of Islands-39%. Again in 1984, only 50.2% of all voters were represented by an MP of the party for which they voted, a point to which we return in para. 2.38. Rather than consulting an MP of a party they do not support, some electors prefer to take their concerns to an MP of their own political persuasion in a neighbouring electorate. This is not always possible, however, as the plurality system often produces results whereby whole regions in which a party has a substantial share of the vote do not produce any MPs belonging to that party. In 1981 National won all 6 seats in the Waikato region with less than 50% of the vote, and Labour voters who made up 26% of the electorate had no Labour MPs elected. In 1984 Labour won all 10 seats in the Wellington area with just over 50% of the vote, while National won no seats despite having the support of 29% of the region's voters. While it cannot be inferred from these statistics that all voters denied an MP of their own political persuasion are necessarily denied effective constituency representation, the high proportion of voters who are represented by MPs of a party for which they did not vote is a significant deficiency of the plurality system.

2.29 There are also reasons other than those of party affiliation which might in certain circumstances make some constituents reluctant to approach their MP. Many electors may feel uncomfortable consulting an MP of a different gender, ethnic origin, age, or value system from their own, and a system based on single-member constituencies cannot cater for this either. It cannot even be assumed that the candidate elected will necessarily be the candidate a plurality of electors consider to be the best constituency representative. When electors decide for whom to vote they may take the personal qualities and characteristics of the candidates into account but are likely to give greater weight to the overall policies and leadership of each candidate's party. Each party nominates only 1 candidate in each constituency, and party supporters can express their disapproval of that candidate only by abstaining or by voting for another party.

2.30 A final problem concerning constituency representation under plurality relates to the setting of electoral boundaries. Because under our plurality system each constituency is required to comprise more or less the same number of people, shifts in population often make it necessary to make adjustments to the boundaries. Such adjustments may cause considerable difficulties for the MPs affected. Moreover while endeavours are made to draw boundaries in a manner consistent with

the retention of communities of interest, this is not always possible and boundaries frequently cut across recognised communities.

2.31 In summary, there is in our view little doubt that under plurality the local constituency role is generally appreciated by electors and adds to the way in which MPs and the system as a whole are viewed. However, successful candidates are frequently not voted for by a majority of voters in their constituency, and the supporters of a particular party in regions where that party is relatively weak may have no MPs of their political persuasion to whom they can turn. With or without justification, some constituents are likely to feel uncomfortable approaching an MP of different background or personal characteristics from their own and the single-member system does not adequately take account of this problem. Finally, the fact that electoral boundaries may change every few years and may dissect communities of interest interferes with the close links which an MP may have established with a particular district. We consider that plurality's benefits under the criterion of effective representation of constituents should not be overstated.

Effective voter participation

2.32 If a voting system is to encourage effective voter participation, it must be simple for voters to operate and understand. There is no doubt that plurality scores highly in terms of casting a valid vote. Because each party puts forward only 1 candidate in each electorate, plurality does not require voters to familiarise themselves with a large number of competing candidates. The simplicity of the system is reflected in both the low incidence of informal voting (0.4% in 1984), and the high turnout at elections. Whether measured in relation to the census population or the roll population, New Zealand elections commonly produce high turnouts, particularly bearing in mind that voting is not compulsory. Thus in 1984 the turnout was approximately 94% (84% for voters on the Maori roll) and in 1981 approximately 91% (83% for voters on the Maori roll).

2.33 Turnout is also used as an indication of voters' satisfaction with the system, and New Zealand's high rates are used to justify continued use of plurality voting. While, however, it is unlikely New Zealand's high turnout figures could co-exist with widespread voter alienation, they are not in themselves evidence that voters would not consider their vote to be more effective under some other voting system.

2.34 Effective voter participation also requires voters to be able to use their votes to choose both Governments and individual representatives. It is often contended that because under plurality 1 party frequently gains a clear majority of seats, voters choose the Government directly rather than leave this choice to negotiations between prospective coalition parties following an election. It is also suggested that under plurality the winning party is clearly accountable in that it alone makes the decisions during its term of office and then is either endorsed or rejected by the electorate.

2.35 Under plurality, moreover, a relatively small swing in voting support can result in a relatively large number of seats changing hands. This is sometimes cited as a major advantage of the system in that it gives voters greater ability to change the Government and individual representatives. Although some Governments and many MPs have been re-elected for relatively lengthy periods under plurality, it is argued that the sensitivity of the plurality system increases the possibility of voter-initiated change.

2.36 It is our view, however, that the enhanced participation of voters under plurality is largely illusory. First, the undoubted simplicity of casting a valid vote under plurality disguises an inherent weakness in the system in that voters are required to make 2 distinct choices with the same vote. As discussed in Chapter 1, the principal choice voters see themselves as making is which political party or parties will be in Government. Despite this, the plurality system of voting in single-member constituencies is designed only to enable the now secondary choice of a local representative. While voters' preferences for party and candidate often coincide, this is not always the case and voter participation is clearly diminished when they do not.

2.37 Second, the relative ease with which Governments are changed and the enhanced accountability produced by single-party Government depend entirely on the tendency towards disproportionality inherent in the plurality system. It is precisely because a minority of voters may elect a Government that the system appears to provide a considerable degree of voter control.

2.38 Third, by operating on the basis of majorities produced constituency by constituency, plurality tends to produce major discrepancies between the effectiveness of *individual* votes. This happens in 2 distinct ways. First, those voters who vote for losing candidates make no direct contribution to the election of any candidate or party in the House. Their votes are, in this respect, less effective than are those cast for winning candidates. As we indicated in para. 2.28, over half of all electors at the 1984 election fell into that category. The second discrepancy concerns the effectiveness of individual votes in "marginal" as against "safe" constituencies. In some seats the margin between candidates may be so large as to make individual votes virtually irrelevant to the result, and voters might reasonably consider their votes ineffective whether or not their desired candidate or party was elected. These "safe" seats are, moreover, usually known in advance of an election. However, in other constituencies a few votes may determine which candidate is elected and, in a close election, may be a decisive influence on who is to govern. An analysis of the marginal seats in 1978 and 1981 shows that in 1978 in 7 marginal seats (with a total of 135,129 voters) only 722 voters would have had to change their vote from National to Labour to result in all 7 seats passing to Labour and that party becoming the Government. Similarly, in 1981 a change of Government would have occurred if 154 voters in 3 marginal electorates with 56,871 voters had voted for Labour instead of National. Thus, while

the system is sensitive to small shifts in overall voter support, in practice the power to change a Government is held by the relatively small number of voters in marginal seats. Their enhanced participation comes at the price of lessened participation for the vast majority of voters.

2.39 Too much should not be made of this argument as the outcome in marginal seats generally follows the national trend. Nevertheless, this will not necessarily always happen. Moreover, a Government may be tempted to give favourable attention to marginal seats in order to lessen the effects of a nationwide swing against it and, whether or not this is effective, voters in safe seats have legitimate cause for complaint.

2.40 In summary, while acknowledging the relative simplicity of New Zealand's plurality system, its high voter turnout and sensitivity to shifts in voter opinion, we consider that these advantages must be weighed against the disadvantages we have mentioned and, in particular, the major discrepancies in the effectiveness of different votes in influencing the overall result.

Effective government

2.41 As previously noted, plurality voting tends both to exaggerate the seats won by the leading party and to discriminate against minor parties. These effects enhance the prospect of 1 party winning a majority of the constituencies, and thus becoming the Government, without 50% of the votes. The winning party normally has the ability to introduce its policy in a coherent and decisive way, unfettered by any need to consider the demands of another party. It can also act quickly when the occasion demands. While these characteristics are accidental and result from the particular way in which our voting system evolved from one designed only to elect individual constituency representatives, they usually promote stable and decisive, and thus effective, Governments and provide a powerful justification for the plurality system as it now operates.

2.42 There are nevertheless several aspects of this which require consideration. First, while plurality systems clearly enhance the prospects of single-party majority government, they do not guarantee it. Much depends on the political and social divisions in a country at a given time. In New Zealand there was a minority Government between 1928 and 1931, and a coalition Government between 1931 and 1935. The 1981 election also came extremely close to producing an outcome where it would have been necessary to have either a coalition between 2 of the 3 parties winning seats in the House, or a minority Government. Other countries with the plurality system, such as Britain and Canada, have also often experienced coalition and minority governments.

2.43 Second, for the same reasons that the plurality system tends to promote single-party government, it also tends to promote changes in Government. Moreover, when Governments change under plurality they generally change entirely, with all of the defeated Cabinet being replaced by members of the former Opposition. Sometimes these changes are accompanied by radical new policy initiatives and moves to

reverse the decisions of the previous Government. Such changes of personnel and policy are not, in the long term, always conducive to effective government, particularly if the party removed from power is committed to changing things back again on its return to office.

2.44 This point can, however, be overstated. In general, changes of policy following changes of Government do not seem to have been unduly disruptive in New Zealand. Both the potential disruptiveness of policy changes, and the difficulties associated with new and inexperienced Governments, are offset to some degree by the continuity and stability provided by an independent public service and the non-partisan nature of some of the work of Parliament. Furthermore, when political parties gain power they do not attempt to undo all that has previously been implemented. Not only would that be virtually impossible, but it would also be electoral suicide. On almost all occasions only a limited number of the policies of the previous Government are changed. Moreover, to the extent that major changes of Governments and their policies do take place under plurality, this may be beneficial. It is a necessary and vital part of effective government and the democratic process itself that the voting public may from time to time choose to make major changes.

2.45 Nevertheless, because a complete change of Government can result from a small shift in voter opinion, major redirections of policy are possible without a significant shift in the attitudes of the electorate. Indeed because Governments under plurality are seldom elected with the support of more than half the electorate, a particularly controversial area of policy may be the subject of repeated changes with no attempt made to find a compromise solution acceptable to a majority of the population.

2.46 In summary, we see the plurality system as generally producing single-party Governments which are both stable and able to effectively implement their policies. That is an important strength of our system. Nevertheless, we consider that the enhanced potential under plurality for frequent changes of Governments and their policies may, if realised, contribute to instability and, in the long term, ineffective government.

Effective Parliament

2.47 Many of the submissions made to us were critical of the way in which our Parliament operates; we have little doubt that this is an aspect of the system with which the general public is far from happy. We think, however, that most of the unhappiness relates to the perceived behaviour of some MPs in the House rather than to defects in the parliamentary system itself. Insofar as the unhappiness relates to the system, it appears to be based largely on a public perception of petty bickering coupled with a misunderstanding of the valuable role performed by the Opposition in testing Government policies. The adversarial role of the Opposition as an alternative Government is an important factor in keeping a Government accountable to the people and is enhanced by the 2-party polarisation characteristic of a plurality

Parliament. In our view, those who denigrate our system underrate the value of both Parliament and elections as arenas where competing ideas and policies can and should clash and be evaluated. Critics of the system probably also underrate the extent of co-operative work which does take place, particularly during the largely unpublicised select committee process. Moreover, critics are probably looking for an ideal which is unlikely to be achieved. We record, however, that a constant theme in the submissions made to us was the strong desire for a process which is less adversarial and more consultative.

2.48 Our major concern about the effectiveness of Parliament does not relate to the adversarial process but rather to the extent of the power of the executive (i.e., Cabinet) in relation both to the Opposition and to the Government caucus. Many submissions to us, including some from MPs, expressed concern about the dominance of the executive and its control over information. New Zealand has no Second Chamber and, notwithstanding developments in parliamentary processes in the last 20 years, there are only limited restraints on an executive which is determined to ensure that a particular Bill is passed. While this problem is not restricted to Governments elected under plurality, the tendency of the plurality system to promote single-party government clearly increases the potential for the abuse of executive power.

2.49 Our conclusion, therefore, is that plurality is capable of producing an effective Parliament which can scrutinise the work of the Government and carry out all the other important parliamentary functions but that the tendency for the system to produce single-party government increases the possibility of the abuse of executive power.

Effective parties

2.50 To be effective, a political party must be capable of fulfilling its policy-making functions, it must be sufficiently united in articulating and promoting its policies both before the electorate and in the legislature, and it must have a measure of control over the candidates and representatives who campaign and act in its name. In general, we are of the view that New Zealand's plurality system promotes effective parties which represent a range of interests on whose behalf policies are developed and articulated. The plurality system of single-member constituencies means candidates of the same party are not forced to compete against each other at the polls. This helps to keep the parties united and enhances public accountability. Because plurality works against small parties and Independents, there is an incentive for dissidents within major parties to work inside their party for change rather than break away. This helps reduce factionalism and its detrimental effects both on political parties and on the wider political system.

2.51 On the other hand, as noted in para. 2.14, candidates in each constituency need to have broad-based appeal. This limits parties' ability to achieve a balance between diverse occupational, gender,

ethnic and interest groups, particularly where power over candidate selection is concentrated in the hands of local party branches. The plurality system may also be seen as impairing the effectiveness of parties in that it makes MPs in marginal seats vulnerable to electoral defeat regardless of their personal qualities. Under plurality a party has no means of protecting able members other than by ensuring they are nominated for safe seats. The MPs who are elected are not necessarily those the general public, or the parties themselves, would prefer to have in the House.

2.52 In summary, we consider New Zealand's plurality system encourages the development of effective political parties. While the system does not encourage a good balance between diverse groups or enable parties to protect their able MPs in marginal seats, it does adequately encourage party unity and the formulation of policy.

Legitimacy

2.53 Despite its defects, the plurality system has long been accepted in New Zealand as a legitimate system. However, much of the legitimacy that is accorded the system derives, in our view, not from its results but from the impartiality and objectivity with which it is administered. It may also be true that only a limited number of New Zealand voters clearly understand and appreciate the existence of feasible alternative voting systems. Results such as those of 1978 and 1981 have caused some New Zealanders to question the legitimacy of the system. In both of these elections not only were small parties severely under-represented but also the party with the most votes lost. The perception of legitimacy may be eroded if apparently unfair results persist and if in an increasingly diverse society significant groups and interests remain excluded from Parliament. The crucial nature of boundary adjustment procedures and their potential for deliberate or unintentional bias for or against a particular party may also contribute to a perception that the system lacks legitimacy.

2.54 Of the 804 written submissions received by this Commission, 65% referred to the method of voting at parliamentary elections. Of these, 61% favoured a change to some form of proportional representation, 9% wanted either the alternative vote or the second ballot system, and a further 4% suggested a change to either proportional representation or the alternative vote/second ballot. Fifteen percent of the submissions referring to the method of voting favoured some other kind of change and 10% favoured retention of the present plurality system. Proportional representation was supported by the Democratic Party, the Values Party and the Mana Motuhake Party. The Labour, National and New Zealand Parties favoured the status quo. We would expect a Royal Commission on the Electoral System to hear more from the proponents of change than from the defenders of the status quo, but we consider the submissions made to us do reflect a real degree of disquiet concerning the fairness of our system. *Herald*/NRB polls taken in 1979, 1982 and 1985 show fluctuating levels of support for

the plurality system. The 1979 poll sought an answer to the single question, "Are you satisfied with the present method of electing members of Parliament?" (with 54% answering "yes", 41% "no" and 5% "don't know"); and while it can be said that the 1982 and 1985 polls (which asked those polled to choose between a range of systems) showed that plurality had the largest body of support (40% in 1982 and 48% in 1985), it is also true that a greater number (54% and 49% respectively) favoured some type of new system.

2.55 In summary, while New Zealand's plurality system is generally accepted as legitimate, there is a significant body of support for some other system.

Conclusion

2.56 The foregoing survey of plurality against our criteria shows that New Zealand's voting system has serious deficiencies. Even in those areas where plurality has recognised strengths, there are real qualifications to be made. Thus, plurality rates well in terms of *effective representation of constituents*, but does not cater for many of those who wish to approach an MP of their own party. *Voter participation* is enhanced by the ease with which valid votes may be cast, but the votes of many electors are ineffective in influencing the overall result. Plurality is generally conducive to *effective government* and enables implementation of policies in a decisive way, but this may not necessarily result in stable and effective government in the long term. Plurality does produce an *effective Parliament*, but provides little to check a powerful executive. It assists the development of *effective parties*, but the broad-based appeal required of candidates limits the ability of parties to select candidates who are representative of a range of groups and interests. The *legitimacy* of the system is well accepted, though this may in significant measure be due to the impartiality with which it is administered and a lack of knowledge about alternative systems.

2.57 In those areas where plurality is acknowledged to have weaknesses, these are severe indeed. Not only is plurality unfair to supporters of *major parties*, but it is also grossly unfair to supporters of *minor parties*. Plurality also fails to ensure reasonable recognition and *representation* for significant *minority and other special interest groups*. In particular, and despite the 4 Maori seats, plurality denies *effective Maori representation*.

ALTERNATIVES TO PLURALITY

2.58 Every voting system is the product of a balancing of desirable and potentially conflicting objectives. It follows that any system will have its imperfections. Keeping that in mind, we nevertheless consider our survey of the strengths and weaknesses of plurality clearly indicates the desirability of inquiring whether there are other systems which overcome the major defects of plurality without introducing worse

deficiencies of their own. We therefore now turn to consider other possible systems.

2.59 Most western democracies do not use the plurality system. Many other voting systems are used, of which proportional systems are by far the most common. There are also voting systems which have been devised but never implemented in any country.

2.60 We cannot review all these voting systems in their variety and detail. The descriptions and evaluations in this section are therefore confined to those that are possible alternatives to New Zealand's present system. Indeed, most were advocated in submissions to us. Each will be described briefly and then assessed against our criteria. This will enable us to eliminate some and to reserve others for closer examination.

Plurality in multi-member constituencies

2.61 Under one version of this system, every constituency returns more than 1 member and each voter may cast as many votes as there are seats to be filled. The candidates with the highest numbers of votes win. This is the **At-large voting** system commonly used to elect local government councils in New Zealand. It was also used to elect some MPs between 1853 and 1903.

2.62 It is also possible to have a **Points system** for voting, whereby electors number the candidates in their order of preference, with points being allocated to candidates so that a first preference carries more weight than a second, which carries more weight than a third, and so on. Each candidate's points are added up, and the candidates with the most points (or the least, depending on the system used) are the winners.

2.63 Another variant is known as the **Limited Vote.** Instead of having as many votes as there are seats to be filled, each elector has fewer votes than the number of seats. Thus each elector might have 2 votes in a 3-seat constituency, or 3 votes in a 4-seat constituency. Again, the candidates with the highest numbers of votes win. A similar system, known as the **Single Non-Transferable Vote (SNTV),** is used in Japan where electors may cast only 1 vote in a 3, 4, or 5 seat constituency.

2.64 In contrast to the Limited Vote, the **Cumulative Vote** allows voters as many votes as there are seats to be filled, but also permits a voter to give more than 1 vote to a single candidate. The candidates with the most votes win.

2.65 A change from single-member to multi-member constituencies would need to offer major advantages to justify the loss of the direct link between the constituent and the MP. We do not consider that any of the systems which use plurality in multi-member constituencies does so. Under all variants, a party may not win seats in approximate proportion to its vote, either within a constituency or over the country as a whole. The At-large system makes it possible for the disciplined supporters of a party with a small majority to win all the seats in a constituency. The

Limited Vote systems are very sensitive to parties' nomination strategies in the light of their expected levels of support. If they nominate too many candidates, their support may be spread too thinly and voters may elect fewer candidates than the party's voting support warrants. Similarly, by nominating too few candidates, a party may concentrate its support and elect fewer than it might have done. The Limited Vote and the Cumulative Vote also allow votes to concentrate on particularly popular candidates to the detriment of less well known candidates within the same party. Both the Points system and the Limited Vote can make voters' later preferences count against their earlier preferences. SNTV is a simple system which can give representation to small parties, but the non-transferability of the vote means that 1 candidate may be elected with a huge majority whereas another candidate may be elected with a very small proportion of the vote. All the systems which use plurality in multi-member constituencies allow voters to choose between candidates, and thus contain an incentive towards intra-party competition as candidates try to distinguish themselves from their rivals within their own party as well as from other parties. This can be detrimental to party unity.

2.66 In short, we do not regard any of the systems using plurality in multi-member constituencies as of sufficient merit to require further consideration.

Modifications to plurality in single-member constituencies

2.67 The use of a **Second Ballot** in a single-member constituency can ensure that the winning candidate gains an absolute majority of the votes cast. If no candidate in a constituency receives more than 50% of the valid votes, a second ballot is held at a later date (often a week after the first) either between those candidates who have crossed a specified threshold (usually a percentage of the valid votes cast in the first ballot), or between the 2 highest-polling candidates. The candidate receiving the most votes in the second ballot is declared the winner.

2.68 The second ballot was used for elections to the National Assembly of the Fifth French Republic held before 1986 and is also used for French Presidential elections. Some "run-off" elections in the United States apply the same principle. New Zealand used the second ballot system for the 1908 and 1911 parliamentary elections, with the second ballot being held between the 2 highest-polling candidates a week after the first.

2.69 Appropriate rules in a second ballot system can ensure that each winner in a constituency has the support of a majority of those who vote. It does, however, require 2 polling days, and, like the alternative vote which we discuss next, is not likely to be of much benefit to minorities or to minor parties. We do not consider that it has significant advantages to offer in this form.

2.70 The **Alternative Vote** system appeals to the same principle as the second ballot, but avoids the need for a second election at a later date. It uses single-member constituencies and each voter numbers the

candidates on the constituency ballot paper in order of preference. The number of candidates that must be numbered for the vote to be valid may vary from one version of the system to another. A candidate who obtains more than 50% of valid first preferences is declared elected. If no candidate has that number of votes, the candidate with the lowest number of votes is eliminated and the votes cast for that candidate are transferred to the remaining candidates according to the voters' second preferences. The elimination of candidates and the transfers of votes continue until 1 candidate has an absolute majority of valid votes.

2.71 The alternative vote (sometimes known simply as the "preferential vote") has been used for elections to the Australian House of Representatives since 1918, and is also used for elections to the Lower Houses of most Australian States. In New Zealand various unsuccessful attempts were made to introduce alternative voting in single-member districts. The short-lived Mackenzie Government of 1912 introduced a Bill to do so, but it lapsed with the defeat of that Government after only 15 weeks in office. The last serious attempt was by the Massey Government in 1923, with a system which combined single-member rural constituencies with multi-member urban constituencies.

2.72 The alternative vote ensures that the person elected in a constituency has gained at least 50% of the vote only if voters are required to show preferences for most of the candidates. That may mean a higher rate of informal votes, and may force voters to show preferences for candidates they do not support. Indeed, later preferences may result in a candidate with the largest number of first preference votes being defeated. On the other hand, a system which allows too many votes to become non-transferable before the final count means that a candidate can be elected without having 50% of all valid votes. The system would not improve Maori representation, whether in separate seats or under a common roll. Similarly, minority parties would likely remain under-represented. The alternative vote does, however, retain single-member constituencies and is likely to result in single-party Governments. It might represent some improvement over plurality in single-member constituencies; however, we do not consider this improvement would be significant and do not regard it as the best alternative to our present system.

2.73 **Approval voting** in single-member electorates allows voters to vote for (i.e., indicate approval for) any or all of the candidates standing. Each vote counts equally and the candidate with the most votes wins the election. The candidate "approved" by the greatest number of voters is thus elected.

2.74 Approval voting is a relatively new concept and is not at present used for elections to any legislatures. While it shares many characteristics of the alternative vote, proponents of approval voting claim major advantages over that system. First, it is said to be simpler to understand; second, voters do not order candidates and thus candidates are not seen to be elected on low preferences.

2.75 In our view, many of the purported advantages of approval voting over the alternative vote accrue from the relative crudity of the approval system, i.e., the loss of the voters' power to rank candidates. The fact that a voter is unable to indicate gradations of approval for candidates does not mean all candidates are equally approved. More generally, we see other difficulties with approval voting in that it may act as a deterrent to voters, candidates and parties adopting clear positions, particularly on contentious issues. Finally, approval voting is unlikely to improve significantly, if at all, the representation of minority and other special interest groups in the House. We do not regard it as the best alternative to our present system.

Other modifications to plurality

2.76 As indicated in para. 2.12, it is possible to reduce disproportionality under plurality by requiring that the boundary-drawing process take account of the distribution of party support, based on voting patterns at previous elections. If it is assumed that most voters will not switch parties, the consequence could be a large number of safe seats for each major party and only a few marginal electorates. This would mean results in general were likely to be more proportional than under the present system.

2.77 We reject this approach for several reasons. First, because some voters will change their vote, move, or have only just become eligible, predictions based on previous voting patterns will inevitably be subject to some error. Proportionality therefore cannot be guaranteed between major parties and the system can take no account of the development of new political parties such as Values in 1972 and the New Zealand Party in 1984. Second, even if voting patterns were to remain constant, proportionality for minor parties would still be very difficult to achieve. Third, if even an approximation of proportionality were to be achieved, political support would need to be an overriding criterion in the Representation Commission's considerations. Constituencies would, therefore, bear less relation to communities of interest than under the present system. Fourth, voter participation would be impaired both by the election being seen to be to some extent predetermined by the boundary-drawing process, and by the greatly diminished role for voters in the large number of safe seats. And finally, legitimacy may be undermined by public suspicion of political manipulation of the boundary-fixing process.

2.78 Other modifications to the plurality system could retain single-member constituencies and a bias towards single-party Government, but use **supplementary seats** in one or more of the ways described below. The number of supplementary seats required would vary according to the use to be made of them. They could be used to deal with the situation where a party wins more votes but fails to win more seats than another party. For example, if 1 party gains 42% of the vote but only 38% of the seats, whereas another party gains 38% of the vote but 42% of the seats, the first party would be given enough extra seats

to make the final ratio of seats between the 2 parties the same as the ratio of their shares of the vote.

2.79 There are also various ways in which supplementary seats could be used to ensure that a party with a plurality of votes, but without an absolute majority of seats, was given enough extra seats to be able to govern without the support of other parties in the House. The supplementary seats could also be used to give representation in Parliament to any party that had not won any seats despite having gained more than a certain percentage of the total vote, for example, 5%.

2.80 These attempts to modify plurality in single-member constituencies do not seem to us to justify further examination. The fact that the number of supplementary seats would fluctuate from election to election would create practical difficulties. The supplementary seats would also be perceived as an artificial interference with the system.

2.81 There is, however, a more promising scheme which we have called the **Supplementary Member (SM)** system whereby supplementary seats are allocated to parties in proportion to their share of the total vote in the constituencies. Alternatively, each elector can have a second vote for the supplementary seats, with the allocation of those seats being based on that vote alone. Each party's entitlement to seats is determined proportionally, by, for example, the modified Sainte Laguë system (see Addendum 2.1) and the seats it wins are filled from an ordered list of candidates nominated by that party.[1] Thus if the party is entitled to 10 of the supplementary seats, the top 10 candidates on its list are elected. The total number of supplementary seats determines the threshold of votes that a party must get before being ensured of a list seat. A pool of 20 supplementary seats allocated by the modified Sainte Laguë system would mean that a party would have to get approximately 7.5% of the total vote before being sure of 1 list seat, whereas a pool of 30 seats would mean a threshold of approximately 5% for a first seat, and 6.8% for 2 seats. Possible variations within SM would allow constituency candidates to be list candidates as well (and be deleted from the list should they be successful in the constituency election) and would enable special arrangements to be made concerning, for example, ethnic or women candidates on the parties' lists.

2.82 Although SM is not used anywhere in the world, it has been proposed from time to time in countries which use plurality in single-member constituencies. As far as we are aware, it was first suggested for New Zealand in 1971[2] and the proposal has been repeated from time to time since then. The Task Force on Canadian Unity recommended its adoption for Canada in 1979, with 60 seats available for allocation to parties proportionate to their shares of the popular vote in about 280

[1]It would be possible to elect supplementary members by other methods such as the single transferable vote (STV) (see paras 2.95 to 2.99).

[2]Ref. R.M. Alley and A.D. Robinson, "A Mechanism for Enlarging the House of Representatives", *Political Science*, 23 (1971), pp. 2-8; reprinted in *The Reform of Parliament*, ed. Sir John Marshall, Wellington, 1978), pp. 104-115.

single-member constituencies. The additional seats allocated to each party were to be assigned to ranked candidates on provincial party lists announced before the election. The principal aim of the Canadian proposal was to provide representation for parties in regions where their candidates were largely failing to gain seats despite obtaining a reasonable share of the vote.

2.83 SM is a serious and considered attempt to improve our present system, and we examine it further in paras. 2.101 to 2.115.

Systems of proportional representation

2.84 There are 3 major types of proportional representation (PR) which it is necessary to consider. All are designed to provide that the seats a party receives in Parliament are in reasonable proportion to the number of votes that party receives in the electorate. First, there are proportional voting systems based on **party lists;** second, there is the system we call **Mixed Member Proportional (MMP)** which combines party lists with single-member constituencies; and third there is the **Single Transferable Vote (STV)** system. Some do not accept that STV is a proportional system but we are content to treat it as such.

2.85 There are many different systems of proportional representation by **party list;** the following description is intended to cover the main features rather than the detail of the systems that are, or could be, used.

2.86 A full party list system essentially involves voters choosing between lists of candidates offered by political parties for an electoral district. That electoral district may cover the whole country; or it may be regional, or local, or combine elements of all 3 levels. In general, the candidates on each party list are in an order determined by the party. The voters may be restricted to voting for a single party list without choice of candidates (known as a "closed" or "rigid" list), or they may be able to indicate preferences for one or more candidates from one or more parties (an "open" list). Some of the methods which enable the voter to change the party's order are more effective than others.

2.87 Seats are allocated to parties according to the proportion of the vote each has received, whether they are for the party as a whole or for individual candidates on the party's list. Many party list systems provide that a party which has not reached a threshold of, say, 5% of the total vote does not participate in the allocation of seats. A party's entitlement to seats may be calculated on a national basis, and the seats allocated regionally. Different systems use different mathematical formulae to allocate seats to parties. The most common are the d'Hondt method and the Sainte Laguë method, the latter with several variations (see Addendum 2.1). Once it is known how many seats a party is entitled to have (whether national, regional, or local), that number of candidates is taken from the top of the party's list after any changes in the original order resulting from voters' choices have been made, and those candidates are declared elected.

2.88 Party list systems originated in Europe in the 19th century. Scandinavia and Northern Europe remain the predominant areas where they are used, although a few other countries have adopted them in more recent times. The Netherlands and Israel operate the only examples of list systems where the electoral district covers the whole country. France introduced a closed list system for the 1986 elections to the National Assembly with proportionality applied within each *département*. Closed lists are rare. The "openness" of lists varies considerably, however, from the single choice permitted in Belgium to the opportunities the Swiss voter has to cast up to 2 votes for a single candidate, to delete names, or to make up a new list entirely by writing in names. Denmark and Sweden use pools of supplementary seats to correct disproportionate results from list elections in multi-member districts.

2.89 Party list systems are the most common form of proportional representation and have a number of major attractions. They recognise the importance of political parties in modern democracies and allow voters to make a simple and direct choice of the party they wish to govern. Constituents are able to approach a range of members. Lists allow political parties to promote the election of women and ethnic minorities and to provide for regional or interest group representation. On the other hand, party list systems abandon single-member constituencies and hence weaken the close links that are found in the plurality system between MPs and their electors. Having all MPs elected through closed lists also weakens this relationship and gives political parties considerable power over who are to be the elected representatives of the people. This weakening of the MP-constituent link is to some extent offset if separate lists are compiled for each region and/or the lists are open to voter choice. However, regional lists do not guarantee full proportionality unless the parties' share of the seats is determined nationally with the seats being allocated regionally, or supplementary seats are used to correct for disproportionate results from all the local districts. Open national lists mean large ballot papers which are likely to confuse many voters. Even at a local or regional level, open lists can introduce considerable complications for the voter and for counting votes. Open lists might also lead to destructive intra-party competition. On balance, we consider that the defects of plurality are better dealt with in other ways than by the introduction of a full party list system.

2.90 The **Mixed Member Proportional (MMP)** system produces national proportional results while including seats elected by plurality elections in single-member constituencies. A party's proportional entitlement to seats can be based either on its total vote in the constituency contests or on a separate party vote. Once that entitlement has been determined, the number of constituency seats that party has won is subtracted from this number. The party is then given sufficient other seats to bring it up to its proportional entitlement. Those elected to these seats may be taken from a party's list, or from

among its unsuccessful constituency candidates. Entitlement to any list seats may be subject to a threshold (e.g., 5%) of the vote on which the allocation is based.

2.91 A simple example will illustrate the system. We assume that proportionality is based on the constituency votes. Suppose there are 120 seats in total, 60 elected in constituencies and 60 other seats. Party A gets 55% of the vote and wins 38 of the 60 constituency seats, Party B gets 30% of the vote and wins 21 constituency seats, and Party C gets 15% of the vote and wins 1 constituency seat. Since overall proportionality requires that Party A have 55% of all seats, constituency plus others, it must receive 28 further seats to add to its 38 constituency seats. Similarly, Party B must receive 15 other seats, and Party C must receive 17 further seats. The following table shows the result:

	Party A	Party B	Party C
% vote	55	30	15
Proportional entitlement of 120 seats	66	36	18
No. of constituency seats won	38	21	1
Therefore, entitlement to further seats	28	15	17

2.92 MMP has been used for federal and state *(Land)* elections in the Federal Republic of Germany since 1949. Different versions are used in different *Länder,* however, and the following description is of the system used to elect members to the federal Lower House *(Bundestag).* There are now 248 constituency seats and 248 list seats. Each voter has 2 votes. One is used to elect a member from a local constituency, by plurality. The other vote is the more important one, for it is used to determine each party's overall entitlement to seats. This second vote is for a closed party list. Only those parties who win at least 5% of the list vote, or who win at least 3 constituency seats, are eligible to participate in the allocation of list seats. Parties representing "national minorities", however, are deemed eligible to participate in the allocation whether or not they have met these conditions. The d'Hondt system has been used to calculate each party's proportionate share of all the 496 seats in the *Bundestag,* although for future elections a slightly modified system will be used. The number of seats each party has won in the constituency elections is subtracted from its overall entitlement, and extra seats, calculated on a *Land* basis, are given to the party from the pool of 248 list seats. If a party wins more constituency seats than its overall proportional entitlement, it keeps the seats it has won, and the total number of seats in the *Bundestag* is increased until the next election; this has happened on a few occasions since 1949, resulting in a 1 or 2 seat increase. Constituency candidates may also be candidates on the lists. In such cases candidates who win in a constituency are deleted from the list.

2.93 Although West Germany is the only country to use MMP, proposals have from time to time been made to adopt it elsewhere. The

1976 Hansard Society Commission on Electoral Reform recommended a form of MMP for Britain which differed in some important respects from the West German model. They called it an "Additional Member System". Under the Hansard proposal three-quarters of all MPs would be constituency members and one-quarter additional members. Voters would vote only once, that vote counting both for a candidate contesting a single-member constituency and for that candidate's party. Once the constituency winners were determined, parties would gain additional seats so as to achieve overall proportionality. However, rather than using a party list, the Hansard Society Commission proposed allocating additional seats to "best losers", ranked within each party according to the percentage of the vote gained in the various constituencies.

2.94 We consider that MMP has considerable attractions. It retains single-member constituencies, yet overcomes the disproportionality between parties that is inherent in plurality voting. The use of lists allows the possibility of enhanced representation for minority and other special interests. We therefore reserve MMP for closer scrutiny.

2.95 Under the **Single Transferable Vote (STV)** system (also known as the "Hare" system), each elector votes in a multi-member constituency and numbers the candidates in order of preference (see sample ballot paper in Addendum 2.2). The number of preferences required for the vote to be valid varies in different countries.

2.96 A candidate must obtain a Droop quota of votes (see Addendum 2.1) in order to be elected. The quota can also be expressed as a percentage of the valid votes cast in the constituency—25% for a 3-seat constituency, 16.7% in a 5-seat constituency, and 12.5% in a 7-seat constituency. Candidates who have obtained a quota or more of first preference votes are declared elected. The remaining seats, if any, are then progressively filled by eliminating the lowest-polling candidate and transferring his or her votes according to the next preferences shown on them, and by transferring the surplus votes of elected candidates according to the next preferences shown on those votes. A more detailed description of STV counting procedures is in Addendum 2.3 to this chapter.

2.97 STV has tended to be the form of proportional representation favoured in countries within the British political tradition. It has been used for elections to the Tasmanian House of Assembly since 1907, to the Maltese Parliament since 1921, for all public elections in the Republic of Ireland since 1920, for some elections in Northern Ireland from 1919 to 1929, and for all public elections there since 1973 except those to the House of Commons at Westminster. It has also been used for elections to the Australian Senate since 1949, for the Upper Houses of some Australian states, and for some local government elections in Canada and the United States of America at various times this century.

2.98 New Zealand has had slight experience with STV for public elections. The Local Elections (Proportional Representation) Act 1914 permitted local authorities to adopt STV. Only Woolston Borough and

Christchurch City did so, the former for the elections of 1917 and 1919, the latter for those of 1917, 1929, 193l, and 1933. Various Local Elections and Polls Acts contained the option for STV elections until it was finally removed in l966. Several unsuccessful attempts were made from 1916 to 1922 to introduce STV elections for the House of Representatives. The Legislative Council Act 1914 provided that the Council would be elected by STV, but this was never brought into effect.

2.99 STV deserves further examination. All MPs are chosen by the voters, who also have a choice among each party's candidates, and among the candidates of several parties. Thresholds need not be so low as to encourage proliferation of parties, yet need not be so high as to preclude small parties or independents with enough support from gaining a seat. The multi-member constituency means that constituents are likely to have a range of MPs to whom they can appeal for help.

Conclusion

2.100 This review of the alternatives to our present voting system against our criteria has allowed us to eliminate all but 1 method of modifying our present system (SM), and 2 that depart more fundamentally from it (MMP and STV). We now subject SM to closer scrutiny, and proceed to an evaluation of MMP and STV against plurality. In each case we first describe the system in greater detail.

SYSTEMS FOR NEW ZEALAND

SM for New Zealand

2.101 The SM system is described in general terms in paras. 2.81 and 2.82. SM might be implemented in New Zealand in the following way:

(a) Each elector would have 2 votes, 1 for a constituency candidate in a plurality election in the constituency, the other for a party list. Each party would be entitled to put forward 1 closed national list with candidates listed in the party's order of preference. Constituency candidates could also be on the list. (We considered the possibility of using open rather than closed lists, and regional rather than national lists, but rejected both for the reasons we give in our discussion of MMP in paras. 2.198 to 2.202.)

(b) There would be a total of 120 seats (either fixed or gradually increasing as under the present system), with 90 members elected in constituencies and 30 elected from lists. (We suggest a 90/30 division as it provides a platform for small parties to compete for wider support without, in most elections, jeopardising the prospects of single-party government. Such a division also allows an effective means of increasing the size of the House without greatly disturbing current electoral boundaries.)

(c) There would be no separate Maori seats and no Maori roll.

(d) The modified Sainte Laguë method would be used to allocate the 30 list seats to the parties proportionate to their share of the total

list vote. No specific threshold of the vote would be required before a party could participate in the allocation of seats, although, as outlined in para. 2.81, an effective threshold of approximately 5% would apply (other methods of allocating list seats might mean a lower effective threshold, see Addendum 2.1).

(e) Casual vacancies in constituency seats would be filled by by-election as under the present system. List-seat vacancies would be filled by the next available person on the relevant party list.

2.102 Table 2.3 shows possible results of the last 6 elections in New Zealand under SM, assuming that the 30 list seats were added to all the existing constituency seats and allocated on the basis of the parties' share of the vote for those constituency seats. We stress that this table is for illustrative purposes only. It cannot represent the actual result of an election held under SM since there is no way of knowing how voters would use their list vote. Voting patterns for constituency seats could also change under SM. For example, a minor party's electoral strategy might be quite different under SM than under plurality. Thus it could suggest to voters that they use the list vote for the minor party while still supporting a major-party candidate in the constituency.

An assessment of SM

2.103 **Fairness between political parties.** SM is not a proportional electoral system, and therefore does not attempt to overcome many of the problems inherent in plurality in single-member constituencies. The fact that only the additional seats are allocated proportionally and without regard to the results of the constituency elections means that the total seats won by a party are likely to remain out of proportion to its share of the votes. That this is so for both major and minor parties is illustrated by Table 2.3, although we stress again that we have had to assume that list votes would go to parties in the same proportions as constituency votes. The figures for Labour and National for 1972, 1975 and 1978 illustrate the point in stark terms: there would still have been a considerable imbalance between share of the votes and share of the total seats. In a close election where the party with the most votes gained fewer constituency seats than another party, it would be unlikely that SM would significantly improve the result.

2.104 It is true, however, that minor parties would do better under SM than under our present system, and so in that respect SM might be said to be "less unfair" than plurality. That it is nevertheless still unfair to minor parties is shown by looking at the relationships between seats and votes for Social Credit over all 6 elections, and for the New Zealand Party in 1984. These parties would achieve better representation but still pay a heavy penalty because of their difficulties in winning constituency seats.

Table 2.3: How SM might have worked, 1969-1984

(Note: This table is for illustrative purposes only; see paragraph 2.102)

	1969	*1972*	*1975*	*1978*	*1981*	*1984*
Total no. seats (constituency + list) ..	114	117	117	122	122	125
Labour						
% vote	44.2	48.4	39.6	40.4	39.0	43.0
No. constituency seats	39	55	32	40	43	56
% constituency seats	46.4	63.2	36.8	43.5	46.7	58.9
No. List seats	13	15	12	13	12	13
Total seats	52	70*	44	53	55	69*
% all seats	45.6	59.8	37.6	43.4	45.1	55.2
National						
% vote	45.2	41.5	47.6	39.8	38.8	35.9
No. constituency seats	45	32	55	51	47	37
% constituency seats	53.6	36.8	63.2	55.4	51.1	38.9
No. List seats	14	13	15	12	12	11
Total seats	59*	45	70*	63*	59	48
% all seats	51.8	38.5	59.8	51.6	48.4	38.4
Social Credit						
% vote	9.1	6.7	7.4	16.1	20.7	7.6
No. constituency seats	0	0	0	1	2	2
% constituency seats	0	0	0	1.1	2.2	2.1
No. list seats	3	2	2	5	6	2
Total seats	3	2	2	6	8	4
% all seats	2.6	1.7	1.7	4.9	6.6	3.2
Values						
% vote	—	2.0	5.2	2.4	0.2	0.2
No. constituency seats	—	0	0	0	0	0
% constituency seats	—	0	0	0	0	0
No. list seats	—	0	1	0	0	0
Total seats	—	0	1	0	0	0
% all seats	—	0	0.9	0	0	0
New Zealand Party						
% vote	—	—	—	—	—	12.3
No. constituency seats	—	—	—	—	—	0
% constituency seats	—	—	—	—	—	0
No. list seats	—	—	—	—	—	4
Total seats	—	—	—	—	—	4
% all seats	—	—	—	—	—	3.2
Other parties						
% vote	1.5	1.5	0.2	1.3	1.4	1.1
No. constituency seats	0	0	0	0	0	0
% constituency seats	0	0	0	0	0	0
No. list seats	0	0	0	0	0	0
Total seats	0	0	0	0	0	0
% all seats	0	0	0	0	0	0

* Denotes sufficient seats to form a Government.

2.105 **Effective representation of minority and special interest groups.** The use of party lists in SM, and the knowledge that the top 10 or so of the major parties' candidates who were not elected in the constituencies would be elected from the lists, would allow those parties some flexibility in ensuring representation of different interests and groups within society and, indeed, provide incentives for them to do

so. It would also provide some protection for valuable candidates in marginal constituency seats. It is, moreover, unlikely that the major parties' entitlements to seats from the lists would change markedly from election to election. The minor parties would be much more vulnerable in both the constituencies and the lists, and could only expect to have a small number elected from the lists at each election. Minor parties would therefore be more likely to use the lists to protect their constituency members and candidates, and thus would have less opportunity to bring in representatives of special groups or interests.

2.106 **Effective Maori representation.** A discussion of Maori representation under SM is found in paras. 3.89 to 3.91. We conclude there that while SM would not guarantee Maori candidates would be elected to Parliament it would be in the parties' interests to compete for the Maori vote and to put Maori candidates high on their party lists. We do not, however, regard SM as capable of providing Maori representation as satisfactorily as some other electoral systems do.

2.107 **Political integration.** We see no reason to expect that SM would prevent co-operation between groups with diverse interests within the community. Indeed SM may enhance political integration by assisting hitherto excluded groups without any risk of fragmenting the political system.

2.108 **Effective representation of constituents.** By retaining single-member constituencies, SM maintains the direct constituent-MP relationship which we regard as a virtue of the plurality system. Because SM would be combined with an increase in the size of the House the number of single-member constituencies would only be a few less than at present. It is also likely that list members would do constituency work in much the same way as other MPs, particularly when they were defeated in a marginal seat or when they were on the list to represent a specific social, ethnic, or economic group.

2.109 **Effective voter participation.** SM would be likely to build on existing levels of participation. The ability to cast 2 votes for different parties is likely to enhance participation because many more voters would effectively contribute to the election result. We do not anticipate that voters would find the party list vote difficult to operate or understand. Popular control over Governments under SM would not differ much from that under plurality. The constituency vote would still have the strongest influence over which party had the most seats, and although minor parties would be more likely to win list seats than constituency seats, they would be unlikely to do so in such numbers as to hold the balance of power unless the constituency result was very close. Moreover, the flexibility of the 2 votes allows electors to support or reject existing or likely coalition arrangements.

2.110 **Effective government.** We do not consider that SM would significantly change the stability and decisiveness that pertain under plurality. Single-party Governments would continue to be the norm because the constituency results would not be altered by the allocation of the list seats, and because minor parties would not win seats in

proportion to their share of the total vote. Where the major parties had similar shares of the seats and there was a significant third party, SM would be less likely than our present plurality system to produce 1 party with a majority in the House, and either coalition or minority Government would result. This might increase consultation and continuity in Government and lessen the chances of major swings in policy being brought about after only small swings in voter support. However, assuming voting patterns remained the same, the only election that would have produced coalition or minority Government in the SM elections illustrated in Table 2.3 was 1981, and that very nearly happened under the plurality system.

2.111 **Effective Parliament.** Giving small representation to minor parties through the lists would allow other policies and points of view to be presented in Parliament. This might be beneficial in promoting more scrutiny of the executive or at least a wider range of public debate. On the other hand, 1 or 2 MPs in a House of 120 would face a very heavy burden in trying to cover the major political issues. We also accept that with an unequal division between list and constituency seats, list MPs would risk being regarded as of different status than the directly elected constituency MPs. We discuss this point in greater detail in para. 2.172.

2.112 **Effective parties.** SM would clearly improve the effectiveness of minor parties by increasing their chances of getting candidates elected. It is unlikely that SM would significantly change the status, work, or structures of New Zealand's major political parties, except for those procedures related to the selection and ranking of national lists. SM would, however, enable parties to protect a limited number of their more vulnerable constituency seat members.

2.113 **Legitimacy.** SM would be an incremental change to our present system, and might therefore avoid exciting opposition that could greet more fundamental change. It must at the same time be acknowledged, however, that although SM would give some representation to significant minor parties it would probably not satisfy the proponents of a fully proportional system or of the present plurality system.

2.114 **Conclusion.** The Commission recognises that SM has considerable appeal. It improves on the plurality system in a number of ways. First, it would give representation to significant minor parties. Second, because almost all the list votes would count towards the election of candidates, electors in safe seats would have a more effective role than under the present system. Third, it would enable the parties, particularly major ones, to protect a limited number of particularly able members in marginal seats. Fourth, it would provide a way of increasing the number of MPs but avoid the disruption to constituency boundaries that would be caused by a significant extra number of single-member constituencies. Fifth, it would, because of the list, be likely to enhance the representation of Maori voters as well as voters belonging to other special interest or minority groups. Sixth, it would lessen somewhat the disproportionality between major parties.

2.115 Nevertheless, the Commission is of the view that SM does not go far enough in meeting the fundamental objections to the plurality system in respect of the relationship between seats and votes. Those objections would still be powerful under SM, even though minor parties might be somewhat better off. We are reluctant to rule out SM altogether, however, until we have seen whether either MMP or STV can overcome the objections to both plurality and to SM without introducing too many disadvantages of their own.

MMP for New Zealand

2.116 A general description of MMP is outlined in paras. 2.90 to 2.94. The MMP proposed by us differs in some respects from that used in West Germany, and especially from that proposed by the Hansard Society Commission. There are many possible variants and we set out the reasons for adopting our model in paras. 2.187 to 2.206.

(a) In Chapter 4 of this Report we recommend that the size of the House be increased to a minimum of 120 members. In outlining MMP for New Zealand we have assumed that this recommendation will be accepted. If this recommendation is not accepted, we do not consider MMP should be introduced in New Zealand as the number of constituency seats would be too low for the system to operate satisfactorily.

(b) Sixty members would be elected through nationwide party lists and 60 members by the plurality method in single-member constituencies. At least 15 of the 60 constituency seats would be required by law to be in the South Island. The boundaries between the 60 constituencies would be drawn according to the same criteria as at present, except that the Representation Commission would be required to take account of community of interest among the members of Maori tribes in determining constituency boundaries, and there would be a single electoral quota for the whole country. There would be an allowable tolerance of plus or minus 10%. Under MMP this would not affect the fairness of results. The work of the Representation Commission under MMP is discussed in paras. 5.53 to 5.57.

(c) List members would be elected from ordered party lists nominated by each registered political party prior to election day. Since the list vote is a choice between alternative party Governments it would be impractical to allow independent candidates to appear on the list section of the ballot. Voters would not be able to alter the order of candidates on a party's list and the ballot paper would only need to show each party's name and the first few names on each party's list. Parties could include constituency candidates on their lists. Candidates elected in a constituency would be deleted from the party's list.

(d) A full discussion of Maori representation under MMP appears in paras. 3.73 to 3.88. For reasons which we discuss there, we

propose no separate Maori seats, no Maori roll and no periodic Maori option.

(e) Each voter would have 2 votes at a general election. One would be for a party list. The other would be for a constituency representative (see sample ballot paper in Addendum 2.2). Once constituency winners were known, the 60 list seats would be allocated by the modified Sainte Laguë method so as to achieve overall proportionality (see Addendum 2.1). In the unlikely event of a party winning more constituency seats than its overall entitlement, extra seats would be created in the House until the next general election.

(f) In order to prevent a proliferation of minor parties in Parliament, a threshold would apply. For a party to be eligible to participate in the allocation of list seats, either its combined list vote would have to be greater than 4% of all list votes or it would need to have won at least 1 constituency seat. Based on 1984 figures, a party would need slightly over 77,000 valid votes to be eligible for list seats. The 4% threshold would be waived for parties primarily representing Maori interests (see para 3.75). This waiver could be extended to other minority ethnic groups if thought desirable or, if a waiver is not considered appropriate, the 4% threshold could apply equally to all parties.

(g) Vacancies caused by the resignation or death of a sitting constituency member would be filled by a by-election as under the present system. List members would be replaced by the next available person on the relevant party list.

STV for New Zealand

2.117 The basic structure of the STV electoral system is set out in paras. 2.95 to 2.99. The Commission considers that the most suitable form of STV for New Zealand would have the following characteristics:

(a) Most constituencies would return 5 members. However, the Representation Commission would be able to create a small number of constituencies (not exceeding 20% of the total number) with other than 5, though not fewer than 3 or more than 7 members.

(b) The Representation Commission would be required to take account of community of interest among the members of Maori tribes in determining constituency boundaries.

(c) There would be no separate Maori seats, no Maori roll, and no periodic Maori option.

(d) The STV ballot paper for each constituency would show candidates in registered party groups (see Addendum 2.2). The candidates of each party would be shown on the ballot paper in an order determined by the party. The constituency Returning Officer would officially advertise each party's order of candidates.

(e) A "party box" would appear above the list of candidates of each registered party. Each voter would have the option of either

marking 1 party box (thereby indicating acceptance of that party's ordering of its candidates) or of numbering the candidates of 1 or more parties and of the independents in order of preference.

(f) A single unambiguous first preference for a candidate, or an unambiguous party box selection, would be enough to make a vote formal. Preferences would cease to be counted only when they were exhausted or when an error was reached.

(g) The party of a member who died or resigned from Parliament would nominate a replacement. There would have to be a by-election only if the party failed to nominate or the seat was held by an independent.

AN ASSESSMENT OF MMP, STV AND PLURALITY

We now consider MMP and STV in more detail and compare them with each other and with the plurality system.

Fairness between political parties

2.118 The MMP and STV systems which we have described would be likely to achieve proportionality between parties in different ways and with different degrees of precision. MMP is specifically designed to allocate seats to parties in proportion to their shares of the total list vote and there is no doubt it would remedy the serious deficiencies of plurality in relation to proportionality. The votes/seats relationship in the constituencies does not need to be proportionate because this is largely irrelevant to overall proportionality. This has the added advantage of lessening problems associated with the boundary-fixing process (see para. 2.12). The only significant deviation from full proportionality in the MMP system proposed for New Zealand is in the imposition of the 4% threshold. Unless they were able to win a constituency seat, parties (other than those primarily promoting Maori interests) which gained less than 4% of the total list vote would be ineligible to receive seats in the House. The Commission considers that the threshold is a justifiable and desirable means of preventing the proliferation of minor parties in the House. Such a proliferation could threaten the stability and effectiveness of government.

2.119 It is possible that an extraordinary election under MMP could produce a disproportionate result. If several small parties just missed out on the 4% threshold this would inflate the number of seats won by larger parties. Alternatively if a party with insignificant support nationwide was, nevertheless, strong enough in a few areas to win constituency seats there, that party could win more constituency seats than its theoretical entitlement based on the list vote. As already outlined, a party would in this event keep its "extra" constituency seats and the number of members in the House would increase accordingly. A similar effect could occur if a large number of voters "split" their constituency and list votes. There is also a remote possibility that deliberate manipulation of the system could occur whereby 2 parties used their combined vote to gain a disproportionate share of seats.

While these results are theoretically possible, the Commission considers that accidental deviations are most unlikely, and that any attempt to deliberately manipulate the system would be both difficult to implement and likely to attract an electoral backlash. As can be seen from Table 2.4, election results in West Germany have been highly proportional. If MMP in New Zealand was based on national, rather than regional, lists, and with a threshold of 4% rather than 5%, we would expect New Zealand results to be even more proportional.

Table 2.4: Summary of Bundestag election results, 1949—1983[1] (list vote)

	CDU/CSU			*S P D*			*F D P*			*Others*[2]		
Year	*% vote*	*No. seats*	*% seats*	*% vote*	*No. seats*	*% seats*	*% vote*	*No. seats*	*% seats*	*% vote*	*No. seats*	*% seats*
1949 ..	31.0	139	34.6	29.2	131	32.6	11.9	52	12.9	27.8	80	19.9
1953 ..	45.2	243	49.9	28.8	151	31.0	9.5	48	9.9	16.5	45	9.2
1957 ..	50.2	270	54.3	31.8	169	34.0	7.7	41	8.2	10.3	17	3.4
1961 ..	45.3	242	48.5	36.2	190	38.1	12.8	67	13.4	5.7	—	—
1965 ..	47.6	245	49.4	39.3	202	40.7	9.5	49	9.9	3.6	—	—
1969 ..	46.1	242	48.9	42.7	224	45.2	5.8	30	6.0	5.5	—	—
1972 ..	44.9	225	45.8	45.8	230	46.4	8.4	41	8.3	1.0	—	—
1976 ..	48.6	243	49.0	42.6	214	43.1	7.9	39	7.9	0.9	—	—
1980 ..	44.5	226	45.5	42.9	218	43.9	10.6	53	10.7	2.0	—	—
1983 ..	48.8	244	49.0	38.2	193	38.8	7.0	34	6.8	6.0	27	5.4

Notes: [1] Excludes Berlin deputies.
[2] In 1983 election Green Party received 5.6% of vote and won 27 seats.

2.120 The consideration of proportionality under STV is more complex. It is first necessary to determine what is to count as a party's "vote" when measuring proportionality. The conventional measure is each party's share of the first preference votes, but since STV uses a *transferable* vote, and later preferences can help elect a candidate from a different party, a party's share of seats which differs from its share of first preference votes cannot necessarily be taken as a departure from strict proportionality. It might be thought that a different measure should therefore be adopted, but no satisfactory and accepted alternative has been devised. The proportion of first preference votes, moreover, has the considerable advantage of being readily available and easily added across all constituencies. We will therefore use it as a measure of proportionality while being aware of its drawbacks.

2.121 STV is a constituency-based voting system, and is not designed to distribute seats to each party in proportion to its share of the vote across all constituencies. It does, however, operate in a reasonably proportional manner in relation to first preference votes under certain conditions. Table 2.5 shows the seats/votes relationships for Irish elections from 1938 to 1982. In general, Fianna Fail and Fine Gael have gained a higher proportion of seats than their proportions of first preference votes, whereas Labour, minor parties and Independents

Table 2.5: Seats in relation to first preference votes, Irish elections 1938-1982[1]

	Fianna Fail		Fine Gael		Labour		Farmers		Workers		Others	
	% 1st preferences	% seats	% 1st preferences	% seats	% 1st preferences	% seats	% 1st preferences	% seats	% 1st preferences	% seats	% 1st preferences	% seats
1938	51.9	55.5	33.3	32.9	10.0	6.6	—	—	—	—	4.7	5.1
1943	41.9	48.2	23.1	23.4	15.7	12.4	10.3	10.2	—	—	9.0	5.8
1944	48.9	54.7	20.5	21.9	11.5	8.8	10.8	8.0	—	—	8.4	6.6
1948	41.9	45.9	19.8	21.2	11.3	13.0	5.3	4.8	—	—	21.7	15.1
1951	46.3	46.6	25.7	27.4	11.4	11.0	2.9	4.1	—	—	13.7	11.0
1954	43.4	44.5	32.0	34.3	12.0	12.3	3.1	3.4	—	—	9.5	5.5
1957	48.3	53.4	26.6	27.4	9.1	7.5	2.4	2.1	—	—	13.6	9.6
1961	43.8	49.0	32.0	32.9	11.6	10.5	1.5	1.4	—	—	11.1	6.3
1965	47.8	50.4	33.9	32.9	15.4	14.7	—	—	—	—	2.8	2.1
1969	45.7	51.8	34.1	35.0	17.0	12.6	—	—	—	—	3.2	0.7
1973	46.2	47.6	35.1	37.8	13.7	13.3	—	—	1.1	0.0	3.9	1.4
1977	50.6	57.1	30.5	29.3	11.6	10.9	—	—	1.6	0.0	5.7	2.7
1981	45.3	46.7	36.5	39.4	9.9	9.1	—	—	1.7	1.2	6.6	3.6
Feb. 1982	47.3	49.1	37.3	38.2	9.1	9.1	—	—	2.3	1.8	4.0	1.8
Nov. 1982	45.2	45.5	39.2	42.4	9.4	9.7	—	—	3.3	1.2	3.0	1.2

Source: Adapted from Ted Nealon and Seamus Brennan, *Nealon's Guide to 24th Dail and Seanad, 2nd Election '82*, (Dublin, 1983),

Note: [1] Excluding Ceann Comhairle (Speaker) who by law must be returned without contest.

generally have a lower proportion of seats than first preference votes. Tasmanian results show similar patterns. It is, however, true that an election under STV can have a distorted result. In the 1981 Maltese general election, for example, each of the 13 constituencies returned 5 members. The Nationalist Party of Malta obtained 50.9% of the first preference votes but won only 47.7% of the seats, whereas the Labour Party won 49.1% of the first preference votes but 52.3% of the seats. This result was largely due to Nationalist candidates being the runners-up for the last seat in a large number of the constituencies, so that a significant proportion of their total votes was wasted. Such results are rare.

2.122 The significant factors promoting proportionality between seats and first preference votes under STV are as follows:

(a) The threshold should not be too high; the lower the average number of seats per constituency, the higher the percentage of votes needed to elect a candidate, and the less likely that smaller parties will be successful;

(b) There should be no possibility of parties controlling constituency sizes or boundaries in their own political interests;

(c) Parties should not consistently nominate more or fewer candidates than they can expect to get elected;

(d) Party support should be unevenly distributed so that 1 party does not consistently just miss winning the last seat in a large number of constituencies;

(e) Voters should, in general, give their higher preferences to the candidates of a single party; each party should be equally affected by the transfer of votes to other parties (known as "leakage") and by the non-transferability of votes.

2.123 Under the STV system we have outlined, at least 80% of all constituencies would have 5 members, and larger or smaller electorates would only be created where the Representation Commission found it difficult to create 5-member electorates which met the criteria for determining boundaries. An electorate which returned 5 members would provide a threshold requiring a candidate to obtain 16.7% of first and subsequent preferences in order to be elected. This would give significant parties a good chance of success but exclude parties with limited support. Because at least 80% of all constituencies would elect 5 members, and no constituency would return fewer than 3 or more than 7 members, the average number of seats per constituency would be close to 5. With an independent commission determining boundaries we see no reason to expect that there would be any opportunities for parties to manipulate constituency sizes or boundaries.

2.124 Party nomination strategies, the distribution of party support, and the behaviour of voters under an STV system cannot be forecast with any confidence. We consider, however, that parties would soon appreciate the importance of correct nomination strategies, and would try to acquire accurate information in order to nominate the optimum number of candidates in each constituency. Voters would soon

understand that the STV system contains a flexibility which is available to be used, and that leakage and non-transferability of votes are aspects of that flexibility. Each party too would find it in its interests to try to persuade voters to use its party box, or to confine their preferences to the candidates of that party only. It is impossible to forecast the extent to which voters would use the party box option rather than indicating their preferences; this would have important effects on the outcome of an election and might affect proportionality.

2.125 In summary, we expect that the results of STV in New Zealand would be similar to those in Ireland. Larger parties would get a small bonus of seats in relation to their overall party and first preference votes, and smaller parties would win fewer seats in proportion to their overall party and first preference votes. The smaller parties would generally find it more difficult to win seats in 3 or 4-member constituencies than in larger constituencies. It is likely that the major parties would win at least 1 seat in every constituency. Although we expect that STV would operate in a reasonably proportional manner, we cannot say that results under STV would always be as closely proportional as under MMP. STV would not be as favourable as MMP to a small party with widely spread support which exceeded the lower MMP threshold. On the other hand a party with support concentrated in one area minimum of the country would have a chance of success under STV but would succeed under MMP only if its list vote exceeded 4% of the total of votes over the whole country, or if its support was so concentrated as to enable it to win a constituency seat. It must also be conceded that an STV election result similar to that in Malta in 1981 cannot be dismissed as impossible, however unlikely it might be. As a constituency-based system, STV is also much more sensitive to boundary changes than MMP.

2.126 In para. 2.11 we suggested that the plurality system's tendency to treat small parties particularly severely might be justifiable as a means of preventing small parties wielding disproportionate power. A small party with the balance of power in the legislature might enjoy power vastly in excess of its electoral support. In our view this issue cannot be disregarded, though it can be overrated. Overseas experience indicates that the extent to which a minor party can exact an excessive price for its support is limited. If voters consider a small party to be demanding unreasonable concessions for its support, or to have been irresponsible in changing the Government, that party can be heavily penalised at the next election. Furthermore, under MMP and STV any party with clear majority support in the electorate may govern without the need to attract support from minor groupings. Finally, even if MMP or STV gave undue power to a small party, this in our view must be weighed against the advantages of providing a basis of representation for political parties which is seen as fair and legitimate by all sections of the community. We further discuss the question of small party power in paras. 2.149, 2.151 and 2.154.

2.127 We conclude that either MMP or STV would overcome the serious defects of plurality with respect to the proportionality of seats to votes, and that MMP would be more likely than STV to do so consistently and with a more closely proportional result than STV. Any proportional system could give a minor party power which is out of proportion to its share of the vote. We think overseas experience indicates, however, that voter attitudes would prevent a minor party from exacting excessive concessions from a coalition partner or a minority Government.

Effective representation of minority and special interest groups

2.128 The selection practices of political parties are crucial in determining whether the significant characteristics of the population are reflected in the composition of the House. It is generally accepted, however, that parties have much more opportunity and incentive to ensure the election of representatives of interest groups, regions, women, and ethnic groups in electoral systems based on lists of candidates than in other systems. It is difficult to obtain reliable cross-national data on the representation of particular groups and minorities, and in any case comparative data must be used with some caution lest too much stress be put on the role of the electoral system and not enough on the general climate of opinion within each country. Nevertheless, the available evidence shows, for example, that women are, in general, more likely to be elected in list systems of PR than in other electoral systems. A national list allows a party to strive for an overall balance among its candidates. Candidates elected from a list may also be able to serve a nationwide constituency whose members are scattered throughout the country.

2.129 The MMP system would allow the parties to achieve representation of significant groups and interests within our society. Indeed, parties would increasingly appreciate the greater significance of the votes of members of minority and special interest groups, who, in turn, would be likely to support parties that acknowledged their importance by selecting representative candidates and by proposing appropriate policies.

2.130 The STV system, with its multi-member constituencies, also encourages parties to offer a range of candidates to the electors, and thus to try to broaden their appeal by selecting candidates who reflect the concerns of significant groups within the community. Having a party box option with each party ranking its own candidates also allows a party to promote the election of a constituency candidate whose representative role goes beyond the population of that constituency. In any event, parties would have to be very careful about the balance of their list of candidates in each constituency. A sizeable group of voters within a constituency might use the preference option to elect a favoured candidate or to block the election of one they oppose. Their success in doing so would depend on their size, their cohesion, and the

extent to which other voters accept the party's ordering and use the party box.

2.131 The position of significant social groups must also be considered where the parties are considered to have rejected or overlooked their claims for representation. Under MMP, a group would be able to put up its own candidates in constituencies, or, by registering as a party, run its own list. The larger constituencies under MMP would mean, however, that such a group would, in absolute terms, need more votes to succeed in a constituency than under New Zealand's present plurality system. It would also need considerable support to win a list seat, for to surmount the 4% threshold would, on 1984 voting figures, require slightly over 77,000 valid votes.

2.132 The prospects for a group with concentrated support would be somewhat improved under STV. STV also offers better chances for the independent candidate. There is still a significant threshold to be crossed, however, depending on the number of members returned from the constituency. That can be seen as an advantage in that it excludes groups which do not have significant voter support.

2.133 We regard both MMP and STV as real improvements over plurality in providing for the representation of various groups within New Zealand society. Of the 2, we consider MMP to offer the better prospects.

Effective Maori representation

2.134 We regard the development of a fair and satisfactory way of representing Maori people, without a separate roll, as of crucial importance to the future of New Zealand and to the way in which both Maori and Pakeha regard each other. A full comparison between MMP and STV under this criterion is given in paras. 3.73 to 3.88. Our conclusion is that each system has different strengths and weaknesses that arise out of their essential characteristics. Maori representatives are more likely to be elected through the national lists under MMP, though it is likely that some would also be elected in constituencies. List MPs would be best able to deal with specifically Maori interests and concerns, but this would be on a national basis and without a formal relationship of accountability with a defined body of Maori voters. Should a significant number of Maori voters consider themselves inadequately represented by the major parties, there would be a real possibility of a separate Maori party winning list seats, particularly if the 4% threshold is waived for parties primarily promoting Maori interests. With or without the waiver, the major parties would be under pressure to include Maori people in high positions on their lists. Maori would have an effective vote, since parties would need to compete for their votes on a nationwide basis, and would thus need to develop policies which appealed to Maori voters. There would also be an incentive to compete for the Maori voter in the constituencies. Maori concerns would be a live issue for all political parties; we consider this to be in the interests of all New Zealand people.

2.135 STV has certain strengths in respect of Maori representation which arise from its local constituency base and the flexibility it offers to voters to give their preferences within 1 party or across several. All candidates would need to take account of Maori concerns in areas where Maori were a sizable proportion of the population. Moreover, because of the likely size of STV constituencies, Maori voters might have a better opportunity to organise along tribal lines. Parties in those areas would be under pressure to select Maori candidates. Constituency work would be localised and MPs would be directly accountable to their voters. A Maori party would have a chance of winning a seat in some constituencies. The major weakness of STV in respect of Maori representation is that in many constituencies the number of Maori voters would be relatively small and thus not electorally significant.

2.136 For the reasons we give in Chapter 3, both MMP and STV would provide significantly greater opportunities for effective Maori representation than plurality, whether or not separate representation was retained under that system. We consider that MMP provides better prospects for effective Maori representation than STV, but the latter certainly does provide an acceptable form of Maori representation.

Political integration

2.137 We have already suggested that New Zealand society is becoming more diverse, and that it is important that the political system as a whole recognises and caters for this change. It is also, however, important that this recognition does not undermine the political integration essential to maintain our unity as a nation. We consider that either MMP or STV would provide for representation of various social, economic and ethnic groups within our society while not compromising political integration. This is achieved in 2 ways. First, major parties are provided with real incentives to appeal to and include significant groups within their party tickets and structures. In particular, by providing an effective vote for Maori and thereby removing the need for separate Maori representation, both systems would enhance co-operation at a political level between Maori and non-Maori. Second, while both MMP and STV provide increased chances for minor party or special interest group representation in their own right, the thresholds built into both systems make it unlikely that there will be a proliferation of small or extreme parties or any undesirable fragmentation of the political system.

2.138 As noted in para. 2.24, the consequences of denying significant special interest groups, or parties with a reasonable degree of voter support, an opportunity for representation in the legislature may be disintegrative. For this reason we conclude that either MMP or STV would have an advantage over plurality in terms of political integration. However, we do not wish to suggest that adoption of either MMP or STV would, in itself, guarantee political integration. We do not consider either of the proportional systems to be more integrative than the other.

Effective representation of constituents

2.139 We have earlier ruled out some electoral systems because they abandon the MP-constituent relationship or modify it to an unacceptable degree. Both MMP and STV also modify it, although each preserves a real degree of constituency representation. We discuss each in turn.

2.140 MMP recognises the significance of local representation within our political tradition by retaining 60 single-member constituencies. That does reduce the number of MPs who are elected by the people of a specified geographical area. Nevertheless, the change should be kept in perspective. Sixty constituency members is roughly equivalent to 1 member for every 55,000 people compared with 1 for every 34,000 with 97 MPs. Even ignoring the 60 list members, this figure compares favourably with other countries whose electoral systems are entirely or partially based on single-member constituencies (see Chapter 4, Table 4.1). While constituencies under MMP will be larger in area, this increase will not be as great as might be anticipated because of the incorporation of neighbouring population centres into the existing large rural electorates (see figures 5.1 and 5.2 in Chapter 5). Moreover, because the vote in the constituencies does not directly affect proportionality between political parties, the boundary-setting process no longer need be restricted by the necessity to achieve strict equality in the electoral population of each constituency. As a result, more attention can be paid to maintaining communities of interest when boundaries are set.

2.141 There are, we consider, further advantages of MMP in terms of the effective representation of constituents. The 2-vote process in MMP allows voters to vote for the individual they think will best represent their locality as well as to vote for the party they wish to govern. We expect, moreover, that many list members will attach themselves to a constituency or a group of constituencies, particularly where they have been unsuccessful constituency candidates, and that the parties will require them to provide good constituency service as a prerequisite for continued high placement on the list. This means a much larger percentage of constituents will be able to approach MPs belonging to the party for which they voted. The tendency under plurality for large regions to be represented by members of only 1 political party will likewise be reversed.

2.142 The benefits of list members in respect of constituency representation should not be overstated. Some list members may not attach themselves to a constituency, or their attachment may not be as close as that of the constituency member. In large part this is because MPs elected from a party list stand in a different relationship to the electors. They owe their election to their position on the party list, and a closed national list means that voters cannot promote or demote particular list candidates. List members are thus not as directly dependent on the popular vote to ensure their individual accountability and their responsiveness to the views and opinions of the electors.

2.143 Under STV each candidate in a constituency needs to obtain enough first preference votes to survive the elimination of one or more party colleagues and hopes that transfers of votes from elected and eliminated candidates will be enough to gain a quota. This can lead to candidates of the same party competing against each other for first preference votes. Because the grounds on which they can do so may be limited by their need to support a common party policy, intra-party competition is likely to be organised around the provision of constituency service. In Ireland, competition of this type between incumbent and aspiring parliamentarians has become so pronounced that many members of the Dail are reported to do little else but service their constituents. We discuss this problem and the reasons for it in paras. 2.165 and 2.166. Tendencies toward intra-party competition are also evident among members of the Tasmanian House of Assembly, although to a lesser extent.

2.144 The party box option would, we expect, limit the degree to which intra-party competition over constituency service would take place if STV were to be introduced in New Zealand. To this extent it might also be seen as detracting from the effectiveness of constituency representation. We consider, however, that even with the party box, the ability of voters to choose within and across parties and thus to hold their representatives accountable for the service they provide, makes STV attractive under this criterion. Even if the majority of voters do use the party box, it is worth remembering that dissatisfied voters can still use the preference option to send messages to a party. The order in which candidates are elected, the patterns of transfers within and between parties, and the very willingness of voters to express their own preferences are all signals about the voters' opinions of the party and its candidates.

2.145 Multi-member electorates under STV can be seen as having both advantages and disadvantages. While constituents would have a range of MPs from whom to seek a sympathetic hearing, the constituencies are large in comparison to plurality and individual MPs may be less clearly identified with and responsible for a particular area than are single-member constituency MPs. Personal accountability may therefore be blurred and constituency work made more a party-political affair as several MPs in a region might claim, or deny, responsibility for developments affecting the constituency.

2.146 It is difficult to weigh up the various factors when considering plurality, MMP and STV under this criterion. Constituency representation under plurality has the considerable advantage of generally being non-partisan, of each constituent having a single person from whom to seek assistance, and of constituencies generally covering a small area. On the other hand, constituents who feel that they are unlikely to obtain a sympathetic hearing from their MP can be deterred from seeking assistance. Furthermore, while the MP under plurality is clearly accountable to a defined body of electors, judgments about the MP's

performance as a constituency representative are blurred by overall judgments about a party's policies and performance.

2.147 We do not think that the MMP system we have proposed would change the essential character of the MP-constituent relationship even though the single-member constituencies would be larger. Indeed the 2-vote process might mean selections of constituency representatives would give greater weight to their local appeal. Many constituencies, moreover, would be served by both a directly-elected constituency MP and one or more unsuccessful constituency candidates who were nevertheless elected on the list. To that extent, there would be more opportunities for constituents to approach an MP of the party they support. On the other hand, it must be conceded that list members are only indirectly accountable to those they represent. The multi-member constituencies of STV may enhance the MP-constituent relationship by providing a range of representatives from whom help may be sought, and by providing the opportunity to hold those representatives accountable, both within and across parties. Against that must be balanced the larger size of constituencies, and the possibility that the provision of constituency service might become a party-political matter. We conclude that each of the 3 electoral systems has its own advantages and defects, and that both MMP and STV would retain a good MP-constituent relationship.

Effective voter participation

2.148 The Commission considers that both MMP and STV would enhance public participation in the political system. Voting would be more satisfying than under plurality because voters would be able to exercise their choices of Government and of local representatives with more flexibility, and far more votes would be effective in electing an MP to the House. Under MMP there would be no discrepancy between the effectiveness of votes in different areas with respect to choosing the Government. Voters in safe constituency seats would have a real incentive to participate because the choice of Government would be determined by the nationwide party vote. Because there is no nationwide calculation of votes under STV, there might be some variation between the effectiveness of votes in different constituencies but we do not consider this variation would be significant.

2.149 Voting under both STV and MMP is less straightforward than voting under plurality. However, this is to a large extent because under both systems, and particularly under MMP, voting more accurately reflects the fact that voters are choosing both local representatives and party Governments. Moreover, voting under both STV and MMP is still relatively simple. Informal voting in Ireland and West Germany is usually less than 1% (higher rates under STV in Tasmania and in voting for the Australian Senate are attributable to compulsory voting and stricter formality requirements). We consider that the greater effectiveness of votes would be likely to result in a turnout higher than under plurality.

2.150 MMP and STV use methods of allocating seats the full details of which may not be universally understood. We do not, however, believe that it is necessary for every voter to understand all the intricacies of any voting system so long as voters can be confident that the system is fair, that counting is carried out by impartial officials under the scrutiny of candidates and parties, and that there are effective and impartial avenues to deal with any allegations of malpractice or unfairness.

2.151 Both MMP and STV can lead to more seats in the House being held by minor parties, and hence both increase the chance that no single party will be able to govern in its own right without the support of another party or parties. The result could be a formal coalition arrangement or a minority Government. It is sometimes claimed that, notwithstanding the power of individual voters in electing MPs, such results have the effect of removing the selection of Government from the electorate and placing it in the hands of the occupants of the infamous "smoke-filled rooms" during post-election negotiations.

2.152 In our view, these arguments underestimate the ability of the voters under MMP and STV to influence the election of a Government. First, any party receiving a clear majority of votes would be directly elected to Government and would be able to govern without the need of coalition partners. Second, the relatively high thresholds imposed under both systems would limit both political fragmentation and the number of alternative Governments possible. Third, we expect that potential coalition arrangements would be evident before an election. The 2 votes under MMP allow the voter to indicate support for or disapproval of any such arrangement, for example, by voting for the major coalition party in the constituency and the minor party in the list. Similarly, preferential voting under STV allows voters to cross party lines, and thus to use their preferences to signal their support or rejection of any coalition arrangements. Voters in West Germany and Ireland use these techniques to considerable effect. We would expect New Zealand voters to do so as well. There is a possibility that inter-election re-alignments among the parties might on occasion result in a change of Government and thus deny voters the chance to make their views known. While we expect a convention would develop such that the new Government would seek endorsement through an early election, it would also be possible to formally require the dissolution of Parliament and the holding of a new election. This is an issue to which we return in para. 2.207.

2.153 We conclude that both MMP and STV offer more opportunities than plurality for effective voter participation. MMP offers voters the flexibility of having 2 votes, while STV provides opportunities for voters to choose candidates within and across parties. Under both systems, many more votes would be effective both in terms of electing an MP and hence in terms of determining the balance between parties in the House. The fact that all party votes are of equal weight under MMP

leads us to the conclusion that MMP would provide for slightly more effective voter participation than would STV.

Effective government

2.154 In order to be effective, a Government must have sufficient stability and capacity for decisive action to be able to implement its policies. Either MMP or STV would be likely to increase the representation of minor parties in the House, and thus decrease the chance of 1 party obtaining an absolute majority of seats. It is often argued that this would produce government which was less effective than government under plurality as the search for sustainable coalitions or durable minority Governments might involve complex and lengthy negotiations and/or frequent elections. There might be, it is argued, lengthy periods where Government came to a standstill with no workable majority to be found. Indeed, even after the formation of a coalition Government, the parties in power may be unable to agree on difficult policy initiatives and thus be unable to take decisive action when that is appropriate.

2.155 Before addressing this issue we note that there is no reason to suppose that MMP or STV must always lead to coalition or minority government. There have been single-party majority governments in Ireland and Tasmania, although the former has also had single-party minority government, minority coalition government and majority coalition government. Although West Germany has had coalition governments since 1949, MMP in New Zealand, with different political traditions and a recent history of single-party government, might well not lead to coalition government. Nevertheless, it is true that both MMP and STV do decrease the likelihood of single-party majority government and, while there is no guarantee that voting patterns would remain the same under a different voting system, if past voting patterns were to continue New Zealand would have had coalition or minority Governments for the past 30 years. It is, therefore, important to discuss whether there is any tendency for coalition or minority Governments to be ineffective.

2.156 An important aspect of effectiveness in Government is the durability of individual administrations. Clearly, if multi-party coalitions continually break down, resulting in frequent elections, effective government is unlikely. However, Governments of short duration tend to be found in countries where there is a low threshold of representation in the legislature, or where there are political parties corresponding to deep social or ideological divisions. West German governments have been extremely stable with early elections held on only 2 occasions since the war and changes in government occurring only in 1966, 1969 and 1982. This stability may in part be due to the "constructive vote of no confidence" rule whereby the "Bundestag can express its lack of confidence in the Federal Chancellor only by electing a successor with the majority of its members ..." (Basic Law, Article 67(I)). The strong desire of the Germans themselves to ensure that governments are

stable and that the problems of the inter-war years are avoided may also be significant. Irish governments have been less durable. There were 3 elections in 18 months in 1981-82, as successive governments were defeated after minor parties and independents withdrew their support. Even so, since 1922, Ireland has had 9 single-party majority governments for a total of 34 years 4 months, 9 single-party minority governments for a total of 14 years 9 months, and 5 coalition governments for a total to date of just under 15 years. We consider that because of the thresholds within both MMP and STV and our political traditions and expectations, neither MMP nor STV would be likely to create serious difficulties with respect to the durability and stability of Governments.

2.157 A related issue concerns not so much the durability of individual administrations but their ability to make decisions after they have been formed. All democratic Governments need majority support in the legislature before they can implement their policies. Because under all proportional systems including MMP and STV this may require the agreement of more than 1 party, there may need to be considerable consultation and negotiation before policies are implemented. It is the need for this process that gives rise to allegations that proportional systems lead to indecisive governments. In some circumstances governments may not be able to act as quickly as we are accustomed in New Zealand. However, the charge that coalition governments are inherently indecisive, which is often made in New Zealand and other countries with the plurality system, is based on isolated and often outdated examples such as Italy, France of the 3rd and 4th Republics, and Weimar Germany. Governments in West Germany and Ireland, and indeed those in most other European proportional systems, have demonstrated their ability to act decisively when that has been necessary. We do not expect the situation would be different in New Zealand. Under our plurality system major policy initiatives already require the support of different factions within governing parties, and although the pressures for unity are greater within a single party than in a coalition, they are not wholly dissimilar.

2.158 Moreover, to the extent that the need for dialogue and compromise do inhibit the ability of governments unilaterally to implement changes, this may in some circumstances enhance rather than detract from effective government overall. In paras. 2.43 to 2.45 we discussed the problem under plurality of certain policies being subject to repeated changes as governments succeed each other in and out of office. Under MMP and STV, contentious issues would often be the subject of negotiation between 2 or more parties and the policy that emerged would be more likely to be one that is acceptable both to the majority of electors and to subsequent governments. Major policy shifts, when they occur, are more likely to be caused by significant shifts in voter opinion than is the case under plurality. What is lost in terms of the decisiveness of government is, we consider, more than made up for in continuity of policy between governments. Our clear impression from

the submissions made to us is that electors would welcome more consultative government and greater continuity of policy.

2.159 A further aspect of effective government concerns continuity of personnel between administrations. Under plurality, a change of government usually means a complete removal from power of all members of the defeated government. There are occasions when such a transformation is clearly desired by the electorate and in such cases it is important that the popular will be reflected in the composition of the new government. However, under plurality, such a complete turn-around can, and generally does, occur without the new government receiving an absolute majority of the vote. Under MMP and STV any opposition party or coalition which receives a clear majority of the vote will be able to govern without involving members of the defeated government. However, if the electorate's verdict is not so clear-cut it is highly possible, depending on the configuration of the parties after the election, that 1 or more parties from the defeated government will participate in the formation of its successor. On some occasions the ability of a newly elected administration to draw on the experience of some members with recent governmental experience may increase political stability and hence the effectiveness of government.

2.160 Our conclusions are that the introduction of MMP or STV into New Zealand would not significantly reduce the stability and decisiveness of individual Governments and may indeed enhance the effectiveness of government generally. Either system would make the prospects of coalition or minority government more likely. This may introduce periods of uncertainty, particularly as parties either already in government or contemplating forming a government negotiate amongst themselves. Nevertheless, negotiation is not necessarily a bad thing even if it does slow down the process of decision-making on some occasions, and New Zealand could well benefit from increased consultation and discussion in Government. Finally, we stress the importance of a threshold such as we have proposed for MMP and STV. The evidence is that a reasonable threshold does prevent a proliferation of small parties in the House and any instability that may arise as a consequence. In short, we do not see plurality as having an advantage under the "effective government" criterion.

Effective Parliament

2.161 We expect that MMP in New Zealand would enhance the ability of MPs to carry out their collective parliamentary functions. Parties would be able to use their lists to assist the election and re-election of people who had a particular contribution to make to the functioning of Parliament as an institution, or who could bring a particular expertise to the policy and legislative processes. The lists would also allow a party to protect a good constituency MP from the vagaries of plurality elections.

2.162 Smaller parties are more likely to gain seats in the House under MMP than under plurality. To some extent the scrutiny and control of the major party would be enhanced if the views of 1 or more other parties

had to be taken into account in Government or in the House. Even where that was not the case, there would be value in having a greater variety of views represented in Parliament.

2.163 There is a danger that a proliferation of small parties in the House would detract from, rather than enhance, the effectiveness of Parliament by fragmenting the Opposition and thus decreasing its ability to counter and debate Government moves. However, MMP avoids this danger in that the 4% threshold would generally mean no parties with fewer than 5 MPs would be represented in the House.

2.164 In summary, under MMP we consider that the functions of Parliament in checking the executive through scrutinising its legislation, questioning Ministers in the House and public servants in select committees, and acting as a forum for the expression of alternative policies and as the focus for New Zealanders' aspirations and grievances, would all be better served.

2.165 The advantages of MMP with respect to the representation of small parties are shared by STV. We have some concern, however, that the fierce intra-party competition over constituency service experienced under STV in some countries overseas would, if introduced to New Zealand, seriously undermine MPs' work in Parliament. In para. 2.143 we referred to the situation in Ireland where intra-party constituency competition has resulted in many members of the Dail doing little else but attend to the demands of their constituents. While this might result in a higher level of service for the constituents concerned, to the extent that it occurs, the policy and parliamentary functions of MPs must suffer.

2.166 It is clear, however, that competition over constituency service in Ireland cannot be attributed solely to the electoral system. There are strong localist, clientilist, and brokerage strains running through Irish culture, legacies of centuries of British rule in a predominantly rural society. Face-to-face contact with a person thought to have access to power is still seen as the way to obtain benefits, even those to which there is a legal entitlement. We were told that the demands of the constituents on elected representatives would persist whatever electoral system was used in Ireland. It seems, then, that the Irish electoral system exacerbates a tendency that is already present in Irish society, and allows it to be expressed in a particular way.

2.167 Although intimacy and localism are also characteristics of New Zealand's political system, we think that most people in New Zealand stand in a different relationship to the departments of State than do the Irish. Many New Zealand constituents see their MP as a matter of last rather than first resort. Our Government departments see it as their responsibility to invite and deal with problems and complaints without the intervention of the MP. There are also other agencies that can help with problems involving departments and other Government bodies. The political parties also insist that their MPs are involved in the work of the House. While MPs see their constituency work as extremely important and satisfying, they also see it as only a part of their role.

2.168 Nevertheless, given the pressures placed on MPs by their constituents at present, we cannot completely rule out the possibility that MPs elected under STV might concentrate on constituency work to the neglect of their parliamentary functions. Without in any way underestimating the value of constituency work, and in particular the avenues it provides for those in lower socio-economic groups, it is desirable that intra-party competition over constituency service be curbed. We consider that the party box option would limit the degree of intra-party competition over constituency service and to that extent the negative effects such competition might have on the effectiveness of Parliament.

2.169 We conclude that MMP is likely to have a clear advantage over plurality in providing an effective Parliament. STV may also strengthen the work of Parliament, although we accept that the benefits of small party representation under STV have to be balanced against any tendency for MPs to neglect some of their parliamentary functions in favour of unnecessary constituency work.

Effective parties

2.170 We have already emphasised the vital role of political parties in modern democracies. Any electoral system which weakened parties would, to that extent, be undesirable.

2.171 The policy functions of political parties are extremely important in any democracy. We consider that MMP would enhance that role compared with plurality, both because the list enables the recruitment of candidates with particular knowledge, skills or experience and because able members could be made less vulnerable electorally. With regard to STV we have already mentioned the possibility of intra-party competition. While we consider that the party box will limit the extent of intra-party competition we remain concerned that MPs elected under STV might concentrate on constituency service to the detriment of other aspects of their work. That should not be exaggerated in respect of policy development, however, for New Zealand parties typically try to involve the wider party membership in the development of policies.

2.172 We earlier commented that the plurality system provides for strong party unity and discipline. It is sometimes suggested that party unity under MMP may be impaired by the tendency of the system to create 2 types or classes of MP. List members elected in a nationwide constituency might be seen as more important or more logical ministerial material than their local constituency counterparts. On the other hand, constituency members might see themselves, or be seen, as the true representatives of the people in that they were elected directly not "smuggled in" on the list. In practice, in West Germany, the dual method of election does not appear to have weakened party unity or discipline or to have led to 2 distinct classes of MP. We do not expect there would be problems of party disunity were it introduced in New Zealand, provided the numbers of constituency and list members are kept equal in number. In this respect MMP differs significantly from SM where the comparatively small number of list MPs might be regarded as

an elite. Party organisations would also attempt to prevent the development of 2 classes of MP.

2.173 Both MMP and STV would improve the prospects for smaller parties and, under STV at least, for Independents. This may to some extent lessen party unity and strength as dissidents might be tempted to break away and compete in their own right. However, this also prevents the dominant factions within parties from ignoring the views of minority groups within their caucuses. At the same time, the thresholds under MMP and STV would, we consider, limit both the frequency of defections and their negative effects on parties and the party system.

2.174 There are significant differences in the extent to which plurality, STV and MMP allow the party to determine which candidates and MPs are to represent it. Plurality gives parties a powerful position in that at an election each party's committed voters must accept the choice of candidate or vote for another party. On the other hand, depending on such factors as the balance between central and local control over selection, the candidates chosen under plurality may or may not make the most effective team. In addition, the vulnerability of marginal seat MPs may mean the loss of a party's most valuable (or even most popular) representatives.

2.175 By providing for voter choice within as well as between parties, STV is sometimes said to weaken parties' control over their representatives. However, the party-box option we propose will to a large extent counter this and will mean the parties' most valuable candidates are less vulnerable than under plurality.

2.176 MMP places the parties in a particularly strong position with respect to control of their candidates. As already discussed, the list assists parties to obtain a balance between diverse occupational, gender, ethnic and interest groups, and individuals may be chosen as members of a team for their particular skills, experience or areas of knowledge.

2.177 In summary, we consider that MMP is marginally more beneficial to the development of effective parties than are STV and plurality although we doubt that there is a great deal to choose between the 3 systems on this criterion. Under all systems greater effectiveness of parties, particularly with respect to their influence over candidate and MP selection, to some extent must restrict the individual voter's range of choice. What is therefore important under all systems is that there should be ample opportunity for ordinary party members to participate effectively in the selection of candidates. This ensures that there is not too great a concentration of power in the hands of the party organisation. We discuss this further in paras. 9.24 to 9.29.

Legitimacy

2.178 For the reasons we expand upon in our conclusion we consider that both the MMP and the STV electoral systems we have described are, because of their proportionality, fair and legitimate in ways that our present single-member plurality system can never be, although we

accept as indicated in para. 2.53 that our plurality system has long been accepted as legitimate. We find it difficult to choose between MMP and STV on this criterion, but we see MMP as preferable to STV on the grounds that it is likely to be more closely proportional, and that it retains single-member constituencies.

Conclusion

2.179 In the preceding discussion of the respective strengths and weaknesses of MMP, STV and plurality, we have endeavoured to present a fair appraisal. Of the 2 proportional systems, MMP and STV, it is our view that for New Zealand MMP is clearly superior. It is fairer to supporters of significant *political parties* and likely to provide more *effective representation* of *Maori* and other *minority and special interest groups.* It is likely to provide a more *effective Parliament* and also has advantages in terms of *voter participation* and *legitimacy.* With regard to SM, we are conscious that a complete move away from plurality represents a major change and that there might be attractions in making lesser modifications to our system aimed at remedying some of its defects in a more gradual and incremental manner. However, we do not consider SM sufficiently overcomes the key deficiencies of plurality. In terms of fair representation of the supporters of political parties and other groups and interests, it is a palliative rather than a true prescription for improvement.

2.180 As between MMP and plurality, we accept that we should recommend a complete change only if we are fully satisfied that a new system will remedy major defects in plurality without introducing greater deficiencies of its own. Applying that standard, the Commission unanimously recommends the introduction of MMP.

2.181 In those areas where plurality has major weaknesses, MMP results in substantial improvement. It ensures *fairness between political parties* because there is a distinct party vote and seats are distributed in proportion to the level of nationwide support for each party. There is no bias against minor parties so long as they cross the 4% threshold. There are no accidental advantages or disadvantages to parties depending upon how their support is spread through the country. In terms of *voter participation*, MMP represents a significant improvement over plurality in that the 2 votes allow voters to concentrate their attention on electing a Government as well as choosing the best constituency representative. Moreover, in terms of the overall result most votes do count and are clearly seen to count. In the key area of *Maori representation*, where plurality is clearly deficient, MMP offers to Maori both the ability to exercise real influence through a common roll with no separate Maori roll and the opportunity to elect through the lists candidates who reflect the Maori viewpoint. The national lists are also likely to provide more *effective representation of*, and influence for, other *minority and special interest groups* than does plurality. Finally, in terms of *legitimacy* MMP is, and will be seen to be, much fairer than plurality in giving representation to parties and other groups or interests.

This, we believe, is significant in terms of preserving confidence in our electoral process in a more diverse society.

2.182 In those areas where plurality is commonly regarded as having strengths we consider that MMP has comparable, though sometimes different, advantages. Thus in terms of *effective government*, we see MMP introducing changes because coalition or minority Governments may become more likely, though by no means inevitable. The evidence from other democracies with proportional systems indicates that where there is a reasonable threshold which prevents the proliferation of minor parties, governments remain at least as effective, and possibly more so if proportionality results in the adoption of more consistent, consultative and broadly supported policies. Likewise, in terms of *effective representation of constituents*, MMP retains single-member constituencies and we do not see either system as clearly preferable. Similar considerations apply to the ability of both systems to assist *political integration*, though we incline to the view that changes in New Zealand society render MMP preferable to plurality in that all significant sections of the community have an effective part in the political process, and parties with a reasonable degree of voter support have the opportunity to obtain representation. Simply because it fails to reflect the diversity in our society, plurality may in the long term be less integrative. In relation to *effective parties*, we believe the systems are comparable, though MMP has an advantage because of the assistance the list gives in obtaining a balance between interests requiring representation. Finally, we consider MMP probably has an advantage over plurality in terms of assisting an *effective Parliament* because it encourages election of members who may choose to concentrate on policy issues. Overall, then, we consider MMP to be the best voting system for New Zealand's present and future needs.

Recommendation:

- **1.** The Mixed Member Proportional system as set out in para. 2.116 should be adopted.

2.183 **Other Systems**. Although we are satisfied that MMP is to be preferred to all other systems, there are differing views amongst Commissioners about where STV should be ranked in relation to plurality and SM. With regard to SM, members of the Commission are agreed that that system would be an improvement to plurality, and one which we would like to see introduced if there is not to be a change to MMP.

2.184 **Cost.** We recognise that there would be some cost factors associated with a change to MMP. The greatest cost would arise in relation to the increase in the size of the House by some 20 or so MPs, this in our view being essential if MMP is to operate effectively. The cost of additional members arises, however, whether or not a change is made to MMP, since we consider the House should be increased to the same extent if we remain with the plurality system. Details of the cost of increasing the size of the House are given in Chapter 4, para 4.31. Apart

from the one-off costs involved in switching to a new system we think the administrative costs of operating an MMP system would not be greatly different from the cost of operating a plurality system with the same number of MPs. We therefore do not see the cost of introducing MMP as a factor of any great significance.

2.185 **Referendum.** We consider that MMP should not be introduced unless there is public understanding of, and support for, the change. What is therefore essential in our view is a period of public consideration of this report during which the advantages and disadvantages of change may be discussed and debated. Thereafter MMP should be introduced only with the approval of a majority of voters at a referendum. Although a proper time should be allowed for public discussion the decision should not unnecessarily be delayed. We therefore recommend the referendum be held at or before the next general election after 1987. The referendum should be introduced on the basis of an Act of Parliament which makes it clear that the result is binding.

Recommendation:

- **2.** A referendum on the adoption of the Mixed Member Proportional system should be held at or before the next general election after 1987.

2.186 The major issues concerning Maori representation are discussed in the next chapter of our Report. This present chapter has, however, made reference to some of those issues because they are vitally relevant to any decision about a suitable electoral system for New Zealand. Chapters 2 and 3 of our Report should therefore be read together. In other respects, our recommendation for a change to MMP stands alone and should be considered independently of our remaining recommendations except that it also requires an increase in the size of the House (see Chapter 4).

AN ELABORATION OF MMP

2.187 The MMP system we have recommended is only 1 of a number of possible variants. Many of the components of the system could be modified to create a significantly different result, and our conclusions in a number of key areas were arrived at only after the weighing of a number of factors. We therefore now discuss our proposal in greater detail, and indicate the reasons for the major choices we have made.

The ratio of list to constituency seats

2.188 Under our proposal there would be 60 list and 60 constituency seats. On provisional 1986 census figures, the average population per constituency would be approximately 55,000. We consider 60 constituency members the minimum acceptable to retain the possibility of a direct and close relationship between constituent and MP Based in

part on the West German experience, we would expect most list members to attach themselves to particular constituencies or regions, although we expect that some members elected from a list would be less directly in contact with the voters from a given area than others.

2.189 It is possible to maintain proportionality while retaining a greater number of constituency seats. Combinations of 80 constituencies to 40 list seats or 70 to 50 are the most likely options. While these combinations provide smaller constituencies, they are rejected on 2 main grounds. First, if constituency elected MPs are not to be seen as of a different status than list elected MPs it may be important to have approximately equal numbers of each. Second, a major advantage of party lists is that they provide the most effective way for each party to balance its representation of significant groups and interests. If this balance is to be achieved, it is important for all major parties to have some list members at all times. Major, and particularly winning, parties will tend to gain more constituency seats than their share of list votes would suggest. They will, therefore, need to receive a smaller share of list seats in order for overall proportionality to be achieved. If there were, for example, 80 constituency and 40 list seats, major parties would be likely to win all, or nearly all, of their overall entitlement from constituency seats, and thus receive few, if any, list seats. This effect may be particularly disadvantageous if it results in a party losing a number of list members after an improved performance at the polls.

Threshold

2.190 We have proposed adoption of a threshold of 4% of the valid list votes, or success in at least 1 constituency, before a party is eligible to receive any list seats. A party reaching the 4% threshold would receive at least 5 seats in the House. The choice of a 4% threshold is designed to provide small parties with a reasonable chance of gaining seats while discouraging the proliferation of minor and/or extremist groups in the House. In 1984, 4% of the valid vote amounted to slightly under 77,000 votes. In recognition of the special status of the New Zealand Maori population, and of the relatively small number of Maori voters, we have proposed that no threshold apply to parties primarily representing Maori interests. This waiver could be extended to parties representing other minority ethnic groups, such as Pacific Islanders, if this was thought desirable.

2.191 Before settling on a 4% threshold, the Commission considered alternative possibilities ranging from no threshold at all to a 5% threshold, as used in elections to the West German *Bundestag*. We are persuaded that if no threshold is set or if it is set too low, the operation of effective government would be very likely to be frustrated. On current voting numbers and assuming 120 seats allocated by the modified Sainte Laguë method, the absence of a vote threshold would give a first seat in the House to every party recording around 25,000 votes. We think this is too low and could give rise to a proliferation of small parties

with few seats in the House. The adoption of an appropriate threshold is a key element in our proposal, and we would view it as clearly undesirable to have no threshold. We only think it justifiable to waive the threshold in the very limited way which we indicated above.

2.192 On the other hand, we view a 5% threshold as too severe. Under such a proposal a party would need almost 100,000 votes to gain one list seat. In our view this would, in New Zealand, be too great an obstacle to the development of new and emerging political forces.

Election of list members

2.193 Earlier in this chapter we rejected systems of proportional representation based exclusively on party lists on the grounds that such systems give parties rather than voters effective choice over the selection of representatives. The MMP we suggest with 60 of the 120 representatives elected from closed party lists, is to that extent vulnerable to the same charge. Because of this concern, we investigated in some detail a number of alternative ways of electing non-constituency members.

2.194 **Best losers.** One possibility is the Hansard Commission system whereby the "best losers" in the constituencies would gain election (see para. 2.93). This system does have a number of points in its favour. Because only 1 vote would be needed, the system would require the same act for voting as at present. All candidates would be exposed to an election campaign in a constituency, and only candidates gaining a high percentage of the vote in a constituency would be elected. Not only would the need for a party list be removed but also every member would have an identifiable local constituency to service.

2.195 We consider, however, the 2-vote method to be preferable to the 1-vote system advocated by the Hansard Commission. We have earlier outlined our view that a major advantage of MMP is that it allows voters to better exercise the dual functions of choosing a local representative and choosing a party of government. The 1-vote system would deny voters this opportunity and also remove the flexibility whereby voters have the opportunity to endorse or reject planned coalition arrangements.

2.196 Nor are we convinced that the Hansard MMP would give voters an appreciably greater choice over selection of their representatives than would closed-list systems. Best losers are those unsuccessful candidates with the highest percentages of the vote in their constituency. That percentage is affected by a party's traditional level of support in that constituency, and by the level of activity of third and fourth parties there. Under this scheme, therefore, a worthy but losing candidate in a seat that is safe for another party would have little chance of being a "best loser" compared with a losing candidate in a highly marginal seat. Voter choice of "best losers" would be illusory.

2.197 Nor do we consider that the advantages of requiring all candidates to compete in a constituency outweigh the disadvantages. Requiring all list members to be defeated constituency candidates may

exacerbate rather than diminish a perception that there are "2 classes" of MP. Finally we consider there are benefits in having some MPs freed from the responsibility of servicing a geographic constituency.

2.198 **Open or closed lists.** The election of non-constituency members through party lists would be more acceptable to some if voters could alter the order of candidates on the lists. Voters might combine a vote in a constituency with a vote for 1 or more non-constituency candidate(s) grouped under, but not ranked within, each party. The votes for all list candidates would count also as votes for the candidates' parties. Once each party's overall entitlement was determined, those candidates within each party attracting the highest number of votes would be elected. Alternatively, non-constituency members might be elected by allowing parties to present ordered lists but allowing voters a limited power to alter those lists. Under such a scheme, voters might have the choice between acceptance of the party list and either partial or complete re-ordering of it.

2.199 While it may be attractive in principle, there are considerable difficulties in combining open national lists with constituency contests, particularly when constituency candidates may also stand on the party list. First, each party would need to have enough list candidates to cover not only the maximum number of list members they might expect to have elected, but also those dual candidates who might be successful in a constituency. The ballot paper would be excessively long, and would require an unrealistic degree of voter knowledge about candidates. Second, we consider that if parties were given little or no influence over the ordering of their lists, this might force candidates into public competition within, as well as between, parties. This may seriously weaken party unity and the collective responsibility of a party's representatives to the electorate. It may also deny parties the opportunity to provide representation to special groups and interests.

2.200 We do not suggest that competition and debate between members of the same party is, in itself, bad. Rather we consider that it is preferable if most of that competition takes place inside party forums rather than before the wider electorate. However, if a party is to be allowed to present a closed list, it is essential that this list is constructed in a democratic way with genuine involvement by the party's membership. In West Germany, the Law on Political Parties requires parties nominating candidates for both constituency and list seats to select those candidates either directly by the party membership of a given area, or by an assembly of delegates elected by the membership for that purpose. All elections of candidates or assembly representatives are required to be by secret ballot. We discuss candidate selection procedures in paras. 9.24 to 9.29 and make recommendations to a similar effect.

2.201 **Regional or national lists.** The list element of MMP could operate with parties presenting either a number of regional lists or one national list. The advantages of regional lists are that they may lessen central party control, ensure balanced representation between regions

and, because regional lists would contain fewer names than national lists, be more easily opened up to voter choice. Proportionality need not be compromised if each party's entitlement is determined nationally and its seats are then allocated regionally.

2.202 In opting for a single, national list for each party we were influenced by the following factors. First, a national list enables parties to ensure balanced representation. Second, regional lists may lead MPs and electors to concentrate unduly on local or regional issues to the detriment of national issues. Third, since New Zealand does not have clearly defined regions and is not a federal state it may be unnecessary and unwise to artificially create such divisions. Fourth, with regional lists, but each party's entitlement determined nationally, there is no obvious correlation between list position and likelihood of election. Fifth, in order to make it clear that the list vote is a choice between parties and their leaders, all voters should have the same key names in front of them.

2.203 **Dual candidacies.** In arriving at our proposal to allow parties free rein over who should appear on the lists, we considered excluding constituency candidates from the list altogether or, alternatively, requiring that all list candidates also contest a constituency seat. We earlier rejected the second of these options in our discussion of the Hansard Society Commission proposals and we now consider the question of prohibiting dual candidacies.

2.204 Internal party pressures in West Germany have meant that most list candidates in high positions now also contest and are subsequently identified with local constituencies. This has contributed in West Germany to a general lack of distinction between the two types of representative. It also encourages a low turnover of deputies and a consequent stability and depth of experience within the *Bundestag*.

2.205 These characteristics are, however, not without their disadvantages. A lack of distinction between MPs elected in different ways may promote greater harmony within parties in the House, but it does not encourage list members to concentrate on the representation of interests transcending local constituencies. Moreover, while the backup of a list position allows able representatives in marginal seats to be protected, it consequently gives voters little power to remove an unpopular member from the House.

2.206 If list candidates were excluded from contesting constituencies voters would retain the power to remove unsatisfactory local representatives and list members could focus on the representation of wider groups and interests, or on national issues. On examination, however, we consider prohibition of dual candidacies to be undesirable in principle and unworkable in practice. First, the creation of 2 rigidly distinct types of candidate (and hence representative) would be likely to contribute to party disunity. Second, we see considerable advantage in allowing parties to both protect a limited number of their more valuable MPs in marginal seats and reward superior candidates in unwinnable seats. Banning dual candidacies would prevent such practices and be

of particular harm to small parties who are unlikely to be assured of any constituency seats but who may nonetheless wish to have their high profile members contest such seats. Third, a smaller party would win more list than constituency seats. This may be reversed if that party does particularly well in an election. Under MMP, therefore, a party may lose some of its list members while gaining seats overall. In our view this is an unacceptable prospect if dual constituency/list candidates are banned.

Dissolution

2.207 In paras. 2.151 and 2.152 we noted a concern about the increased possibility under systems of proportional representation of inter-election changes of government, and the consequent loss of voter sovereignty this might entail. In light of this concern we considered whether a change to MMP might make desirable a requirement that parties in Parliament should not be able to form a new government without an election. This would involve legislation requiring a dissolution of Parliament and a new election in the event of a new government being unable to serve out its term. The requirement would apply whether or not a new administration was available to continue.

2.208 There are many examples, under both proportional and plurality voting systems, of new governments emerging between elections. These changes can occur in times of emergency—for instance, in the formation of a national Ministry during wartime—or as political fortunes alter in a divided House with no single party holding a majority. "New" governments may or may not involve members of the previous government and there is sometimes great difficulty, or even impossibility in some circumstances, in determining whether a new Ministry has really been formed. We are not aware of any constitution which as a matter of law requires new elections if a new government emerges in the course of a Parliament.

2.209 For 2 reasons we do not propose that an election be required by law if the Government changes in the course of a Parliament elected by MMP. The first is that the situations of change are various and a clear line cannot, we think, be drawn in a legal formula between those changes which justify a new mandate and those that do not. The second reason is that we expect that parties forming a new government which is widely judged in the country to require a fresh mandate will in fact seek one by advising a dissolution and new elections. If they do not, it will be to their political cost. The matter should, as at the present, be left to the good sense of the parties and to evolving practice and convention.

Addendum 2.1: Vote/seat relationships, thresholds and quotas

Turning votes into seats

Under proportional representation the number of seats a party gets should be as nearly as possible proportional to the number of people who have voted for that party. An example of the difficulty there can be in determining the number of seats parties should get is the following:

Suppose there are 3 parties which have received 437, 396 and 167 votes respectively. Suppose there are 100 seats to be allocated. The parties would "expect" 43.7, 39.6 and 16.7 seats although, of course, only whole numbers of seats can be allocated. If these expectations were rounded to the nearest whole number the allocations would be 44, 40 and 17 which add, not to 100, but to 101.

Many methods of allocating seats have been devised that ensure the numbers of seats always add to the correct number. These methods are distinguished from each other by the different ways in which they try to make the proportions of seats close to the proportions of votes. The methods used are discussed in some detail in the book *Fair Representation* by Michael L. Balinski and H. Peyton Young, New Haven, 1983. A method commonly recommended is the Sainte Laguë method. This starts from the assumption that a difference of a given amount between the number of seats a party expects to get and those it is allocated is more important for a minor party than for a major party. For instance, if on average a party expects to get 16.7 seats as in the example above, and the actual allocation is 17.0, the difference of 0.3 is more serious proportionately than is the corresponding difference between 43.7 and 44. The Sainte Laguë method favours the smaller parties by providing allocations of seats which, while attempting to make the proportions of seats close to the proportions of votes, give more weight to the differences between expected and actual allocations for small parties.

A principal competitor to the Sainte Laguë method is the d'Hondt method, used in a number of European countries. In this method the procedure is to give the next seat to be allocated to the party which would then have the highest ratio of votes to seats. In this way it ensures a close relationship between the different ratios of votes to seats, at the expense of slightly favouring the larger parties.

For the example given above the Sainte Laguë allocation of seats is 44, 39 and 17 while the d'Hondt allocation is 44, 40 and 16.

Modified Sainte Laguë

The 2 methods discussed so far may each be modified in such a way as to alter the chances of a small party gaining a few seats without there being a significant proportional change in the number of seats gained by the larger parties. Modifications of this kind to the Sainte Laguë method have been employed in Norway, Sweden and Denmark. We have proposed a similar modification to be used for SM (para. 2.101)

and for MMP (para 2.116). The modification has consequences for the minimum proportion of votes a party has to gain to be sure of getting at least 1 seat, at least 2 seats, and so on. An understanding of these effective thresholds will be enhanced by a description of the way in which the methods work in practice.

Practical implementation

Calculations for the methods discussed proceed in the same general way. Each party's total number of votes is successively divided by the numbers in a series. The series is 1, 2, 3, 4,... for the d'Hondt method, 1, 3, 5, 7,... for the Sainte Laguë method, and 3, 4, 5, 7, 9,... for the modified Sainte Laguë that we propose. This successive division produces a series of quotients for each party. If there are *n* seats to be allocated the highest *n* quotients amongst all the parties are selected and a party gains as many seats as the number of quotients it has amongst the highest *n*. This process is illustrated for the d'Hondt system using the votes obtained by the Labour, National, Social Credit and New Zealand parties to allocate 20 seats in the 1984 election:

	Labour	National	Social Credit	New Zealand
Percentage of votes	43.5	36.3	7.7	12.4
Total number of votes	829154	692494	147162	236385
Divide by 1	829154(1)	692494(2)	147162(11)	236385(6)
2	414577(3)	346247(4)	73581	118192(15)
3	276385(5)	230831(7)		78795
4	207289(8)	173124(9)		
5	165831(10)	138499(12)		
6	138192(13)	115416(16)		
7	118451(14)	98928(18)		
8	103644(17)	86562(20)		
9	92128(19)	76944		

The numbers in brackets (1), (2), (3)... indicate which are the first, the second, the third, and so on of the quotients and therefore give an order in which seats are distributed to each party until the total number of seats has been allocated. The numbers of seats the parties get when there are 10, 20, 30 and 120 seats to be distributed are:

Total Number of Seats	Labour	National	Social Credit	New Zealand
10	5	4	0	1
20	9	8	1	2
30	14	11	2	3
120	52	44	9	15

Under the Sainte Laguë system a similar table of quotients would give:

Total Number of Seats	Labour	National	Social Credit	New Zealand
10	4	4	1	1
20	9	7	2	2
30	13	11	2	4
120	52	44	9	15

Under the modified Sainte Laguë system a similar table of quotients would give:

Total Number of Seats	Labour	National	Social Credit	New Zealand
10	5	4	0	1
20	9	7	1	3
30	13	11	2	4
120	52	44	9	15

These results bear out the earlier remarks that the d'Hondt system favours larger parties while the Sainte Laguë system favours smaller parties. The figures for Social Credit for 10 and 20 seats for the modified Sainte Laguë, indicate that the smallest party needs more votes than for the normal Sainte Laguë before it can get a seat.

For comparison we give the numbers of seats that would be "expected" just from the proportion of votes, without any kind of rounding system such as the 3 that have been described.

Total Number of Seats	Labour	National	Social Credit	New Zealand
10	4.35	3.63	.77	1.24
20	8.70	7.27	1.54	2.48
30	13.06	10.90	2.32	3.72
120	52.22	43.62	9.27	14.89

This last table shows that for this particular set of election data, rounding "expected" numbers to the nearest whole number would have produced the same answers as does the Sainte Laguë method. This does not always happen however.

Thresholds

In an MMP system there can be a designated threshold of votes so that, if a party does not get as many votes as the threshold, it is allocated no seats (apart from the constituency seats it may have won). The calculation of the numbers of seats to be allocated to each party that has achieved the threshold can be made in any of the ways described above. A minor point is that the "expected" number of seats should then be based on the proportion a party's vote is of the total vote minus the total vote of parties who are excluded from the allocation.

Even if there is no designated threshold, an allocation scheme of the d'Hondt or Sainte Laguë variety has an inbuilt effective threshold of votes which has to be exceeded before a party is sure of 1 seat. This threshold is $V/(n + 1)$ for an n-member House for the d'Hondt method, $V/(2n - s + 1)$ for the Sainte Laguë and $3V/(2n - s + 3)$ for the modified Sainte Laguë where there are s other parties getting seats and V is the total number of votes.

The table below gives **effective thresholds** in terms of votes. These effective thresholds are relevant to a party for which the designated threshold has been waived. They give the votes needed if that party is to be sure of getting 1, 2, 3 or 4 seats through a list vote for a 120 member House. For simplicity it is assumed that there are just 3 other parties which have received more votes than is required by a designated threshold. The number of votes cast for the 4 parties in question has been set at 2,000,000, which is close to the 1,905,195 votes cast for the four leading parties in the 1984 election.

	1 seat	2 seats	3 seats	4 seats
d'Hondt	16 529	33 058	49 587	66 116
St Laguë	8 404	25 211	42 017	58 824
Modified St Laguë	25 001	37 473	42 017	58 824

These thresholds are sufficient to guarantee the stated number of seats. On occasion a specified number of seats can be achieved with fewer votes than the number indicated. This is likely to occur when the votes for the other 3 parties are close to justifying an increase in the number of seats they get or when numbers of votes are cast for independents or small parties. The point of interest in the table is that while the modified Sainte Laguë method has a higher quota for the first seat than the other 2, it allows a party to build its representation to 3 seats more rapidly, in respect of votes it attracts, than do either of the other 2 methods. It is thus more appropriate when a reasonably large initial effective threshold and effective representation in the House are both requirements.

A similar table is given below for an SM system in which there are 30 supplementary seats to be divided in proportion to the votes that parties get.

	1 seat	2 seats	3 seats	4 seats
d'Hondt	64 517	129 033	193 549	258 065
St Laguë	34 483	103 449	172 414	241 380
Modified St Laguë	100 001	135 594	172 414	241 380

A principal aim of the SM system is to provide extra representation for parties which achieve a percentage of the vote which is above, say, 5% but which is not enough to make them major competitors of the leading parties. Any party gaining just over 5% of the vote would on the above figures be sure of at least 1 seat under any of the 3 systems. The third and fourth seats are more easily obtained under either of the 2 Sainte Laguë methods than under the d'Hondt method.

Quotas

In the STV system each voter in an *n*-member constituency ranks the candidates in order of preference. Initially, a count is made of the number of first preferences each candidate receives. A candidate with more than a certain quota of first preferences is declared to be elected. This quota, known as the Droop quota is the next integer above $V/(n + 1)$ where n is the number of members to be elected in the constituency. It is easiest to think of this quota in terms of the percentage of votes required for election. The table below gives approximate percentages for different numbers of members to be elected in a constituency. Any candidate getting a percentage of votes over $100/(n + 1)$ is sure of election.

	Number of seats in the constituency								
	1	2	3	4	5	6	7	8	9
Percentage	50.0	33.3	25.0	20.0	16.7	14.3	12.5	11.1	10.0

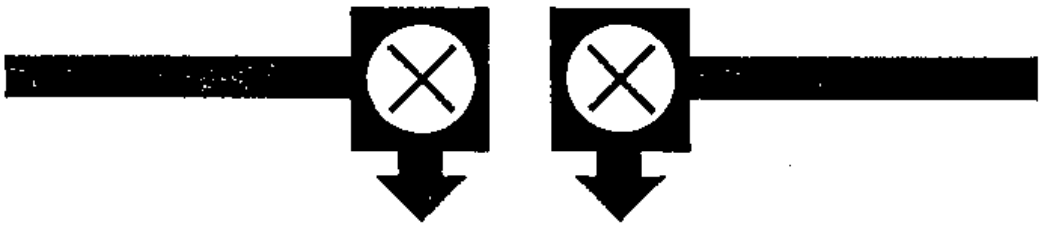
When a candidate is declared elected a Droop quota of votes is effectively removed from the counting process and there is then the problem of electing $n - 1$ candidates from a smaller number of votes. If all votes are transferable it then follows that the same Droop quota is appropriate for this second, and for all subsequent, stages of the count.

Addendum 2.2 : Sample MMP and STV Ballot Papers

Sample M M P Ballot Paper

Voting Paper
Hamilton Electorate

You Have Two Votes



One Vote Here
For a Party List

One Vote Here
For a Constituency Member

1	V	*Values Party* (KAY, NEWMAN, CARR, DUNCAN, STOKES)	
2	L	*Labour Party* (LANGE, PALMER, HEPI, PETRE, YOUNG)	
3	N	*National Party* (BOLGER, GAIR, PAKU, TILLER, WHITE)	
4	D	*Democratic Party* (MORRISON, THOMPSON, INCHAM, PEPE, WAIKATO)	
5	M	*Mana Motuhake Party* (RATA, REIDY, SMITH, HEMI, WAIPA)	
6	NZ	*New Zealand Party* (BROWN, CHOTE, HATCH, MARK, STAGG)	

	V	*Values Party* ROBERTS, Mary	1
	L	*Labour Party* FIRTH, John	2
	N	*National Party* MARTIN, Rex	3
	D	*Democratic Party* BUCKLEY, Joan	4

Sample S T V Ballot Paper

VOTING PAPER

DUNEDIN ELECTORATE — **Election of 5 members**

You may vote in one of two ways

Either — By placing the single figure 1 in one and only one of these squares to indicate the voting ticket you wish to adopt as your vote.

A	B	C	D	E	F	
DEMOCRATIC PARTY	LABOUR PARTY	MANA MOTUHAKE PARTY	NATIONAL PARTY	NEW ZEALAND PARTY	VALUES PARTY	

Or — By numbering from 1 up to a maximum of 20 in order of your preference.

A DEMOCRATIC PARTY	B LABOUR PARTY	C MANA MOTUHAKE PARTY	D NATIONAL PARTY	E NEW ZEALAND PARTY	F VALUES PARTY	UNGROUPED
INCHAM Mary	CHRISTIAN Thomas	SMITH Jane	HERON Richard	HATCH Keith	CARR Graham	CLARK Waller* (Independent)
PEPE Rau	BOYS Ann	RATAHI David	BLOCK Rex	CHOTE Jill	DUNCAN Robert	EVANS Norman (Independent)
AUSTIN John	HEPI Koro		PAKO Leone	BROWN Malcolm		OWEN Rae (Disarmament)
						VOLLER Violet (Apple)

Addendum 2.3: Counting votes under STV

The numbers of valid first preference votes for each candidate are counted, and a Droop quota is calculated (see Addendum 2.I). Those candidates who have obtained a quota or more are declared elected. The count then proceeds to fill any remaining vacancies by the repeated application of 2 steps in an order determined by the system's rules:

(a) by eliminating the candidates with the least number of votes and transferring the next available preferences to continuing candidates (i.e., those who have not been elected or eliminated); and

(b) by transferring the votes of successful candidates in excess of the quota (known as the "surplus") to continuing candidates.

This second transfer proceeds as follows:

(a) all the successful candidates' votes are sorted according to the next available preferences for continuing candidates, and a separate pile is made of non-transferable votes (i.e., those not showing a next preference for a continuing candidate);

(b) a "transfer value" is calculated equal to the ratio of the candidate's surplus votes to the number of that candidate's transferable votes;

(c) the number of votes to be transferred to each continuing candidate is the number of the next available preferences for that candidate multiplied by the transfer value, disregarding fractions;

(d) there are 2 possible methods of transferring the correct number of votes. First, the number of ballot papers equal to the number of votes to be transferred to each continuing candidate as calculated in (c) is selected at random from the pile of votes for that candidate, and each vote is transferred at its full value. This introduces a small element of chance as to the subsequent preferences on those ballot papers should they need to be transferred again. The second method (known as the "Gregory" or "senatorial rule") avoids this possibility. Each transferable vote is given the transfer value, and the whole pile of votes for each continuing candidate is transferred, each at the reduced value.

The transfer of surplus votes of elected candidates and of the next available preferences of eliminated candidates continues until all the vacant seats have been filled. If a seat still remains to be filled and no remaining candidate can reach the quota, the candidate with the highest number of votes at that stage is declared elected. Table 2.6 shows the count for an Irish constituency at the November 1982 election.

Party box. The inclusion of a "party box" option whereby voters indicate only their preferred party and accept that party's ordering of candidates does not materially alter the process described above. All transfers would operate as if the voters had ranked the candidates of their favoured party in the order those candidates were listed on the ballot paper.

Logical objections to STV

Objections to STV have been raised on the grounds of logical inconsistencies arising from the manner in which the count is made. Three principal objections are set out in "Some Logical Defects of the Single Transferable Vote" by Steven J. Brams and Peter C. Fishburn in *Choosing an Electoral System* ed. A. Lijphart and B. Grofman (New York, 1984). These defects all hinge on the order in which candidates are eliminated. They are:

(i) The truncation of a voter's preference list can be of advantage to the voter.

(ii) Without truncation of preferences STV does not guarantee the election of a (Condorcet) candidate who is preferred to each other candidate by a majority of voters.

(iii) STV does not guarantee that more first preferences are an advantage to a candidate.

Our general conclusion is that the situations in which undue advantage could be taken of these defects would be so rare as to render them of little practical significance.