

**REVIEW OF THE MMP VOTING SYSTEM
PROPOSALS PAPER**

13 AUGUST 2012



INTRODUCTION



A majority of voters in the 26 November 2011 referendum voted to keep the Mixed Member Proportional (MMP) voting system.¹ As a result, and as required by law, the Electoral Commission (the Commission) launched a review of MMP.

On 13 February 2012 the Commission issued a Consultation Paper, a dedicated website, and an appeal for public submissions.

Parliament said the review must include—

- the two thresholds for the allocation of list seats
- the effects of the ratio of electorate seats to list seats on proportionality in certain circumstances
- the rules allowing candidates to contest an electorate and be on a party list, and list members to contest by-elections
- the rules for ordering candidates on party lists
- other matters referred to the Commission by the Minister of Justice or Parliament (there were none).

Other issues raised by the public during the review could also be considered.²

Parliament excluded two matters from the review – Māori representation and the number of members of Parliament. These issues are being considered by the Constitutional Advisory Panel as part of the review of New Zealand's constitutional arrangements.³

This paper sets out the conclusions the Commission has reached to date and the recommendations we propose making to Parliament when we report to the Minister of Justice, as required, by 31 October 2012.


We have been greatly assisted by the 4,698 written submissions and the 116 oral presentations we received from around the country and overseas. People from all walks of life presented a wide variety of views. We also heard from experts, academics, and a range of organisations including political parties. Considerable time, thought and effort was put into their submissions and we thank them for their contributions.

We also wish to acknowledge the valuable advice on thresholds provided by members of the 1986 Royal Commission on the Electoral System (the Royal Commission), Hon Sir John Wallace QC, Rt Hon Sir Kenneth Keith QC, and Professor Richard Mulgan.

¹ See Appendix A for the results of the referendum vote.

² See Appendix B for section 76 of the Electoral Referendum Act 2010.

³ <http://www.justice.govt.nz/policy/constitutional-law-and-human-rights/consideration-of-constitutional-issues>.



The Commission now seeks public comment on the proposals. Submissions must be in writing or provided online and with us by 5.00pm on Friday, 7 September 2012. Our timetable for reporting does not allow for further general hearings. However, we do want to know what the public thinks about the proposals. Submissions are encouraged and all will be considered before we finalise our report.

The context for the review and our proposals

This is the first review of New Zealand's voting system by an independent body since the Royal Commission reported in 1986—26 years ago.

In undertaking this review the Commission has been mindful of the following points:


- A voting system should be as fair and simple as possible to facilitate public trust, understanding and participation.
- The criteria adopted by the Royal Commission for fair and effective electoral systems are highly regarded and widely accepted and should guide the Commission's considerations.⁴
- The system of MMP adopted in 1993 by New Zealand is a moderate system of proportional representation, reflecting a concern to balance the need for effective Parliaments and government with the virtues of proportionality.
- New Zealand voted in November 2011 to keep the MMP voting system. Its defining characteristics are a mix of members of Parliament (MPs) from single-member electorates and those elected from a party list, and a Parliament in which parties' shares of seats roughly mirror their share of the nationwide party vote.⁵

The Commission has considered all the aspects of New Zealand's MMP voting system put to us by Parliament. We have concluded that relatively few changes are required. But those we propose are important. They would greatly enhance public confidence in the fairness and operation of our MMP voting system and parliamentary democracy.

We have considered the process for implementing these proposals, should we adopt them as final recommendations, and should they be accepted by Parliament. Since 1956, where significant change to a defining characteristic of the electoral system has been proposed, a referendum has usually been held. For example, the term of Parliament has been the subject of referendums in 1967 and 1990, and the type of voting system in 1992, 1993 and 2011.

⁴ See Appendix C for the criteria adopted by the Royal Commission.

⁵ It is this feature of the voting system that makes it proportional.



Important changes to aspects of the operation of our voting system (such as, in 1965, the basis for determining the number of electorate seats, or, in 1995, the form of the ballot paper) have been enacted by a broad consensus of Parliament.

While our proposals are important and some require legislation, they would not fundamentally alter the nature of the voting system. For this reason a referendum would not be required to implement them.

The review timetable, with the Commission being required to report by the end of October 2012, is designed to enable Parliament to enact recommendations in time for the 2014 General Election. If Parliament agrees with our recommendations this should be achievable.

Hon Sir Hugh Williams, KNZM, QC
Chairperson
Electoral Commission

Jane Huria, CNZM
Deputy Chairperson
Electoral Commission

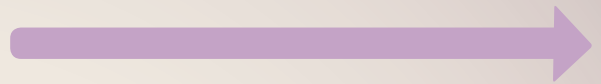
Robert Peden
Chief Electoral Officer
Electoral Commission

TABLE OF CONTENTS



| | | |
|----------------------------------------------|---------------------------------------------------------------------------------------------------|----|
| INTRODUCTION | 2 | |
| SUMMARY OF PROPOSALS | 6 | |
| HAVE YOUR SAY | 7 | |
| BASIS FOR ELIGIBILITY FOR LIST SEATS | 9 | |
| DUAL CANDIDACY | 17 | |
| BY-ELECTION CANDIDATES | 20 | |
| ORDER OF CANDIDATES ON PARTY LIST | 22 | |
| OVERHANG | 26 | |
| PROPORTION OF ELECTORATE SEATS TO LIST SEATS | 29 | |
| OTHER ISSUES | 34 | |
| HAVE YOUR SAY SUBMISSION FORM | 36 | |
| APPENDIX A | Results of the Referendum on New Zealand's Voting System | 38 |
| APPENDIX B | Scope of review as provided for in section 76 of the Electoral Referendum Act 2010 | 39 |
| APPENDIX C | Criteria for judging voting systems as determined by the Royal Commission on the Electoral System | 40 |
| APPENDIX D | Number of parties that would have been represented under different threshold levels | 42 |
| APPENDIX E | Levels of disproportionality in the 2005, 2008, and 2011 General Elections | 44 |
| APPENDIX F | Seat allocations under current and proposed thresholds for 1996-2011 General Elections | 45 |
| APPENDIX G | Calculations showing level of risk to proportionality for the General Elections 1996-2011 | 46 |
| APPENDIX H | Explanatory notes on Sainte-Laguë and list seat allocation for 2011 General Election | 48 |

SUMMARY OF PROPOSALS



- The one electorate seat threshold for the allocation of list seats should be abolished.
- The party vote threshold for the allocation of list seats should be lowered to 4%.
- Candidates should continue to be able to stand both in an electorate and on a party list at general elections.
- List MPs should continue to be able to contest by-elections.
- Political parties should continue to have responsibility for the composition and ranking of candidates on their party lists.
- The provision for overhang seats should be abolished for parties that do not cross the party vote threshold.
- On the basis of current information it would be prudent to identify 76 electorate seats (in a 120 seat Parliament) as the point at which the risk to proportionality from insufficient list seats becomes unacceptable. New Zealand is unlikely to reach that point before 2026.
- The gradual erosion of list seats relative to electorate seats risks undermining the diversity of representation in Parliament. Parliament should review this matter.

Each of the proposals above is independent but there would be little point in adopting the proposal to abolish overhang seats unless the proposal to abolish the one electorate seat threshold is adopted.

HAVE YOUR SAY



The Electoral Commission welcomes and invites any person or group to make a submission on the proposals set out in this paper.

There is no particular form that you need to make a submission but you can use the form at the end of this document for your comments (see page 36). You do not have to respond to all the issues raised in this paper.

Submissions can be made online or by uploading your own document at www.mmpreview.org.nz. Alternatively, submissions can be emailed to mmpreview@elections.org.nz.

Submissions can also be posted or delivered to—

Mail address

MMP Review
Electoral Commission
PO Box 3220
Wellington 6140

Street address

MMP Review
Electoral Commission
Level 9
17–21 Whitmore Street
Wellington

The deadline for submissions is 5.00pm on 7 September 2012.

The Commission is asking for written submissions only. As the Commission must report by 31 October 2012, it will not be possible to hold further hearings.

To receive the latest information on the review, you can sign up to the MMP review eNewsletter at www.mmpreview.org.nz/eNewsletter

You can also call **0800 36 76 56** to get this information.



WHAT WILL HAPPEN TO YOUR SUBMISSION?

The Commission will publish all the submissions it receives on its website www.mmpreview.org.nz. This will include your name or the name of your group but not your contact details.

Submissions may be subject to a request to the Commission under the Official Information Act 1982. Personal details can be withheld under this Act, including names and addresses. If you or your group do not want any information contained in your submission to be released, you need to make this clear in the submission and explain why. For example, you might want some information to remain confidential because it is commercially sensitive or personal. The Commission will take this into account when responding to such requests.

The Privacy Act 1993 governs how the Commission collects, holds, uses and discloses personal information about submitters and their submissions. You have the right to access and correct personal information.

When the review is completed, all documents (including submissions) will be archived by the Commission. An electronic archive of all this material will be available on the Commission's main website (www.elections.org.nz).

FURTHER INFORMATION

You can find out more about the review and the MMP voting system on our website at www.mmpreview.org.nz.

If you do not have access to the website, please call **0800 36 76 56** and we will send this information to you.

BASIS FOR ELIGIBILITY FOR LIST SEATS (THRESHOLDS)



What thresholds or hurdles should parties have to cross to qualify for an allocation of list seats in Parliament?

Purpose of a threshold

A threshold is the minimum level of support a party needs to gain representation. Thresholds are intended to provide for effective government and ensure that every party in Parliament has at least a minimal level of electoral support.

CURRENT SITUATION

Under current rules, a political party is entitled to a share of MPs that is about the same as its share of the nationwide party vote if it reaches one of two thresholds—

- at least 5% of the nationwide party vote;
- at least one electorate seat.

For example, at the 2008 General Election—

- the Green Party won no electorate seats but because it won 6.7% of the nationwide party vote (and therefore reached the 5% threshold) it got nine of the 122 seats in Parliament
- the ACT Party's nationwide vote was 3.6% but because one of its candidates won an electorate seat (that is, it reached the one electorate seat threshold), it was entitled to five seats overall (one electorate and four list seats)
- the New Zealand First Party won 4.1% of the party vote but did not win an electorate seat. Because it did not reach either threshold it did not receive any seats.

COMMISSION'S PROPOSALS

- The one electorate seat threshold for the allocation of list seats should be abolished.
- The party vote threshold for the allocation of list seats should be lowered to 4%.

The table below shows the overall impact of the one electorate seat threshold by listing the number of seats allocated to parties that did not reach 5% of the party vote but won at least one electorate seat.

Table 1: Showing the number of seats allocated to a party that did not achieve the 5% party vote threshold but won one electorate seat 1996-2011.

| Party | 1996 | 1999 | 2002 | 2005 | 2008 | 2011 |
|---------------|-------|-------|-------|-------|-------|-------|
| ACT | n/a | n/a | n/a | 1 + 1 | 1 + 4 | 1 + 0 |
| Mana | - | - | - | - | - | 1 + 0 |
| Māori | - | - | - | 4 + 0 | 5 + 0 | 3 + 0 |
| NZ First | n/a | 1 + 4 | n/a | n/a | n/a | n/a |
| Progressive | - | - | 1 + 1 | 1 + 0 | 1 + 0 | - |
| United Future | 1 + 0 | 1 + 0 | n/a | 1 + 2 | 1 + 0 | 1 + 0 |

1 + 4

The first number refers to electorate seats and the second to the number of list seats allocated.

Table 2: Showing the number of parties that polled 5% or more of valid party votes 1996-2011

| Party | 1996 | 1999 | 2002 | 2005 | 2008 | 2011 |
|---------------|--------|--------|--------|--------|--------|--------|
| ACT | 6.10% | 7.04% | 7.14% | - | - | - |
| Alliance | 10.10% | 7.74% | - | - | - | - |
| Green | - | 5.16% | 7.00% | 5.30% | 6.72% | 11.06% |
| Labour | 28.19% | 38.74% | 41.26% | 41.10% | 33.99% | 27.48% |
| National | 33.84% | 30.50% | 20.93% | 39.10% | 44.93% | 47.31% |
| NZ First | 13.35% | - | 10.38% | 5.72% | - | 6.59% |
| United Future | - | - | 6.69% | - | - | - |

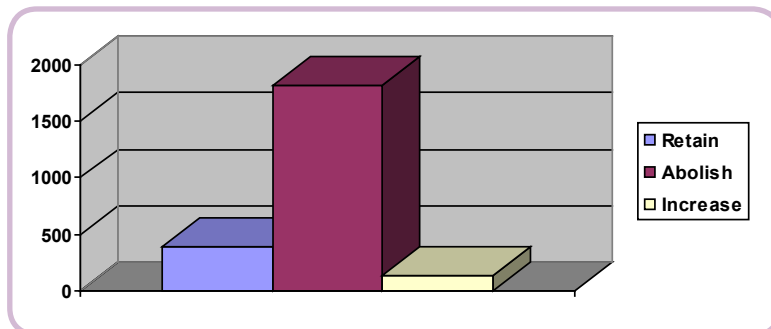
What submitters said about the one electorate seat threshold—

Of the 2,347 submissions received on this issue that expressed a clear opinion—

- 77% recommended abolishing the one electorate seat threshold
- 17% said it should be retained; and
- 6% proposed that it be increased to two or more seats.⁶

⁶ A further 88 submissions commented on this issue without stating a clear preference.

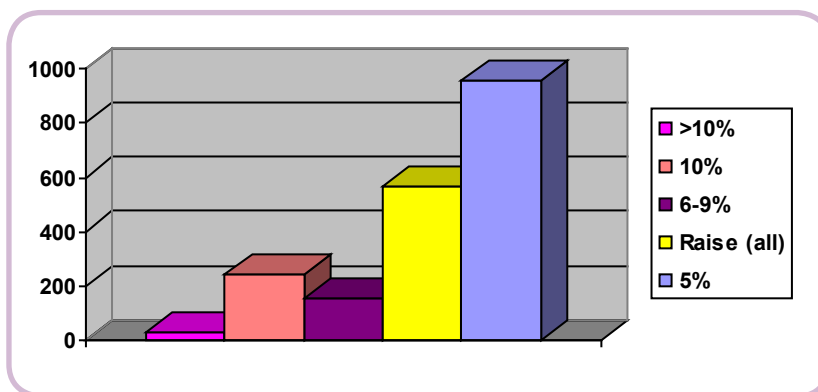
Figure 1: Simple analysis of submissions on whether the one electorate seat threshold should be kept



What submitters said about the party vote threshold—

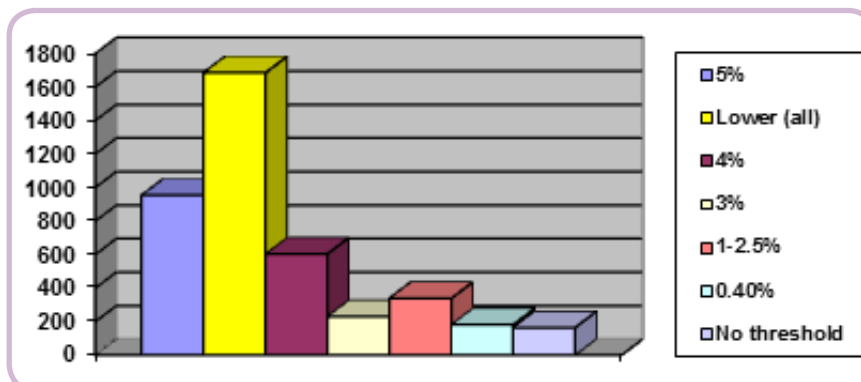
The issue of the party vote threshold was raised in 3,040 submissions with a majority of those in favour of lowering the threshold (55%). A total of 31% were in favour of retaining the 5% threshold, and a small number proposed an increase above 5%, and, in a few cases above 10%.

Figure 2: Simple analysis of submissions showing the range for a higher party vote threshold



There was, however, no consensus on what a lower threshold should be. Most favoured a 4% threshold in line with the Royal Commission’s original recommendation. A threshold between 1% and 2.5% was the second highest preference, followed by a 3% threshold and, finally, the number of votes required to gain one seat in the House.⁷

Figure 3: Simple analysis of submissions showing range of party vote threshold preferences



⁷ This is around 0.4% of the party vote once the Sainte-Laguë formula is applied; not, as many submitters assumed, around 0.8%.

For many submitters, however, these issues were seen as a package – the abolition of the one electorate seat threshold in conjunction with a lowering of the party vote threshold.

Commission’s reasons for proposing the abolition of the one electorate seat threshold

The Commission is strongly of the view that the one electorate seat threshold should be abolished.

In reaching this position, we were persuaded by both the quantity and quality of submissions on this subject. The bulk of submissions objected to the one electorate seat threshold on the grounds that it runs counter to some of the most fundamental principles of the MMP voting system, including that all votes should be of equal value, the primacy of the party vote in determining election outcomes, and fairness of results.


The Commission’s view is that the effect of the one electorate seat threshold is the single biggest factor in public dissatisfaction with MMP at present. If the one electorate seat threshold is retained, the weight of submissions on this point further suggests to us there will be an ongoing risk to public confidence in the legitimacy of our system of MMP.

The Royal Commission proposed the one electorate seat threshold. In contrast with their other recommendations, the Royal Commission’s report did not detail the reasons for this proposal. They simply adopted and adapted the three electorate seat threshold used in the West German model. Members of the Royal Commission told us they have long regarded the one electorate seat threshold as their one mistake. In their view there are no good reasons to retain it and it should be abolished.

A core criticism levelled at the one electorate seat threshold in submissions was that it gives voters in some electorates significantly more influence over the makeup of Parliament than voters in other electorates. Voters in seats that trigger this threshold can substantially alter election outcomes via their electorate vote. This disproportionate influence is contrary to what New Zealanders expect of MMP.

The one electorate seat threshold leads to the media and parties focusing excessively on a few electorates, much like the marginal seats of First Past the Post (FPP). This further conveys a message to voters in these seats that their electorate votes have an *extra* importance and could be decisive in determining which party grouping will be able to govern New Zealand. As a result of the one electorate seat threshold, electorate votes in a few seats have an influence beyond the function intended for this vote; that is, to elect a local representative and those electorate votes can affect the allocation of list seats.

Equally important, MMP elections are meant to provide for equity and fairness of party representation. Parliamentary representation should mirror a party’s overall strength in the party vote. The Commission received a strong and clear message from submitters – the one electorate seat threshold has led to unfair



and inequitable election results. This undermines the legitimacy of MMP. The example often quoted in submissions was the 2008 General Election where ACT won 3.65% of the party vote and gained four extra MPs because it won Epsom but NZ First gained no MPs despite winning 4.1% of the party vote.

The Commission notes the one electorate seat threshold does provide for greater proportionality and reduces the number of ‘wasted’ votes.⁸ The problem is it does so inconsistently, based on geographic strength in an electorate vote rather than nationwide support for the party. It therefore damages the legitimacy of election outcomes. On balance the Commission considers any benefit to proportionality is outweighed by the negative impact on fairness and equity.

Abolishing the one electorate seat threshold would result in all parties being treated in the same way by having to cross the same party vote threshold. It would also have the advantage of simplifying the MMP system to just one threshold.

Many submissions argued the one electorate seat threshold should be abolished because it distorts election campaigning, encourages ‘insincere’ or strategic voting, and results in accommodations between political parties. Many voters see these as undesirable. The Commission acknowledges these strongly and widely held views.

These effects might still occur in the absence of the one electorate seat threshold. Indeed, parties can do ‘deals’ in any voting system. But removing the one electorate seat threshold reduces the size of the potential bonus; parties would only be allocated list MPs if they reach the party vote threshold. This could lessen the incentive for parties to enter into the accommodations many voters dislike.

Abolition of the one electorate seat threshold would not prevent electorate only or single member parties, nor should it. Any candidate that wins an electorate seat would keep that seat. But it may well impact on voting behaviour by making the single electorate member less attractive.

Before reaching our conclusion on the one electorate seat threshold, we carefully considered the reasons submitters gave for retaining it and summarise our conclusions below.

One reason given was that the one electorate seat threshold mitigates the effects of what has turned out to be the high 5% party vote threshold. A variant of this was that without the one electorate seat threshold there would be a much greater wasted vote. However, for the reasons we give, the one electorate seat threshold is an arbitrary and unfair solution to these concerns. Reducing the party vote threshold would be a solution more consistent with the principle of proportionality that underpins the MMP system.

Another reason was that removing the one electorate seat threshold would, in the absence of any countervailing provision, increase the chances of overhang seats. Submitters argued the one electorate seat threshold should be retained because greater numbers of overhang seats would be publicly

⁸ In this context, votes that cannot be used to elect a party are generally described as ‘wasted’ votes. This usually happens when a party fails to reach the threshold.

unacceptable and abolishing provision for overhang seats would make Parliament unacceptably disproportionate. The Commission considers the abolition of overhang seats for parties that do not cross the party vote threshold the better solution and has found the impact on proportionality would be minimal.⁹

A further reason given was that it is extremely difficult for a small party to win an electorate seat and parties that achieve this are deserving of an allocation of list seats. The counter to this is that it is extremely difficult and costly in terms of resources for small parties to win party votes as well. Although winning an electorate is a significant achievement, it is hard to justify rewarding parties with local support over parties with stronger, more widespread support.

Some submissions said if a party succeeds in winning an electorate seat, it should be eligible for an allocation of list seats on the basis that this would increase the effectiveness of the party within Parliament by enabling its Parliamentary workload to be shared amongst more members. This argument has some merit as it goes to one of the Royal Commission's criteria for assessing electoral systems: the effectiveness of Parliament. However, on balance the Commission considers any benefit to the effectiveness of Parliament is outweighed by the impact on fairness and equity.

Other submissions proposed the one electorate seat threshold be increased to a two or three seat threshold. This would require a small party to have local support in more than just one area to be eligible for an allocation of list seats. However, in the Commission's view a better solution is to lower the party vote threshold.

Commission's reasons for proposing a 4% party vote threshold


The Commission proposes the party vote threshold be lowered from 5% to 4%. As the Royal Commission and many submitters noted, any threshold will be somewhat arbitrary. But, in general terms, where the line is drawn depends on the purpose the threshold is to serve.

The Royal Commission proposed a party vote threshold that sought to strike a balance between proportionality and limiting the number of wasted votes on the one hand, and effective governments and Parliaments on the other. This balanced approach formed the basis of the MMP system adopted in 1993.

The Commission read and heard a great many submissions on the party vote threshold. A few submissions recommended an increase in the threshold to make it even harder for small parties to be represented in Parliament. A substantial number favoured retaining the 5% threshold. The great weight of submissions favoured lowering the threshold but there was a wide range of views on how far it should be lowered. Most of these argued for 4%.

But a significant number argued for much lower thresholds. Some urged us to adopt the lowest

⁹ See sections on overhangs and proportionality.



possible threshold consistent with maintaining effective Parliaments and governments. Some argued for no threshold (sometimes expressed as the number of votes needed to elect a single member).

Many submissions favouring a low or no threshold argued the risk of extremist parties or large numbers of small parties being elected to Parliament in New Zealand is overstated. They pointed to the experience of the six Parliaments elected to date under MMP which have included numbers of small parties and stable governments. They pointed to countries with low thresholds that have effective and stable government. They argued that because of our political history, culture and social tolerance, New Zealand is far more likely to follow their examples than the often quoted examples of unstable democracies. Thresholds, they argue, distort voters' choices by causing them to vote for parties that are not their first choice because the party they do support has little chance of reaching the threshold. They argued the principle of proportionality should be given primacy and Parliament should represent all interests in society, however minor.

We think the party vote threshold should continue to serve the purpose of striking a balance between proportionality and the effective functioning of government and Parliament for the reasons advocated by the Royal Commission. This threshold should ensure, first, that each party in Parliament has at least a minimal level of electoral support, and therefore sufficient MPs to participate fully and effectively in the various functions of Parliament. Second, it should limit the proliferation of small parties in Parliament thus reducing the risk of fragmentation. A fragmented Parliament can lead to difficulties in forming and maintaining effective governments.

In our view, anything below a party vote threshold of 3% would amount to a departure from the balanced approach that currently underpins the MMP system and would in effect constitute a new voting system.¹⁰ We are mindful of the New Zealand Election Study data that suggests there is already public unease about the number of small parties in Parliament.¹¹ This is an area in which New Zealand should move cautiously.

The Royal Commission recommended 4%. It argued a 5% threshold was 'too severe' while anything less than 4% ran the risk of fragmenting Parliament and making governing more difficult.

The 5% party threshold has proved to be a high hurdle. In the last three MMP elections,¹² leaving aside the two major parties, no more than one or two additional parties have achieved the 5% threshold (see table below).

¹⁰ Arend Lijphart, 'Electoral Systems and Party Systems: A Study of Twenty-Seven Democracies, 1945-1990', p.92.

¹¹ New Zealand Election Study, submission on 2012 review of the MMP voting system.

¹² In the first MMP elections (1996, 1999 and 2002), there were more parties in Parliament (five in both 1996 and 1999, and six in 2002). Political science research has found that after new electoral systems are introduced there is a period of flux followed by the major parties re-establishing their dominance. See Raymond Miller, 'Party Politics in New Zealand', Auckland: Oxford University Press, 2005. Gordon Smith, 'A System Perspective on Party System Change', *Journal of Theoretical Politics*, 1/3, 1989, pp 349-63.

Table 3: Showing the number of parties achieving the 5% party vote threshold 2005-2008

| Year | Number of parties achieving 5% or more of the nationwide party vote |
|------|---------------------------------------------------------------------|
| 2005 | 4 (Labour, National, Green, NZ First) |
| 2008 | 3 (National, Labour, Green) |
| 2011 | 4 (National, Labour, Green, NZ First) |

We propose lowering the party vote threshold from 5% to 4%. This would be a 20% reduction in the number of party votes a party needs to be eligible for an allocation of list seats. Based on the last three elections, to cross a 4% threshold, parties would need to win around 92,000 party votes. At 5% they would need to win around 115,000.

At the same time, a 4% threshold would remain a significant barrier to new parties entering Parliament and thus avoid the proliferation of very small parties in Parliament. For example, nine of the 13 parties that contested the 2011 election won less than 4% of the party vote.

In MMP elections to date there have been three instances of parties receiving between 4% and 5% of the party vote, one instance of a party receiving between 3% and 4%, five instances of parties receiving between 2% and 3%, 12 instances of parties receiving between 1% and 2%, and 60 instances of parties receiving less than 1%. These are the only figures available but caution is required when using past election results to assess different thresholds because of the impact different thresholds may have had on voting decisions. However, these election results suggest to us that a single threshold of 4% would fulfill its purpose: give smaller parties a reasonable chance of gaining seats in Parliament but limit the proliferation of very small parties.¹³

We also favour 4% on the grounds of the parliamentary effectiveness of small parties. Parties winning 4% of the party vote would be entitled to around five seats in Parliament. It is difficult to be definitive about the minimum number of MPs that might be required for a party to operate effectively in Parliament. However, five MPs seems to the Commission to be reasonable.

In conclusion, therefore, the Commission's sense is that 5% is too high and that 3% is the lowest end of an acceptable range. We suggest 4% is preferable. It reflects the Royal Commission's original recommendation. It would compensate for abolition of the one electorate seat threshold. It is in line with comparable democracies such as Norway and Sweden. And it is in line with public opinion and the weight of submissions received by the Commission.

¹³ See Appendix D.

DUAL CANDIDACY



Should a person be able to stand as a candidate both for an electorate seat and on a party list?

What is dual candidacy?

In a mixed member voting system such as MMP, two types of representatives are elected in a general election—those elected from electorates and those elected from party lists. In New Zealand, it is possible for a person to be both a candidate for an electorate seat and on a party list.

This is called dual candidacy. This means an electorate MP who is unsuccessful in an electorate contest can return to Parliament as a list MP.

What submitters said—

The issue of whether dual candidacy should continue was raised in 2,505 submissions.

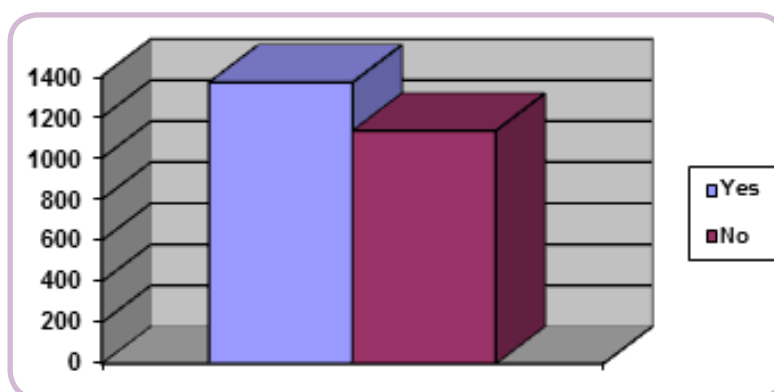
Of these—

- 55% were in favour of retaining the status quo; and
- 45% were opposed to dual candidacy.

Many submitters objected to unsuccessful electorate MPs returning to Parliament on their party's list.

Others argue there is a significant difference in the roles between electorate and list MPs and for this reason dual candidacy should be prohibited.

Figure 4: Simple analysis of submissions on dual candidacy



COMMISSION'S PROPOSAL

Candidates should continue to be able to stand both in an electorate and on a party list at general elections.

The Commission's reasons for proposing dual candidacy continue

The question of dual candidacy is the one upon which the opinions of submitters was most evenly divided. Many opposed dual candidacy. They objected to what they commonly called 'back door' MPs — those who are 'out on Saturday and back on Monday'. They think candidates should have to choose between contesting an electorate or a party list. A majority, however, support keeping dual candidacy and almost without exception quoted this memorable phrase from the Royal Commission:

'we consider prohibition of dual candidacies to be undesirable in principle and unworkable in practice'.

Having looked at all the arguments again, we agree with the Royal Commission's conclusion. It is both legitimate and desirable under MMP that parties be able to protect good candidates contesting marginal or unwinnable electorates with a high position on the list. If dual candidacy were not allowed, strong candidates would only be prepared to contest safe seats and would otherwise want high places on the party list. The absence of strong candidates contesting unwinnable seats would lower the quality of the electorate contests and make it more difficult for parties to convey their policies to voters in those electorates. This would be a problem for all parties but particularly for small parties unlikely to win electorate seats. A further problem for all parties, but particularly small parties, would be the difficulty of finding twice as many candidates to contest a general election.

Many of the arguments made against dual candidacy appear to be based on a belief that list MPs have lesser status than electorate MPs. Submissions talked in terms of list MPs being 'unelected', 'appointed' by parties or that they were the Parliamentary representatives of parties and accountable to them rather than the electorate.

This is not the case. Parties do select the candidates on party lists, just as they also select their electorate candidates. List MPs are elected by voters through their party vote from party lists lodged with the Electoral Commission on Nomination Day, published on the Commission's website, provided to every elector in their EasyVote pack, and available for inspection in every voting place. That some voters choose not to avail themselves of the information readily available to them in party lists does not alter the fact that list MPs are elected.

Many submitters were not concerned by dual candidacy in general. What they did not like was unsuccessful electorate MPs returning to Parliament because of their place on their party's list, the so-called 'back door MPs'. However, on analysis this appears to us to be a problem of perception rather than reality.

Very few incumbent MPs have been returned through the list under MMP and most of those have not remained long as MPs, as illustrated by the table below.

Table 4: Showing what happened to unsuccessful incumbents 1999-2011

| Year | Number | Not returned on list | Remained a list MP | Retired before next election | Retired after additional term(s) | Other reasons for leaving Parliament |
|-------|--------|----------------------|--------------------|------------------------------|----------------------------------|--------------------------------------|
| 1999 | 5 | 2 | 1 | 1 | 1 | |
| 2002 | 1 | | | | 1 | |
| 2005 | 11 | 3 | 1 | 5 | 1 | 1 |
| 2008 | 4 | 2 ¹⁴ | | 1 | | 1 |
| 2011 | 2 | | 2 | | | |
| Total | 23 | 7 | 4 | 7 | 3 | 2 |

There are scenarios where the return of an unsuccessful electorate MP by way of a list seat would be seen by most people to be a reasonable result: because, for example, the MP had been personally popular in the electorate but had lost the seat because of a nationwide swing against their party, or because of boundary changes, or simply the marginal nature of the electorate.

To ban dual candidacy in these circumstances would, in effect, place a primacy on local rather than nationwide support. Although the electorate may no longer wish to be represented by the incumbent MP, there may be voters nationally who do wish to see the MP stay in Parliament. The MP's party and its supporters should still be able to have the MP re-elected through the party list.

A few submissions argued that dual candidacy should be made mandatory as a means of reinforcing the equal status of list and electorate members. The Royal Commission rejected this idea on the basis it would 'exacerbate rather than diminish a perception that there are two classes of MP' and that there were benefits in having some members freed from the responsibility of electorate work. We agree.

¹⁴ This includes Damien O'Connor who did not win his seat in 2008 but returned to Parliament in 2009 to fill the list vacancy created by the resignation of Michael Cullen.

BY-ELECTION CANDIDATES



Should a list MP be able to stand as a candidate in a by-election?

How vacancies in the House are filled

By-elections in New Zealand occur to fill electorate seats made vacant in Parliament by the resignation or death of a sitting electorate member.

This does not apply to list members. If a list member's seat becomes vacant, the next available person on their party's list fills the position.

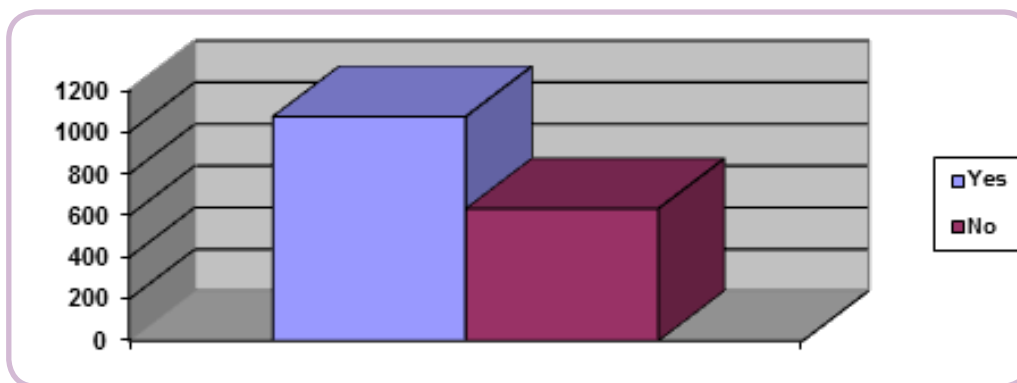
What submitters said—

The issue of whether a list MP should be able to stand as a candidate in a by-election was raised in 1,710 submissions.

Of these—

- 63% were in favour of retaining the status quo; and
- 37% were opposed.

Figure 5: Simple analysis of submissions on whether list MPs should be able to contest by-elections



COMMISSION'S PROPOSAL

List MPs should continue to be able to contest by-elections.



Commission's reasons for proposing list MPs should continue to be able to contest by-elections

The right to candidacy is almost universal in New Zealand, and is recognised in the New Zealand Bill of Rights Act.

Under the Electoral Act almost any registered elector is qualified to stand for election to Parliament. This has always included a sitting MP. We see no reason to change the current situation.

Some submitters argued list MPs should be disqualified from contesting by-elections unless they first resign their list seat because they already have a job as a list MP to which they should be devoting themselves full-time. However, the Commission is aware of no other job in New Zealand that requires a person to first resign before they apply for another position.¹⁵

Other submitters argued list MPs should be disqualified from contesting by-elections because the resources available to them as MPs give them an unfair advantage. If that argument for banning list MPs from contesting by-elections were taken to its logical conclusion, it would follow that incumbent MPs should not be able to contest general elections.

It is often the case that a list MP was an electorate candidate at the previous general election and might well therefore be the logical candidate to contest a by-election should one arise in that electorate. There is no reason to debar any candidate with strong ties to the electorate from standing in any election - by or general. No list MP has been successful in a by-election yet. Whether one is ever to be successful is a matter the Commission suggests can safely be left in the hands of voters.

Some submitters were concerned the proportionality of Parliament is changed if the party that won the seat at the general election fails to hold it at a by-election. This is certainly a possible outcome of a by-election but the results and proportionality established at a general election cannot be guaranteed to continue for three years.

Some have suggested by-elections should be abandoned in favour of filling vacancies in electorates from the party list in the same way list vacancies are filled. This would avoid the administrative cost and political distraction of by-elections. However, it would deprive the constituents of the electorate the opportunity to choose their local representative, something many voters might well miss, and may result in a replacement member with no connection to the electorate.

It would also deprive an electorate MP of the option of resigning from the House and seeking a fresh mandate if, for example, they left their Parliamentary party.

The question of whether by-elections might be abolished is one Parliament may wish to consider. However, it is not one on which the Commission proposes to make any recommendation.

¹⁵ Public servants are required to step down in order to stand as a parliamentary candidate but this is because public servants are required to be politically neutral.

ORDER OF CANDIDATES ON PARTY LIST



Who should decide the order of candidates on party lists?
Political parties only, or voters?

Party lists in New Zealand

In a mixed member proportional system, the list acts as a compensating mechanism for the disproportionality generated in the electorate contests and thus provides an overall result that is roughly proportional.

CURRENT SITUATION

Party lists in New Zealand are 'closed'. That is, in a general election, voters are not able to alter the ranking of parties' candidates, vote for a particular candidate on a list, strike candidates off the list, or make any other change which might alter the original order as determined by a political party.

It is currently the role of political parties to compile and order the candidates in order of preference on their respective lists, and parties must ensure they have democratic candidate selection processes in place to do this.

What submitters said—

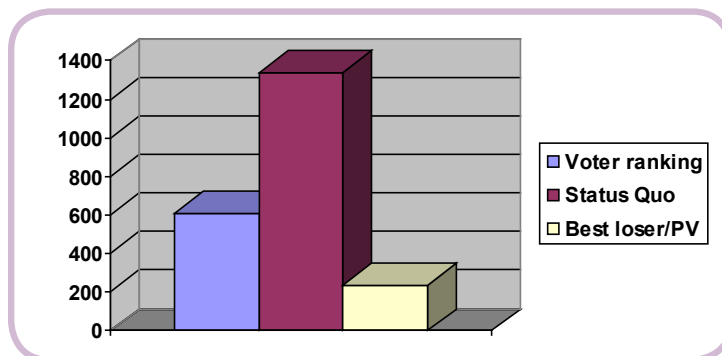
The issue of who should decide the order of candidates on a party list at an election was raised in 2,181 submissions.


Of these—

- 61% were in favour of retaining the status quo
- 28% wanted to rank candidates; and
- 11% favoured the 'best loser' or a preference voting system.

However, those favouring the status quo generally recommended more transparency around party selection and ranking processes.

Figure 6: Simple analysis of submissions on who should order party lists





Many of those in favour of allowing voters to order candidates noted the desirability of this in principle but without specifying how this might be done.

For those that did, the preferred approach was a version of the Bavarian semi-open list system where a voter chooses either the party list ('above the line') or a single name on the list. The list order is then modified according to which candidates receive the most individual votes (in Bavaria, candidates must obtain 5% of the vote in their electorate before the list order can change).

A smaller number of submitters favoured the 'best loser' approach (see below) or a preferential party or candidate vote system. A number of submitters suggested dual candidacy be mandatory and list candidates elected in order of the percentage or number of party votes gained in their electorates.

Others proposed that a voter be able to vote for more than one party (or electorate candidate) using a specified number of preferences.

COMMISSION'S PROPOSAL

Political parties should continue to have responsibility for the composition and ranking of candidates on their party lists.

Two issues arose for our consideration under this topic. We deal with each in turn.

Commission's reasons for proposing closed party lists continue

The Commission agrees with the majority of submissions that any benefit in voter choice that might be achieved through open or semi-open lists is more than outweighed by the complexity they would introduce to the voting system. In jurisdictions where voters have some influence over the ranking of candidates, research has shown most voters accept the list offered by the party of their choice without change. It could also undermine a party's ability to offer a diverse, representative list of candidates. A common sentiment expressed in submissions was that if voters wished to influence the order of candidates on a list they should join the party and participate in the candidate selection process.

Some submissions suggested the adoption of regional lists on the basis it would then be more feasible to make them open. However, regional lists would add yet another level of complexity and a myriad of practical administrative problems to our electoral system for what would appear to be little benefit.¹⁶

A number of submissions proposed adopting the 'best loser' system where voters would still have a party vote but there would be no separate party list. Instead, a party's share of seats in Parliament would be determined by the party vote, but filled by successful candidates in electorates and from its

¹⁶ Report of the Royal Commission 'Towards a Better Democracy', December 1986, paras. 2.201 – 2.202

highest polling losers in other electorate contests. This would constitute a fundamental change to our system of MMP. In particular, parties would not have the mechanism of a party list through which they could promote the representation of women, Māori and minorities thereby having a major impact upon the diversity of Parliament. It would also confuse the purpose of the two votes, one of which is to elect a local representative, the other to represent a party of choice.

List candidate selection processes

Many submissions felt the problem with party lists lay not with the question of closed lists but with what they saw as inadequate provision in the Electoral Act for party members to have a say in the selection of list candidates, a lack of transparency within parties over list selections, and, in some cases, parties not following their own rules. They called for section 71 (the section in the Electoral Act 1993 that deals with this) to be amended to require parties to make candidate selection rules available to members, to allow all party members to take part in list candidate selections (usually by way of a direct vote by secret ballot), to require parties to make public the results of the vote, and to empower the Electoral Commission to enforce party's compliance with their rules.


Few submitters seemed aware of the current content of section 71. Its provisions give effect to the Royal Commission's recommendation for participation by party members in the selection of list candidates. Few were aware the candidate selection rules of all registered parties are available from the Commission, and published on its website. Section 71(1) provides—

71(1) Requirement for registered parties to follow democratic procedures in candidate selection

Every political party that is for the time being registered under this Part shall ensure that provision is made for participation in the selection of candidates representing the party for election as members of Parliament by—

- (a) current financial members of the party who are or would be entitled to vote for those candidates at any election; or
- (b) delegates who have (whether directly or indirectly) in turn been elected or otherwise selected by current financial members of the party; or
- (c) a combination of the persons or classes of persons referred to in paragraphs (a) and (b).

The Commission has studied the candidate selection rules of all registered parties. They unsurprisingly vary widely reflecting the size and character of the different parties. However, they are all consistent with the requirements of section 71 in that they allow for the direct or indirect participation of members in candidate selection.



We have considered whether section 71 might be amended to impose more specific common procedural requirements on all parties without compromising the ability of parties to formulate diverse party lists which ultimately meet their political needs. We have concluded this is an area where one size will not fit all. Indeed, after much thought and analysis, we have concluded that section 71 in its current form gets the balance right.

We have also considered whether there is a case for the Commission to have more of a role in enforcing parties' internal party rules. We have concluded there is not. While political parties have a public role and are subject to legislative regulation in some respects, they remain essentially private organisations governed by their constitutions and rules. Party members are responsible for ensuring compliance with those rules. Where there are breaches that cannot be resolved through internal processes the proper recourse is to the Courts which have the resources, jurisdiction and expert experience to deal with them.

Widespread concern was expressed among submitters about the adequacy of list candidate selection processes and practices, and the suspicion that in at least some cases parties have not followed their own rules. Therefore we encourage parties to reflect on this and consider whether they need to take any action in this area.



What should happen when a party wins more electorate seats than it would be entitled to under its share of the party vote?

How an overhang occurs

Under MMP, a party's entitlement to seats is based on its share of the total nationwide party vote. If a party is entitled to 10 seats, but wins only seven electorates, it will be awarded three list seats.

If a party's share of the overall party vote entitles it to five seats, but it wins six electorates, the sixth seat is called an overhang seat. When this happens, the party keeps all the electorate seats it has won but gets no list MPs. All other parties get their full share of seats. The number of list seats allocated under the Sainte-Laguë method increases by the number of overhang seats that have been won, thereby increasing the size of Parliament by the same number.¹⁷

Overhang seats occurred at the 2005, 2008, and 2011 General Elections when the size of Parliament increased to 121, 122, and 121 members respectively.

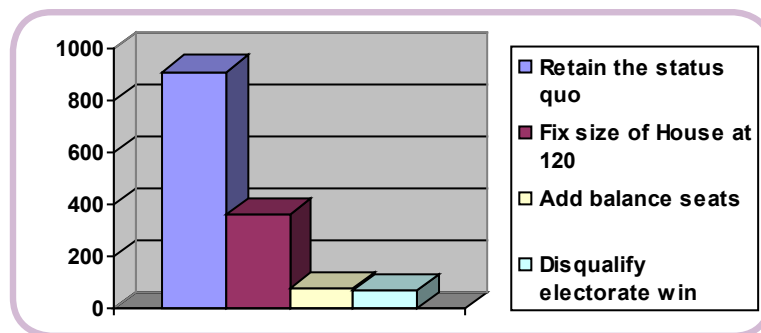
What submitters said—

The issue of what should happen when a party wins more electorate seats than it would be entitled to under its share of the party vote was raised in 1,415 submissions.

Of these—

- 64% were in favour of retaining the status quo
- 25% preferred adopting a formula that would fix the size of the House at 120 members
- 6% favoured the introduction of balance seats¹⁸
- 5% suggested that a party forfeit its electorate wins to the second place getter if its electorate wins produced an overhang

Figure 7: Simple analysis of submissions on managing overhangs



¹⁷ The Electoral Commission's working sheet for allocating list seats at the 2011 General Election is reproduced at Appendix H with explanatory notes to illustrate how the Sainte-Laguë method operates in practice and how overhang seats arise.

¹⁸ 'Balance seats' are used to compensate other parties by giving them additional seats to 'balance' the number of members in the legislature when an overhang occurs. They compensate for the disproportionality resulting from an overhang by maintaining the proportionality between parties established by an election result.

COMMISSION'S PROPOSAL

The provision for overhang seats should be abolished for parties that do not cross the party vote threshold.

Commission's reasons for proposing abolition of provision for overhang seats

Most submissions that commented on the question of overhang seats argued that the small increase in the size of Parliament caused by overhang seats at the 2005, 2008, and 2011 General Elections had not created any difficulties in practice and, therefore, the status quo should be retained.

However, abolishing the one electorate seat threshold, as the Commission proposes, would increase the chances of overhang seats being triggered where localised support for a party's candidates exceeds its nationwide support. For example, if the one electorate seat threshold had not applied at the 2008 General Election and the current provision for overhang seats had been retained there would have been eight overhang seats.¹⁹ When this scenario was put to people presenting submissions on this point, most agreed any more than three or four overhang seats in any one Parliament was likely to be unacceptable to the public.

For this reason, if the one electorate seat threshold is abolished, then we also propose the abolition of overhang seats for parties that do not cross the party vote threshold.


A number of submissions proposed methods for reducing or removing the incidence of overhang seats.

The usual number of quotients to be allocated using the Sainte-Laguë formula is 120. The simplest method of abolishing overhang seats generated by parties that do not cross the party vote threshold and, therefore, the Commission's preference, would be to reduce the number of quotients to be allocated by the number of electorate seats won by the party. For example, if a party that did not cross the party vote threshold were to win an electorate seat, the number of quotients to be allocated would be reduced from 120 to 119 meaning the size of Parliament would remain at 120. It is important to note the party would keep any electorate seats it won.

This is the same approach that would apply if an independent candidate won an electorate seat under current arrangements.

Some submissions were concerned that removing provision for overhang seats in this way would have an unacceptable impact upon proportionality. However, we analysed the 2005, 2008, and 2011 General Elections to see what the impact on proportionality would have been had there been no provision for overhang seats, and found it to be minimal. Using the internationally recognised Gallagher Index for

¹⁹ This is because none of the following parties: ACT, Māori, Progressives, and United Future reached the party vote threshold. Their electorate seat wins would have been treated as overhang seats.



measuring disproportionality, results would have been slightly more proportional without provision for overhang seats in 2005 and 2011. In 2008 the increase in disproportionality would have been 0.1%. This is true if either the retention of the current thresholds or the adoption of the Commission's proposal for thresholds is assumed.²⁰

We therefore conclude that provision for overhang seats should be abolished for parties that have not crossed the party vote threshold if the proposal to abolish the one electorate seat threshold is adopted (there would be little point in abolishing overhangs if the one electorate seat threshold remains). The impact upon the proportionality of Parliament would be minimal. It would also simplify the MMP system.

²⁰ A table setting out the detail of this analysis is provided at Appendix E along with a table setting out the impact on seat numbers for parties at Appendix F.

PROPORTION OF ELECTORATE SEATS TO LIST SEATS



At what point in time do increases in the number of electorate seats resulting from population change so affect the ratio of electorate seats to list seats that our voting system can no longer be described as proportional?

Changes in population will affect the proportionality of Parliament over time

Under MMP, maintaining the proportionality of Parliament requires there to be sufficient list seats to compensate for the disproportional results of the electorate contests.

Changes in population growth means the number of electorates will continue to increase and the number of list seats will decrease. This is because, in brief, the number of South Island seats is fixed at 16. The population size of South Island electorates therefore becomes the basis for the calculation of the number of North Island and Māori electorate seats that may be required.²¹

In 1996 the ratio was 65 electorate seats to 55 list seats. For the 2011 General Election, the ratio was 70 electorate seats and 50 list seats.

What submitters said—

The issue of the proportion of electorate seats to list seats was raised in 2,149 submissions.

Many submissions addressed this issue from the perspective of what the ideal ratio should be between list and electorate seats, and often used it as an opportunity to comment on the size of the House, or express dissatisfaction about the existence of list seats.

The submitters who addressed the issue directly raised concerns about declining proportionality. However, the majority suggested the situation is not one that requires immediate action and should be revisited in 10-15 years.

COMMISSION'S PROPOSALS

- On the basis of current information, it would be prudent to identify 76 electorate seats (in a 120 seat Parliament) as the point at which the risk to proportionality from insufficient list seats becomes unacceptable. New Zealand is unlikely to reach that point before 2026.
- The gradual erosion of lists seats relative to electorate seats risks undermining the diversity of representation in Parliament. Parliament should review this matter.

²¹ For a fuller explanation of the formula call 0800 36 76 56 for a fact sheet or visit www.mmpreview.org.nz

Commission's reasons for proposing consideration be given to maintaining the ratio of electorate seats to list seats

The question asked by Parliament cannot be answered precisely for reasons we will explain. However, with this important caveat in mind, some general indications sufficient for making policy decisions can be provided.

It would be prudent to identify a ratio of around 76 electorate seats to 44 list seats (or 63.33% to 36.66%) as the point at which the risk of there being too few list seats to maintain proportionality becomes unacceptable. Current projections suggest it is unlikely New Zealand will reach this ratio before 2026. If so, there would be at least three quinquennial censuses and five general elections before the ratio of electorate seats to list seats is likely to become an issue for proportionality.

Proportionality is not the only issue that arises from the gradual erosion in the number of list seats relative to electorate seats. Women, Māori and people from minority groups are more likely to be elected from list seats than electorate seats. A declining number of list seats relative to electorate seats raises, therefore, an issue about the diversity of representation of Parliament which the Commission believes should be addressed sooner rather than later.

We discuss these points in turn below.

The ratio of electorate seats to list seats at which proportionality cannot be assured

There is no single point at which the number of list seats becomes a problem for overall proportionality. This risk will be present whatever the ratio of electorate to list seats but whether a problem arises in fact will depend upon a number of variables including voting patterns and the order in which seats are awarded under the Sainte-Laguë formula. The question is the point at which the risk becomes unacceptable because of the size or frequency of problems for proportionality caused by there being too few list seats.

The international literature suggests the point at which significant and regular problems to proportionality could be expected is when the number of electorate seats is 75% of the total in Parliament or, in New Zealand's case, 90 electorate and 30 list seats.²²

We have looked at the last six MMP general election results.²³ This is a small sample but the best information available without actually simulating additional election results. The results indicate problems might arise with a ratio of electorate to list seats of far less than 75%/25%. The question to be considered though is the significance of these risks.

At the 2002 General Election the Labour Party's successes in the electorate contests might have caused there to be too few list seats to maintain proportionality if there had been 76 electorate and 44 list seats.

²² Rein Taagapera and Matthew Soberg Shugart, 'Seats and Votes: the Effects and Determinants of Electoral Systems', p.131. See also David M Farrell 'Electoral Systems: A Comparative Introduction'.

²³ See Appendix G.

The same problem might have arisen at that election for the National Party's result if there had been 83 electorate seats.

The specific combination of electorate results and party votes received by all parties in 2002 were, arguably, exceptional. However, were the 2002 results so unusual that, were they to be repeated in a Parliament of 76 electorate seats and 44 list seats, the public would regard any problems for proportionality as a one-off aberration and, therefore, acceptable? Or would the public regard the inability of the electoral system to maintain proportionality in the case of a main party with significant nationwide support, albeit with unusual results, as a failure of the system? We suspect the latter. For this reason, we suggest it would be prudent to identify 76 electorate seats as the point at which the risk of there being too few list seats to maintain proportionality becomes unacceptable.

When will New Zealand have 76 electorate seats?

To assist the Commission with this question, Statistics New Zealand has provided updated population statistics which indicate there will be 75 electorate seats in 2026.

Table 5: Showing the projected numbers of electoral districts 2006-2026 under MMP²⁴

| Census Year | South Island Quota | Number of South Island Electoral Districts | Number of North Island Electoral Districts | Number of Māori Electoral Districts | Total Constituency Districts | List Seats in a 120 member House |
|-------------|--------------------|--------------------------------------------|--------------------------------------------|-------------------------------------|------------------------------|----------------------------------|
| 2006 | 59,300 | 16 | 47 | 7 | 70 | 50 |
| 2011 | 62,100 | 16 | 48 | 8 | 72 | 48 |
| 2016 | 64,000 | 16 | 48 | 8 | 72 | 48 |
| 2021 | 65,400 | 16 | 49 | 8 | 73 | 47 |
| 2026 | 66,600 | 16 | 50 | 9 | 75 | 45 |

The projections provided by Statistics New Zealand, the experts in this field, represent the best information available to us. Population projections and estimating resulting electorate numbers are difficult exercises at the best of times because of the many variables and unknowns. Statistics New Zealand, as a matter of policy, no longer project ethnic group population figures beyond 20 years because of the uncertainties inherent in this work. Population projections were particularly challenging in this case because they were based on 2006 Census data and the impact of the Christchurch earthquakes at this point is unknown. It would be worth revisiting this question when the population information from the 2013 Census is available.

²⁴ Note: The population projections are based on the resident population concept and are as at 30 June for each of the census years. The resident population concept makes allowances for New Zealand residents not counted at the 2006 Census, as well as New Zealand residents who were temporarily overseas at the time of that census. As a result, the South Island quota numbers will differ from calculations based on the usually resident population concept.

On the basis of this information it appears unlikely New Zealand will reach 76 electorate seats before 2026.

Diversity of representation in Parliament

Research undertaken by the New Zealand Election Study²⁵ indicates many New Zealanders would support a reduction in the number of list MPs. However, the same research found strong support for representation of women, Māori and minority groups in Parliament. It also indicated that while people tend to disapprove of list MPs as a generic class more than they do electorate MPs, when the results are filtered on the basis of actual knowledge of particular MPs the differences in approval rates disappear.

Women, Māori and minorities are more likely to be elected through the party lists. Reducing numbers of list MPs risks reducing the diversity of representation in Parliament.

An additional concern about the decline in the number of list MPs is the impact this might have on public perceptions about their legitimacy. Many submissions talked about list MPs as though they were somehow second class MPs.

The original conception of the Royal Commission was a 60/60 split. It considered this important both to avoid the perception that list MPs were of a lesser status than electorate MPs and to achieve a more diverse Parliament. This ratio was never achieved in practice. The first Parliament under MMP had 65 electorates and the current Parliament has 70.

We suggest, therefore, the gradual decline in the number of list MPs relative to electorate MPs is something that should be addressed sooner rather than later.

Options for the ratio of electorate seats to list seats


Parliament has excluded Māori representation or the number of members of Parliament from the scope of the review. This effectively prevents us from considering the full range of options that might be available for solving the problems of the proportionality and diversity of representation of Parliament arising from the gradual erosion of the number of list seats relative to electorate seats. However, for the reasons discussed above, we do think this is a matter Parliament should review sooner rather than later.

One option Parliament might include in its consideration is a simple solution that could be put in place with minimal change. The current number of 50 list seats could be maintained by providing that the number of quotients to be allocated under the Sainte-Laguë formula²⁶ be increased by one for every additional electorate seat that is established following a redistribution of boundaries.

If the number of electorates increased from 70 to 71, for example, the number of quotients to be allocated would increase from 120 to 121 meaning, leaving aside overhang seats, the size of Parliament would increase from 120 to 121 and the number of list seats would remain 50.

²⁵ New Zealand Election Study, submission to the 2012 Review on the MMP voting system.

²⁶ Currently the Electoral Act provides for 120 quotients to be allocated under the Sainte-Laguë formula for seats in Parliament meaning, leaving aside overhang seats, the size of Parliament will be 120. For more information on the Sainte-Laguë formula see Appendix H.



This, in effect, would put the MMP Parliament on the same basis as the FPP Parliament between 1965 and 1993 where the number of members was adjusted in step with changes in population.

This proposal would provide for increases in the size of Parliament (albeit slowly and gradually in step with changes in population) and so is outside the scope of the review. For this reason, we do not propose including the option as a recommendation to Parliament.

Electorate sizes

Some submissions argued that electorate sizes under MMP are too large and the number of electorates should be increased at the expense of list seats. Some electorates are indeed very large. However, we think it more important to maintain the number of list members for the reasons set out above. The option proposed above would at least provide for the number of electorates to continue to increase in step with population changes while maintaining the number of list seats.



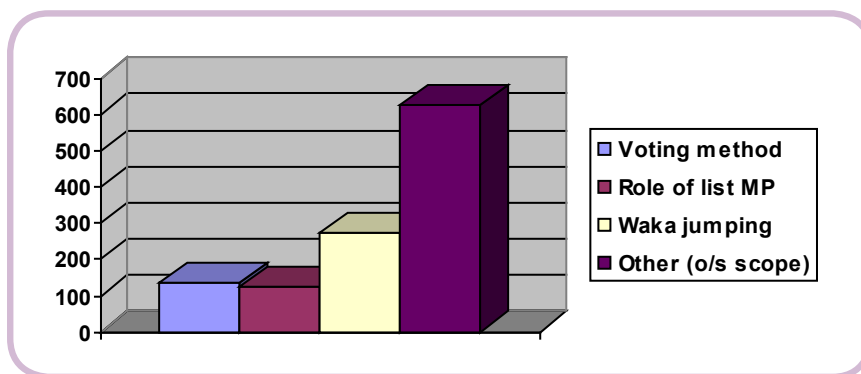
As well as the issues the Commission must review, other aspects of the MMP voting system could be considered. However, there are two things the Commission cannot consider—these are Māori representation and the number of members of Parliament.

Submissions on ‘other issues’ were many and varied. The majority of the other issues raised were outside the scope of the review (53%) and of these, the number of MPs (26%) received the most comment.

Of those within the scope of the review, the status of list members who leave or are expelled from their parties attracted the most comment (48%) with the overwhelming majority in support of the re-introduction of the Electoral (Integrity) Amendment Act 2001.

The voting method used in the electorate and party contests was the second largest issue (24%) with a number favouring a change to a preferential voting system, followed by 22% suggesting the role of the list MP be more clearly defined.

Figure 8: Simple analysis of submissions on other issues



Review of New Zealand’s constitutional arrangements

A number of matters raised in submissions to the Commission are explicitly included in the terms of reference of the review of New Zealand’s constitutional arrangements currently underway. Accordingly, we have not addressed these. They include the Electoral (Integrity) Amendment Act 2001 (‘waka jumping’), the size of Parliament, Māori representation, the term of Parliament, and the process for determining electorate boundaries including the quota tolerance. We will ensure these submissions are provided to the constitutional review team.



Alternative voting methods for MMP

A number of submissions proposed alternatives to the method of voting. Some suggested various forms of preferential voting for the party vote or for the electorate vote or for both. Submitters argued this would reduce wasted votes and enable voters to vote for their most preferred candidate or party in the knowledge that if these were unsuccessful their other preferences might influence the outcome. A few submitters devised ballot papers that would have enabled voters to rank candidates, parties and vote on preferred coalition arrangements. The Commission was not persuaded that any of these proposals would produce sufficient benefit to warrant the additional complexity they would introduce to the voting system.

HAVE YOUR SAY SUBMISSION FORM



The Electoral Commission invites you to make a written or online submission on its proposals before 5.00pm on Friday, 7 September 2012.

You can use this form online or upload your own document. Alternatively, you can post this or your own form to the Commission.

Your submission will be published on the website www.mmpreview.org.nz

Name: _____

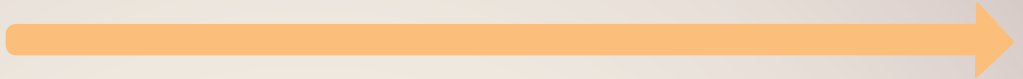
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The Electoral Commission makes the following proposals:

- The one electorate seat threshold for the allocation of list seats should be abolished.
- The party vote threshold for the allocation of party seats should be lowered to 4%.
- Candidates should continue to be able to stand both in an electorate and on a party list at general elections.
- List MPs should continue to be able to contest by-elections.
- Political parties should continue to have responsibility for the composition and ranking of candidates on their party lists.
- The provision for overhang seats should be abolished for parties that do not cross the party vote threshold.
- On the basis of current information it would be prudent to identify 76 electorate seats (in a 120 seat Parliament) as the point at which the risk to proportionality from insufficient list seats becomes unacceptable. New Zealand is unlikely to reach that point before 2026.
- The gradual erosion of list seats relative to electorate seats risks undermining the diversity of representation in Parliament. Parliament should review this matter.



Please use the space below for your submission



Results of the Referendum on New Zealand’s Voting System

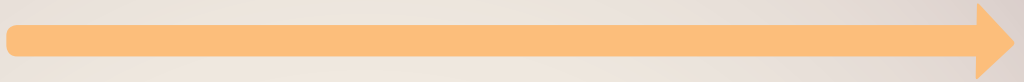
PART A – Should New Zealand keep the Mixed Member Proportional (MMP) voting system?

| | Number of Votes | Percentage of Valid Votes | Percentage of Total Votes |
|--------------------|------------------|---------------------------|---------------------------|
| KEEP | 1,267,955 | 57.77% | 56.17% |
| CHANGE | 926,819 | 42.23% | 41.06% |
| Total Valid Votes | 2,194,774 | 100.00% | 97.23% |
| Informal Votes * | 62,469 | | 2.77% |
| TOTAL VOTES | 2,257,243 | | 100.00% |

PART B – If New Zealand were to change to another voting system, which voting system would you choose?

| | Number of Votes | Percentage of Valid Votes | Percentage of Total Votes |
|--------------------------------|------------------|---------------------------|---------------------------|
| First Past the Post (FPP) | 704,117 | 46.66% | 31.19% |
| Preferential Voting (PV) | 188,164 | 12.47% | 8.34% |
| Single Transferable Vote (STV) | 252,503 | 16.73% | 11.19% |
| Supplementary Member (SM) | 364,373 | 24.14% | 16.14% |
| Total Valid Votes | 1,509,157 | 100.00% | 66.86% |
| Informal Votes * | 748,086 | | 33.14% |
| TOTAL VOTES | 2,257,243 | | 100.00% |

* An informal vote is when the voter has not clearly indicated the option for which they wish to vote.



Scope of review as provided for in section 76 of the Electoral Referendum Act 2010

Section 76 sets out the scope of the Review as follows:

76 Scope of review

- (1) The matters that the Electoral Commission must review are —

Thresholds

- (a) the requirement that a party must achieve at least 5% of the total number of party votes before it may be eligible to be allocated the number of list seats (if any) needed to ensure that the party's total number of seats reflects its proportion of the total party vote; and
- (b) the alternative requirement that a candidate of a party must win an electorate seat before the party may be eligible to be allocated the number of list seats (if any) needed to ensure that the party's total number of seats reflects its proportion of the total party vote; and

Proportionality

- (c) the ratio of electorate seats to list seats that results —
 - (i) from the effects of population change on the number of general electorate seats; or
 - (ii) if a party's constituency candidates have won more seats than the party would be entitled to as a result of the party vote; and

Dual candidacy

- (d) the capacity of a person at a general election to be both a candidate for an electoral district and a candidate whose name is included in a party list in a general election, and the capacity of a member of Parliament who holds a list seat to be a candidate in a by-election; and

Order of candidates on party lists

- (e) a party's ability to determine the order of candidates on its party list and the inability of voters to rank list candidates in order of preference; and

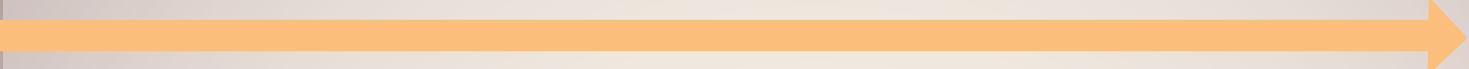
Other matters

- (f) any other feature of the voting system referred to the Commission under section 5(d) of the 1993 Act.
- (2) In addition to the matters specified in subsection (1), the Electoral Commission may, in undertaking the review, consider other aspects of the mixed member proportional representation voting system.
- (3) Despite subsections (1)(f) and (2), the Electoral Commission must not review —
- (a) Māori representation:
 - (b) the number of members of Parliament

Criteria for judging voting systems as determined by the Royal Commission on the Electoral System

The Royal Commission on the Electoral System “Towards a Better Democracy” set out the criteria for judging voting systems it had chosen—

- (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.

APPENDIX D

Number of parties that would have been represented under different threshold levels

Results in Each MMP General Election for Parties That Polled Between 0.01% and 3.00% of Valid Party Votes

| Registered Party | 1996 | 1999 | 2002 | 2005 | 2008 | 2011 |
|--------------------------------------------|-------|-------|-------|-------|-------|-------|
| 99 MP Party | | | | 0.03% | | |
| ACT New Zealand | + | + | + | 1.51% | + | 1.07% |
| Advance NZ | 0.05% | | | | | |
| Alliance | + | + | 1.27% | 0.07% | 0.08% | 0.05% |
| Animals First | 0.17% | 0.16% | | | | |
| Aotearoa Legalise Cannabis Party | 1.66% | 1.10% | 0.64% | 0.25% | 0.41% | 0.52% |
| Asia Pacific United Party | 0.02% | | | | | |
| Christian Heritage NZ | | 2.38% | 1.35% | 0.12% | | |
| Conservative Party | | | | | | 2.65% |
| Democrats for Social Credit | | | | 0.05% | 0.05% | 0.08% |
| Destiny New Zealand | | | | 0.62% | | |
| Direct Democracy Party | | | | 0.03% | | |
| Ethnic Minority Party | 0.12% | | | | | |
| Family Party | | | | | 0.35% | |
| Freedom Movement | | 0.02% | | | | |
| Future New Zealand | | 1.12% | | | | |
| Green Society | 0.11% | | | | | |
| J. Anderton's Progressive | | | 1.70% | 1.16% | 0.91% | |
| Kiwi Party | | | | | 0.54% | |
| Libertarianz | 0.03% | 0.29% | | 0.04% | 0.05% | 0.07% |
| Mana | | | | | | 1.08% |
| Mana Māori | 0.20% | 0.25% | 0.25% | | | |
| Māori Party | | | | 2.12% | 2.39% | 1.43% |
| Mauri Pacific | | 0.19% | | | | |
| McGilllicuddy Serious | 0.29% | 0.15% | | | | |
| Natural Law Party | 0.15% | 0.08% | | | | |
| New Zealand Family Rights Protection Party | | | | 0.05% | | |

| | | | | | | |
|-------------------------------------|-------|-------|-------|-------|-------|-------|
| New Zealand Pacific Party | | | | | 0.37% | |
| NMP | | 0.05% | 0.01% | | | |
| NZ Conservative Party | 0.07% | | | | | |
| NZ Superannuitants and Youth Action | 0.06% | | | | | |
| OneNZ Party | | 0.06% | 0.09% | 0.02% | | |
| Outdoor Recreation NZ | | | 1.28% | | | |
| Progressive Greens | 0.26% | | | | | |
| RAM-Residents Action Movement | | | | | 0.02% | |
| Republican Party | | 0.01% | | | | |
| South Island Party | | 0.14% | | | | |
| Te Tawharau | 0.02% | | | | | |
| The Bill and Ben Party | | | | | 0.56% | |
| The Peoples Choice Party | | 0.02% | | | | |
| The Republic of New Zealand Party | | | | 0.02% | 0.01% | |
| United Future | | | + | 2.67% | 0.87% | 0.60% |
| United NZ | 0.88% | 0.54% | | | | |
| Workers Party | | | | | 0.04% | |

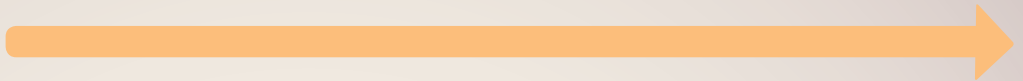
Results in Each MMP General Election for Parties That Polled Between 3.00% and 4.00% of Valid Party Votes

| Registered Party | 1996 | 1999 | 2002 | 2005 | 2008 | 2011 |
|------------------|------|------|------|------|-------|------|
| ACT New Zealand | + | + | + | - | 3.65% | - |

Results in Each MMP General Election for Parties That Polled Between 4.00% and 5.00% of Valid Party Votes

| Registered Party | 1996 | 1999 | 2002 | 2005 | 2008 | 2011 |
|---------------------|-------|-------|------|------|-------|------|
| Christian Coalition | 4.33% | | | | | |
| NZ First Party | + | 4.26% | + | + | 4.07% | + |

*Nomenclature: In the tables above,
blank indicates did not contest that year,
- indicates polled below range,
+ indicates polled above range*



Levels of disproportionality in the 2005, 2008, and 2011 General Elections

Levels of disproportionality²⁶ in the three MMP elections that had overhangs, as well as calculations of the disproportionality if those votes had been cast in these elections under a 4% party vote threshold and if overhangs were permitted or not.

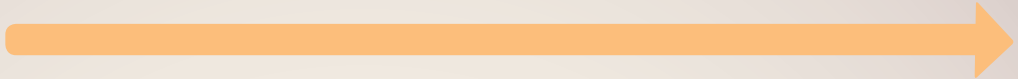
| Election Year | Status quo | Status quo without overhangs | 4% party vote threshold with overhangs | 4% party vote threshold without overhangs |
|---------------|------------|------------------------------|----------------------------------------|-------------------------------------------|
| 2005 | 1.13 | 1.13 | 2.14 | 2.12 |
| 2008 | 3.84 | 3.94 | 2.93 | 3.05 |
| 2011 | 2.38 | 2.32 | 2.38 | 2.32 |
| Average | 2.45 | 2.46 | 2.48 | 2.50 |

To put the results in the table above into perspective, the average disproportionality for the FPP elections in New Zealand from 1946-90 was 10.66%. By way of contrast, the following are the LSQ statistics for a selection of proportional representation electoral systems: Denmark: 1.74%; Finland: 2.86%; Germany: 0.67%; Iceland: 2.86%; Norway: 3.65%; Sweden: 1.67%; and Switzerland: 2.36%.²⁷ Generally speaking, a disproportionality rate of less than 3% can be regarded as an indication of an electoral system that is, on balance, reasonably fair.

²⁶ The Gallagher Index of Proportionality was developed by Professor Michael Gallagher and is widely regarded as the best measure of disproportionality. LSQ stands for Least Squares index. A perfectly proportional election would have an LSQ of 0.0% and the higher the statistic, the greater the degree of disproportionality.

²⁷ Arend Lijphart, 1994: *Electoral Systems and Party Systems: A Study of Twenty-Seven Democracies, 1945-1990*, Oxford: Oxford University Press

APPENDIX F



Seat allocations under current and proposed thresholds for 1996-2011 General Elections

Table showing the actual seat allocation for parties for the 1996-2011 General Elections, and how the seats would have been allocated in these elections under the proposed 4% party vote threshold and where overhangs are not permitted. In 1999 the seat allocation would have been the same.

| | 2011 | | 2008 | | 2005 | | 2002 | | 1999 | | 1996 | |
|---------------------|--------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|----------|
| | Actual | Proposed | Actual | Proposed | Actual | Proposed | Actual | Proposed | Actual | Proposed | Actual | Proposed |
| ACT | 1 | 1 | 5 | 1 | 2 | 1 | 9 | 9 | 9 | 9 | 8 | 8 |
| Alliance | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 10 | 10 | 13 | 12 |
| Christian Coalition | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0 | 5 |
| Green | 14 | 14 | 9 | 8 | 6 | 7 | 9 | 9 | 7 | 7 | n/a | n/a |
| Labour | 34 | 34 | 43 | 43 | 50 | 51 | 52 | 52 | 49 | 49 | 37 | 35 |
| Mana | 1 | 1 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Māori | 3 | 3 | 5 | 5 | 4 | 4 | n/a | n/a | n/a | n/a | n/a | n/a |
| National | 59 | 58 | 58 | 56 | 48 | 48 | 27 | 27 | 39 | 39 | 44 | 42 |
| NZ First | 8 | 8 | 0 | 5 | 7 | 7 | 13 | 13 | 5 | 5 | 17 | 17 |
| Progressives | n/a | n/a | 1 | 1 | 1 | 1 | 2 | 1 | n/a | n/a | n/a | n/a |
| United Future | 1 | 1 | 1 | 1 | 3 | 1 | 8 | 9 | 1 | 1 | 1 | 1 |
| | 121 | 120 | 122 | 120 | 121 | 120 | 120 | 120 | 120 | 120 | 120 | 120 |

APPENDIX G

Calculations showing level of risk to proportionality for the General Elections 1996-2011

Level of risk to proportionality

| | 2011 (70 seats) | | | | 2008 (70 seats) | | | | 2005 (69 seats) | | | |
|--------------------------|-----------------|------|-------|-------|-----------------|------|-------|-------|-----------------|------|-------|-------|
| | ES% | PV % | Ratio | Risk | ES% | PV % | Ratio | Risk | ES% | PV % | Ratio | Risk |
| National | 60.0 | 47.3 | 1.3 | ● 95 | 58.6 | 44.9 | 1.3 | ● 93 | 44.9 | 39.1 | 1.1 | ● 105 |
| Labour | 31.4 | 27.5 | 1.1 | ● 105 | 30.0 | 34.0 | 0.9 | ● 136 | 44.9 | 41.1 | 1.1 | ● 110 |
| Green | 0.0 | 11.1 | 0.0 | N/A | 0.0 | 6.7 | 0.0 | N/A | 0.0 | 5.3 | 0.0 | N/A |
| NZ First | 0.0 | 6.6 | 0.0 | N/A | | | | | 0.0 | 5.7 | 0.0 | N/A |
| Māori Party | 4.3 | 1.4 | 3.0 | ● 41 | 7.1 | 2.4 | 3.0 | ● 41 | 5.8 | 2.1 | 2.7 | ● 44 |
| Mana | 1.4 | 1.1 | 1.3 | ● 91 | | | | | | | | |
| ACT | 1.4 | 1.1 | 1.3 | ● 90 | 1.4 | 3.7 | 0.4 | ● 307 | 1.4 | 1.5 | 1.0 | ● 126 |
| United Future | 1.4 | 0.6 | 2.4 | ● 51 | 1.4 | 0.9 | 1.6 | ! 74 | 1.4 | 2.7 | 0.5 | ● 222 |
| J Anderton's Progressive | | | | | 1.4 | 0.9 | 1.6 | ! 77 | 1.4 | 1.2 | 1.2 | ● 97 |
| Alliance | | | | | | | | | | | | |

| | 2002 (69 seats) | | | | 1999 (67 seats) | | | | 1996 (65 seats) | | | |
|--------------------------|-----------------|------|-------|-------|-----------------|------|-------|-------|-----------------|------|-------|-------|
| | ES% | PV % | Ratio | Risk | ES% | PV % | Ratio | Risk | ES% | PV % | Ratio | Risk |
| National | 30.4 | 20.9 | 1.5 | ● 83 | 32.8 | 30.5 | 1.1 | ● 112 | 46.2 | 33.8 | 1.4 | ● 88 |
| Labour | 65.2 | 41.3 | 1.6 | ! 76 | 61.2 | 38.7 | 1.6 | ! 76 | 40.0 | 28.2 | 1.4 | ● 85 |
| Green | 0.0 | 7.0 | 0.0 | N/A | 1.5 | 5.2 | 0.3 | ● 415 | | | | |
| NZ First | 1.4 | 10.4 | 0.1 | ● 860 | 1.5 | 4.3 | 0.4 | ● 343 | 9.2 | 13.4 | 0.7 | ● 174 |
| Māori Party | | | | | | | | | | | | |
| Mana | | | | | | | | | | | | |
| ACT | 0.0 | 7.1 | 0.0 | N/A | 0.0 | 7.0 | 0.0 | N/A | 1.5 | 6.1 | 0.3 | ● 476 |
| United Future | 1.4 | 6.7 | 0.2 | ● 554 | 1.5 | 0.5 | 2.8 | ● 44 | 1.5 | 0.9 | 1.7 | ● 69 |
| J Anderton's Progressive | 1.4 | 1.7 | 0.9 | ● 141 | | | | | | | | |
| Alliance | | | | | 1.5 | 7.7 | 0.2 | ● 623 | 1.5 | 10.1 | 0.2 | ● 788 |

Key:

ES%: Proportion of electorate seats won by each party (%).

PV%: Proportion of party votes won by each party (%).

Ratio: Ratio of ES% to PV%.

Risk: Number of electorate seats in a 120 seat parliament at or above which the party would have been likely to create an overhang.

● 0 Results which cause risk of overhang with 70 or fewer electorate seats.

! 70 Results which would cause risk of overhang with 80 electorate seats.

● 80 Results which would cause risk of overhang with 90 electorate seats.

● 90 Results which could cause risk of overhang with more than 90 electorate seats.

● 120 Results which would not cause an overhang in a 120 seat Parliament.

N/A Results where parties won seats through the party vote, but did not win electorate seats.

Notes:

An overhang may occur when a party wins a greater share of electorate seats (ES%) than its share of party votes (PV%). An overhang becomes likely when the ratio between the two (ES%/PV%) is greater than the ratio of total seats in parliament (120) to the number of electorate seats available (currently 70, yielding a ratio of approximately 1.7).

The number of electorate seats at which a party would be likely to generate an overhang (Risk) can be calculated by dividing the total seats in parliament by the ratio of ES% to PV% (Ratio).

Note that these figures are only approximate, as they assume that electorate seats would be distributed in the same proportions regardless of their number. This is not possible in practice as it is not possible for parties to win fractional seats.

Whether an overhang actually occurs is also affected by the order in which seats are awarded by the Sainte-Laguë formula. Where the number of electorate seats is close to the Risk level an overhang may or may not occur. For example in 2011 United Future appears likely to cause an overhang, but did not in fact create one, as United Future was actually awarded the 80th seat under the Sainte-Laguë formula.

Explanatory notes on Sainte-Laguë and list seat allocation for 2011 General Election

SAINTE LAGUË FORMULA EXPLAINED

Electorate Seats

The MP for an electoral district is the candidate who wins more votes than any other candidate. He or she does not need to win more than half the votes cast. Under the MMP electoral system MPs for the electoral districts are elected in exactly the same way as they would be under the First-Past-The-Post (FPP) electoral system.

Party List Seats

The number of party votes won by each registered party which has submitted a Party List is used to decide how many seats overall each party will have in Parliament.

If, for example, the party vote for the Grandstand Party entitled it to a total of 54 seats in Parliament and it won 40 electorate candidate seats, it would gain 14 further seats which would be drawn from the Party List of the Grandstand Party. Candidates may stand for Parliament both in an electoral district and on their Party's List. As a result, the first 14 candidates on the Grandstand Party's rank-ordered Party List who had not been elected to Parliament to represent an electoral district would be declared elected as Party List MPs.

A procedure, known as the Sainte Laguë formula (after its founder) is used to decide the order in which political parties are awarded seats in Parliament.

Allocating 2011 General Election Parliamentary Seats using the Sainte-Laguë Formula

To determine the precise order in which all the seats in Parliament are allocated to the various political parties, the Electoral Act 1993 prescribes that a mathematical formula, called the Sainte-Laguë formula, be applied. The nationwide party vote of each of the parties which qualified for representation in Parliament is divided by successive odd numbers starting with 1 (i.e. the party votes divided by 1, 3, 5, 7, 9, 11, 13, etc). The 120 highest numbers (which are called quotients) determine both the number of seats for each party and the order in which they are allocated. The following explains how the process works:

Step 1:

The Electoral Commission draws up a table showing the name of each party shown on the party side of the ballot paper, the number of party votes it won, the percentage of all party votes it won and the number of electorate seats it won. For the purposes of this explanation minor parties are combined under the heading 'OTHER'.

| Registered Parties | NATIONAL PARTY | LABOUR PARTY | GREEN PARTY | NZ FIRST PARTY | MĀORI PARTY | MANA | ACT | UNITED FUTURE | OTHER | TOTAL |
|--------------------------------|----------------|--------------|-------------|----------------|-------------|--------|--------|---------------|--------|-----------|
| Party Votes | 1,058,636 | 614,937 | 247,372 | 147,544 | 31,982 | 24,168 | 23,889 | 13,443 | 75,493 | 2,237,464 |
| % of all party votes | 47.31% | 27.48% | 11.06% | 6.59% | 1.43% | 1.08% | 1.07% | 0.60% | 3.37% | 100% |
| Number of electorate seats won | 42 | 22 | 0 | 0 | 3 | 1 | 1 | 1 | 0 | 70 |

Step 2:

The Electoral Commission then excludes parties that are not eligible for Party List seats by deleting any party that has not won at least 5% of the total number of party votes and has not won at least one electorate seat (commonly termed the threshold). Although ACT New Zealand, Mana, Māori Party, and United Future each gained less than 5% of the party votes they did win electorate seats, so are included.

| Registered Parties that gained 5% of total party votes or won at least 1 electorate seat | NATIONAL PARTY | LABOUR PARTY | GREEN PARTY | NZ FIRST PARTY | MĀORI PARTY | MANA | ACT | UNITED FUTURE | TOTAL |
|------------------------------------------------------------------------------------------|----------------|--------------|-------------|----------------|-------------|--------|--------|---------------|-----------|
| Party Votes | 1,058,636 | 614,937 | 247,372 | 147,544 | 31,982 | 24,168 | 23,889 | 13,443 | 2,161,971 |
| % of all party votes eligible for list seats | 48.97% | 28.44% | 11.44% | 6.82% | 1.48% | 1.12% | 1.10% | 0.62% | 100.00% |
| Number of electorate seats won | 42 | 22 | 0 | 0 | 3 | 1 | 1 | 1 | 70 |

Notes:

Because the parties not reaching the threshold have been disregarded the percentage share for each of the remaining parties has increased.

Step 3:

The Electoral Commission then divides the total party votes for each eligible party by a sequence of odd numbers starting with 1 (1, 3, 5, 7, 9, 11, 13, 15, etc), until enough quotients had been found to allocate all 120 seats. In the table on the following page the numbers beside the highest 120 quotients indicate their order from highest to lowest.

Step 4:

The Electoral Commission then counts the number of quotients each party has in the highest 120.

Step 5:

The Electoral Commission then determines how many electorate seats each party has won, and allocates enough Party List seats to each party to bring the total number of seats up to the number to which it is entitled.

Step 6:

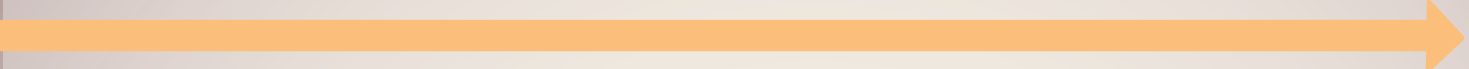
The Electoral Commission then examines the list of candidates each party submitted on its Party List before the election, and deletes the names of any candidate who has won an electorate seat. The Electoral Commission then allocates each Party's list seats to its list candidates, starting at the top of the list and working down until it has allocated all the list seats to which that party is entitled. The Electoral Commission then declares these candidates elected to Parliament and advises the Clerk of the House of Representatives of their names.

Notes:

There are four further points to note about the process.

1. If a party that appears on the party vote side of the ballot paper wins more electorate seats than it is entitled to based on its share of the party vote, then it does not receive any list seats. It keeps the extra seats, and the size of Parliament is increased by that number of seats until the next general election. The increase in the size of Parliament is known as an overhang. The number of seats won by other parties is not affected.¹
2. If a party has not nominated enough list candidates to fill all the seats to which it is entitled on the basis of its share of the party vote, the seats remain unfilled and the size of Parliament is reduced by that number of seats until the next general election. The number of seats won by other parties is not affected.
3. If an electorate seat is won by a candidate not representing a party contesting the party vote, the Electoral Commission subtracts that number of seats from 120, and works out the allocation of seats between registered parties based on that lower number.

¹ An overhang occurred at the 2011 General Election with the Māori Party winning more electorate seats (3) than it was entitled to based on its share of the party vote (2). Accordingly, the size of Parliament increased to 121 seats.

- 
4. The list nominated by a party at a general election is used to replace a list MP from that party in the event of their seat being vacated (Electoral Act 1993, Section 137). The Electoral Commission asks the remaining candidates on the list in turn if they are willing to become an MP until a replacement candidate is found. If no such candidate can be found from the list, the seat remains unfilled until the next general election.

Parliament may, by resolution supported by 75% of all MPs, avoid filling a vacant list seat if the vacancy occurs within six months of the date Parliament is due to expire or if the Prime Minister has announced that a general election is to be held within six months of the date the vacancy occurred (Electoral Act 1993, section 136).

Actual Quotients for Party List Seat Allocation

| Party List Seat Allocation | | | | | | | | | | | | | | | | |
|----------------------------|----------------|----------|--------------|----------|-------------|----------|-------------------------|----------|-------------|----------|-----------|----------|-----------------|----------|---------------|----------|
| Divisor | National Party | Seat No. | Labour Party | Seat No. | Green Party | Seat No. | New Zealand First Party | Seat No. | Māori Party | Seat No. | Mana | Seat No. | ACT New Zealand | Seat No. | United Future | Seat No. |
| 1 | 1058636.000 | 1 | 614937.000 | 2 | 247372.000 | 4 | 147544.000 | 8 | 31982.000 | 34 | 24168.000 | 45 | 23889.000 | 46 | 13443.000 | 80 |
| 3 | 352878.667 | 3 | 204979.000 | 6 | 82457.333 | 13 | 49181.333 | 22 | 10660.667 | 103 | 8056.000 | | 7963.000 | | 4481.000 | |
| 5 | 211727.200 | 5 | 122987.400 | 9 | 49474.400 | 21 | 29508.800 | 36 | 6396.400 | | 4833.600 | | 4777.800 | | 2688.600 | |
| 7 | 151233.714 | 7 | 87848.143 | 12 | 35338.857 | 30 | 21077.714 | 53 | 4568.857 | | 3452.571 | | 3412.714 | | 1920.429 | |
| 9 | 117626.222 | 10 | 68326.333 | 16 | 27485.778 | 39 | 16393.778 | 67 | 3553.556 | | 2685.333 | | 2654.333 | | 1493.667 | |
| 11 | 96239.636 | 11 | 55903.364 | 18 | 22488.364 | 50 | 13413.091 | 81 | 2907.455 | | 2197.091 | | 2171.727 | | 1222.091 | |
| 13 | 81433.538 | 14 | 47302.846 | 23 | 19028.615 | 58 | 11349.538 | 96 | 2460.154 | | 1859.077 | | 1837.615 | | 1034.077 | |
| 15 | 70575.733 | 15 | 40995.800 | 26 | 16491.467 | 66 | 9836.267 | 111 | 2132.133 | | 1611.200 | | 1592.600 | | 896.200 | |
| 17 | 62272.706 | 17 | 36172.765 | 29 | 14551.294 | 74 | 8679.059 | | 1881.294 | | 1421.647 | | 1405.235 | | 790.765 | |
| 19 | 55717.684 | 19 | 32365.105 | 32 | 13019.579 | 85 | 7765.474 | | 1683.263 | | 1272.000 | | 1257.316 | | 707.526 | |
| 21 | 50411.238 | 20 | 29282.714 | 37 | 11779.619 | 92 | 7025.905 | | 1522.952 | | 1150.857 | | 1137.571 | | 640.143 | |
| 23 | 46027.652 | 24 | 26736.391 | 41 | 10755.304 | 101 | 6414.957 | | 1390.522 | | 1050.783 | | 1038.652 | | 584.478 | |
| 25 | 42345.440 | 25 | 24597.440 | 44 | 9894.880 | 109 | 5901.760 | | 1279.280 | | 966.720 | | 955.560 | | 537.720 | |
| 27 | 39208.741 | 27 | 22775.444 | 48 | 9161.926 | 119 | 5464.593 | | 1184.519 | | 895.111 | | 884.778 | | 497.889 | |
| 29 | 36504.690 | 28 | 21204.724 | 52 | 8530.069 | | 5087.724 | | 1102.828 | | 833.379 | | 823.759 | | 463.552 | |
| 31 | 34149.548 | 31 | 19836.677 | 56 | 7979.742 | | 4759.484 | | 1031.677 | | 779.613 | | 770.613 | | 433.645 | |
| 33 | 32079.879 | 33 | 18634.455 | 59 | 7496.121 | | 4471.030 | | 969.152 | | 732.364 | | 723.909 | | 407.364 | |
| 35 | 30246.743 | 35 | 17569.629 | 62 | 7067.771 | | 4215.543 | | 913.771 | | 690.514 | | 682.543 | | 384.086 | |
| 37 | 28611.784 | 38 | 16619.919 | 65 | 6685.730 | | 3987.676 | | 864.378 | | 653.189 | | 645.649 | | 363.324 | |
| 39 | 27144.513 | 40 | 15767.615 | 70 | 6342.872 | | 3783.179 | | 820.051 | | 619.692 | | 612.538 | | 344.692 | |
| 41 | 25820.390 | 42 | 14998.463 | 72 | 6033.463 | | 3598.634 | | 780.049 | | 589.463 | | 582.659 | | 327.878 | |
| 43 | 24619.442 | 43 | 14300.860 | 76 | 5752.837 | | 3431.256 | | 743.767 | | 562.047 | | 555.558 | | 312.628 | |
| 45 | 23525.244 | 47 | 13665.267 | 79 | 5497.156 | | 3278.756 | | 710.711 | | 537.067 | | 530.867 | | 298.733 | |
| 47 | 22524.170 | 49 | 13083.766 | 83 | 5263.234 | | 3139.234 | | 680.468 | | 514.213 | | 508.277 | | 286.021 | |
| 49 | 21604.816 | 51 | 12549.735 | 87 | 5048.408 | | 3011.102 | | 652.694 | | 493.224 | | 487.531 | | 274.347 | |
| 51 | 20757.569 | 54 | 12057.588 | 90 | 4850.431 | | 2893.020 | | 627.098 | | 473.882 | | 468.412 | | 263.588 | |
| 53 | 19974.264 | 55 | 11602.585 | 94 | 4667.396 | | 2783.849 | | 603.434 | | 456.000 | | 450.736 | | 253.642 | |
| 55 | 19247.927 | 57 | 11180.673 | 97 | 4497.673 | | 2682.618 | | 581.491 | | 439.418 | | 434.345 | | 244.418 | |
| 57 | 18572.561 | 60 | 10788.368 | 100 | 4339.860 | | 2588.491 | | 561.088 | | 424.000 | | 419.105 | | 235.842 | |
| 59 | 17942.983 | 61 | 10422.661 | 105 | 4192.746 | | 2500.746 | | 542.068 | | 409.627 | | 404.898 | | 227.874 | |
| 61 | 17354.689 | 63 | 10080.934 | 108 | 4055.279 | | 2418.754 | | 524.295 | | 396.197 | | 391.623 | | 220.377 | |
| 63 | 16803.746 | 64 | 9760.905 | 112 | 3926.540 | | 2341.968 | | 507.651 | | 383.619 | | 379.190 | | 213.381 | |
| 65 | 16286.708 | 68 | 9460.569 | 115 | 3805.723 | | 2269.908 | | 492.031 | | 371.815 | | 367.523 | | 206.815 | |
| 67 | 15800.537 | 69 | 9178.164 | 118 | 3692.119 | | 2202.149 | | 477.343 | | 360.716 | | 356.552 | | 200.642 | |
| 69 | 15342.551 | 71 | 8912.130 | | 3585.101 | | 2138.319 | | 463.507 | | 350.261 | | 346.217 | | 194.826 | |
| 71 | 14910.366 | 73 | 8661.085 | | 3484.113 | | 2078.085 | | 450.451 | | 340.394 | | 336.465 | | 189.338 | |
| 73 | 14501.863 | 75 | 8423.795 | | 3388.658 | | 2021.151 | | 438.110 | | 331.068 | | 327.247 | | 184.151 | |
| 75 | 14115.147 | 77 | 8199.160 | | 3298.293 | | 1967.253 | | 426.427 | | 322.240 | | 318.520 | | 179.240 | |
| 77 | 13748.519 | 78 | 7986.195 | | 3212.623 | | 1916.156 | | 415.351 | | 313.870 | | 310.247 | | 174.584 | |
| 79 | 13400.456 | 82 | 7784.013 | | 3131.291 | | 1867.646 | | 404.835 | | 305.924 | | 302.392 | | 170.165 | |
| 81 | 13069.580 | 84 | 7591.815 | | 3053.975 | | 1821.531 | | 394.840 | | 298.370 | | 294.926 | | 165.963 | |
| 83 | 12754.651 | 86 | 7408.880 | | 2980.386 | | 1777.639 | | 385.325 | | 291.181 | | 287.819 | | 161.964 | |
| 85 | 12454.541 | 88 | 7234.553 | | 2910.259 | | 1735.812 | | 376.259 | | 284.329 | | 281.047 | | 158.153 | |
| 87 | 12168.230 | 89 | 7068.241 | | 2843.356 | | 1695.908 | | 367.609 | | 277.793 | | 274.586 | | 154.517 | |
| 89 | 11894.787 | 91 | 6909.404 | | 2779.461 | | 1657.798 | | 359.348 | | 271.551 | | 268.416 | | 151.045 | |
| 91 | 11633.363 | 93 | 6757.549 | | 2718.374 | | 1621.363 | | 351.451 | | 265.582 | | 262.516 | | 147.725 | |
| 93 | 11383.183 | 95 | 6612.226 | | 2659.914 | | 1586.495 | | 343.892 | | 259.871 | | 256.871 | | 144.548 | |
| 95 | 11143.537 | 98 | 6473.021 | | 2603.916 | | 1553.095 | | 336.653 | | 254.400 | | 251.463 | | 141.505 | |
| 97 | 10913.773 | 99 | 6339.557 | | 2550.227 | | 1521.072 | | 329.711 | | 249.155 | | 246.278 | | 138.588 | |
| 99 | 10693.293 | 102 | 6211.485 | | 2498.707 | | 1490.343 | | 323.051 | | 244.121 | | 241.303 | | 135.788 | |
| 101 | 10481.545 | 104 | 6088.485 | | 2449.228 | | 1460.832 | | 316.653 | | 239.287 | | 236.525 | | 133.099 | |
| 103 | 10278.019 | 106 | 5970.262 | | 2401.670 | | 1432.466 | | 310.505 | | 234.641 | | 231.932 | | 130.515 | |
| 105 | 10082.248 | 107 | 5856.543 | | 2355.924 | | 1405.181 | | 304.590 | | 230.171 | | 227.514 | | 128.029 | |
| 107 | 9893.794 | 110 | 5747.075 | | 2311.888 | | 1378.916 | | 298.897 | | 225.869 | | 223.262 | | 125.636 | |
| 109 | 9712.257 | 113 | 5641.624 | | 2269.468 | | 1353.615 | | 293.413 | | 221.725 | | 219.165 | | 123.330 | |
| 111 | 9537.261 | 114 | 5539.973 | | 2228.577 | | 1329.225 | | 288.126 | | 217.730 | | 215.216 | | 121.108 | |
| 113 | 9368.460 | 116 | 5441.920 | | 2189.133 | | 1305.699 | | 283.027 | | 213.876 | | 211.407 | | 118.965 | |
| 115 | 9205.530 | 117 | 5347.278 | | 2151.061 | | 1282.991 | | 278.104 | | 210.157 | | 207.730 | | 116.896 | |
| 117 | 9048.171 | 120 | 5255.872 | | 2114.291 | | 1261.060 | | 273.350 | | 206.564 | | 204.179 | | 114.897 | |
| Number of Party Votes | 1,058,636 | | 614,937 | | 247,372 | | 147,544 | | 31,982 | | 24,168 | | 23,889 | | 13,443 | |
| Percentage | 48.97% | | 28.44% | | 11.44% | | 6.82% | | 1.48% | | 1.12% | | 1.10% | | 0.62% | |
| Electorate Seats | 42 | | 22 | | 0 | | 0 | | 3 | | 1 | | 1 | | 1 | |
| List Seats | 17 | | 12 | | 14 | | 8 | | 0 | | 0 | | 0 | | 0 | |
| Total Seats | 59 | | 34 | | 14 | | 8 | | 3 | | 1 | | 1 | | 1 | |