

DEMOCRATIC AUDIT

New Zealand's Experience with MMP (AMS)

Dr Helena Catt, Chief Executive of the Electoral Commission
(on leave from the University of Auckland)*

The Road to Electoral Change

The MMP (Mixed Member Proportional), which is of the same family as the Additional Member systems used in Scotland and Wales, as well as in Germany, was first used in New Zealand in the 1996 general election. Briefly under AMS/MMP voters can vote both for a constituency MP (as under FPTP) and for a party, giving a more proportional result. The public chose to replace first-past-the-post (FPTP) with MMP in a referendum held at the same time as the 1993 general election.

MMP had been unanimously recommended as the best electoral system for New Zealand by the Royal Commission on the Electoral System in its 1986 report. The then Labour government created the Royal Commission after the experience in the two previous elections (1978 and 1981) when the party won the most votes but the National party won the most seats and so formed the government. Other important contextual points were that Social Credit won 20% of the vote in 1981 but won only two seats and that women made up less than 10% of all MPs.

The Royal Commission used ten criteria to assess FPTP, MMP, STV, the Alternative Vote (AV) and Supplementary Member. It concluded that FPTP, which the UK uses for its parliamentary elections, is

- unfair to supporters of major parties;
- grossly unfair to supporters of minor parties;
- fails to provide reasonable representation for minority and special interest groups; and
- does not provide effective Māori representation.

On the other hand, MMP would satisfy the following criteria better than FPTP:

- fairness between political parties;
- voter participation;
- Māori representation;
- effective representation of minority and special interest groups; and
- legitimacy

The Royal Commission also suggested that any change to the electoral system should only happen after a referendum on the issues. Having established the Commission, the Labour government then decided *not* to hold a referendum. But, somewhat surprisingly given opposition to MMP among senior ministers, the next National government went ahead with the referendum. There were two stages in the process of asking the people. In 1992, voters were asked firstly if they wanted to change the electoral system, and secondly, if there was to be a change, which of the four systems would they prefer (see Table 1).

The vote was not binding, but the government followed the very large majority vote for change in a 55.5 turnout and a 70% vote for MMP in the second stage. The government drafted full legislation on MMP so that in the 1993 referendum voters would know all details of the proposed new system.

* The views expressed here are my own and not necessarily those of the Electoral Commission

Table 1: Results of the 1992 Indicative Referendum held to establish desire for change and the preferred alternative to FPP

First stage	%	Second stage	%
<i>Change the voting system</i>	84.7	Retain FPTP	15.3
Retain FPTP	15.3	Supplementary Member (SM)	5.6
Turnout	55.5	Single Transferable Vote (STV)	17.4
		<i>MMP</i>	70.5
		Preferential Vote (PV)	6.6

Table 2: 1993 Binding Referendum held with the General Election

	%
Turnout	85.2
Retain FPTP	46.1
Change to MMP	53.9

For both referendums there was a well-funded, independently run information campaign. Interest group campaigns were also run both for and against MMP. In 1993, turnout was higher, due to being held at the same time as the general election, and MMP was chosen with a narrower majority (see Table 2).

Proportionality

New Zealand has moved from being a classic two-party to a multi-party system although the rise of minor parties pre-dated the change to the electoral system. The existence of minor parties and their struggle to win seats despite attracting substantial votes was one of the factors that led to change. Other parties were also created, often splitting from the two main parties, in the three years between the referendum and the first MMP election.

Election results and measures of proportionality and parties are provided in Table 3 below. (I have not disaggregated data to regions as there are no politically significant regional divisions - which is reflected in the national nature of list proportionality.)

As the values indicate, the switch to MMP had an immediate impact on levels of proportionality and each successive election has brought the measures closer to zero. Using the Gallagher index, which aggregates the gap between proportion of votes and seats for each party, disproportionality fell four-fold between the last FPTP election in 1993 to the first MMP election in 1996 (values of 16.8% and 4.4% respectively). In the last election, disproportionality fell further to 2.5%, indicating a high correlation between the share of votes and seats.

The change has also facilitated pluralism, according to the academic measure, Relative Reduction in Parties (RRP). It is well known that FPTP inhibits the challenge from new and smaller parties. The RRP measure, which indicates the extent to which new and smaller parties face problems in gaining seats, halved in the first MMP election compared to the last FPP election (13.3% and 25.9% respectively) and again the value has continued to decline. Values are given in Table 3 for the first election in each decade since 1960 which illustrates how the almost pure two-party system in the 1960s changes with the rise of various smaller parties that win over 5 per cent of the vote.

Table 3: Election Results Showing Measures of Proportionality

Election	DV	RRP	National		Labour		Third largest party*		No. of parties with over 5% of votes	
			Vote (%)	Seats (%)	Vote (%)	Seats (%)	Vote (%)	Seats (%)	MPs	>5% of votes
Under MMP										
2002	2.5	9.8	20.9	22.5	41.3	43.3	10.38	10.83	7	6
1999	3.1	10.5	30.5	32.5	38.7	40.8	7.74	8.33	7	5
1996	4.3	13.3	33.8	36.7	28.2	30.4	13.35	14.17	6	5
Under FPTP										
1993	16.8	25.9	35.1	51	34.7	35	18.21	2	4	4
{										
1981	16.8	28.2	38.8	51	39.0	47	20.7	2	3	3
{										
1972	11.9	22.9	41.5	37	48.4	63	6.7	0	2	3
{										
1960	9.5	19	47.6	58	43.4	43	8.6	0	2	3

The Deviation from Proportionality (DV) is measured by the Gallagher index which measures the overall difference between the % of votes and % of seats for all parties. The smaller the value, the closer the distribution of seats is to the distribution of votes. RRP (Relative Reduction in Parties) measures the proportion of parties voted for by the electorate but not effectively represented in Parliament; the lower the value, the less problem there is for new and smaller parties to gain representation

* Third largest party is Social Credit in 1960, 1972 and 1981; the Alliance in 1993 and 1999; NZ First in 1996 and 2002

Differences between New Zealand, Scotland and Wales

Apart from the difference in name, there are two important ways in which the system as used in New Zealand differs from the Scottish and Welsh variants. Firstly the party votes are totalled across the entire country and proportionality is calculated across all 120 MPs. The size of the electoral district has a direct effect of the proportionality of an election: the larger the district, the more proportional the result will be. So with the whole country as one electoral district, MMP's proportionality is maximised, as indicated in Table 3.

Secondly, New Zealand uses the St Lague rather than the D'Hondt formula to calculate the number of seats per party. St Lague, briefly, means that the total number of votes won by each party is divided successively by odd numbers (1, 3, 5, 7 ...) giving a table of quotients. The highest 120 quotients are found and this indicates the number of seats for each party. In New Zealand, parties are only included in the calculation if they pass a threshold: winning either 5% of the party votes or at least one electorate. All allocation formulas slightly favour one sort of party at the margins: large, medium or small. The NZ variant of St Lague helps smaller parties to gain representation, as compared to [D'Hondt](#).

A third notable difference is in the practicalities of the vote with New Zealand having one ballot paper rather than two. A single ballot paper means that the number of straight and split votes can be recorded. Information campaigns can thus talk of the first and second column vote and stress the importance of the party vote by having it in the first column.

Voters

Looking at levels of trust in government and Parliament over the last 25 years, policy decisions by government have had a greater impact than has the change to the electoral system. For instance, in 1988 only 10% of those surveyed said that they trusted Parliament, compared to 33% in 1975. By 1998 the proportion trusting Parliament had risen again but only to 15%. Reported trust in politicians, as compared to fire-fighters, lawyers, nurses, etc, has remained at around 5% since the early 1980s.

The decline in trust was predominantly a result of the unexpected monetarist policies introduced by the Labour government elected in 1984. The policies had not been signalled by the party during the election campaign and most were very unpopular. The lack of both an upper house and written constitution meant that the government could pass all legislation as long as it controlled its own MPs. The government brushed aside dissent from the public, interest groups, the extra-parliamentary party and complaints from its own backbench MPs. This show of "unbridled" power by the government was another influence that led to the popularity of electoral change. Many preferred the idea of compromise between parties on policy detail to a repeat of a government cabinet made more or less all-powerful by FPTP elections.

Pollsters have not asked if people trust the electoral system but they do ask questions aimed at tapping the level of understanding. However such questions only started when MMP was introduced, presumably because everyone thought FPTP was so simple that there was no need to provide education nor test levels of understanding. Whilst very few people cast a non-intentional invalid vote using FPTP, there are indications that many did not understand all its nuance and vagaries. A survey in 1993 showed for example that fewer than half the respondents knew that under FPTP the winning party could have a higher share of seats than votes.

In contrast understanding of the nuances of MMP are higher, in part due to information campaigns on MMP at each election. Consistently over half of people know that the party vote is the most important in determining the number of MPs a party will get in Parliament. Around an election three quarters of people understand this. The number of people who cast a split ticket vote is another sign of voters' understanding of the nuances of the system – and their willingness to make use of the wider choice MMP offers them.

Over a third of voters in the three MMP elections have voted for a candidate from a different party than the party to which they have given their party vote. (As the New Zealand ballot paper is one piece of paper with two columns, the total number of split votes can be determined and is reported in the official count.) Surveys indicate that most split ticket voters knew what they were doing. Fewer than half a percentage of party votes were invalid in 2002.

After the 1999 election a select committee was established to review the workings of MMP, as had been set out in the legislation introducing MMP. They conducted survey research as part of their review, both focus groups and a phone survey. The overriding finding was that the electoral system was not an important issue for most people and that few had thought about the details of how the

system works and therefore could not engage in detailed discussion of alternatives. There was also a strong correlation between general happiness with the government, economy and MPs and views on the electoral system. Few people made a distinction between how the system operates and what the government does. The review suggested no major changes to MMP and the majority felt that the system was too new for a major review as everyone was still adapting to the new context.

The role of MP

As in Britain, constituency work is seen as an important, and rewarding, part of the role of the MP. The norm is for MPs to be in their constituency from Friday to Monday although ministers return to Wellington earlier as cabinet meets on Monday morning. There are no reliable data on the amount of time MPs spend on different aspects of their job, although the Royal Commission reported in 1986 that most MPs said that they spent a third of their time on constituency work. The importance of having a local MP is reflected in the criteria used by the Royal Commission, one of which was “effective representation of constituents”. This criterion was an important factor in their final recommendation as commissioners saw MMP as clearly meeting this goal more effectively than STV.

Compared to directly-elected constituency MPs (known in New Zealand as “electorate MPs”), list MPs report spending less time dealing with people’s problems and receive fewer requests for help. However most list MPs report receiving requests from people in more than one electorate (constituency), and often from people across the country. In the first MMP Parliament, some electorate MPs complained when list MPs set up electorate offices in “their” electorate. The practice is now accepted although some list MPs no longer hold surgeries. In particular party leaders, ministers and committee chairs are deciding that they need to concentrate their time and energy in Parliament. In the current Parliament the Minister for Finance, the Speaker of the House, the Attorney General and the new Leader of the Opposition are list MPs.

Surveys of MPs asked at each election since 1993 make possible some comparison of their changing views on the importance of their roles as MPs pre and post the advent of MMP (see Table 4). There has been a shift in views as MPs have had experience of MMP. In particular, the perceived importance of committee work has increased markedly. With coalition and minority government the role of the committees (similar to Westminster select and standing committees combined) as bodies of scrutiny has increased markedly. MPs also attach less importance to representing the electorates and more importance to party roles than in the past.

Electorate MPs put far greater emphasis on helping constituents and holding clinics whilst list MPs emphasise the parliamentary and party roles.

Table 4: MPs’ Views On their Role

Percentage of MPs seeing this as very Important (N between 54 and 73)

	1993	1996	1999	2002
Representing the electorate	62	61	59	46
Holding regular electorate clinics	86	66	48	50
Representing regional interests	26	32	25	48

Committee work	52	67	67	81
Voting with party	24	46	60	65
developing party policy	43	42	42	54

Voter surveys suggest that less than a quarter of people make contact with an MP in any given year. There has been a slight decline over the past 10 years from 23% in 1993 to 17% in 2002. However at the same time fewer people now feel that MPs are out of touch with the public, falling from nearly two thirds (61%) in 1993 to about half (49%) in 2002. One aspect of this change is probably the much discussed change in the make-up of Parliament (see Table 5). Under MMP there are more women, a greater ethnic mix plus two firsts for western legislatures: a Rastafarian MP and a trans-gendered MP. The greater diversity of both parties and people is regularly talked about and welcomed.

Table 5: Composition of Parliament (%)

	MPs 1990	MPs 1996	MPs 2002	Census 2001
% women	16.5	29.2	28.3	51
% Māori	5.1	13.3	15.8	14
% Pacific Islander	0	2.5	2.5	6

In public discourse little attention is paid to the difference between the electorate and the list MP. Whilst some MPs are closely associated with a particular electorate in the public mind, most are not routinely identified by anything other than party label. There are occasional letters to the editor suggesting that the list MPs are not really elected. However, the difference between electorate and list MPs is not an issue of major public concern in New Zealand.

Balancing electorate and list MPs

The number of MPs was increased from 99 to 120 when MMP was introduced, as recommended by the Royal Commission. The point of this increase was to allow the geographical size of electorates (or constituencies) to be contained whilst still having about half of the MPs from the party lists. The greater number of MPs became a political issue, with 82% voting yes in a non-binding citizen's initiated referendum in 1999, asking if the number of MPs should be reduced to 99. But the issue of representation is rather more complex. In the last FPTP election there were about 95 general constituencies (plus four Māori ones) with an average electoral population of 33,457. Now the average electoral constituency is 54,200. With the advent of MMP, the 120 MPs were divided between 60 electorate MPs, 55 list MPs and five Māori ones.

However, after each five-yearly census, boundaries are reviewed and all Māori are given the choice of being on the Māori or general roll. In legislation the South Island is guaranteed 16 constituencies, but as its population is falling compared with North Island, and the constituency populations across the country cannot by law vary by more than 5%, the total number of electorate MPs is increasing at the expense of list MPs. The number of MPs is not an integral part of MMP, rather at first a means of smoothing over the change and now recognition of the importance of committees and thus the need for MPs to fill them. The government has not acted on the referendum result but at some stage it may be desirable to review existing legislation to maintain the balance between electorate and list MPs.

Government formation

After the long history of first-past-the-post elections ensuring that the winning party was returned with a majority large enough effectively to guarantee that it would win its votes in Parliament, the change consequent on MMP to coalition and minority governments was a major culture shock to experienced politicians and journalists, as much as to the voters. Attitudes and behaviour are still adapting to the new landscape with the political journalists probably the slowest to adapt.

Coalitions predated MMP as MPs split from the major parties in anticipation of an electoral system that no longer deterred small parties. In 1993, using FPTP, the National party won 50 of the then 99 parliamentary seats and formed the government. In September 1994, a minister left to form Right of Centre, and kept his cabinet position in a loose coalition. In 1995, five further National MPs left to form two different parties (Christian Democrats and United), neither of which entered into a coalition arrangement, but agreed to support the government on confidence votes. In February 1996, United entered a formal coalition. Two other MPs left National but the government continued with promises of support on confidence votes.

During the first MMP election campaign in 1996, parties generally did not make statements about future coalition partners. After the election National won 44 of the 120 seats and Labour 37, New Zealand First, a party that describes itself as being in the centre, had 17 seats and the left-wing Alliance 13 seats. New Zealand First went into simultaneous discussion with both National and the Labour/Alliance leaders. This approach surprised many voters and commentators as New Zealand First had said frequently during the campaign that it would stop a National government. After nine weeks of negotiation, New Zealand First announced a coalition deal with National. After two years, however, the New Zealand First leader and three other ministers walked out of government (August 1998). Other New Zealand First ministers stayed with the government, splitting the party. The government continued to function with votes on matters of confidence and supply guaranteed by a raft of small parties and independents.

During the 1999 election campaign, Labour and the Alliance talked about coalition plans and they did indeed form a minority coalition government. However the Alliance also suffered from internal tensions and split in 2002. During the 2002 campaign most parties made statements about possible coalition partners. Labour and one half of the former Alliance (the Progressives) reaffirmed their commitment to working together. The Greens made a policy ultimatum as a condition of entering a coalition government and the centrist United Future said that they would be willing to consider coalition with Labour or National. Given the results (see Table 6), Labour with the Progressives needed

Table 6: Results of the 2002 Election

	MPs	% Party Vote
Labour	52	41.2
National	27	20.9
New Zealand First	13	10.4
ACT	9	7.1
Greens	9	7.0
United Future	8	6.7
Progressives	2	1.7

the support of another party in order to win votes in the House. Labour decided to form a minority coalition government with the Progressives and then created a reliable parliamentary majority through a support agreement with United Future

and a co-operation agreement with the Greens. All three agreements were signed within a month of the election.

The nature of the agreements made by the Labour government are significantly different from that between National and New Zealand First. The 1996 agreement was set out in a 17,000-word document that contained detail on many policy areas. In contrast the Labour documents are all less than 1,000 words long and contain few or no mentions of policy. Instead they set out how the relationships will work. As the same type of agreement has been used in two successive elections it seems that they work for the large and small partners.

Stability and coalition governments are still a frequently debated issue. Editorial pieces in the press have recently been through another phase of commenting on MMP with an interesting divide. A number seek a change in the system, complaining of instability and small parties holding the government to ransom. Others applaud the need for government to negotiate in order to gain majority backing for legislation and celebrate the extended scrutiny and debate that this entails. In other words, there are still people on both sides of one of the key arguments about what makes for good government.

Post election surveys ask respondents if they prefer single party or coalition government. After the 2002 election, 53% of respondents said that they preferred a coalition government and 39% single party government. This result represented a shift towards favouring coalition, as in 1999 support for the two sides had been almost equal.

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