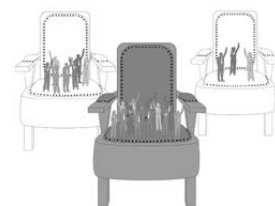


NEW ZEALAND ADOPTS PR: A RESEARCH DIRECTOR'S VIEW



New Zealand changed its electoral system from first-past-the-post to proportional representation for three main reasons: lopsided election results in which parties with lots of votes won very few seats; a strong and clear recommendation from a Royal Commission; and widespread dissatisfaction with politics and politicians. The transition to the new system was characterized by prolonged political instability that led to a reduction in its popularity. Things seem to be calming down, however, and a parliamentary review committee is currently considering whether any changes need to be made to the new system and whether there should be a further national referendum on the electoral system.

Paul Harris

La Nouvelle-Zélande a troqué le système majoritaire à un tour contre la représentation proportionnelle pour trois raisons : déformation des résultats accordant très peu de sièges à des partis ayant remporté beaucoup de voix; recommandation claire de la Commission royale; franche désillusion de la population vis-à-vis de la politique et des politiciens. La transition vers le nouveau système s'est accompagnée d'une longue instabilité politique qui en a compromis la popularité. Les choses semblent toutefois se calmer, et un comité de révision parlementaire examine actuellement la nécessité d'apporter des changements au nouveau système et la possibilité de tenir un autre référendum sur cette question.

New Zealand's change to the mixed member proportional (MMP) system of electoral representation reveals the kinds of complex interactions of events, personalities, and pressures that are present in any major public policy process. Ultimately, politicians found that they had—directly and indirectly, wittingly and unwittingly—unleashed forces they thought they could control but found they could not. Once the change had occurred, they found the political game had new rules to which they had to adapt. Some adapted successfully, others did not.

In 1998 Keith Jackson and Alan McRobie published a detailed history of New Zealand's change to MMP in a book entitled *New Zealand Adopts Proportional Representation. Accident? Design? Evolution?* (Ashgate). I agree with most of their analysis and their conclusions, and I recommend the book to anyone looking for more detailed information than I can provide here. I should emphasize that this paper presents a personal view of the way New Zealand's change to MMP came about, and is not necessarily the view of the Electoral Commission on which I currently serve. I should add that the process of electoral reform in New Zealand was the result of our country's unique circumstances, and it is

for others to decide for themselves what aspects of our experience may be relevant to their own situation.

So why did New Zealand change from the first-past-the-post system (FPTP) it had used since 1913 to MMP? Three sets of factors were particularly important: election results, the Royal Commission on the Electoral System and the political context. In what follows, I shall outline each, describe the reform process and our two MMP elections, and then say something about current public attitudes to MMP. I shall conclude by briefly discussing the outlook for MMP.

By the late 1930s Labour and National had emerged as New Zealand's two major parties. No minor parties made much electoral impact until the mid-1950s when Social Credit began to gain some support, although probably mostly as the result of protest votes. In the eight general elections from 1954 to 1975, Social Credit gained an average of nine per cent of the vote, but won only one of the 653 seats it contested. As Labour had done when it was a struggling new party under FPTP, Social Credit advocated proportional representation.

The Royal Commission said that the final decision about whether or not to change from FPTP to MMP should not be made by Parliament but by the people in a binding referendum held after a period of public debate.

The 1978 election was an important milestone in New Zealand's journey towards MMP. Labour received 10,000 more votes than National, a margin of 0.6 per cent of the total number cast, but won just 40 seats compared to National's 51. This convinced many in Labour that FPTP was biased against it. Social Credit won 16 per cent of the nationwide vote and one seat, but what was important was that some members of a major party began to share Social Credit's concern about FPTP.

After the 1978 election a parliamentary committee was established to inquire into various aspects of electoral law and administration. For reasons which are not entirely clear, its terms of reference included whether there should be any change to the voting system. The committee decided that there was not a strong case for a change, and by majority rejected a proposal from the Labour members that a Royal Commission should be appointed to carry out an authoritative re-examination of New Zealand's electoral system, including the voting system.

That proposal became part of Labour's policy at the 1981 election. When National again won more seats than Labour with fewer votes, some Labour MPs grew more determined to review the electoral system when next in government. Social Credit's difficulties were again clearly evident: although it won 21 per cent of the nationwide votes, it won only two of the 92 seats.

Within seven months of its victory at the 1984 election, the new Labour government established an independent non-partisan Royal Commission to conduct a wide-ranging inquiry into electoral matters. The Commission's report, *Towards a Better Democracy*, was published at the end of 1986 and contained two unanimous recommendations about the voting system. First, to the surprise of the major parties and the delight of the smaller parties, and after a careful assessment of the strengths and weaknesses of FPTP and alternative voting systems, it recommended that FPTP should be replaced by the system used in Germany, which the Commission called "mixed member proportional" or MMP.

The Commission's second recommendation was crucial to subsequent events. It said that the final decision about whether or not to change from FPTP to MMP should not be made by Parliament but by the people in a binding referendum held after a period of public debate. This recommendation was based on a number of considerations. First, a new *Electoral Act* passed in 1956 provided that certain provisions, including

the voting system, could only be changed by a vote of 75 per cent of all MPs or by a majority of votes cast at a referendum. Second, the Royal Commission believed that major constitutional changes should only be made by referendum. Third, New Zealand had long experience with referendums. Triennial "General Licensing Polls" on liquor licensing were held from 1911 to 1989, usually at each general election. Other referenda had been held on gambling, compulsory military training and whether the term of Parliament should be increased from three to four years. For each non-licensing referendum, Parliament passed a special *Act* to authorise the holding of the referendum, stating the question to be asked and specifying the procedures to be followed (usually drawing on those in the *Electoral Act*).

At the time, it seemed very unlikely that the Royal Commission's recommendations concerning a change to MMP would be accepted. Neither Labour nor National supported a proportional voting system, although a few MPs in each party did support a change, including Geoffrey Palmer, Labour's deputy leader. In the mid-1980s, there was no significant public interest in electoral reform.

Over time, however, it became more and more difficult for politicians to ignore the issue. A lobby group, the Electoral Reform Coalition (ERC), had been formed in mid-1986 to promote proportional representation. It was greatly assisted by having unanimous and clear recommendations from a non-partisan and authoritative body which had carefully considered the arguments for and against electoral reform. After some internal debate, the ERC agreed to focus on MMP as the only alternative to FPTP and on the Royal Commission's recommendation for a referendum as a clear and overtly democratic process by which the decision should be made.

Although it was not well-resourced, the ERC managed to keep the issue of electoral reform on the political agenda throughout New Zealand by the effective use of the techniques of grass roots political activity. Its efforts were given a significant boost in a live television debate during the 1987 election campaign, when one of the ERC's leaders extracted a clear undertaking from the Prime Minister that Labour would hold a referendum on electoral reform. It was later revealed that the Prime Minister had misread his briefing notes and had omitted the word "not."

In my view, however, the most crucial factor in New Zealand's change to MMP was changing

public attitudes to politics and politicians. It gradually became clear that a major shift in those attitudes had occurred from about the mid-1970s to the late 1980s and then into the early 1990s. The Prime Minister from 1975 to 1984 (who was also Finance Minister throughout that period) dominated politics through a strong and combative style of leadership which clearly demonstrated the Executive's control of Parliament. Then the new Labour government elected in 1984 came to be regarded as having deceived the voters, first by imposing a radically different model of economic and state-sector management without notice and against widespread public opposition, and then by not significantly changing course after being re-elected at the 1987 election despite undertakings to do so. Labour's refusal to honour its leader's election undertaking to hold a referendum on electoral reform was seen as further evidence of the disconnection of political representatives from those they were meant to represent. Politicians were seen as unwilling to extend the free market model they readily applied elsewhere to matters where their own interests were at stake.

Although the Royal Commission's report had been published before the peak of popular discontent with the Labour government, those looking for ways to reassert popular and parliamentary control over governments soon began to use its recommendation for a referendum on MMP as a means of doing so. The ERC and other advocates of electoral reform found an increasingly receptive audience. The strength and political importance of this public opinion combined with calculations of political advantage to the point that the election manifestos of all major and minor parties at the 1990 election included a promise to hold a referendum on the voting system.

In fact, the new National government elected in 1990 decided that it would hold two referenda. The first would be a stand-alone referendum to establish whether there was a popular desire for a change to the voting system and, if so, which of four "reform options" voters preferred—the single transferable vote system, the alternative or preferential vote system used to elect the Australian House of Representatives, MMP, and the supplementary member system (which is similar to MMP except that only list seats are allocated proportionally rather than list seats being allocated to parties so that there is an overall proportional allocation of all the seats in Parliament, as under MPP). The government said

that if a majority of those voting in 1992 supported change, there would be a second binding referendum at the time of the 1993 general election at which voters would choose between FPTP and the reform option receiving the most support in the first referendum.

The first referendum was held on 19 September 1992—coincidentally the 99th anniversary of the day universal suffrage was granted to New Zealand women. Parliament passed specific legislation for the conduct of the referendum and did not impose campaign spending limits.

The government appointed and funded an independent ministerial panel chaired by the Chief Ombudsman to carry out a neutral public information campaign concerning the referendum and the four reform options. However the panel faced a major problem because of the lack of detail about how each of the alternative systems would be implemented—whether, for example, they would include the Royal Commission's recommendations for an increase in the number of seats in Parliament to 120 or for the abolition of the electorate seats reserved for Māori.

The ERC had been promoting MMP since the Royal Commission reported six years earlier. It virtually had the field to itself, since the opposition to electoral reform was relatively muted and unorganized. Some politicians from both major parties tried to defend FPTP, but soon found that their efforts tended to increase support for reform. The public mood had become even more distrustful of politicians, since the National government elected in 1990 was regarded as continuing Labour's reforms and as having broken some of the specific promises it had made to the voters. Some voters began to ask whether there were any real differences between the two major parties. Although there was a good deal of public interest in the referendum, the political climate in 1992 was not conducive to a dispassionate debate on the merits of FPTP and the reform options.

Although voters were expected to favour a change in the voting system and to prefer MMP as the preferred alternative to FPTP, the margins of victory were completely unforeseen. In a turnout of 55.2 per cent of registered voters:

- 84.7 per cent voted for a change to the voting system;
- 70.5 per cent voted for MMP;
- 17.4 per cent voted for the single transferable vote system;
- 6.6 per cent voted for the preferential voting system; and

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● 5.6 per cent voted for the supplementary member system.

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The second referendum was held in November 1993 in conjunction with the general election. Parliament passed two Acts after a select committee had considered submissions from the public. The first, concerning the conduct of the referendum, was similar to that for the 1992 referendum. The second was a new *Electoral Act* to implement MMP. It would automatically replace the old electoral law if the official result of the 1993 referendum showed that a majority of voters did in fact support a change to MMP.

Few politicians became actively involved in the debate in 1993 and the major parties did not state policies on the issue. However the ERC no longer had the field to itself. A new group, the Campaign for Better Government (CBG), was formed in May 1993 to oppose the change to MMP. The CBG was seen as supported by business interests and, being extremely well-resourced compared to the ERC, it was able to run a professional advertising campaign opposing MMP. Public support for MMP began to decline markedly after the CBG began its campaign. Late in the passage of the new *Electoral Act* that would implement MMP, the CBG unsuccessfully argued that a change to a new electoral system should require the approval of a majority of registered voters, not just a majority of those who voted.

Once again, an independent panel was appointed to carry out a neutral government-funded programme of public information about the options at the 1993 referendum. Because the panel had a detailed law on MMP it could be specific on the details of both FPTP and MMP. Based on its regular survey research, the panel concluded that at the time of the referendum there were roughly equal levels of public knowledge of the main features of FPTP and MMP.

Polling just before the referendum also showed approximately equal levels of support for FPTP and MMP. Because the 1993 referendum was held in conjunction with a general election, the turnout (85.2 per cent of registered voters) was much greater than it had been at the 1992 referendum. The referendum resulted in a narrow but decisive public endorsement of MMP, by 54 per cent to 46 per cent.

Once the result of the 1993 referendum was known, preparations for MMP began in earnest. Parliament’s *Standing Orders* were revised, a major review was undertaken of the ways the public service would carry out its responsibilities under multi-party governments, and the Governor-General publicly clarified his role in relation to government formation. Political parties had to review their structures and establish new candidate selection procedures for MMP. The reduction in the number of electorate seats from 99 under FPP to 65 under MMP meant there were hard-fought selection contests among some incumbent MPs of the same party.

Two factors underlined the urgency of these preparations. First, because of the reduction in the number of electorate seats, electorate boundaries had to be completely redrawn before an MMP election could be held. That task was completed in April 1995. Second, the National government had been re-elected in 1993 with a majority of one seat (which it held by 54 votes).

The timing of the first MMP election became increasingly uncertain. MMP would obviously improve the electoral chances of small parties, and new parties began to be formed, both inside and outside Parliament. In the two years before the 1996 election, 13 of the 99 MPs left their former parties to join established parties or to form new ones. As a result, the form of government changed from single-party majority government to a majority coalition in September 1994, then to a minority coalition in May 1995, then to a single-party minority government (August 1995), then back to a majority coalition (February 1996), and finally in March 1996—seven months before the first MMP election—to another minority coalition. Although these changes passed largely unnoticed by the public, they provided the public service and Parliament with invaluable pre-MMP experience of a multi-party majority and minority government. Nevertheless, through skillful political management and because of the parties’ need for time to prepare for an MMP election, the National-led government survived in its various forms until the first MMP election was held in October 1996.

The first MMP election went relatively smoothly, although there was some criticism of the time it took on election night to get provisional results. Six of the 21 registered parties which contested the party vote at the first MMP election won seats, including two parties not previously elected to Parliament (although one had been formed through defections). Official

turnout was 88.2 per cent of registered voters, compared to 85.2 per cent in 1993. A total of 7.6 per cent of all the party votes were cast for parties which did not win seats in Parliament.

As expected, no party won a majority of seats at the election. The government formation process after the election was unsettling for the public. New Zealand First was the pivotal party, and it decided to conduct parallel coalition negotiations with National and with Labour (which would also have needed support from the Alliance party). Contrary to many expectations, after nine weeks of negotiations New Zealand First decided to form a coalition with the National Party. A very detailed coalition agreement was signed on 11 December 1996, the day before the law required the new MMP Parliament to meet for the first time and exactly 10 years to the day since the members of the Royal Commission on the Electoral System signed the letter of transmittal of its report to the Governor-General.

The period from 1996 to the 1999 election marked another stage in New Zealand's transition to MMP. The National-New Zealand First coalition ended in August 1998, but National continued to lead the government to full term with the support of newly-independent MPs (some of whom had been members of New Zealand First) and ACT New Zealand. These and other defections from parties provoked considerable public and political resentment.

Twenty-two parties contested the 1999 general election and seven parties won seats (the Green Party was elected to Parliament in its own right whereas in 1996 it had been part of the Alliance party). Official turnout declined to 84.8 per cent of registered voters—the lowest since the mid-1970s. A total of 6.0 per cent of all the party votes were cast for parties which did not win seats in Parliament.

Labour and the Alliance had been discussing a possible coalition for 18 months before the election, and shortly after it they announced a minority coalition supported by the Green Party. The most recent polls show increased support for Labour and the Greens since the election, but declining support for the Alliance. Party alignments and MMP politics in general now seem more or less settled after an unexpectedly long transition period.

Experiences since the 1996 election have clearly affected public attitudes to MMP. One public opinion poll shows that when given a choice between FPTP and MMP, the majority has

preferred FPTP since about December 1996 when the National-New Zealand First coalition government was formed. Other polling shows, however, that when respondents can choose other options support for MMP is higher than support for FPTP.

Two other issues arising out of the change to MMP are currently before Parliament. First, the "party-hopping" which occurred before the 1996 election and particularly that which allowed a National-led government to survive after the end of the National-New Zealand First coalition in 1998 so angered opposition parties and the public that one of the first bills introduced by the new Labour-Alliance government after the 1999 election would require electorate and list MPs to vacate their seats if they voluntarily leave their parties. (The bill has not been passed at the time of writing.) Second, the change to MMP increased the total number of MPs from 99 to 120. A non-binding citizens-initiated referendum held with the 1999 general election on whether the number of MPs should be reduced to 99 was supported by 82 per cent of those voting. The result of that referendum has been referred to the parliamentary MMP Review Committee discussed below.

The change to MMP has revealed that there is a general lack of public understanding among New Zealanders of their parliamentary democracy. For the first time in recent years, there has been systematic research on New Zealanders' understanding of their system of government, along with attempts to increase that understanding. The research reveals that New Zealand is similar to other democratic countries in having significant gaps in public knowledge about electoral and parliamentary matters (particularly among some groups in the population). Although little systematic research is available, it seems too that there were similar levels of ignorance of the previous FPTP system.

Moreover, survey research also shows that the major influences on New Zealanders' views on MMP are their attitudes to recent and current governments elected by the system. Most people make these judgements irrespective of the basic features of the system (which in many cases they may barely understand) or its merits or consequences as an electoral system rather than as an entire system of government. There are also suggestions that MMP may have been "oversold" in that some members of the public had unrealistic expectations of what a change in the electoral system could achieve.

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There are two continuing aspects to New Zealand's adventures in electoral reform. First, a government bill currently before Parliament will require STV to be used to elect district health boards from 2004 and will permit the use of STV for territorial local authority elections from that date. (Most political parties do not contest local elections.)

Second, the *Act* to implement MMP requires that a parliamentary select committee be appointed to review MMP. That Committee was established in April 2000 and is expected to report to Parliament within the next few months. Its terms of reference cover several matters, including the result of the citizens-initiated referendum on the number of MPs which was held at the time of the 1999 election.

The Review Committee must also report on whether there should be any further referendum on changes to the electoral system and if so when such a referendum should be held and what question should be asked. A recent survey on public attitudes to MMP commissioned by the Committee concludes that the electoral system is not a pressing issue for most New Zealanders, particularly the young. Most respondents saw a more representative Parliament as a positive feature of MMP, but were concerned that it had led to greater political instability. The majority thought that list MPs were unelected and were not as accountable to voters as electorate MPs. There was strong support for reducing the total number of MPs, for banning party-hopping, and for holding a binding referendum within the next two years to decide whether or not MMP should be retained. In addition,

a petition has been launched recently for a citizens-initiated referendum requesting a binding referendum to decide the future voting system, based on a Parliament of 99 MPs.

The referendum victory that brought MMP came just seven years after the Royal Commission recommended its adoption. In their history of the change to MMP, Keith Jackson and Alan McRobie conclude that, from the points of view of the major parties, the introduction of MMP was "reform by misadventure" and was "no copy-book model of how reform can be achieved." On the other hand, MMP's victory was an unambiguous reassertion of popular sovereignty against the wishes of the major parties. Despite the difficulties of isolating causes in any complex process, it is difficult to avoid the conclusion that the most important factor in the adoption of MMP was the mood of those who felt betrayed by the actions of successive governments of different parties from the mid-1980s to the early 1990s. All the signs are that the future of MMP will also depend more on public attitudes to what MPs, parties and governments do rather than to the mechanics of the system by which they are elected to Parliament.

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IRPP working lunch with Professor Richard Johnston, on his paper on electoral reform, Ottawa, March 16, 2001



Richard Johnston



With France St-Hilaire,
IRPP Vice-president of Research



With Don Newman,
CBC Senior Parliamentary Editor