



Basis for eligibility for list seats (thresholds)

Why thresholds exist

A threshold refers to the minimum level of support a party needs to gain representation. Thresholds are either effective (the level of support that in practice allows a party to win seats) or formal. New Zealand has two formal or legal thresholds.

The purpose of a threshold is to provide for effective government without placing major hurdles in the way of emerging new political forces. A threshold therefore gives smaller parties a reasonable chance of gaining seats in Parliament but limits the election of extremist groups and very small parties.

Party vote threshold in New Zealand

In order to prevent a proliferation of minor parties in Parliament, the Royal Commission recommended a threshold apply. Before settling on a 4% threshold, the Royal Commission considered alternative possibilities ranging from no threshold at all to a 5% threshold as used in Germany.

The Royal Commission concluded if there was no threshold, or if it was set too low, effective government could be frustrated. At the time of writing its report, the Royal Commission suggested the absence of a vote threshold would give a first seat in the House to every party recording around 25,000 votes. The likely result of this would be a proliferation of small parties with few seats in the House.

On the other hand, the Royal Commission considered a threshold of 5% as being too severe. Again, at the time of writing, a party would need almost 100,000 votes to gain list seats. The Royal Commission viewed this as being too great an obstacle to the development of new and emerging political forces.

The 1993 Electoral Reform Bill (which made the legislative amendments required to introduce MMP as the voting system) initially incorporated a 4% party vote threshold (along with the one electorate seat threshold). However, Parliament concluded 5% was an appropriate level and the threshold was set at 5% based on the German practice.

New Zealand's experience

In most cases, the existence of a formal threshold tends to increase the overall level of disproportionality because votes for those parties that might otherwise have gained representation are 'wasted'.





Table 1 below shows the number of wasted party votes in each election from 1996 to 2011. A comparison is drawn between the actual number of party votes under the current 5% threshold and what it may have been under a 4% threshold. In 1996 and 2008, the number of wasted party votes was comparatively high due to the Christian Coalition and New Zealand First party vote totals falling just short of the 5% threshold (and neither party won an electorate).

Table 1: Number of 'wasted' party votes and their percentage of the overall party vote 1996-2011

Year	Number of wasted party votes (5% threshold)	% of overall party vote	Number of wasted party votes (4% threshold)	% of overall party vote
1996	156,248*	7.5	66,532	3.2
1999	124,460	6.0	124,460	6.0
2002	99,388	4.9	99,388	4.9
2005	29,828	1.3	29,828	1.3
2008	153,461**	6.5	58,105	2.5
2011	75,493	3.4	75,493	3.4

*Of this total, 89,716 votes for the Christian Coalition party (or 4.3% of the party vote) were disregarded

**Of this total, 95,356 votes for the New Zealand First party (or 4.1% of the party vote) were disregarded

What if we had a 4% threshold?

Tables 2 and 3 below show how the New Zealand Parliament could have looked in 1996 and 2008 under the 4% and one electorate seat thresholds as originally recommended by the Royal Commission. The 1996 and 2008 elections have been used because in both elections a party won between 4% and 5% of the party vote but did not qualify for any seats in Parliament.





Additional data is provided showing how these Parliaments might have looked with only a 4% threshold and with or without an overhang—the absence of the one electorate seat threshold increases the likelihood of an overhang.

Caution needs to be exercised with regard to the scenarios presented in these tables. Given different options with different consequences, people may have voted differently. The tables therefore should be regarded as illustrative only.

The left-hand columns show the actual results under the current 5% and one electorate seat thresholds.

The middle columns show what could have occurred had there been the 4% and one electorate seat thresholds as originally recommended by the Royal Commission (and assumes overhangs are permitted).

The first two columns in the final section of the tables show the results for a 4% threshold that allows overhangs. In 1996 Peter Dunne (United Future) would have been the sole overhang MP.

Table 3 below, however, shows that in 2008 the eight seats won by the parties not reaching the 4% threshold would have resulted in an eight seat overhang.

The last two columns in this section of Tables 2 and 3 show a Parliament with a 4% threshold that does not permit overhangs.





Table 2: 1996 General election results recast under various threshold and overhang options

Actual results with 5% and one electorate seat thresholds				4% and one seat thresholds; overhang permitted		4% threshold only			
	% of party votes	No of seats	% of seats	No of seats	% of seats	No of seats including overhang	% of seats	No of seats without overhang	% of seats
National	33.8	44	36.7	42	35.0	42	34.7	42	35.0
Labour	28.2	37	30.8	35	29.2	35	28.9	35	29.2
NZ First	13.4	17	14.2	17	14.2	17	14.0	17	14.2
Alliance	10.1	13	10.8	12	10.0	13	10.7	12	10.0
ACT	6.1	8	6.7	8	6.7	8	6.6	8	6.7
Christian Coalition	4.3	0	0.0	5	4.2	5	4.1	5	4.2
United	0.9	1	0.8	1	0.8	1	0.8	1	0.8
Others	3.2	0	0.0	0	0	0	0.0	0	0
Total	100.0	120	100.0	120	100.0	121	100	120	100.0



Table 3: 2008 General election results recast under various threshold and overhang options

Actual results with 5% and one electorate seat thresholds				4% and one seat thresholds; overhang permitted		4% threshold only			
	% of party votes	No of seats	% of seats	No of seats	% of seats	No of seats including overhang	% of seats	No of seats without overhang	% of seats
National	44.9	58	47.5	55	45.1	60	46.9	56	46.7
Labour	34.0	43	35.2	42	34.4	46	35.9	43	35.8
Green	6.7	9	7.4	8	6.6	9	7.0	8	6.7
NZ First	4.1	0	0	5	4.1	5	3.9	5	4.2
ACT	3.7	5	4.1	5	4.1	1*	0.8	1*	0.8
Māori	2.4	5	4.1	5*	4.1	5*	3.9	5*	4.2
Progressive	0.9	1	0.8	1*	0.8	1*	0.8	1*	0.8
United Future	0.9	1	0.8	1*	0.8	1*	0.8	1*	0.8
Others	2.4	0	0.0	0	0.0	0	0.0	0	0.0
Total	100.0	122	100.0	122	100.0	128	100.0	120	100.0

Key: * indicates electorate seats

What happens in other countries?

Many comparable jurisdictions use a party vote threshold for representation (see Table 4 below). It may be very low – for example 0.67% in the Netherlands – or very high as in Turkey with 10%. Some also include an alternative threshold.

The majority of the Council of Europe member States with mixed member voting systems have thresholds of between 4% and 5%, while countries with a proportional list system tend to have thresholds of between 2% and 5%.





Table 4: Thresholds for representation applying in a number of other jurisdictions

Country	Threshold	Electoral system ¹
Czech Republic	5%	PR
Denmark	2% or at least one seat in a regional constituency	PR
Finland	No threshold — seats are distributed using the d'Hondt method. For the distribution of seats within each list, candidates are ranked according to the number of personal votes they have polled.	PR
Germany	5% or three electorate seats	MMP
Hungary	5%	MMM
Iceland	5%	PR
Israel	2% (has increased from 1% prior to 1992 and from 1.5% between 1992 and 2003)	PR
Italy	4%	PR
Netherlands	0.67%	PR
New Zealand	5% or one electorate seat	MMP
Norway	4%	PR
Poland	5%	PR
Russia	7% (raised from 5% to exclude minor parties)	PR
Sweden	4% or 12% of vote in one multi member regional electorate	PR
Turkey	10%	PR

Source: Inter Parliamentary Union (IPU) Parline Database

¹ PR means proportional representation, MMP means mixed member proportional, MMM means mixed member majoritarian.





Reasons for having the one electorate seat threshold

By law, the Electoral Commission is required to disregard the votes of any party that fails to reach the 5% party vote threshold. This requirement is waived if the party is successful in winning at least one electorate seat. When this occurs, the party becomes eligible for a proportional share of the seats in Parliament based on its shares of the party votes.

The Royal Commission recommended the inclusion of an alternative threshold for representation because it believed its use would make it easier for smaller parties to gain representation, reduce wasted votes and contribute to the overall proportionality and diversity of a Parliament.

New Zealand's experience

The majority of parties that have gained representation in the New Zealand Parliament since the introduction of MMP have done so at one time or another as a result of the one seat rule. In each of the 1996, 1999 and 2002 elections, one or two parties were elected to Parliament without reaching the 5% threshold. In 2005, of the eight parties elected to Parliament, only four reached the 5% threshold, and in 2008, four of the seven parties elected to Parliament won fewer than 4% of the party votes. In these examples, all the parties were eligible for an allocation of list seats because they also won at least one electorate seat. In the 1996 and 2011 elections, none of the parties that won electorate seats, without also crossing the 5% threshold, qualified for any further seats.

The operation of the one electorate seat threshold at the 2008 general election led to some questions of fairness and equity. The New Zealand First party won 4.1 percent of the party vote but its failure to win an electorate seat meant that it did not receive any representation in Parliament. In this same election, the ACT party, with 3.6 percent of the party vote, was allocated an additional four list seats because it was successful in winning an electorate seat.

There has also been criticism of the way parties have used the one electorate seat threshold to promote a particular candidate and thereby trigger the application of the one seat rule.

What would Parliament have looked like without the one seat rule?

The tables below recast the 2002 and 2008 general elections' results with the current 5% threshold but without the one electorate seat rule. These elections were chosen because the 2002 election saw the most parties achieve the 5% threshold (six parties) and the 2008 election saw the least number of parties achieve this threshold (three parties). Again these scenarios are presented with and without overhangs.





Caution needs to be exercised with regard to the scenarios presented in the following tables. Given different options with different consequences, people may have voted differently. The tables therefore should be regarded as illustrative only.

Table 5: 2002 Election results recast without the one-seat threshold and with and without overhang seats

Party	% of total party votes	% of votes for allocation	Actual results		Recast results without the one-seat threshold			
			No of seats	% of all seats	No of seats with overhang	% of all seats	No of seats without overhang	% of all seats
Labour	41.3	43.4	52	43.3	53	43.8	52	43.3
National	20.9	22.0	27	22.5	27	22.3	27	22.5
NZ First	10.4	10.9	13	10.8	13	10.7	13	10.8
ACT	7.1	7.5	9	7.5	9	7.4	9	7.5
Green	7.0	7.4	9	7.5	9	7.4	9	7.5
United Future	6.7	7.0	8	6.7	9	7.4	9	7.5
Progressive	1.7	1.8	2	1.7	1*	0.8	1*	0.8
Others	4.9	0.0	0	0.0	0	0.0	0	0.0
Total	100.0	100.0	120	100.0	121	100.0	120	100.0

Key: * indicates electorate seats

In 2002 Jim Anderton (Progressive) would have been the sole overhang MP. In 2008 (see Table 6 below), the eight seats won by the parties not reaching the 5% threshold would have resulted in an eight seat overhang.





Table 6: 2008 Election results recast without the one-seat threshold and with and without the overhang seats

Party	% of total party votes	% of votes for allocation	Actual results		Recast results without the one-seat threshold			
			No of seats	% of all seats	No of seats with overhang	% of all seats	No of seats without overhang	% of all seats
National	44.9	48.1	58	47.5	63	49.2	59	49.2
Labour	34.0	36.4	43	35.2	48	37.5	45	37.5
Green	6.7	7.2	9	7.4	9	7.0	8	6.7
ACT	3.7	3.9	5	4.1	1*	0.8	1*	0.8
Māori	2.4	2.5	5	4.1	5*	3.9	5*	4.2
Progressive	0.9	1.0	1	0.8	1*	0.8	1*	0.8
United Future	0.9	0.9	1	0.8	1*	0.8	1*	0.8
Others	6.5	0.0	0	0.0	0	0.0	0	0.0
Total	100.0	100.0	122	100.0	128	100.0	120	100.0

Key: * indicates electorate seats

