



THRESHOLDS

Underlying principles

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.

Under current rules, if a party receives at least 5% of the nationwide party vote or wins at least one electorate seat, it is entitled to a share of the seats in the House that is about the same as its share of the nationwide vote. Our current thresholds operate as follows:

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 that 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.

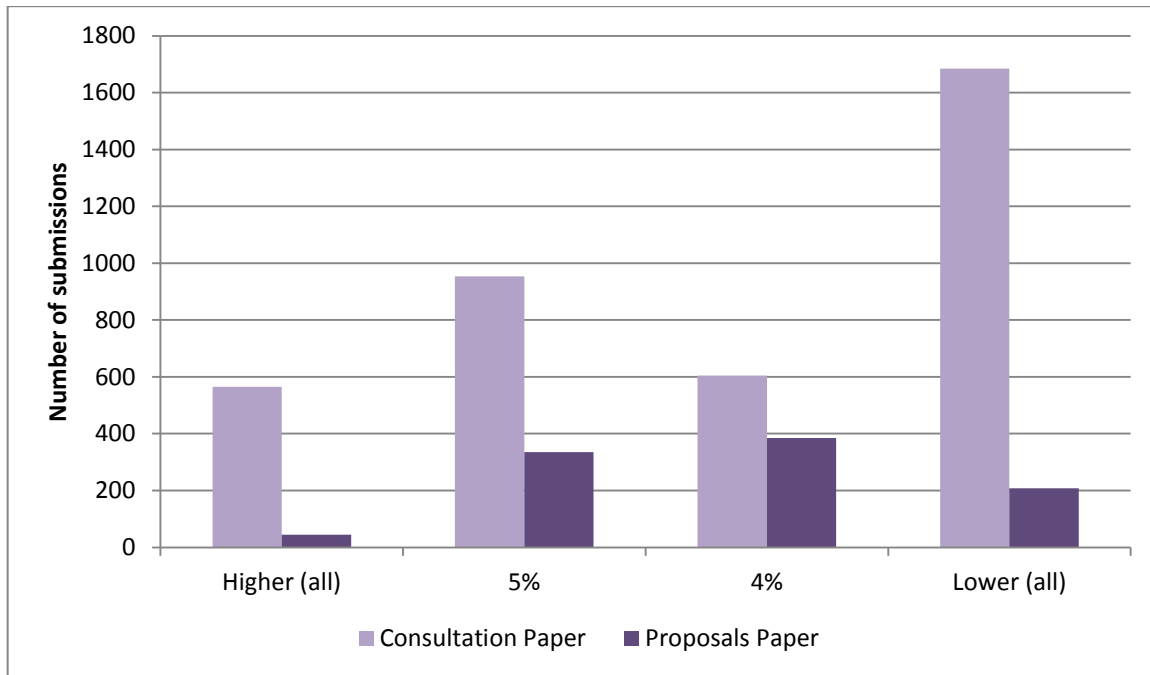
What submitters on the party vote threshold said—

The issue of the party vote threshold was raised in 3,040 submissions during the consultation phase 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 14% proposed an increase above 5%. This issue was raised in 972 submissions on the Proposals Paper. Of these 40% supported a 4% threshold, 34% favoured the status quo, 21% preferred a lower threshold, and 14% proposed an increase above 5%.





Figure 1: Simple analysis of threshold preferences



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 (this is around 0.4% of the party vote; not, as many submitters assumed, around 0.8%).

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

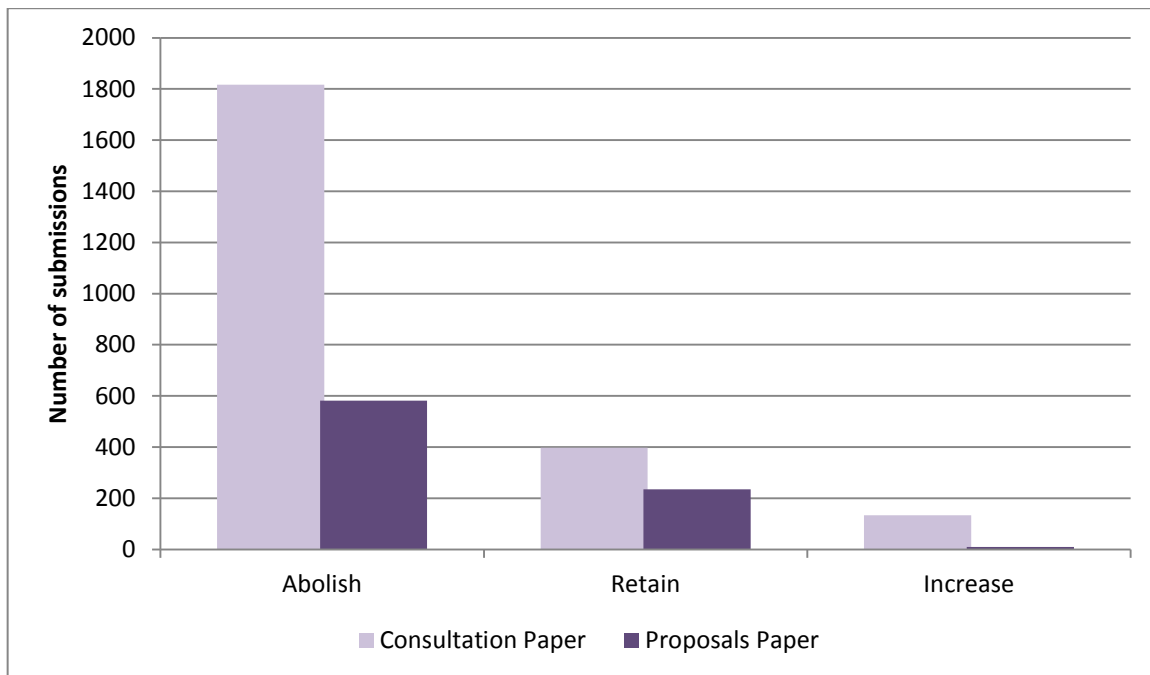
What submitters on the one electorate seat threshold said—

Of the 2,347 submissions received on this issue that expressed a clear opinion, 77% recommended that the one electorate seat threshold be abolished. 17% said it should be retained and nearly 6% proposed that it be increased to two or more seats (a further 88 submissions commented on this issue without stating a clear preference). This issue was raised in 816 submissions on the Proposals Paper. Of these, 71% supported abolition and 29% did not.





Figure 2: Simple analysis of submissions on whether the one electorate seat threshold should be kept



COMMISSION'S RECOMMENDATIONS

- ❖ 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 from 5% to 4%.

Comments and themes from submissions on what thresholds parties should cross to qualify for an allocation of list seats in Parliament.

Political parties

National, New Zealand First and ACT all supported retaining the status quo of a 5% party vote threshold. Labour supported a 4% party vote threshold and United Future 3%. The Mana party proposed an effective threshold of one seat, and both the Māori and Green parties supported a lower threshold without specifying what it should be.

On the one electorate seat threshold, National, ACT, Mana, Māori and United Future all supported keeping this threshold. New Zealand First supported its retention only if the party in question obtains at least 4% of the nationwide party vote. Labour and the Green parties supported its abolition.



The parties supporting a lower threshold and the abolition of the one electorate seat threshold argued this would be fairer as it would establish one consistent threshold for all parties with everyone's electorate votes having equal value. The Mana party submitted the Royal Commission's original recommendation of 4% was made in the context of introducing a completely new electoral system. The party suggested—

“MMP is now well established in our political culture and should easily cope with a few more parties in the political mix.”

United Future submitted that supporters of small parties are often encouraged to vote for their second or third preferences to avoid 'wasting their vote' and this effectively disenfranchises many voters.

The parties supporting the status quo submitted the 5% party vote threshold has served New Zealand well by providing stable government, preventing representation from fringe groups, and enhancing diversity. As long as the one electorate seat threshold remains, these parties do not believe the 5% party vote threshold represents too great an obstacle to new and emerging political forces.

National noted that if the one electorate seat threshold is abolished the chances of overhangs increases, as well as causing greater numbers of wasted votes and less minor party representation in Parliament. United Future submitted the difficulty that third parties have in winning electorates is much underestimated and for this reason the one electorate seat threshold should remain.

Table: Showing the list seats won through the one electorate seat threshold 1996-2011

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



Academics

Rt Hon Sir Geoffrey Palmer and Dr Alan McRobie both submitted the 5% party vote threshold should be retained. Sir Geoffrey submitted the proliferation of small parties must be avoided as the greater the number of parties in Parliament the greater the implications for governance. He supported the abolition of the one electorate seat threshold. Dr McRobie submitted the current party vote threshold is appropriate. Since its inception, the number of parties winning parliamentary representation has ranged between six and eight parties which suggest the present threshold does allow a range of parties and views to be represented and, at the same time, provide for stable government. He recommended the one electorate seat threshold be increased to two seats. Parties failing to reach the party vote threshold but who win at least two electorates would clearly demonstrate wider national support.

Dr Stephen Church supported a 4% party vote threshold and abolition of the one electorate seat threshold. He argued a formal threshold is needed to prevent a proliferation of micro-parties required to form a governing coalition. In recommending 4%, he pointed to an apparent pattern from past elections where sub-threshold parties get either within a percentage point of the threshold or a much smaller proportion of the vote. He commented the introduction of MMP has addressed the problem of minor party under-representation by affording primacy to the party vote. He suggested the anomaly of the one electorate seat threshold may have made it more difficult for voters to understand MMP by conflating the importance of the party vote and the electorate vote.

Dr Philip Temple submitted thresholds are fundamental to MMP's structure and those who call for no or 1% thresholds are calling for a new system altogether. He recommended a party vote threshold of 3.5% or 4% with the abolition of the one electorate seat threshold. He suggested that to lower the party vote threshold even further would change the fundamental nature of MMP. The New Zealand Election Study concurred and commented—

“the need for a threshold reflects an important distinction often made in the literature on electoral systems between ‘extreme’ and ‘moderate’ versions of proportional representation. The Royal Commission’s position on the need for a threshold is clear and suggests that a significant threshold is part of New Zealand’s MMP system and a move to ‘extreme PR’ by removing or drastically reducing the threshold could be inconsistent with the popular mandate of approval for MMP in the 2011 referendum.”





Dr Stephen Winter would prefer a party vote threshold of 3%. He quoted the Council of Europe which asked member States “to consider decreasing legal thresholds that are higher than 3%.” In New Zealand a 3% party vote threshold would represent about 60,000 votes.

Professor Andrew Geddis suggested the purpose of the one electorate seat threshold is to mitigate the effects of a reasonably restrictive 5% party vote threshold. However, he submitted this has been inconsistent in terms of maintaining proportionality. Recent electoral results have shown the inherent unfairness of the exemption and the practice of electoral accommodations has given some voters in some electorates a disproportionate influence. He recommended a party vote threshold of 2.5% — in his view the 5% party vote threshold has inhibited the emergence and establishment of new political movements. A threshold of 2.5% or effectively a three member party represents ‘a team’ rather than a single member whose party is, for all intents and purposes, a non-contributor to the day-to-day functioning of Parliament.

Assistant Professor Rob Salmond argued for the lowest possible threshold consistent with good government because ‘proportional elections should lead to proportional outcome’. He noted comments about political party fragmentation and instability that may arise as a result of a low threshold but suggested there is no evidence to support the belief a low threshold in New Zealand would lead to political instability. He argued that for every unstable low-threshold country there is a stable low threshold country and many things other than the electoral system can be the cause of political instability; deeper divisions in the community are far more likely to be the cause.

Social and other commentators

The Maxim Institute is the only organisation in this group of commentators to submit the existing party vote threshold should be retained. It does support the abolition of the one electorate seat threshold. The Institute suggested that a minor party crossing the 5% party vote threshold is an indication of its appeal to a reasonable cross section of the public and that significant number of voters (100,000) have endorsed its ideas and leadership. On this basis, it warrants a share of the seats in Parliament. The Institute submitted the existence of the one electorate seat threshold has distracted some minor parties from building sufficient nationwide support to cross the party vote threshold and produced electoral outcomes that are not perceived as legitimate.

The majority of the social commentators all supported a 4% party vote threshold and abolishing the one electorate seat threshold. The reasons for supporting a 4% party vote threshold are principally that this ensures diversity of views (‘every vote counts’) without compromising stability. One





submitter suggested that limiting the ability of 'frivolous' parties to participate in parliamentary elections can be addressed in other ways (eg increased costs of registering or the number of financial members required). A 4% party vote threshold would result in at least five MPs and a number of submitters raised the importance of parties having a sufficient number of MPs to enable them to function in a meaningful way in Parliament.

Other submitters in this group argued for lower thresholds. These submitters suggested claims of fragmentation and instability arising from very low or no thresholds are overstated in a New Zealand context and the overriding consideration should be that we have the lowest possible wasted vote. Low thresholds also encourage voter turnout. An increased number of parties in Parliament will overcome the 'tail wagging the dog' criticism precisely because there will be more parties in Parliament and more options for a governing coalition.

While the majority of submitters in this group supported the abolition of the one electorate seat threshold, Dr Paul Harris suggested that it be increased to two seats (this is also David Farrar's alternative position). They suggested that, having gained representation, a party needs to be effectively represented and one member parties are too small to participate in all aspects of parliamentary work. Having additional colleagues overcomes this disadvantage.

What submitters who support the status quo said—

- A threshold which implies that there is some widespread level of support for the party seems like a sensible idea. Choosing the appropriate level is going to be arbitrary and any number is probably just as good as any other. So, it is hard to argue that the 5% needs to be changed. Furthermore, the current 5% has the nice property of being exactly 6 seats in a 120 seat Parliament.
- The 5% threshold should be definitely kept. Reducing it would simply allow more fringe groups to gain a foothold in Parliament with disproportionate power and adding to the instability of the system. We need fewer parties in the House, not more.

What submitters who support an increase in the party vote threshold said—

- The eligibility threshold should be made higher as there needs to be a balance between representation and efficiency and having it at 5% is not achieving the right balance. 7.5 % of the national vote would be more appropriate.





- The threshold should be raised because anything less than 10% allows the Parliament to be so fractured that no progress can be made without support of a minor party. The single issue parties are like a handbrake on the most popular parties.

What submitters who support a lower party vote threshold said—

- 5% is too high a barrier. Currently people's voting is governed by polls and how they think others will vote, as people do not want to see their vote wasted. People should vote for whatever party they believe in. So lowering the threshold will assist this.
- The current threshold of 5% is a 'major hurdle in the way of emerging new political forces' as no new political party has emerged and had a sustained continuous existence under MMP.
- It should be kept very simple. Just one percentage figure - 2.5%, 3% or 4%. This is easy to understand and less susceptible to manipulation.
- One single threshold set several percentage points lower than 5% will suffice to make a party eligible for list seats.
- The 4% originally proposed by the Royal Commission was possibly right for the first time, but we have matured and successfully steered our way through a few MMP elections now, and so it has, again with time, become far too conservative.

What submitters who support a 4% party vote threshold said—

- Change the threshold to 4%. This allows for parties with a reasonable following to gain MPs. Also, this means not too many votes are wasted, which could cause a drop off in voting, if people feel disenfranchised.
- 4% seems more reasonable, and was originally recommended by the Royal Commission. The difference between 4% and 5% has adversely affected proportionality in at least two MMP elections. Changing this would especially be a priority if the one electorate seat threshold is changed.
- Lower the threshold to 4% but ONLY if the one electorate seat threshold is removed. A threshold of 4% represents significant public support for that party's viewpoint and deserves a small voice in Parliament.





- Lower the threshold to 4%, since this will make it easier for new parties to gain representation. Abolish the one seat rule. No exemptions from the minimum threshold for any party. A regional concentration of support should not be preferentially rewarded with greater seats in Parliament than the overall proportion of votes.

What submitters who support a party vote threshold between 3% and 4% said—

- The threshold should be lowered to 3.5% to ensure that Parliament is more diverse and represents the will of the electorate. The less wasted votes the better.
- A threshold of 3% strikes a balance between keeping the crazies out of government and representation. 3% would entitle a party, perhaps 4 MPs, which would be a fair representation of their electoral support. This would allow blocs of MPs to enter Parliament, who would be able to achieve more collectively rather than individual MPs being courted and herded by Government if the threshold was too low.
- Lower the threshold to 3%. 4% or 5% means that with a slowly increasing population 100,000 party votes can be excluded potentially allowing a significant minority to be excluded - this is perverse and unreasonable, it could lead to an unintended election outcome and bring MMP into disrepute.

What submitters who support a party vote threshold below 3% or abolished entirely said—

- At 2%, about 1 in 50 voters have voted for a party, showing a genuine constituency exists for that party. This will also encourage people to vote for smaller parties with policy platforms closer to their values, rather than voting for large parties to ensure their votes are not wasted.
- The threshold should be 2.5% or 3% because any party wanting to maintain that level of support would have to be constructive to be re-elected. There is far more danger in suppressing minorities than in hearing their voices in Parliament.
- There should be a smaller threshold like 2%. People will get involved with issues if there is a party to represent them. This will encourage a greater participation from eligible voters if they feel that key issues which matter to them can get a true hearing in Parliament.
- The threshold should be reduced for two reasons: first, because currently it is possible for a large segment of the electorate to be unrepresented in Parliament; and second, in view of this, people vote tactically, rather than for the party that represents their opinions.





- Parties with only 1% or less of the vote have been represented in Parliament without causing any insupportable problems relating to those parties' opinions or loneliness of their supporters. All votes should count and count only once.
- In keeping with the aim that every vote should count and be of equal value, scrap the threshold altogether. The result would then actually be a threshold of one seat. This eliminates the inequality of low polling parties entering or not entering Parliament on the basis of whether an electorate seat can be won. It also negates the value of parties trying to 'gift' a potential coalition party a lifeline into Parliament.

Some submitters support a different combination of thresholds—

- A two electorate rule should be implemented. Parties under the 5% threshold should be entitled to list seats if they win two electorates. If a party wins a single electorate but is under the 5% threshold, then the elected member is treated as if they were an independent member. The threshold being set at two electorates will ensure that parties winning multiple electorates are not affecting the allocation of list seats to other parties.
- Change the one seat electorate threshold. Either abolish this altogether, or raise it to three seats. This one seat threshold has been abused ever since MMP was introduced.
- The threshold should be 4% of the party vote or two electoral seats. The original recommendation was 4% and if a party can attract 4% of the vote then they have a sufficiently strong support base to warrant seats in Parliament.

What submitters said about the one seat threshold—

- All parties should have to meet the same threshold regardless of whether they win an electorate seat or not. The present system distorts voting patterns and gives the people of certain electorates an undue influence on the final outcome of the election. There should be a single threshold value so all votes are equal.
- The party vote is the only important vote under MMP, and consequently a party cannot and should not be represented if it does not reach the nationwide threshold.
- While the one electoral seat exemption enhances proportionality, it encourages perverse voting and electioneering behaviour. The electoral seat threshold has encouraged the major parties to





tell their own voters to vote for a support party in key electoral seats, to ensure support parties' party votes are not wasted. Once you have politicians telling people to vote for someone else, then the votes are no longer representing the electoral desires of the voters.

- We are electing representatives to a national Parliament, so the overall balance of thresholds should be weighted towards a broader base of representation, and less able to be distorted by single, rogue results.
- The one seat lifeboat provision distorts campaigning. In the case of Epsom voters, it made their vote more valuable than that of any other voter. This goes against New Zealanders' innate belief of fairness in our political system and is the root cause of the opposition to MMP. The one seat lifeboat provision could easily be removed to alleviate these disparities.
- An electorate seat represents the will of the majority voting in that electorate - it does not necessarily represent the national will. Let every party that wins a seat, still have to cross the 5% threshold before additional seats are added.

