

***Systems of Government in Some Foreign Countries:
New Zealand***

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EXECUTIVE SUMMARY

1. In New Zealand, the Head of State is the Queen (or King) of England, who is also the Queen of New Zealand. The Governor-General is the personal representative of the Head of State.
2. The Prime Minister is the Head of Government. The Prime Minister is to be one who, in the judgement of the Governor-General, is likely to command the confidence of a majority of the Members of Parliament (MPs). The Cabinet consists of the Prime Minister and other Ministers, they are to have general direction and control of the government and be collectively responsible to the Parliament.
3. New Zealand has a unicameral Parliament which is elected by direct universal suffrage for three-year terms, unless dissolved earlier. Beginning with the election held in October 1996, a proportional representation electoral system has been adopted. The system is called the Mixed Member Proportional Representation (MMP) electoral system.
4. In relation to the executive-legislative relationship, the British style of ministerial responsibility is generally adopted in New Zealand.
5. Bills may be introduced by the government and by private members of the Parliament. In anticipation of the implementation of MMP, a new Standing Orders of the House of Representatives was approved in December 1995. Under the new Standing Orders, MPs may now propose legislation requiring expenditure, subject to the government's right to exercise a veto if the legislation would have "more than a minor impact" on the government's general economic policies.
6. The Parliament uses a variety of means to monitor the executive, which include question time, debates, and select committee.
7. Political parties in New Zealand are required to register with the Electoral Commission if they want to contest the party vote in MMP. The most significant public support to political parties is through allocating of election broadcasting funds and time.
8. There are three types of referendum in New Zealand: the constitutional referendum, referendums initiated by the government on particular policy issues, and the citizen initiated referendum.

SYSTEMS OF GOVERNMENT IN SOME FOREIGN COUNTRIES: NEW ZEALAND

PART 1 - INTRODUCTION

1. Background

1.1 In January 2000, the Panel on Constitutional Affairs requested the Research and Library Services (RLS) Division of the Legislative Council (LegCo) Secretariat to conduct a study on systems of government in some foreign countries.

1.2 This report forms part of the series of studies discussing systems of government. There are seven separate research reports (RP03/99-00 to RP09/99-00) on this subject.

2. Scope

2.1 The scope of the research, as agreed by the Panel, covers

- the election or appointment of the Executive;
- the election or appointment of the Legislature;
- the structural and operational, formal and informal inter-relationships between the Executive and the Legislature; and
- other features of political participation, e.g. referendum, constitutional assembly or constitutional convention, political parties, etc.

2.2 This research studies the systems of government of the United States of America (the United States), the United Kingdom, the French Republic (France), Federal Republic of Germany (Germany), Japan, New Zealand and the Republic of Singapore (Singapore). The United States is chosen because it is a typical form of presidential government. The United Kingdom is chosen because its Executive ministers are all members of the Legislature. France is chosen because its Executive ministers are not allowed to be members of the Legislature. Germany is chosen because it allows but does not require Executive ministers to be members of the Legislature. Japan, New Zealand and Singapore are chosen because their electoral laws have been reformed in recent years.

3. Methodology

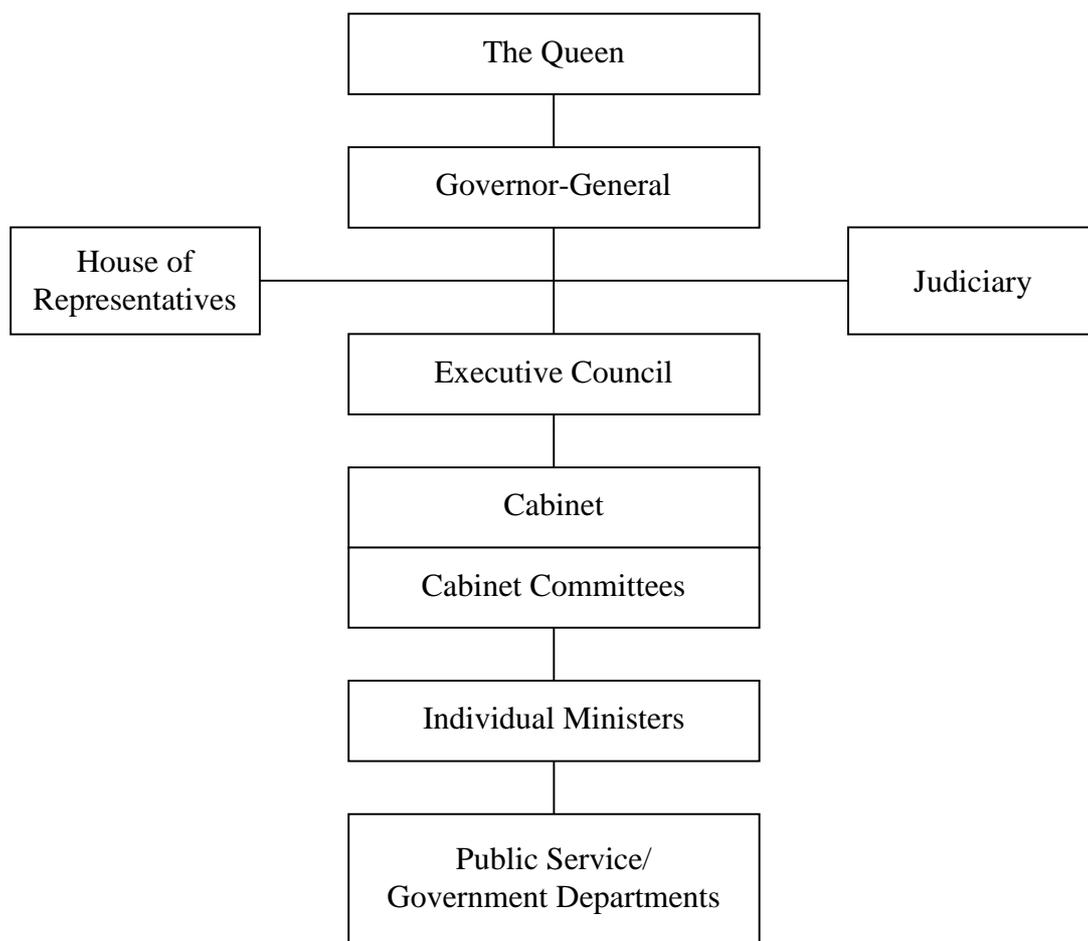
3.1 Information for this report is obtained from the Internet, government reports and relevant reference materials.

PART 2 - SOME BASIC INFORMATION

4.1 New Zealand is a Parliamentary Constitutional Monarchy with a population of 3.8 million in 1998. It has a Monarch, a Governor-General and Executive Council, a Prime Minister and Cabinet, a unicameral legislature, and a Judiciary (see figure 1).

4.2 New Zealand has no written constitution. Its Constitution has several sources: Acts of Parliament, prerogative instruments, decisions of the Courts, customary international law, the law and custom of Parliament and conventions of the constitution.

Figure 1 - Political Institutions of New Zealand



PART 3 - HEAD OF STATE

The Constitutional Monarch

5.1 The 1986 Constitutional Act provides that "the sovereign in right of New Zealand" is the Head of State. The Queen (or King) of England is the Head of State of New Zealand, who is also the Queen of New Zealand.

The Governor-General

5.2 The Governor-General is the personal representative of the Head of State. The Office of Governor-General is provided for in the Letters Patent of October 1983.

Appointment

5.3 The Governor-General is appointed by the Queen in her capacity as Sovereign of New Zealand, on the advice of the Government of New Zealand. By convention¹, only the nominee of the Ministers of New Zealand is appointed, generally for a five-year term.

Removal

5.4 As the monarch's representative, the Governor-General holds office at his or her pleasure.

Functions and Powers

5.5 The Governor-General exercises most of the Royal powers in terms of the Constitution Act 1986 and the Letters Patent 1983. Other Acts such as the Evidence Act 1908 and the Official Appointments and Documents Act 1919 also confer a wide range of powers on the Governor-General.

5.6 Governor-General is required to participate in many of the formal procedures associated with government and administration such as summoning, proroguing and dissolving Parliament, assenting to Bills passed by the House, presiding over meetings of the Executive Council, appointing Ministers of the Crown, appointing Judges and senior officials of state, and conducting investitures at which honours are conferred.

¹ Unless stated otherwise, convention in this report means "constitutional convention".

5.7 The Letters Patent require Ministers to inform fully the Governor-General of the general conduct of the government, and to furnish the Governor-General with such information as he or she may request on any matter relating to the government of New Zealand (under clause XVI).

5.8 The Governor-General acts on the advice received from Ministers. This advice is tendered either within the forum of the Executive Council (see paragraph 6.4), or directly to the Governor-General by the Prime Minister or another Minister of the Crown.

5.9 The Governor-General may also pardon or relieve an offender, under clause XI of the Letters Patent which provides for the prerogative of mercy.

5.10 The Governor-General is commander in chief of the armed forces but in title only.

5.11 Besides the constitutional role, the Governor-General has the ceremonial and community roles. The Governor-General takes part in public ceremonies as the individual who represents the state. The Governor-General also provides non-partisan leadership in the community. New Zealand Governors-General are always the patrons of many charitable, service, sporting and cultural organisations.

PART 4 - THE EXECUTIVE

6. Executive Council

6.1 The Executive Council is the highest formal instrument of government, and is constituted by the Letters Patent. The Governor-General presides over, but is not a member of, the Executive Council.

Appointment

6.2 Appointments to the Executive Council are made by the Governor-General on the advice of the Prime Minister. The convention is that the Executive Council comprises all Ministers of the Crown, whether those Ministers are inside or outside the Cabinet.

6.3 Section 6 of the Constitution Act 1986 provides that a person may be appointed to the Executive Council and as a Minister only if that person:

- a) is a Member of Parliament; or
- b) was a candidate in a general election held immediately before that person's appointment as a member of the Executive Council. The person must vacate office within 40 days of appointment unless, within that period, he or she becomes a Member of Parliament.

Functions and Powers

6.4 The Executive Council is the institution through which the government as a whole formally gives advice to the Governor-General. In general the advice takes the form of recommendations to make Orders in Council.² Apart from Acts of Parliament, Orders in Council are the main method implementing government decisions requiring legal force. Meetings of the Council are called for the purpose of making such Orders and carrying out other formal acts of state.

² When making an Order in Council the Governor-General is obliged to act on the advice of the Executive Council. It is highly unlikely that a Governor-General will reject this advice unless the government of the day has lost the support of the House of Representatives.

6.5 Section 7 of the Constitution Act 1986, which provides that any member of the Executive Council may exercise the powers conferred on any Minister of the Crown, enables necessary activities within those portfolios to be carried out by other Ministers.

6.6 The Executive Council is also an opportunity for Ministers to brief the Governor-General on significant political and constitutional issues.

7. Prime Minister

7.1 The Prime Minister is the head of the government. There is no statutory provision which establishes the office of Prime Minister, or which defines its role.

Appointment

7.2 The Prime Minister is appointed by the Governor-General. In making this appointment the Governor-General, by convention, accepts the outcome of the electoral process and subsequent discussions between political parties as to which party or group of parties is to govern the country and the internal decision of that party or group of parties as to who is to lead the government.

7.3 In a two-party Parliament, the Prime Minister is usually the leader of the majority party. The electoral system was changed from a first-past-the-post (FPP) to a proportional representation system in 1996. Under the new electoral system, it is very likely that no single party will command a majority in Parliament. This makes it difficult for the Governor-General to make such appointment.

7.4 After the first proportional representation election in 1996, it took seven weeks for a coalition government to be formed by the National Party and New Zealand First. The National Party leader, Mr. Jim Bolger, became the Prime Minister.

Functions and Powers

7.5 One of the main tasks of the Prime Minister is to chair the Cabinet, which is the executive's principal decision-making body. In this role the Prime Minister usually also takes on a general coordinating responsibility across all areas of government policy.

7.6 It has been the practice of Prime Ministers, except Jim Bolger in 1990, to hold important portfolios in addition to being Prime Minister. The existing Prime Minister, Helen Clark, is also Minister for Arts, Culture and Heritage.

8. The Cabinet

Appointment

8.1 Under the *Constitutional Act 1986*, all Ministers must be Members of Parliament. They are appointed by the Governor-General on the advice of Prime Minister.

Size of the Cabinet

8.2 The size of Cabinets stood at about 20 during the last decade of FPP government. In the December 1996 National/New Zealand First coalition government, there were 20 Cabinet Ministers and six Ministers outside Cabinet. Among all Cabinet Ministers five were New Zealand First MPs

8.3 The latest Labour/Alliance coalition government formed in December 1999 also consisted of 20 Cabinet Ministers, 16 were from Labour Party and four from the Alliance. The composition and number of Cabinet Ministers and other Ministers were laid down in the coalition agreement between the two parties.

Cabinet Committees

8.4 Cabinet committees provide the forum for more detailed consideration and discussion of issues before reference to Cabinet, with officials available to assist Ministers if the committees wishes. The structure, terms of reference, chair and membership of each Cabinet committee are decided by the Prime Minister. The Prime Minister is an ex-officio member of all Cabinet committees. Whether a Minister is inside or outside Cabinet, he or she may serve on Cabinet committees.

Functions and Powers

8.5 Cabinet is the central decision-making body of the government. Its role is to take decisions on a wide range of areas including:

- major policy issues;
- important spending proposals and financial commitments;
- proposals involving new legislation or regulations;
- matters which concern the interests of a number of
- controversial matters; and
- ratification of international treaties and agreements.

PART 5 - THE LEGISLATURE

9. Parliament

9.1 New Zealand has a single chamber of Parliament known as the House of Representatives. In precise constitutional terms, a Parliament of New Zealand consists of two parts³:

1. The sovereign, currently Queen Elizabeth II, Queen of New Zealand, and
2. the House of Representatives.

Composition

9.2 The Parliament contains 120 Members of Parliament (MPs)⁴, as provided under the *Electoral Act 1993*. Basically, there are two classes of MPs. Members belonging to the first class are returned by a first-past-the-post system⁵, which consists of 61 General electorates and six Maori⁶ electorates. The second class of members are drawn from party lists. The total number of MPs can vary but is based on a figure of 120. MPs are elected for a 3-year term.

Election Method

9.3 Citizens who are 18 years old and have been a resident of their district continuously for one month are eligible to vote or be elected. Qualified electors who are a New Zealand Maori, or a descendent of a New Zealand Maori can choose whether they want to vote for a general electorate or a Maori electorate.

9.4 Beginning with the election held in October 1996 a system of proportional representation has been adopted. The system is called the Mixed Member Proportional Representation (MMP) electoral system. Under MMP, each voter has two votes - one for a member to represent an electorate and the other for a party which the voter prefers. The overall number of candidates of each party elected to Parliament is determined by the national percentage of votes each party obtains (those parties obtaining less than 5% of the votes or failing to win an electorate seat are disregarded). Candidates may stand for election both in an electorate and on their party's list.

³ The Constitution Act 1986, Section 14.

⁴ The size of Parliament had grown from 80 MPs in 1990 to 99 in the 1993-96 Parliament, and further to 120 in 1996-1999 Parliament with the introduction of proportional representation electoral system.

⁵ A voting system based on single-member electorates in which the candidate who wins a simple majority of votes is elected.

⁶ Maori are indigenous inhabitants of New Zealand (an estimated 14.5% of the total population at the census of 1996).

9.5 Party votes decide each party's share of all the seats in Parliament. The number of Party Votes won by each registered party which has submitted a party list is used to decide how many seats each party will have in Parliament.

Dissolution

9.6 The term of Parliament is three years⁷, unless a Parliament is dissolved earlier. The Governor-General, on the advice of the Prime Minister, may by a Proclamation dissolve a Parliament.

9.7 Dissolution of Parliament is rare in New Zealand; the most recent two instances were in 1951 and 1984.

Functions and Powers

9.8 The principal functions of Parliament are to:

- enact laws;
- supervise the government;
- allocate funding for government agencies and services;
- provide a government; and
- redress grievances by way of petition.

Legislative Procedures

9.9 A bill passes through three readings. At the first reading, the bill is merely announced to the House and printed for release to members of the public. At the second reading a debate can be held on the main principles of the bill. This is the stage at which the House decides whether it does, in principle, wish the bill to proceed. The third reading is the final stage.

9.10 In addition to these readings, the House has two further stages that a bill must go through at which it may be amended. Most bills, after their second reading, are referred to a select committee for detailed study.

⁷ The question of extending the term of Parliament from three to four years has twice (1967, 1990) been the subject of a constitutional referendum and was rejected each time.

9.11 Once the select committee has finished consideration of the bill it decides what, if any, amendments it wishes to recommend to the bill and makes a report to the House accordingly. This report is published for the information of members and the public. The House holds a debate on the select committee's report and, if the House agrees to the recommended amendments, the bill proceeds with the amendments incorporated into it.

9.12 There is one further opportunity for amendments to be made to a bill after it has left the select committee. Before a bill's third reading it is considered by the House acting as if all its members formed a committee - the committee of the whole House. At this stage last-minute amendments can be made to the text of the bill before it proceeds to its third reading and then becomes law.

9.13 A bill becomes law when the Governor-General gives the Royal assent to it.

PART 6 - EXECUTIVE- LEGISLATIVE RELATIONSHIP

10. Ministerial Responsibility

10.1 British's style of ministerial responsibility is generally adopted in New Zealand.

Collective Responsibility

10.2 Ministers must follow the practice of collective cabinet responsibility. The *Cabinet Office Manual* states:

"Decisions at cabinet and cabinet committee meeting are usually reached by consensus. Votes are rarely taken. Once a decision has been made, however, it is to be supported collectively by all ministers, regardless of their personal views and whether or not they were at the meeting concerned. The convention of collective responsibility is an essential underpinning of the system of cabinet government, whereby ministers are required to advise the Sovereign (in practice, the Governor-General) on matters of public importance. Ministers whose opposition to a cabinet decision is such that they wish to publicly dissociate themselves from it must first resign from the cabinet."⁸

10.3 The two coalition governments formed in 1996 and 1999 appeared to uphold the continued utility of the practice of collective responsibility. The National / New Zealand First coalition agreement of December 1996 stated that "To act at all times in accordance with the letter and spirit of this agreement and endeavour with cooperation and consensus to fulfil the policies set out, putting aside the personality, party philosophy and day to day differences to give overriding priority to the interests of the coalition."

10.4 Further, it stated that appointees to the executive "will accept the conventions of cabinet responsibility and cabinet confidentiality, save and except as otherwise provided for in this agreement..." Under the coalition agreement, a Coalition Dispute Committee was set up to mediate fundamental disputes between coalition partners.

⁸ Cabinet Office Manual, paragraphs 3.4 and 3.5. The Manual contains the rules of cabinet procedure. <http://www.dpmc.govt.nz/cabinet/manual/index.html>.

10.5 The Labour and Alliance coalition agreement of December 1999 also stated that "The coalition government will operate within the convention of collective cabinet responsibility, subject to the provisions of this agreement, and the expectation is that cabinet decisions will be taken consensus." The agreement also provided for a management committee to resolve possible disputes.

Individual Ministerial Responsibility

10.6 Although New Zealand ministers have been responsible to Parliament for their actions and those of public servants, there has been no tradition of ministers resigning in expiation. The last resignation on the grounds of primary ministerial responsibility was that of Sir Apirana Ngata in 1934. Ministers have also almost never resigned for the actions of their public servants.

11. Initiation of Legislation

11.1 There are four categories of bills: government bills, introduced by a minister; private members' bills, introduced by an MP who is not a minister; local bills, dealing with local authorities; private bills, dealing with the affairs of individual persons or companies. Priority is normally given to government bills. Private members', local and private bills are considered at each alternate Wednesday sitting of the House. Government bills may be considered at any other sitting.

11.2 Before 1995, only government may propose legislation involving the expenditure of public funds. In anticipation of the implementation of MMP, a new Standing Orders of the House of Representatives was approved in December 1995. Under the new Standing Orders, MPs may now propose legislation requiring expenditure, subject to the government's right to exercise a veto if the legislation would have "more than a minor impact" on the government's general economic policies. This change was made in anticipation that parties outside the government seek to mobilise support for their favoured policies in a multi-party Parliament.

11.3 A government is able to exercise the financial veto at three different stages of a bill's progress through the House. The government may veto:

- amendments made to a bill by a select committee, before the House agrees to those amendments;
- an amendment proposed by a private member when the House is meeting as a Committee of the whole, before the amendment is moved; and
- a bill as a whole awaiting its third reading.

12. Monitoring of the Executive

12.1 Parliament uses a variety of means to monitor the executive, which include question time, debates, and select committee.

Question Time

12.2 Each day the House devotes 45 minutes to questions that members wish to put to Ministers about matters for which Ministers have responsibility. Ministers are given a few hours notice of the questions so that they can prepare informative replies. Members can also ask Ministers to give written replies to questions.

Debates

12.3 Parliament has two special debates that can be used to hold the government accountable. On each sitting day a member can seek the Speaker's agreement to hold an urgent debate. The other special debate is known as the General debate. This is a one-hour debate held each Wednesday after question time in which members can raise any matter that is of interest to them.

Select Committees

12.4 As well as considering bills, estimates, reviews and petitions that are referred to them, select committees have the power to launch inquiries on their own initiative. How a select committee goes about carrying out its inquiry is for it to determine but it usually draws up terms of reference, advertises for submissions or invites interested parties to make submissions and perhaps enlists the assistance of specialist advisers. At the conclusion of its inquiry the select committee reports its findings to Parliament. If the select committee makes any recommendations that are addressed to the government, the government must publish its response to them within three months.

Officers of Parliament

12.5 Three officers are appointed as Officers of Parliament - the Controller and Auditor-General, the Ombudsmen (there may be more than one Ombudsman) and the Parliamentary Commissioner for the Environment.

12.6 The Controller and Auditor-General audits the government's accounts and certifies that whether legal authority exists for public expenditure. Staff of the Controller and Auditor-General often assist select committees, especially with their work on estimates.

12.7 The Ombudsmen inquires into complaints of maladministration by government departments and other public bodies and review decisions of those agencies on the release of official information.

12.8 The Parliamentary Commissioner for the Environment keeps under review policies and developments that may have an effect on the environment.

13. Scrutiny of Public Expenditure

13.1 The budget itself is required to be introduced before August 1, and its introduction is followed by a major debate. Within three months of the delivery of the budget, further debates take place on the appropriations and the third reading of the appropriations bill. Two imprest supply bills - one preceding the budget (usually in June) and a second three months after the budget has been delivered - provide interim authority of the government to spend money and incur expenses and liabilities before the appropriation act is finally passed by 31 October.

13.2 Relevant select committees are required to examine the appropriations (giving information on the government's spending plans for the current year) and report within two months following the delivery of the budget. This report then gives rise to a ten-hour debate, with select committee chairs leading off the debate on each vote.

13.3 A second appropriations bill, dealing with some legal requirements regarding government finances, is passed in March or April, and a third appropriations bill (the supplementary estimates) covering adjustments required to the appropriations for the financial year just ending is passed in May or June.

13.4 The appropriations process has been separated from consideration of departmental performances in the previous year, which now takes place over the period October-March. These departmental reviews, together with reports and discussions on the government's financial position in the previous financial year, are the subject of a series of debates in February, March, and April.

PART 7 - SOME FEATURES OF POLITICAL PARTICIPATION

14. Political Parties

14.1 Political parties were seldom mentioned in New Zealand's electoral law prior to the introduction of the Mixed Member Proportional Representation (MMP) electoral system. A system of registration of political parties was introduced under MMP.

Registration

14.2 In order to be able to contest the party vote in MMP, political parties have to be registered with the Electoral Commission. A registered party needs to fulfill the following major criteria⁹:

- 1) it must have at least 500 current "financial members"¹⁰ who are eligible to register as electors;
- 2) its name and abbreviation are not "likely to cause confusion or mislead electors";
- 3) it needs to declare its "component parties" (i.e. those parties that are under the umbrella of the registered party)

14.3 The *Electoral Act 1993* requires all registered parties to select their electorate and list candidates by using democratic methods that involve participation by current financial members and /or their delegates.

Party Finance

14.4 The Electoral Act also contains provisions for regulating party election expenses and disclosure of the sources of significant donations.

14.5 The election expenses of a registered party are limited to NZ\$1 million (HK\$3.84 million)¹¹ if the party nominates a party list, plus NZ\$20,000 (HK\$76,800) for each electorate candidate nominated by the party.

⁹ Electoral Act (1993), Part IV.

¹⁰ Paid -up members.

¹¹ As of 10 April 2000, 1NZ\$ = HK\$ 3.84.

14.6 Each registered party is also obliged to provide the Electoral Commission with an annual return showing the name and address of every person who, in the previous calendar year, made an "electorate donation" (one or more donations to the electorate organisation of the party which together exceeded NZ\$1,000) or "national donation" (one or more donations to the organisation of the party covering more than one electorate which together exceeded NZ\$10,000). Returns of national donations must be audited, and all return and audit reports are available for public inspection.

Public Funding Support

14.7 The most significant public support to political parties is through allocating of election broadcasting funds and time. The sum provided for allocation had not changed since the 1990 election. In the 1999 election, a sum of NZ\$2.1 million (HK\$8.06 million) was shared among eligible political parties.

14.8 In order to be eligible for an allocation, a party has to be registered at least three months before Parliament is dissolved for the general election, or it must have at least five electorate candidates at that time. In making the allocation, the Electoral Commission takes into account the number who voted for each party in the previous election, the results of a by-elections, the number of MPs each party has in Parliament and the need to provide a fair opportunity for each registered party to convey its policies to the public on television. No party can purchase broadcasting time in addition to its allocation, even if it is not entitled to an allocation.

14.9 In the 1999 election, the two biggest parties, the Labour Party and the National Party equally shared more than half the money allocated. In total, 27 parties had received an allocation for election broadcasting.

15. Recent Electoral Reform

15.1 For over 150 years until 1996, New Zealand has a single-member district, first past the post (FPP) electoral system. As mentioned in Part 5 of this report, New Zealand changed to MMP electoral system in 1996. This part of the report briefly describes the electoral reform process.

15.2 Although a political party, known as Social Credit, captured 15% of the vote in the 1978 election, it managed to win only one Parliamentary seat. In the 1981 election, Social Credit increased its share of vote to 20%, yet it won only two seats. This phenomenon aroused a public discontent to the FPP electoral system. Social Credit started to advocate a change in the electoral system.

15.3 In 1985, the Labour government appointed a Royal Commission to study the electoral system. The Commission presented its report¹² to the Governor-General in December 1986, after having considered 804 written submissions and following public hearings as well as overseas fact-finding visits. The Commission's report argued that "The use of lists [in the election] allows the possibility of enhanced representation for minority and other special interests." The Commission's conclusion was clear: " we consider MMP to be the best voting system for New Zealand's present and future needs."

15.4 However, Parliament had long been dominated by the two major parties (National and Labour). There was little incentive for them to initiate a significant electoral system change. Besides, the *Electoral Act 1956* provided that the provision on method of voting could only be altered either through a 75% vote of all MPs or by a referendum.

15.5 By the late 1980s, there was little progress in the electoral reform. In the 1990 election, the National Party, in its election manifesto, promised to hold a binding referendum¹³ on electoral law prior to the end of 1992. On 19 September 1992, the first referendum on New Zealand's electoral system was held, but the referendum was only indicative rather than binding. The result was that more than 85 % of those who voted were in favor of changing the voting system.

15.6 The National Party government introduced its Electoral Reform Bill on 15 December 1992. The provisions for MMP could come into force only if MMP was approved at another referendum. The Parliamentary Committee which studied this bill had received over 600 submissions and hearings had been held at various places in the country.

15.7 At the 1993 general election, voters were given two ballot papers, one giving the choices for their local MP, the other containing the two electoral system options (FPP or MMP). As a result, 53.9% of the vote for MMP, as against 46.1% for FPP.

15.8 After the 1993 referendum, the provisions of the *Electoral Act 1993* came into force. The first MMP election was held in October 1996. The main effect of the MMP electoral system is that the original two-party Parliament has changed to a multi-party Parliament. The 1996 election outcome saw six parties represented in Parliament. The party composition of Parliament elected in the 1996 and 1999 elections is shown in Table 1.

¹² Report of the Royal Commission on the Electoral System, *Towards a Better Democracy*, December 1986.

¹³ A referendum, the result of which the government or Parliament is legally obliged to implement, or which the government or Parliament has undertaken to implement, or the result of which automatically brings an Act of Parliament in force.

Table 1 - Party Composition of Parliament Elected in 1996 and 1999

Party	% Votes		Electorate Seats		List Seats		Total	
	1996	1999	1996	1999	1996	1999	1996	1999
National Party	33.8	30.5	30	22	14	17	44	39
Labour Party	28.2	38.7	26	41	11	8	37	49
NZ First Party	13.4	4.3	6	1	11	4	17	5
Alliance	10.1	7.7	1	1	12	9	13	10
ACT	6.1	7.0	1	0	7	9	8	9
United NZ	0.9	0.5	1	1	0	0	1	1
Green Party	-	5.2	-	1	-	6	-	7
Total			65	67	55	53	120	120

16. Constitutional Amendments Related to Political Reform

16.1 New Zealand has no written constitution. In the absence of entrenchment or supreme law, the Constitution is flexible and may be altered by simple majority of Parliament. The only exception is under the *Electoral Act 1993* section 268, which requires a referendum of a special majority (75%) of the House of Representatives to alter certain sections (such as method of voting) of the Act. The amendment process of the *Electoral Act 1956* has been discussed in the previous section.

17. Referendum

17.1 Referendum in New Zealand can be classified into three categories. The first category is the constitutional referendum, which is one of the methods of changing the entrenched clauses of the Electoral and Constitutional Act. The notable example was the 1993 referendum on the electoral system. The second category is referendums initiated by the government on particular policy issues, such as liquor licensing and gambling. The third category is the citizen initiated referendum (CIR). Under the Citizens Initiated Referenda Act 1993, any person can start a petition asking that a national referendum be held on an issue of concern to them. The result of any CIR referendum is indicative only and is not binding on the government. Voters voted on two CIRs in the 1999 general election, one of which relating to the size of the House of Representatives.

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