

The Case for Speeding Up the MMP Referendum

The select committee considering the bill to set up the referendum on the electoral system is due to report back to parliament next month.

It is important that parliament provides voters with the best possible process for deciding on this important issue.

As things stand, next year's referendum, to be held at the same time as the general election, will ask voters whether they want to keep MMP or change to a different system. If they favour a change, they will be asked in a second question to choose their most preferred alternative from four options.

If there is a vote for change, a second referendum will be held in 2014 to choose between MMP and the most preferred alternative. If the alternative is favoured, it will be introduced in time for the 2017 general election.

The select committee is not deliberating on the merits of alternative voting systems. Its job is simply to determine how the referendum(s) should be run. This is as it should be: as a constitutional issue, the voting system is for voters themselves to decide.

So far most media reporting on the select committee's hearings has related to submissions about spending on the referendum. This seems a minor issue: in an electoral finance context University of Otago academics Andrew Geddes and Bryce Edwards have argued there is little point in limits, and that voters are not overly influenced by high-spending campaigns (which can in fact be counterproductive).

The bill introduced by the government has the merit of following roughly the process that brought MMP in. This also involved two referendums with the first one posing two similar questions, followed by a second run-off referendum, both on a simple majority basis.

An important difference, however, was that the first referendum that gave rise to MMP was held in 1992 and the second the following year, in conjunction with the 1993 general election. The first MMP election was in 1996.

Having referendums in 2011 and 2014, and a general election on a new basis only in 2017 if there is a vote for change, seems an unduly extended timetable. It would make it difficult to keep a sustained and informed focus on the issues.

This was also the view of over 2000 New Zealanders in a recent ShapeNZ poll. A total of 56% want any different system operating for the 2014 general election. Only 18% want to wait until 2017 as currently proposed.

If a second referendum were held in 2012, within a year of the first, and the result were a vote for change, this would allow ample time to plan and deliver the 2014 election under a new voting system – protests to the contrary by government bureaucrats notwithstanding.

It would also enable voters to concentrate on the issues without the distraction of a general election, and it would attract a strong turnout if the 1997 referendum on compulsory superannuation is any guide.

An improvement on the 1992 referendum that has been suggested is that if voters opt for change in response to the first question they should be able to vote for alternatives to MMP preferentially. This would avoid the risk of tactical voting and allow people to rank options in their true order of preference.

It is interesting that elections this year in the United Kingdom and Australia, both of which have constituency-based systems, have resulted in minority governments.

On the one hand, this demonstrates that small parties and independents can gain representation even in Westminster systems.

On the other, it will be a challenge for both governments to implement necessary reforms. Business and media commentators in Australia are

voicing concern at the prospects of a reform stalemate after 19 years of unbroken prosperity, and at a time when Australia's productivity growth rate is slipping.

The different electoral institutions in Australia and New Zealand should be a topic for analysis in next month's report by the taskforce advising the government on how to bridge the income gap with Australia by 2025.

There is evidence that proportional voting systems lead to bigger government (and hence sluggish economic growth, as in Europe) and slow and compromised decision-making. Catching Australia requires improvements in all New Zealand's institutions and policies.

Prime minister John Key has said that the recent turmoil in the ACT Party (which followed earlier convulsions in the Alliance and New Zealand First) might increase the likelihood that people will vote MMP out. Certainly minority governments are not a recipe for good government, and whereas they occur in Britain and Australia only at intervals of decades, they are virtually institutionalised under MMP.

Much is therefore at stake in the forthcoming referendum process. It is incumbent on the select committee and parliament to give voters the means of making an informed choice about their voting system without unnecessary delay.

Roger Kerr (rkerr@nzbr.org.nz) is the executive director of the New Zealand Business Roundtable.