



5. 9. 2002

REPORT OF THE CITY MANAGER

1. VOTING SYSTEM FOR 2004 ELECTIONS SPECIAL COUNCIL MEETING: 5 SEPTEMBER 2002

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1. INTRODUCTION

The Local Electoral Act 2001 (LEA) which was enacted in 2001, has significantly altered the previous legislation governing the conduct of local government and district health board elections in New Zealand. The new Act now provides a choice of two voting systems for local authority elections from 2004 onwards. The two voting systems are the current First Past the Post (FPP) and the Single Transferable Voting (STV) system.

This report addresses the provisions of this new legislation which give each local authority an opportunity to review the voting system to be used for the election of members and is intended to provide the basis for the Council to make a decision as to which voting system it intends to use. As STV is the new voting system it contains information explaining STV.

Councillors will recall that a seminar to which all elected members were invited was presented on Friday 5 July 2002 on the mechanics of the STV system. While the Council is not required by law to make a decision on its voting systems by 12 September 2002 for the 2004 election this report is intended to brief Councillors on the issue and give them the opportunity to consider and debate the issue at the Special Council meeting on 5 September 2002.

Any decision made by the Council in relation to a voting system will also apply to elections of the Community Boards.

2. THE SINGLE TRANSFERABLE VOTE ELECTORAL SYSTEM

The STV voting system is a form of preferential voting where voters rank some or all candidates in order of personal preference. In order for a vote to be valid, each voter needs to rank only one candidate. However, the more candidates that are ranked by a voter the greater the contribution that vote makes to the final result.

STV was first proposed in the mid-nineteenth century. The goal was to develop a voting system in which voters' votes could be transferred from one candidate to another so that every vote would be as effective as possible regardless of whether it was used to support a political party or organised political grouping, or an individual candidate. Today, STV is used to elect the national assemblies of Eire and Malta, some Australian State legislatures, as well as Tasmanian and some other local authorities.

The form of STV to be used for local elections in New Zealand is based on the 'Meek method' of counting votes. This counting method uses the power of modern computers to more accurately reflect voters' wishes and to avoid the arbitrary rules for traditional hand counting of votes. The method has been further modified for New Zealand local electoral conditions and can be referred to as "New Zealand STV". NZSTV also applies to mayoral and single-member wards as a 'reduced' form of STV or 'majority-preferential' vote.

How STV works

With STV, the voters' entitlement to vote does not change. What changes is the way that the voters exercise their vote.

Under STV, each voter has one vote, which is exercised by ranking candidates in order of preference, 1st, 2nd, 3rd etc. Voters may rank as many or as few candidates as they wish, as long as they indicate just one first preference and consecutively rank other candidates without skipping or repeating a ranking.

The rationale of STV is that when a candidate receives sufficient votes to be elected, any surplus votes are not wasted, but instead are available to help other candidates become elected, based on the second or subsequent preferences of voters. Similarly, votes given to candidates without sufficient support to be elected are available to help other candidates become elected, according to voters' second and subsequent preferences. This means most voters are represented by the member or members for whom they voted.

Report of the City Manager

Successful candidates are those who win enough support to reach a quota. This quota is established by dividing the total number of valid votes cast by one more than the number of vacancies to be filled, and adding a fraction or a whole number to that quotient.

Earlier this year the Department of Internal Affairs formed an STV Taskforce comprising representatives from the Department, the Society of Local Government Managers, Local Government New Zealand, the Ministry of Health and the Electoral Commission. A more detailed explanation of STV provided by the STV Taskforce is attached as *Appendix I*.

3. **LOCAL ELECTORAL ACT PROVISIONS**

The Local Electoral Act sets out a procedure by which the voting system used for council elections may be changed. Any council decision to change the voting system, or a change brought about by a poll, also applies to community boards.

The Act starts on the basis that the current voting system is FPP so in practice any council decision to change the voting system for the 2004 elections is a change from FPP to STV.

The Act provides three alternative methods for changing the voting system:

- (a) by a Council resolution; or
- (b) as a result of a poll demanded by electors; or
- (e) as a result of a poll held at the initiative of the Council.

Each of these alternative methods will now be considered in greater detail.

(a) **Change by Council Resolution**

The Act provides that the Council may resolve to change its electoral system from FPP to STV not later than 12 September 2002. It is not compulsory to pass any resolution to reaffirm FPP or change to STV.

If the Council does not pass a resolution by 12 September 2002 to change the voting system, then FPP will continue to be used at the 2004 elections, unless a change is brought about by a poll (whether initiated by the public or by the Council).

If the Council does pass a resolution to change the voting system (and that resolution is not countermanded by a poll), then that resolution is binding for the next election only (ie, 2004). It is not binding for two elections as is the case where a change is brought about by a poll. However, the Local Government Bill provides that a Council resolution to change the voting system (and which is not countermanded by a poll) will be binding for two elections.

Regardless of whether the Council does not pass any resolution to change (and by default continues with FPP) or passes a resolution to change to STV, the Council must give public notice not later than 19 September 2002 of the public's right to demand a poll on the voting system to be used for 2004.

(b) **Publicly Demanded Poll**

So, if the Council has not changed the voting system, the public can demand that a poll be held to change to the STV system. Or, if the Council has decided to change to the STV system, the public can demand that a poll be held to revert to the FPP system.

After the Council has given the required public notice by 19 September, a demand for a poll can be lodged, signed by 5% of the electors enrolled to vote at the 2001 election. In Christchurch City this 5% is 11,704 electors.

A demand for a poll can be lodged with the Council anytime, but not later than 90 days after the date of the public notice. So if the public notice is given on 19 September the last date for filing a demand for a poll is 18 December 2002.

5. 9. 2002

Report of the City Manager

(c) **Council Initiated Poll**

The third alternative is that the Council itself can resolve to initiate a poll on a proposal that FPP or STV be used for the next two elections. The Council has until 28 February 2003 to decide to hold such a poll even though:

- (i) it made no decision to change the voting system by 12 September 2002; or
- (ii) it has received a publicly demanded poll by 18 December 2002.

(d) **General Comments Regarding Polls**

A poll initiated by the public would be held around March 2003. If a poll was to be initiated by the Council in early 2003 it would be held around May 2003. The result of either poll would be binding for at least the 2004 and 2007 elections, and for all subsequent elections until the Council passed a resolution to change the voting system after the 2007 election or another poll is held after the 2007 election.

If a demand is received from the public for a poll and the Council decides to hold a poll the Act provides the polls are to be combined and only one poll held.

(e) **Key Dates**

By 12 September 2002	Council <u>may</u> resolve to change the voting system
By 19 September 2002	Council <u>must</u> have given public notice of the public's right to demand a poll
By 18 December 2002	Public <u>may</u> demand a poll (this date depends on when the Council gives public notice)
By 28 February 2003	Council <u>may</u> resolve to hold a poll on change to the voting system.

4. **CANTERBURY REGIONAL COUNCIL AND CANTERBURY DISTRICT HEALTH BOARD**

(a) **Canterbury Regional Council**

ECAN is holding a special meeting on 12 September to reach a decision about the voting system to be used for the 2004 ECAN elections.

(b) **Canterbury District Health Board**

From 2004 there is a legal obligation that District Health Boards use the STV voting system in their Board elections.

DHB elections must be held at the same time as territorial authority elections.

The Local Electoral Act requires that the functions involved in conducting a DHB election be split between an electoral officer appointed by the DHB and those appointed by the relevant territorial authorities. Territorial authorities are obliged to carry out at least some of the DHB election functions and in particular are required to be responsible for the "core" functions of DHB elections comprising electoral rolls and issuing voting documents as well as processing and counting votes.

DHBs are required to pay territorial authorities for the election work carried out on their behalf. In 2001 a national formula was negotiated between the Society of Local Government Managers and the Ministry of Health as part of the Memorandum of Understanding and this memorandum formed the basis of payment by DHBs to territorial authorities for the election work.

If the situation arises whereby a DHB is using the STV system and a territorial authority continues with the FPP system then clearly there will be significant issues regarding the financial arrangements between the DHB and the territorial authority. Also having the DHB using STV and the territorial authority using FPP will complicate the administration of

5. 9. 2002

Report of the City Manager

the election as different vote collecting and counting arrangements will be needed and these will have to be explained to the public.

Some may see the prospect of running a dual system – STV for the DHB elections and FPP for territorial authority elections – as an opportunity to try out STV before committing to it. This would mean that electoral officers would be able to run the familiar and established FPP system for all Council elections while coming to terms with the requirements of STV for only the DHB elections. On the other hand the administrative complexities of running two different systems could outweigh the advantages of having a DHB only STV election.

Another factor to take into account when considering this matter is that the opportunities for electoral cost sharing between a DHB and a territorial authority will be fewer than under a single system and with the DHB and territorial authority having different voting systems there may well be a heightened risk of public confusion associated with this dual system leading to reduced voting response in the Council and DHB elections as a result.

5. VOTING SYSTEM FOR POLLS

The Local Electoral Act provides that the Council may adopt FPP or STV for the purposes of a particular poll. If no resolution is passed about which voting system to use at a poll then by default the FPP system is to be used. Staff recommend that the Council continue to use the FPP system for any polls that may be demanded by the public or initiated by the Council until a decision is reached on the future of a voting system in Christchurch for the 2004 election.

6. SIZE OF WARDS IF STV CHOSEN AS THE VOTING SYSTEM

Districts and regions using STV are often divided into multi-member wards or constituencies, although STV can also be used in both single-member wards and constituencies, and wards encompassing an entire territorial authority district - an 'at large' election. The number of representatives to be elected from each ward or constituency can vary. There is no pre-determined size for STV wards or constituencies, but between three and nine representatives is generally regarded as providing benefits of additional proportionality reflecting voters' preferences. Larger units electing a greater number of representatives are possible, but risk making the voters' task very onerous.

7. REPRESENTATION REVIEW

Councillors will be aware that the Council is required to review the size of its membership and basis of election not later than 31 August 2003, and a seminar on this topic was held on Friday 19 July 2002.

The Local Government Act requires that relevant criteria for that representation review are:

- (a) that in deciding whether there are to be wards or not will provide effective representation of communities of interest within the district;
- (b) that in determining the number of councillors of any ward, the Council must ensure the electors will receive fair representation having regard to the population of the ward.

The Local Government Bill continues the requirement of fair and effective representation including criteria for establishing wards based on population being within 10% of any other ward. There is scope to vary this 10% requirement based on recognition of communities of interest.

The Local Government Commission will be issuing guidelines which local authorities must follow when conducting their representation reviews. While this representation review is a separate legal process from choosing the voting system, clearly there is a link between the two processes which Councillors need to bear in mind.

5. 9. 2002

Report of the City Manager

The City Manager comments:

The choice of an STV system would provide strong incentives for the Council to subsequently reduce the number of wards from 12 to no more than 6. It would be possible to operate STV with 12 wards and 2 councillors per ward, but many of the advantages of the system would be lost if STV was superimposed on the current pattern of representation.

8. EXTRAORDINARY VACANCIES

Any extraordinary vacancies on the Council or a community board are dealt with in the same way irrespective of whether FPP or STV is used as the voting system.

The Local Electoral Act provides that:

- (a) If the vacancy occurs more than 12 months before the next election, a by-election must be held.
- (b) If the vacancy occurs 12 months or less before the next election the Council may either fill any vacancy by an appointment or leave it vacant. If the vacancy is that of the Mayor, an appointment must be made.

9. A COMPARISON BETWEEN FPP AND STV

In May, the STV Taskforce published a Resource Document entitled "*Choosing Electoral Systems in Local Government in New Zealand – A Resource Document*". Chapter 3 of that Resource Document contained a comparison between FPP and STV and the principal features of each voting system. Chapter 3 is attached as *Appendix 2*.

10. PUBLIC CONSULTATION

At its meeting on 27 June 2002 the Council approved a public consultation programme regarding the possible use of STV.

Over 600 responses were received to the recent City Scene article inviting submissions on the voting system to be used in 2004. In addition the National Research Bureau was engaged to carry out a telephone survey of 400 randomly selected electors.

It has not been feasible to have the results of the City Scene article and the telephone survey included in this report and a report analysing the outcome of this public consultation will be separate circulated prior to Thursday's Council meeting.

11. FINANCIAL IMPLICATIONS

The financial implications of this issue will vary according to which course of action is followed.

If the Council is required to hold a poll or if it decides of its own volition to do so, the cost is estimated at approximately \$300,000, which again will need to be met from the 2002/03 budget. There is currently no budgetary provision for a poll.

The use of STV for all or some of the issues at the 2004 Christchurch City Elections will result in some increase in costs, mainly because of the need to employ more staff, hire additional personal computers and other equipment and modify the Council's existing election software. These extra costs are estimated at \$145,000, which (combined with some other expected cost increases) will increase the estimated total cost of the 2004 elections to approximately \$1 million. If the use of STV is confined to the District Health Board issue, then all these additional costs will be debited to the Ministry of Health. If STV is used for all issues (including the City Council, Regional Council and District Health Board issues) then the additional costs of approximately \$145,000 will be split, with the Regional Council and Ministry of Health contributing an estimated 31% (\$42,000) of the additional cost, with the remaining \$103,000 being met by the City Council.

Report of the City Manager

12. DELIVERY OF STV ELECTION RESULTS

Under FPP preliminary election results are released on election day. Once the eligibility of special voters has been confirmed, special votes are then added to give the official election results, which are usually released about ten days following polling day.

Final policy decisions have yet to be made on the form of election results under STV. It takes several days for the special votes to be checked and processed in the week following polling day, and it is not possible to establish the quotas for each candidate until it is known how many special votes will be allowed and included in the count.

It would be possible to release the first preference votes for each candidate on election day, although this would not give a true indication of the likely successful candidates. To provide meaningful results it will be necessary to wait until the special votes have been processed and the final count has been completed. This means that (as in most overseas jurisdictions where STV is employed) no election results would be provided on election day.

13. CRITERIA FOR CHOOSING A VOTING SYSTEM

The Local Electoral Act does not specify any criteria that the Council must or may take into account when deciding whether to change the voting system. The Act gives the Council a broad discretion as to whether to make a change or not.

Criteria that the Council can take into account in making this decision can include:

- a) the electoral principles of:
 - (i) fair and effective representation;
 - (ii) equal opportunities for participation;
 - (iii) public understanding of, and confidence in electoral processes;
- (b) encouraging electors to vote;
- (c) timeliness of election results;
- (d) the impact of District Health Boards using the STV system;
- (e) the costs associated with using a different voting system, including the costs of polls.

As part of a public information campaign held in conjunction with the 1992 Electoral Referendum the Government appointed an Electoral Referendum Panel to manage the information campaign.

That panel (headed by the then Chief Ombudsman) published a referendum guide which included criteria for judging voting systems.

Those criteria, adapted to a local authority context in Christchurch, were:

"All voting systems have advantages and disadvantages and what one person sees as an advantage, another person will see as a disadvantage. As a result, there is no such thing as a perfect voting system.

There are some generally accepted criteria for judging voting systems and Councillors may wish to ask questions along these lines.

Legitimacy

Do people on the losing side accept the results?

Does the community as a whole accept the voting system as the best possible basis for running Christchurch City?

5. 9. 2002

Report of the City Manager

Political Integration

Does a voting system unite the City or divide it?

Does it promote respect for different points of view?

Effective Government

Can a Council and Community Boards elected under a particular voting system achieve what they set out to do?

Fairness

Do political parties win a share of the seats that is similar to their share of the votes?

Is there a marked difference between the number of seats some parties get and the votes they win?

Representation of Minorities and Special Groups

How well are the ethnic minorities and other groups such as business people, workers and women represented on the Council and Community Boards under the two voting systems?

How well are such groups themselves represented?

Maori Representation

Will a particular voting system help or hinder representation of Maori people?

Are Maori people fairly represented on the Council and Community Boards?

How will a particular voting system affect this?

Representation of Constituents

Does a voting system encourage close links between people, councillors and community board members?

How easy will it be for the public to get their ideas across to councillors and community board members under particular voting systems?

Voter Participation

Do voters understand how the system works?

Is the method of electing councillors and community board members straightforward or is it difficult to follow?

Effective Political Parties

Will a voting system give us political parties that are too strong or too weak?

Will a particular voting system help parties listen to and act on voters' views and concerns?"

14. **OPTIONS FOR CONSIDERATION BY THE COUNCIL**

In summary, the Council may consider adopting one of the following options:

Option A: Do Nothing

The Council could do nothing, and simply receive this report. The required public notice would then be given by 19 September 2002 that electors have a right to demand a poll on the electoral system to be used for the next two triennial elections. If no demand for a poll is received, the status quo continues, ie FPP rather than STV will be used for the 2004 elections.

5. 9. 2002

Report of the City Manager

Option B: The Council Reaches a Decision Now

The Council could make a decision to change to STV, on the basis of this report and the attached appendices. Public notification would then be given of the Council's decision and of the electors' right to demand a poll (19 September – 18 December). A binding poll could then follow, if 5% of the electors made a valid demand.

Option C: The Council Resolves to Hold a Poll of Electors

The Council could defer its decision until early next year and resolve of its own volition to hold a poll of electors. The decision to hold a poll could be made at any time prior 28 February 2003, but a public notice by 19 September 2002 would still be required. This option would need to be budgeted for, together with some public education costs.

Option D: The Council Changes Voting System and Initiates a Poll

The Council decides to change the existing system by 12 September and then by 28 February 2003 it later decides to initiate a poll even where there is no public demand for a poll.

If the Council later decided not to hold a poll, and no public poll had been demanded, then the FPP system would be used in 2004.

Motion: To be moved at the Special Council meeting.