Political stability despite minority governments: the New Zealand experience

Presented by Wendy McGuinness CEO, McGuinness Institute



Research

Project 2058: Report 8 - Effective Māori Representation in Parliament: Working towards a National Sustainable Development Strategy (Jul 2010)

Nation Dates: Timelines of significant events that have shaped the history of Aotearoa New Zealand (Fourth Edition, Dec 2020)

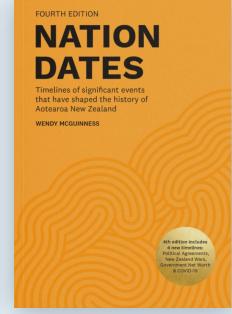
Think Piece 14: Constructing a House Fit for the Future (Jun 2011)

Working Paper 2020/07 – Analysis of the 2017 Labour-New Zealand First Coalition Agreement, three years on (Sep 2020)

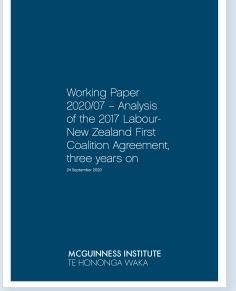
Working Paper 2020/08 – Analysis of the 2017 Labour-Green Party Confidence and Supply Agreement, three years on (Sep 2020)

Working Paper 2020/11 - A List of Coalition Agreements and Support Agreements since 1996 (Jul 2021)

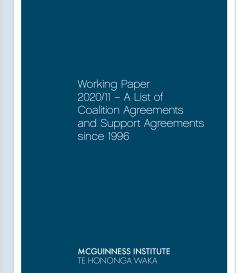














Agenda

- Compare Malaysia with New Zealand
- 2. New Zealand's system of government
- 3. Coalition agreements
- 4. Other forms of agreements
- 5. Further improvements?
- 6. Emergency 1: What was NZ's constitutional response to COVID-19?
- 7. Emergency 2: What should NZ's constitutional response to climate change be?



1. Compare Malaysia with New Zealand

	Malaysia (as at 2021)	New Zealand (as at 2021)
Area (land)	330,000 km²	270,000 km²
Population	32 million	5 million
Number of MPs	222 (144,000 per MP)	120 (42,000 per MP)
Number of women MPs	33	58
Type of electoral system	FPP	MMP



2. New Zealand's system of government

- No written constitution
 Other similar countries include the United Kingdom and Israel.
- One legislative chamber (a unicameral parliament)
 Other similar countries include Sweden, Norway, Finland, Portugal, Denmark, Israel, Iceland and Taiwan.
- Two electoral rolls: General and Māori roll
- Three-year election cycle
 Other similar countries include Australia, Mexico and the Philippines.
- Ninth-oldest continuously functioning parliament in the world
- MMP* (mixed-member proportional representation) from 1996 Other similar countries include Germany, Lesotho and Romania.
 - The Executive Council comprises all Ministers of the Crown, whether those Ministers are inside or outside Cabinet.
 - The time between election and formation of government is managed by a caretaker convention which has two arms: when PM is not clear and when PM is clear but not appointed.
 - The Cabinet Manual is the go-to document.

^{*} MMP is a mix of first past the post and party list.

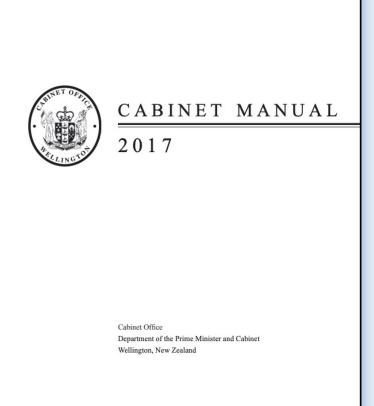


Cabinet Manual 2017

Outcome of Elections

'Under New Zealand's proportional representation electoral system, it is likely that two or more parties will negotiate **coalition or support agreements** so that a government can be formed, whether it is **a majority or minority government**.

A coalition agreement provides for a closer relationship between two or more parties than a support agreement, a distinguishing characteristic of coalition agreements being that coalition parties are represented in Cabinet.'





History of MMP

'The origins of electoral reform lay in the gradual breakdown of public trust and confidence in politicians, Parliament and the simple certainties of the old two-party system.'

1852 First FPP election

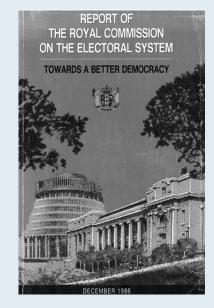
1981 & 1984 During the election campaigns, the Labour Party promised to set up a Royal Commission to explore a wide range of issues relating to the electoral system.

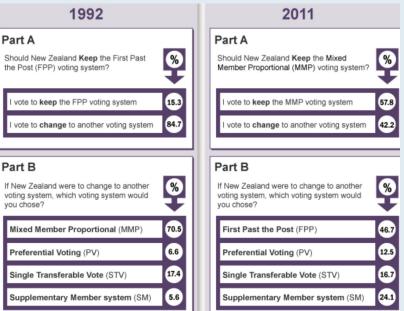
1985 Following Labour's victory, a Royal Commission on the Electoral System was established in early 1985. A range of issues were explored including whether the existing system of parliamentary representation (FPP) should continue or whether an alternative system/s should be put in place instead.

1986 The Report of the Royal Commission on Electoral Reform was published and recommended, among other things, MMP.

1992 & 1993 The first referendum was a vote on whether to keep or change FPP, and if changing, to which system. The second was whether to change the system to MMP under the Electoral Act 1993.

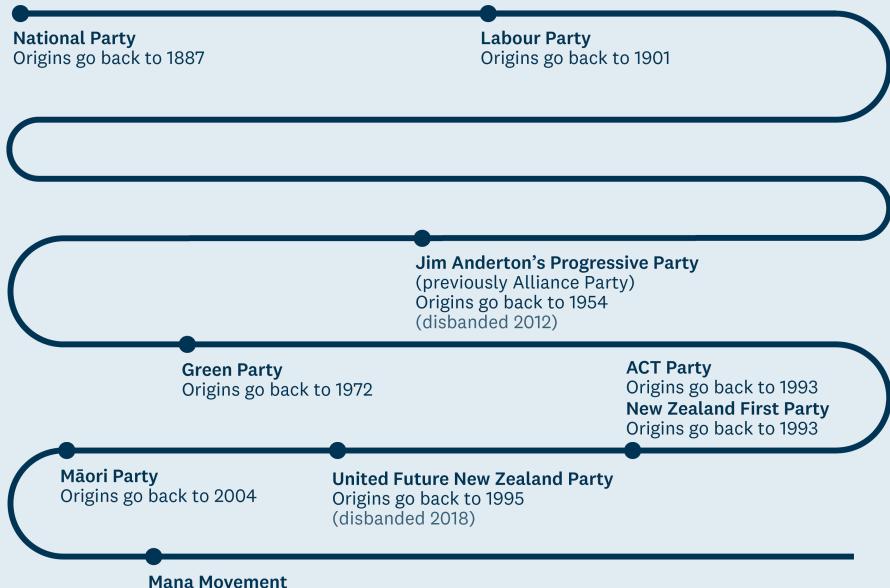
2011 A further referendum reaffirmed the 1993 referendum.







Origins of each party that went on to have an elected MP

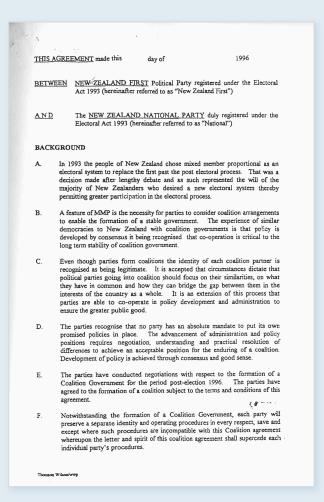




Origins go back to 2011 (previously Mana Party)

1996 Majority coalition

- B. A feature of MMP is the necessity for parties to consider coalition agreements to enable **the formation of a stable government**. The experience of similar democracies to New Zealand with coalition governments is that policy is developed by consensus it being recognised that co-operation is critical to the long-term stability of coalition government.
- C. Even though parties form coalitions the identity of each coalition partner is recognised as being legitimate. It is accepted that circumstances dictate that political parties going into coalition should focus on their similarities, on what they have in common and how they can bridge the gap between them in the interests of the country as a whole. It is an extension of this process that parties are able to co-operate in policy development and administration to ensure the greater public good.
- D. The parties recognise that no party has an absolute mandate to put its own promised policies in place. The advancement of administration and policy positions requires negotiation, understanding, and practical resolution of differences to achieve an acceptable position for the enduring of a coalition. Development of policy is achieved through **consensus and good sense.**





Party-hopping (waka-jumping)

The Electoral (Integrity) Amendment Act 2018 requires party-hopping MPs to vacate their seats. The amendment states: 'The seat of any member of Parliament shall become vacant [if] ... he or she ceases to be a parliamentary member of the political party for which he or she was elected.'

Arguments in support of the existing legislation:

Maintains certainty over electoral proportionality in Parliament

Arguments against the existing legislation:

- Compromises free speech in Parliament
- Concentrates too much power in party leaders
- Contradicts core Kiwi value of tolerating dissent



3. Types of Government

Under MMP, there are four types of government that are likely to eventuate (although other permutations are possible):

Majority single-party Most (single party with over 50% or more of the control seats in the House held by one political party) Minority single-party (single party with 50% or less of the seats in the House held by one political party) Majority coalition (multiple parties with over 50% or more of the seats in the House govern together) Minority coalition (multiple parties with 50% or less of the seats in the House govern together)



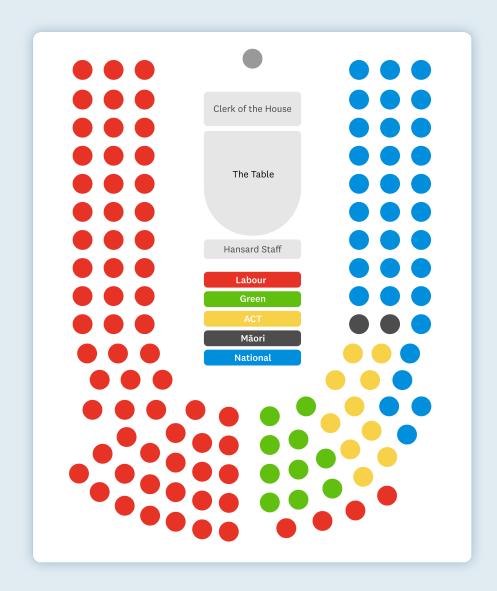
Types of government formed since 1996

Type of government formed	Year signed
1 Majority single-party (single party with over 50% or more of the seats in the House held by one political party)	2020
Minority single-party (single party with 50% or less of the seats in the House held by one political party)	2008, 2011, 2014
Majority coalition (multiple parties with over 50% or more of the seats in the House govern together)	1996
Minority coalition (multiple parties with 50% or less of the seats in the House govern together)	1999, 2002, 2005, 2017



1 Majority single-party

(e.g. Labour Party in 2020, 65 out of 120 seats)



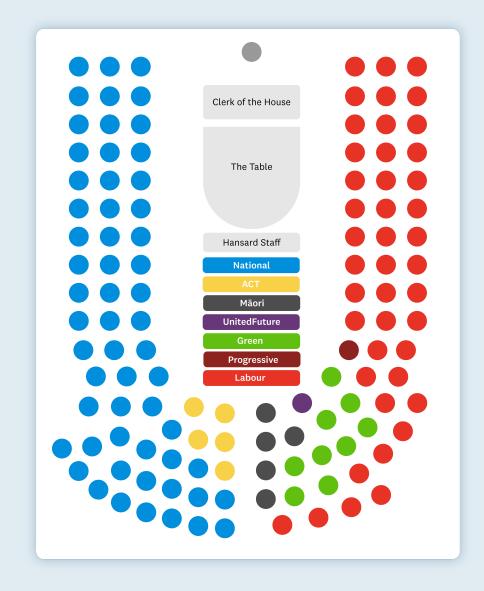


Co-operation agreement



2 Minority single-party

(e.g. National Party in 2008, 58 out of 122 seats)

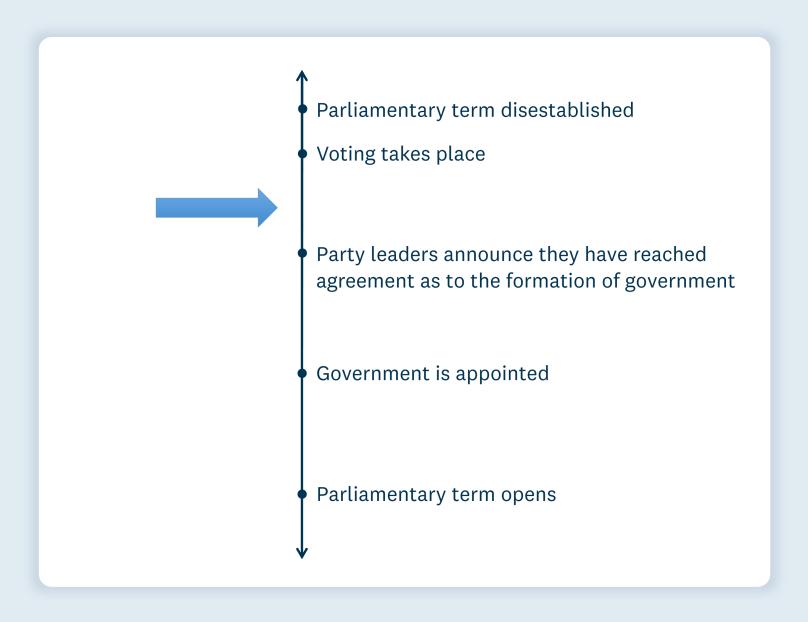




Confidence and supply agreement



How the formation of government eventuates





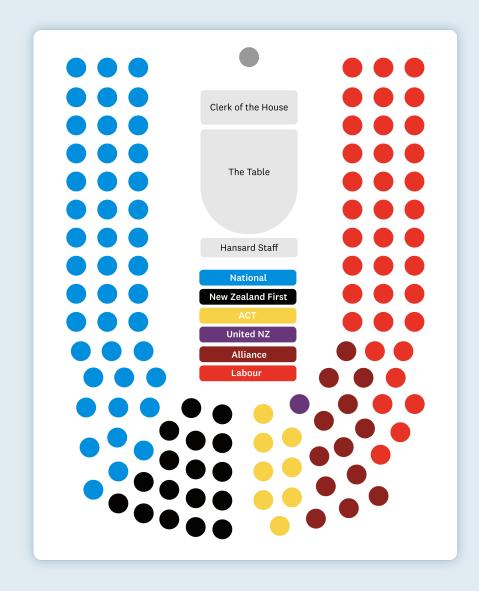
Time between election and signing of coalition agreement





(3) Majority coalition

(e.g. National Party and NZ First in 1996, 61 out of 120 seats)



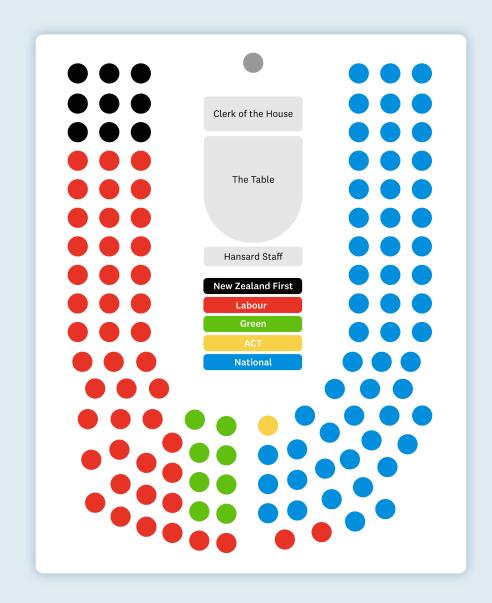


Coalition agreement



4 Minority coalition

(e.g. Labour Party and NZ First 2017, 55 out of 120 seats)





Coalition agreement



Confidence and supply agreement



4. Other forms of agreements

Confidence and supply* agreements

For example, in the 2017 Labour/Green confidence and supply agreement, the Green Party committed 'to provide confidence and supply support' by voting in support.

Co-operation agreements

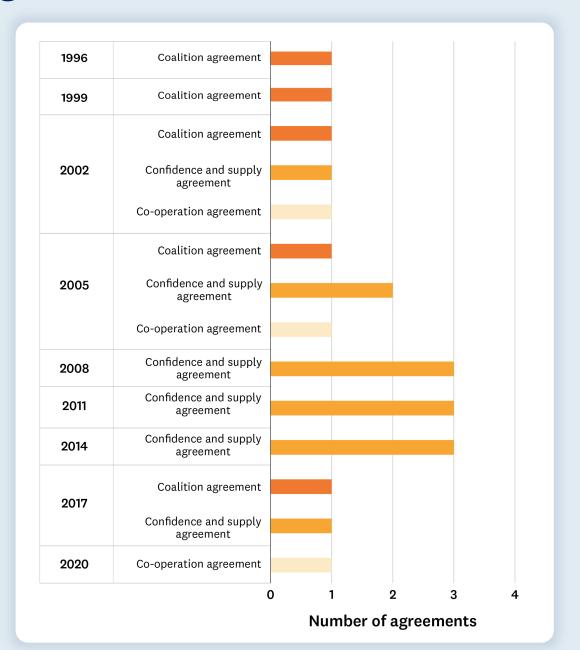
In contrast, in the 2020 Labour/Green co-operation agreement, the Green Party must not oppose 'votes on matters of confidence and supply'. They must either vote with the Labour government or abstain from voting.

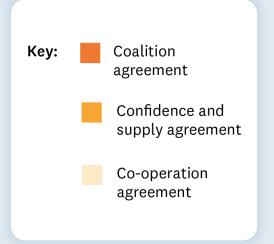
Notably, the agreement also states that the Minister of Climate Change is from the Green Party. Therefore, the Minister is not a member of the (ENV) Cabinet Environment, Energy and Climate Committee (although he does receive all relevant Cabinet Papers and does attend the committee when his portfolio is being discussed).



^{*} Supply refers to the budget and the estimates of appropriations for the Government.

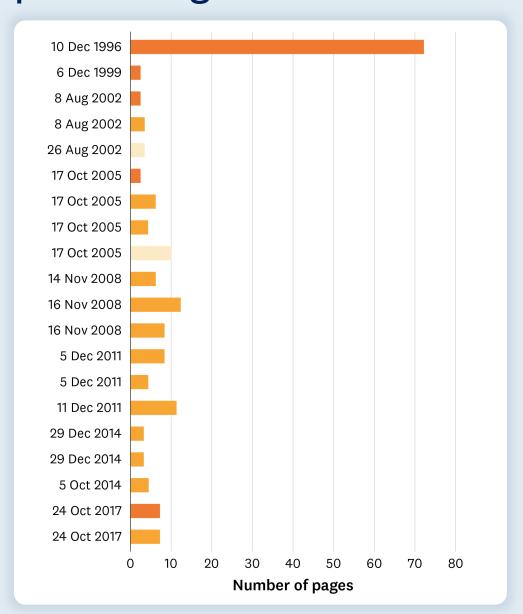
Types of political agreements since 1996

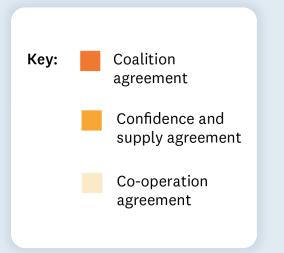






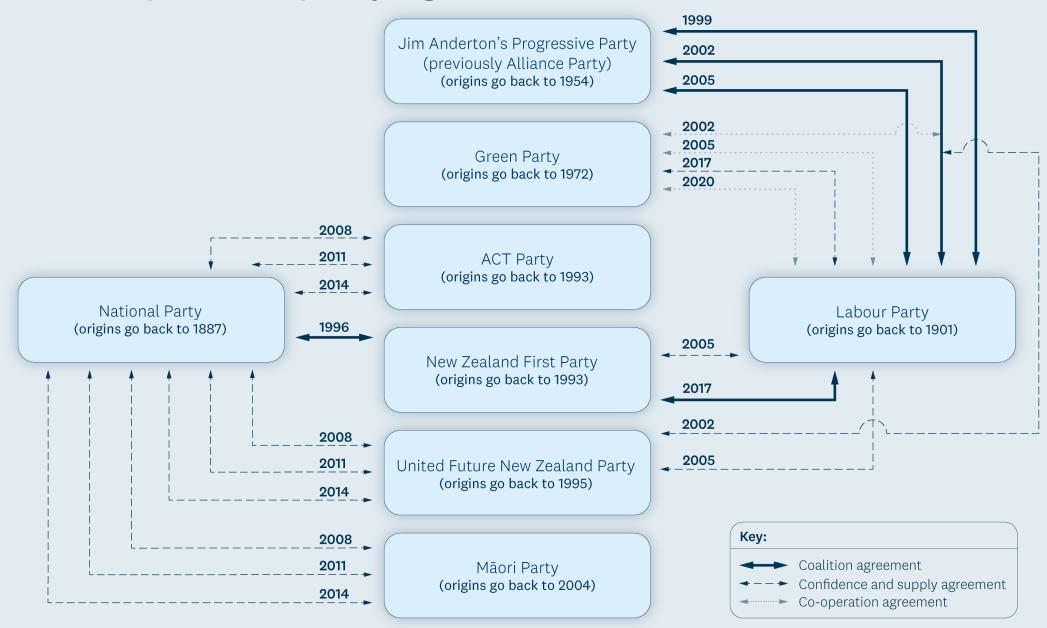
Page length of coalition agreements, confidence and supply agreements and co-operation agreements since 1996







Significant political party agreements since 1996





5. Further improvements

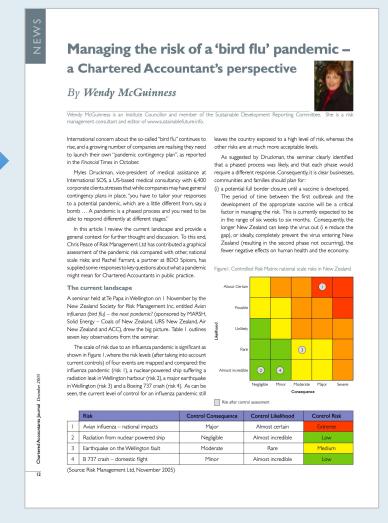
- **Transparency:** Political party agreements that shape the formation of government should not only be signed in public, but be tabled in the House.
- Reports on policy implementation: Agreements should be reviewed and tabled in the House as a matter of good practice on the last day of the House (before the election). For New Zealand, this would mean agreements are independently reviewed say six to eight weeks before the next election in order for the public to understand what policy was implemented and how the coalition worked in practice.
- Party-hopping legislation should only apply to confidence and supply: The existing wakajumping legislation is a blunt instrument. Arguably, rogue MPs should only be required to vote along confidence and supply lines with the political party they came to the House to represent.
- **Proportional representation**: In cases where a single-party majority does not occur, the two largest parties should be expected to meet first to try and form a working relationship (as practised in Germany). This is because MMP should aim to maximise proportional representation of votes counted.



6. Emergency 1: What was NZ's constitutional response to COVID-19? December 2005

As suggested by Druckman, the seminar clearly identified that a phased process was likely, and that each phase would require a different response. Consequently, it is clear businesses, communities and families should plan for:

(i) a potential full border closure until a vaccine is developed. The period of time between the first outbreak and the development of the appropriate vaccine will be a critical factor in managing the risk. This is currently expected to be in the range of six weeks to six months. Consequently, the longer New Zealand can keep the virus out (i e reduce the gap), or ideally, completely prevent the virus entering New Zealand (resulting in the second phase not occurring), the fewer negative effects on human health and the economy.

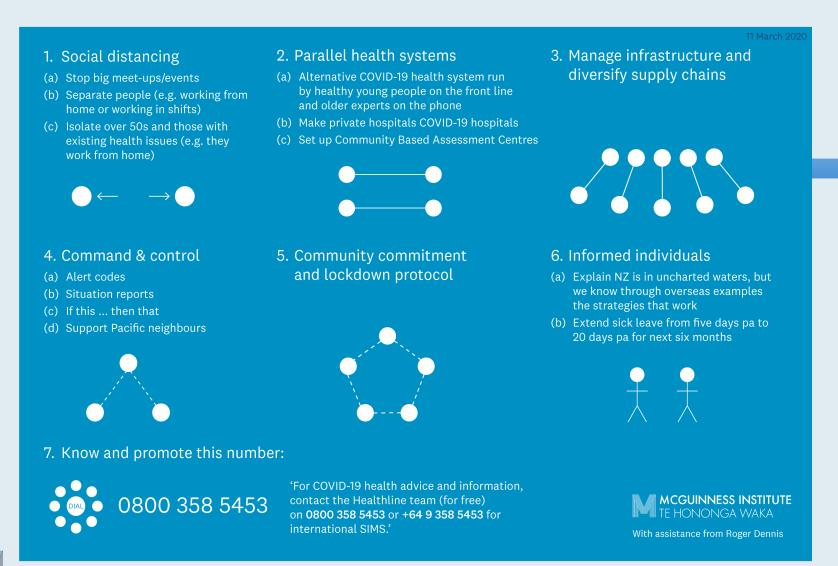


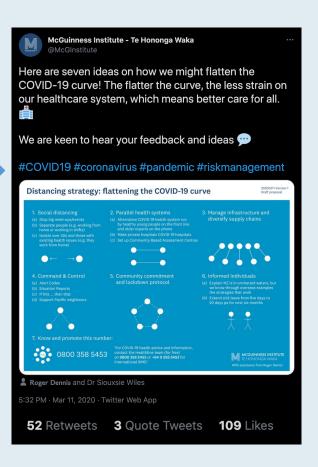




Distancing strategy: flattening the COVID-19 curve

11 March 2020 (2 weeks before New Zealand entered Alert Level 4, a nationwide lockdown)

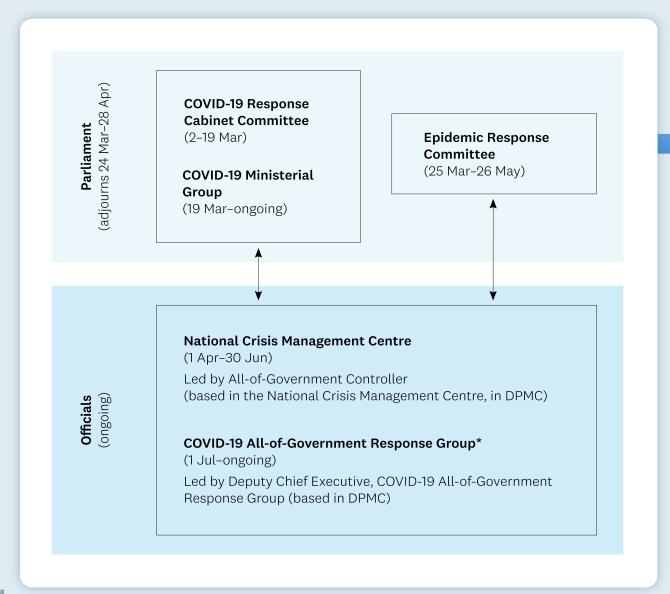






New Zealand's COVID-19 governance structure

25 March 2020

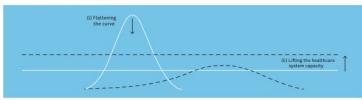




The Long Normal April 2020

The Long Normal: Preparing the National Reserve Supply (NRS) for pandemic cycles

Think Piece 33: April 2020



Two strategies for managing COVID-1

Wendy McGuinness

Institute CEO Wendy McGuinness is a FCA and has an MBA from Otago. She is co-author of the 2015 report Lessons From the West African Ebola Outbreak in Relation to New Zealand's Supply Chain Resillence and author of the 2006 report Managing the Business Risk of a Pandemic Lessons from the Past and a Checklist for the Future.

Pandemics are not uncommon. The COVID-19 pandemic is the fifth global pandemic in just over a century (previous pandemics began in 1918, 1957, 1968 and 2009). When looking back over time, pandemics can be seen as part of the normal cycle of events, what the Institute calls 'The Long Normal'. In this context, taking the time to reflect on New Zealand's performance to date may not only reduce further healthcare shocks during this pandemic but also help the country prepare for the next.

Why complacency must be avoided

The four pandemics in the last century (mentioned above) were all types of influenza. They all come from one family of viruses: technically known as A(H1N1), A(H3N2), A(H3N2) and A(H1N1) respectively. In contrast, COVID-19 is a disease generated by a human coronavirus. Importantly, human coronaviruss they are all the properties of the

What is concerning is that two smaller human coronavirus outbreaks have occurred over the last 17 years: the 2003 Severe Acute Respiratory Syndrome (SARS) (technically called SARS-CoV) and the 2012 Middle East Respiratory Syndrome (MERS) (technically called MERS-CoV)

The COVID-19 pandemic is therefore the third significant human coronavirus outbreak in just under two decades. To date, a vaccine has not been developed for any type of human coronaviruses 'despite the fact that the 2002 SARS and 2012 MERS outbreaks, both caused by viral cousins of the new coronavirus, were warning shots that claimed about 1,600 lives.' ²

The fatality rate is also an important consideration. The World Health Organization (WHO) believes the SARS mortality rate was in the vicinity of 15% of confirmed cases, while MERS was about 34% of confirmed cases. In comparison, WHO believes COVID-19 mortality rates sit between 3-4% of confirmed cases, Given the increased number of human coronavirus outbreaks in the last 17 years, it is particularly important to build New Zealand's healthcare system now in preparation for another, more deadly, pandemic in the next few years.

What this means for New Zealand

The COVID-19 pandemic presents an opportunity to learn the lessons now for what might lie ahead. Vaccines take time, in which case the onus falls on the Government to minimise the impact of a pandemic. This means practices must be transparent and able to be scrutinised by all; every failure must be identified and every success understood.

This think piece looks at what can be learnt so far: what information is transparent (and what remains hidden and unable to be scrutinised) and what public policy solutions might be useful in the future. There is a particular focus on the national reserve supply (NRS) and resourcing of personal protective equipment (PPE) to frontline health workers.

Flattening the curve and lifting the healthcare system's capacity

New Zealand's first case of COVID-19 was confirmed on 28 February 2020 – almost a full month after most of Europe and the United States. New Zealand has been able to learn from the experiences from other countries, and has therefore been able to quickly implement a full lockdown. For more on the COVID-19 country curves see the graphs at the end of this think piece.

New Zealand's response to the COVID-19 pandemic has been to flatten the curve' by eliminating the coronavirus in New Zealand. The country was placed in a month-long lockdown from 26 March 2020. A second strategy, see Figure 1 above, is to 'lift the healthcare system's capacity' to deal with pandemics, particularly in regard to the storage and distribution of the NRS. How the system is meant to respond to a pandemic is set out in a collection of Ministry of Health (MoH) documents (see Appendix 1 for a table of MoH's pandemic planning documents).

One of the most important documents in the collection is the 2013 National Health Emergency Plan: National Reserve Supplies Management and Usage Policies. This sets out New Zealand's pandemic stock and how it is to be distributed during an epidemic pandemic or other emergency. Its aim is to provide 'continued access to essential supplies during large or prolonged emergencies that generate unusual demands on normal health service stocks or supply chains'. The key phrase in this is 'continued access', as there have been numerous reports in the media and concerns raised that this has not been the case; implying that somewhere there has been a breakdown either in stocks held or logistics in getting product from MoH and DHBs to frontline health workers.

McGuinness Institute | Think Piece 33

Why complacency must be avoided

The four pandemics in the last century (mentioned above) were all types of influenza. They all come from one family of viruses: technically known as A(H1N1), A(HSN2), A(H3N2) and A(H1N1) respectively. In contrast, COVID-19 is a disease generated by a human coronavirus. Importantly, human coronaviruses have only been around since the 1960s; before that time coronaviruses were only found in animals.

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What can we improve? June 2021

The gap between doses matters!

Think Piece 37: June 2021



Wendy McGuinness

Wendy has a BCom (UoA) and MBA (UO). She has attended short executive courses at Harvard (strategy), LSE (behavioural economics and macroeconomics) and with Nassim Nicholas Taleb (risk).

This think piece explains why our current vaccination strategy delivers poor value to New Zealanders over the long term.

In a recent article published in Singapore,' the authors identified four key components to getting life back to normal: vaccination, testing, treatment and social responsibility. While the article focused on Singapore, the same key components are applicable to New Zealand.

Over the past few weeks there have been growing concerns in the media about New Zealand's slow vaccine rollout. This included a comment in the OECD's May 2021 Economic Outlook that: '[t]he pace of vaccination needs to accelerate to reduce the risks of new outbreaks and pave the way for full border reopening in 2022.' This point was not lost on ACT leader David Seymour, who noted:

After saying we would be at the front of the queue, New Zealand is now officially last in the OECD for the vaccine rollout ... According to "Our World in Data" [see Figure 1] New Zealand has fewer vaccinations per person than any other country in the OECD.³

New Zealand's first COVID-19 vaccination occurred five weeks after the UK's first vaccination, on 19 January 2021, but six months later, the difference between rollouts is stark.^{4,5} See Figures 2 and 3.

Kim Hill interviewed UK scientist Dr Chris Smith on 26 June 2021 on RNZ.5 Smith explained that what saved the UK was a strategy which focused primarily on getting one dose in the arms of as many citizens as possible. The goal was to follow up with a second dose later (when supply amped up, approximately two to three months later).

This approach has recently been shown to provide a second benefit: that, as suspected in December 2020, the bigger the gap between vaccinations, the better the immune response. Smith said they found '12 weeks was de rigueur'; a 12 week gap delivered the most robust, durable and resilient immune response.

Having a 12-week gap between doses would not only make it possible for New Zealand to rollout the vaccination to more people, but most importantly, would deliver more durable long-term protection. That is the message from the UK rollout – a 12-week gap will ensure New Zealand is in the best position to live with emerging COVID-19 variants for years to come.

On 31 December 2020 (updated on 26 January 2021), the UK's Joint Committee on Vaccination and Immunisation (JCVI) reported that:

- Short-term vaccine efficacy from the first dose of the Pfizer-BioNTech vaccine is calculated at around 90%
- Given the high level of protection afforded by the first dose, models suggest that initially vaccinating a greater number of people with a single dose will prevent more deaths and hospitalisations than vaccinating a smaller number of people with 2 doses.
- The second dose is still important to provide longer lasting protection and is expected to be as or more effective when delivered at an interval of 12 weeks from the first dose.?

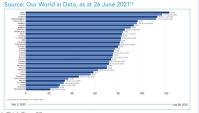
The report concluded:

J.CVI advises a maximum interval between the first and second doses of 12 weeks for both vaccines. It can be assumed that protection from the first dose will wane in the medium term, and the second dose will still be required to provide more durable protection. The committee advises initially prioritising delivery of the first vaccine dose as this is highly likely to have a greater public health impact in the short term and reduce the number of preventiable deaths from COVID-19.¹⁰

The June 2021 guidance from Public Health England states:

An interval of 28 days may be observed when rapid protection is required (for example for those about to receive immunosuppressive treatment). It may also be recommended that the interval between the two doses be shortnered to less than 12 weeks in periods of high or increased disease incidence. Evidence shows that delaying the second dose to 12 weeks after the first improves the boosting effect. Data from clinical trials shows that the efficacy of the AstraZeneca vaccine was higher when the second dose was given at, or after 12 weeks and a recent study of people aged over 80 years found that extending the second dose interval to 12 weeks for the Pitzer BioN Ferb vaccine markedly increased the peak spike-specific antibody response by three and a half times compared to those who had their second vaccine at the time weeks."

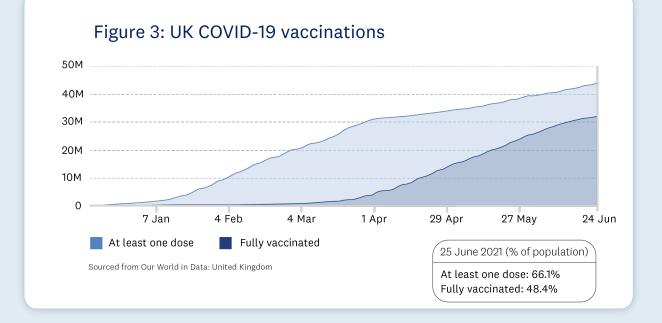
Figure 1: Vaccine doses administered per 100 people



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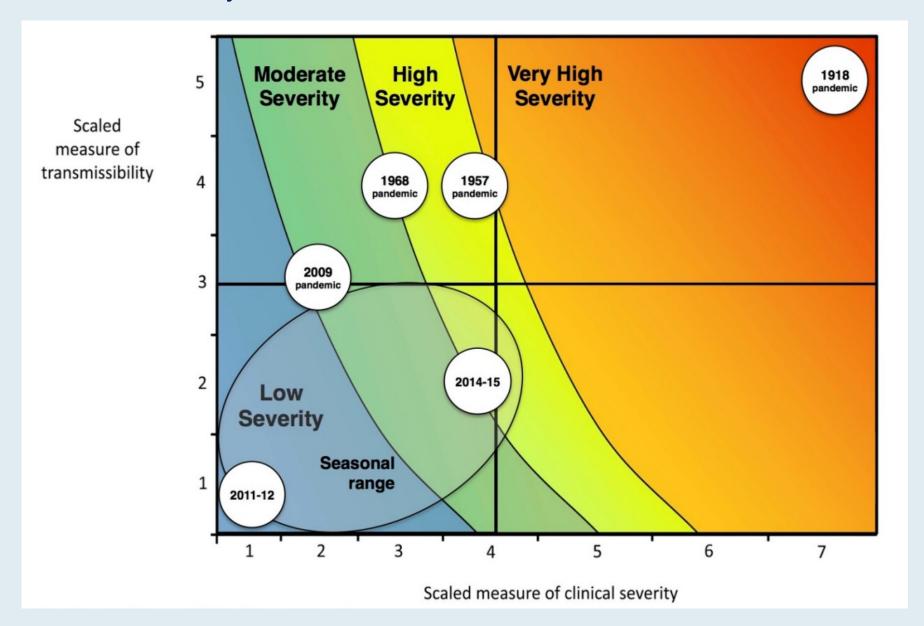
Figure 2: NZ COVID-19 vaccinations 800,000 600,000 400,000 200,000 5 Mar 23 Mar 10 Apr 28 Apr 3 Jun 16 May 21 Jun At least one dose Fully vaccinated 22 June 2021 (% of population) Sourced from Our World in Data: New Zealand At least one dose: 13%

Fully vaccinated: 7.8%



Our pandemic future

2017: The CDC Pandemic Severity Assessment Framework (PSAF)





7. Emergency 2: What should NZ's constitutional response to climate change be?

Nationally

- Non-partisan approach
- Share key data and experts
- Make all information and discussions publicly available
- Engage early with those that are likely to be harmed or disadvantaged
- Prepare national reserves of key resources for storms, wildfires, droughts etc. and position strategically around the country
- Build key infrastructure and transportation away from the coast
- Design health care systems for heat strokes, burns, diseases etc.

Globally

- Build trust with neighbors and nation states more broadly
- ... and of course, reduce emissions.



Final thoughts?

Q1: What do the two emergencies have in common?

Both emergencies have global impacts, require trust in government, require considerable investment in infrastructure, are dependent on 'game theory' to resolve, and require a non-partisan approach at state and global governance levels. They have created and will continue to create constitutional stress.

For example, an elimination/isolation strategy in one country will simply isolate the country; we need to all find a way to open up safely. This is also the case for climate change; an emissions reduction plan in one country will not prevent the consequences of climate change if other countries do not act to reduce emissions.

Q2: How might these two emergencies merge?

For example, to what extent could climate change help create/circulate more viruses etc., and pandemics hamper our ability to reduce emissions and build the necessary infrastructure? The health care system will be critical as the planet heats up.

Q3: Do global problems require global governance to solve?

Do we need centralised global governance with a constitution and an electoral system? How would this be organised?



Thank you Ngā mihi

