

## Finance Committee

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# OPEN AGENDA

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Meeting Date: **Wednesday 2 August 2017**  
Time: **3pm**  
Venue: **East Coast Lab, Level 1  
National Aquarium of New Zealand  
Marine Parade  
Napier**

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**Council Members** Councillor Wise (In the Chair), Mayor, Brosnan, Dallimore, Hague, Jeffery, McGrath, Price, Tapine, Taylor, White and Wright  
**Officer Responsible** Director Corporate Services, Adele Henderson  
**Administrator** Governance Team

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**Next Finance Committee Meeting**  
**Wednesday 13 September 2017**

# ORDER OF BUSINESS

## APOLOGIES

Councillor Boag

## CONFLICTS OF INTEREST

## PUBLIC FORUM

Sindy Cormack, speaking to Item 1, Cato Road.

## ANNOUNCEMENTS BY THE MAYOR

## ANNOUNCEMENTS BY THE CHAIRPERSON

## ANNOUNCEMENTS BY THE MANAGEMENT

## CONFIRMATION OF MINUTES

That the Minutes of the Finance Committee meeting held on Wednesday, 14 June 2017 be taken as a true and accurate record of the meeting.

## NOTIFICATION AND JUSTIFICATION OF MATTERS OF EXTRAORDINARY BUSINESS

(Strictly for information and/or referral purposes only).

## AGENDA ITEMS

1	Cato Road Accessway .....	3
2	Community Outcome, Activities and Activity Groups .....	11
3	Civic and Library Building.....	18
4	Remuneration of Elected Members .....	22
5	Electoral Systems for Elections.....	24
6	New Year's Eve Event - Funding Applications.....	86

## PUBLIC EXCLUDED

Nil

## AGENDA ITEMS

### 1. CATO ROAD ACCESSWAY

<b>Type of Report:</b>	Legal
<b>Legal Reference:</b>	Public Works Act 1981
<b>Document ID:</b>	377905
<b>Reporting Officer/s &amp; Unit:</b>	Debra Stewart, Team Leader Parks, Reserves, Sportsgrounds

#### 1.1 Purpose of Report

To gain Council approval for a Licence to Occupy. The proposed Licence to Occupy relates to a piece of land which forms part of the Wharerangi Cemetery and a portion of Council's Paper Road.

The purpose of the Licence is for a road to access a commercial childcare centre that is proposed on an adjoining site. The childcare centre is subject to Resource Consent which is currently being considered by Council's Planning Team.

#### Officer's Recommendation

That Council

- a. Receive the report titled *Cato Road Accessway*.
- b. Consider the information provided, including the issues and options outlined in this report  
and either
- c. Approve the Licence to Occupy for the part of the cemetery and paper road as shown in Attachment A  
or
- d. Decline the request for a Licence to Occupy for the part of the cemetery and paper road as shown in Attachment A.

#### CHAIRPERSON'S RECOMMENDATION

That the Council resolve that the officer's recommendation be adopted.

#### 1.2 Background Summary

A Resource Consent (RM170045) application has been received for a childcare centre at 49 Oak Road (being Lot 5 DP 19237 CT: HBL2/958) as shown below within the red border:



Figure 1 – Area outlined in red is the site to be occupied by the childcare centre

The application is for a childcare centre to be known as “The Den”. The childcare centre is reliant on access being provided partially across the paper road and partially across the adjoining Wharerangi Cemetery land (Refer **Attachment A**) being the land subject to this Licence to Occupy.

The Resource Consent application is currently being assessed by Council’s Planning and Regulatory Team. The application is on hold pending a decision on the Licence to Occupy.

Matters of reverse sensitivity and noise have been considered and will be addressed as part of the resource consent process. The Planning and Regulatory Team have confirmed that the application is being considered on a non-notified basis which means that affected persons and public notification are not required.

Following the lodgement of the Resource Consent with Council, numerous Council officers have in conjunction with the applicant, reviewed the options for providing the access solely within the paper road. There are a number of physical constraints including topography and the presence of overhead power lines which mean that this option is physically difficult and would be hard to achieve without considerable investment.

Councils Traffic and Safety Engineer has reviewed a revised design for the road and access through the Cemetery and Paper Road and has agreed that the design shown in **Attachment A** is appropriate.

### 1.3 Issues

#### *Legal Considerations*

The portion of land subject to the Licence to Occupy forms part of the Wharerangi Cemetery, which was transferred to the Napier Borough Council for the purpose of Cemetery in 1943.

Licences to occupy are not normally reported to Council for approval however this situation is considered unique given that part of the land required for the access is set aside as part of the cemetery.

Legal advice has been obtained which confirms that a Licence to Occupy can legally be issued for the stated purpose should Council consider this appropriate. Council is able to issue a Licence to Occupy for this area under the Public Works Act 1981.

#### *Termination of Licence*

Licences to Occupy are usually issued subject to a one-month termination notice. This means that Council may choose to terminate the Licence to Occupy should the land be required for another purpose giving the occupier one months notice. This also means that the applicant can terminate the Licence to Occupy giving one months notice.

The Licence to Occupy is not transferable and should the Licensees land or business be sold, then the Licence to Occupy would terminate.

The applicant has however requested a 12-month termination clause on the basis this is a more appropriate term given the commercial nature of the activity and would also allow Council more time to plan if the area was required for alternative use. The 12 month termination request can be legally added to the notice and is considered appropriate by Infrastructure Services team.

#### *Roading, Access and Traffic Safety*

The proposed access and road alignment are within the Cemetery and Council's Paper Road. Council's Traffic and Safety Engineer has reviewed the proposal with the applicant and has agreed that design (shown in **Attachment A**) is appropriate; subject to conditions should Resource Consent be granted.

#### *Public Pedestrian Access and Vehicle Access*

In considering the approval of the Licence to Occupy, it is of upmost importance to ensure that public and pedestrian access through the Cemetery to Fryer Road is maintained and in fact enhanced.

The existing pedestrian access is well utilised by the local community. Discussions with the applicant have been undertaken to ensure the final design of the road and access takes into consideration pedestrian and public access. An alternative pedestrian access is shown in **Attachment A**.

Maintenance vehicle access is currently provided along the existing formed pathway and it is unlikely that this will be able to be provided over the proposed pedestrian pathway because the new path will weave through the trees. The applicant has agreed that a gate will be provided at the top end of the new vehicle access suitable for maintenance vehicle entry if required.

## Resource Consent

The Resource Consent is currently on hold pending the decision from Council on the Licence to Occupy.

Resource Consents cannot be issued with conditions that are subject to third party approval and therefore it is necessary to have the Licence to Occupy approved prior to approving and issuing a Resource Consent.

Resource Consents can however be issued subject to conditions and should consent to the application be granted, conditions of consent have been recommended to the Planning Team which cover the following matters:

- requiring the applicant to provide pedestrian access adjacent to the road through the cemetery and linking to the existing access to Freyer Road.
- This is a particularly low lying part of the cemetery and drainage will be a key consideration when forming both the vehicle and pedestrian access.
- There are two large Swamp Cypress trees that are close to the proposed road and will need to be protected from both short term and long-term damage that may occur as a result of the road formation, use and maintenance.

### 1.4 Significance and Consultation

There has been considerable consultation with the applicant and the relevant teams of Council.

There has been no consultation with the wider community on the matter of the Licence to Occupy. A Licence to occupy can be issued for land held for a Public Work pursuant to Section 45 of the Public Works Act without the need for consultation. A Licence to occupy can also be issued for a paper road without consultation.

Consultation, affected parties and notification considerations under the Resource Management Act 1991 are separate to this process. Council's Planning and Regulatory Team have confirmed that the application is being considered on a non-notified basis, which means that consultation, affected persons and public notification are not required.

Should the Council consider that consultation with the wider community (on matters pertaining to the Licence to Occupy for the area of Cemetery) was desirable (albeit not mandatory) this would need to be discussed and agreed to with the applicant. This would result in the applicant's consent being placed on hold until such time as consultation was completed.

### 1.5 Implications

#### Financial

The applicant would be responsible for forming and maintaining the vehicle access. The applicant would be responsible for forming the new pedestrian access but Council would be responsible for the ongoing maintenance. This is consistent with the current situation.

The applicant would be charged an annual fee of \$500.00 for the Licence to Occupy.

#### Social & Policy

N/A



## **Risk**

No consultation has been undertaken with the community in respect of this matter and users of the areas may have concerns around changes to the amenity values as a result of the introduction of the vehicle access to this area.

### **1.6 Development of Options**

#### **Option 1**

The area of cemetery over which the applicant requires a Licence to Occupy is highly unlikely to ever be used for the cemetery purposes. In the event that it is required for cemetery purposes the Licence to Occupy could be terminated giving 12 months notice.

It does however provide an important public access link between Cato Road and Fryer Road and has some passive recreation and amenity values. The applicant has agreed to providing a replacement pathway to ensure that the public access link between Cato Road and Fryer Road is maintained, this would be secured by way of a condition of resource consent.

#### **Option 2**

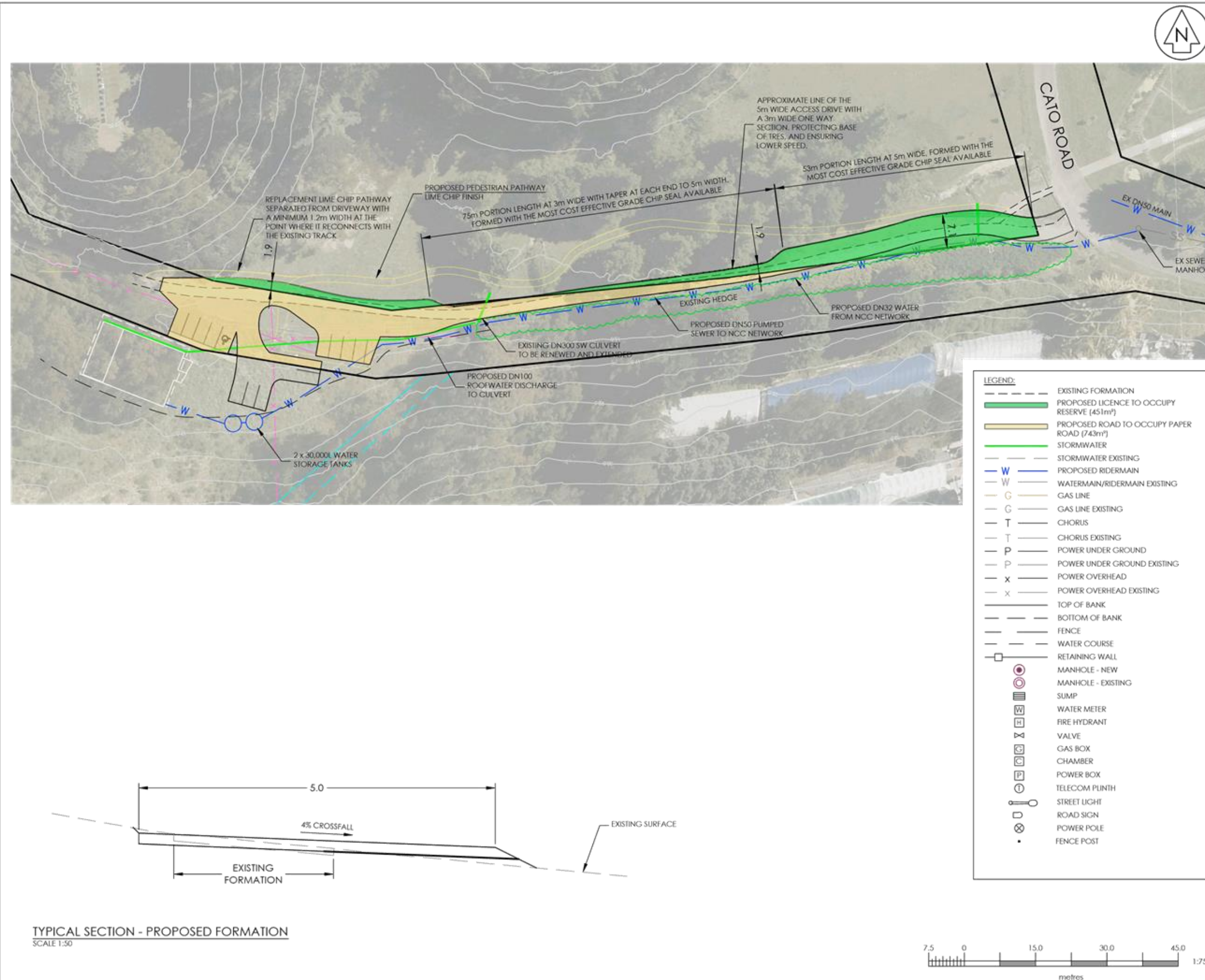
Cemeteries are sensitive sites. There has not been any wider community consultation undertaken on this matter. In addition the access through this area is an important link for the wider community and the users and the realignment of the path and the introduction of the vehicles to this area may be of concern to the users of this area.

### **1.7 Attachments**

- A Plan showing accessway [↓](#)







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Rev	Date	Amendment	By	Chk	App
B	19/07/17	NCC COMMENTS ADDED	JH	JH	CP
A	04/04/17	FOR CONSENT	JH	TWB	TWB

Project Title  
**THE DEN**  
**PROPOSED DAY CARE CENTRE**  
**CATO ROAD, PORAITI, NAPIER**

PROPOSED SERVICING				
Surveyed	JHALLAM	31/03/17	JH	
Designed	JHALLAM	03/04/17	JH	
Drawn	JHALLAM	03/04/17	JH	
Checked	TBRAND	06/04/17	TWB	
Approved	C.DRURY	06/04/17	CD	

Status	<b>RESOURCE CONSENT</b>		
Scale A1	1:750	A3	
Drawing Number	17057-LU001	Rev	B



## 2. COMMUNITY OUTCOME, ACTIVITIES AND ACTIVITY GROUPS

<b>Type of Report:</b>	<i>Legal and Operational</i>
<b>Legal Reference:</b>	<i>Local Government Act 2002</i>
<b>Document ID:</b>	<i>371697</i>
<b>Reporting Officer/s &amp; Unit:</b>	<i>Elaine Cooper, Corporate Planner</i>

### 2.1 Purpose of Report

In preparation for the 2018–2028 Long Term Plan (LTP) a number of Policies, Strategies and building blocks are required to be adopted by Council. This report outlines the first set of building blocks to define Council's overall direction for this LTP: Council's Mission, Vision, Community Outcomes, Activities and Activity Groups through which Council will deliver on its outcomes. The report also identifies the community outcome to which each activity primarily contributes.

These statements provide the strategic direction for the preparation of activity and asset management plans and in the preparation of required policies and strategies.

### Officer's Recommendation

- a. That Council adopt the Mission, Vision, Community Outcomes and Council's Activities and Activity Groups to be used for the preparation of the 2018 – 2028 LTP and supporting plans, policies and strategies.

### MAYOR'S/CHAIRPERSON'S RECOMMENDATION

That the Council resolve that the officer's recommendation be adopted.

### 2.2 Background Summary

Council's Mission defines its purpose and the Vision describes its desired future position. The community outcomes are the outcomes through which Council aims to achieve the Mission and Vision and the activities are the means by which Council delivers on the Community Outcomes.

For disclosure in the LTP, activities are consolidated into Activity Groups. These statements and structures define how Council will meet the current and future needs of the community for good-quality local infrastructure, local public services, and performance of regulatory functions, as required in the LGA.

Council has reviewed the 2012-25 LTP Mission, Vision, Community Outcomes and Activities in a series of working seminars to ensure these encompass the desired strategic direction for the 2018-28 LTP.

The Mission Statement remains unchanged from the 2015-2025 LTP. The Vision, Community Outcomes and Council's Activities and Activity Groups have been amended to reflect Council's desired direction of Sustainability, Excellence and Vibrancy. The activities are aligned to the Council's structure for service delivery.

It is important that the outcomes and activity structure are confirmed for Council management to continue with the next steps of preparation for the LTP. Asset and Activity Management Plans are being prepared based on this structure and these plans will determine the detailed requirements for service delivery included in the LTP.

**2.3 Issues**

No issues

**2.4 Significance and Consultation**

Not applicable

**2.5 Implications**

**Financial**

Not applicable

**Social & Policy**

Not applicable

**Risk**

Not applicable

**2.6 Attachments**

A Council Community Outcomes and Activities [↓](#)





# Council Community Outcomes and Activities

For the 2018-28 LTP



**NAPIER**  
CITY COUNCIL  
*Te Kaunihera o Ahuriri*

## Contents

1.	MISSION .....	3
2.	VISION .....	3
3.	COUNCIL OUTCOMES .....	3
4.	COUNCIL OUTCOMES AND GOALS .....	4
5.	ACTIVITY GROUPS AND PRIMARY CONTRIBUTION TO COMMUNITY OUTCOMES.....	5

## 1. Mission

*To provide the facilities and services and the environment, leadership, encouragement and economic opportunity to make Napier the best city in New Zealand in which to live, work, raise a family, and enjoy a safe and satisfying life.*

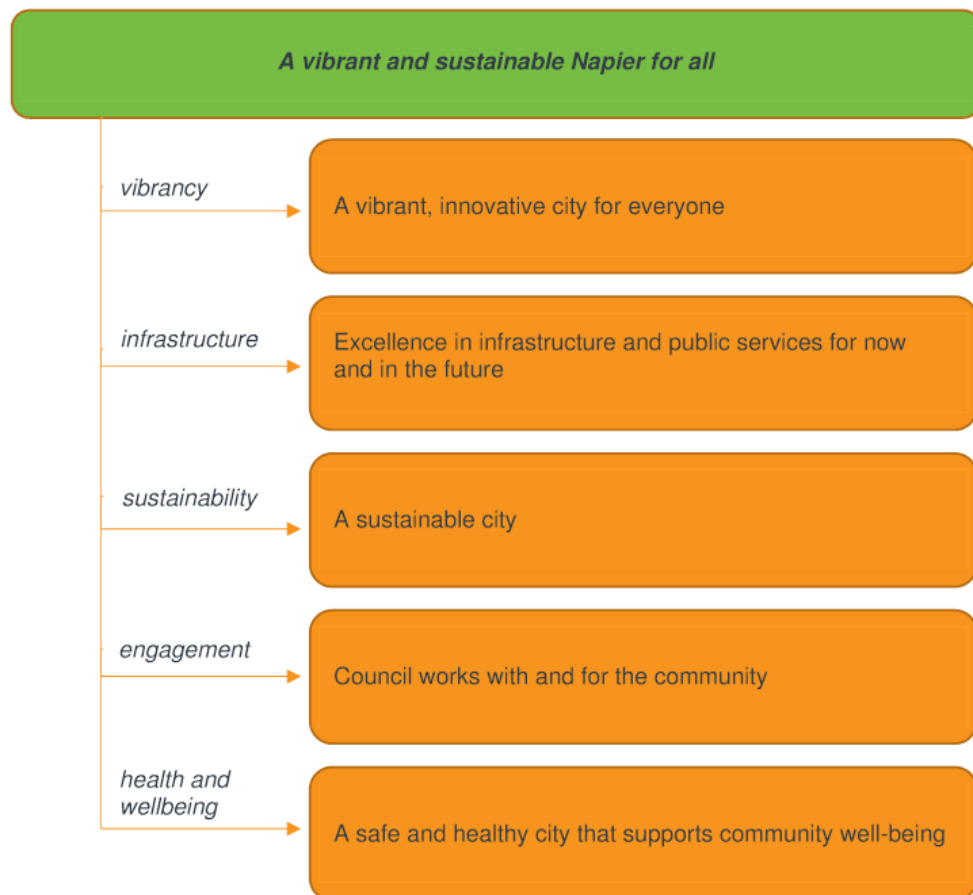
## 2. Vision

*A vibrant and sustainable Napier for all.*

## 3. Council Outcomes

Council's mission and vision are supported by the Community Outcomes, which provide a long term perspective on the development of Napier City and provide Napier City Council with a framework for contributing to the community aspirations through Council activities.

The five outcomes are depicted below and the following pages detail the goals and strategies contributing to these outcomes.





## 4. Council Outcomes and Goals

Outcome	Goal
1. A vibrant innovative city for everyone	1.1. Napier is a vibrant city through excellent strategy and planning
	1.2. Social cohesion is achieved for all ages and ethnicities
	1.3. Innovative services are provided using technology whilst protecting the environment
	1.4. Technology connects Napier to the rest of New Zealand and the world
	1.5. Napier is an appealing tourist destination
	1.6. Business-friendly economic development is encouraged
2. Excellence in infrastructure and public services for now and in the future	2.1. Facilities and infrastructure will support community and visitor needs, focussing on excellent service and accessibility
	2.2. Napier's transportation system is safe and affordable
	2.3. All transport choices are catered for: cars, cycles, pedestrians and disabled users
3. A sustainable city	3.1. Our natural resources are renew and enhanced. We act as steward for our environment for future generations
	3.2. Napier values its character and history
	3.3. Napier is an affordable city to live in
4. Council works with and for the community	4.1. Council guides the city with effective leadership
	4.2. Council encourages community consultation and collaboration to assist in shaping the future direction of the city
5. A safe and healthy city that supports community well-being	5.1. Services and facilities support social and recreation opportunities
	5.2. Community safety is supported and improved
	5.3. Social services are supported

## 5. Activity Groups and Primary Contribution to Community Outcomes

The LGA requires the disclosure of the community outcome to which each activity *primarily* contributes. The following table defines these links.

Note: Most activities contribute to additional outcomes in a secondary manner.

Activity Groups and Activities	Vibrancy and Innovation	Infrastructure	Sustainability	Engagement	Health and Wellbeing
<b>Democracy and Governance</b>					
Democracy and Governance				●	
<b>Transportation</b>					
Transportation		●			
<b>Stormwater</b>					
Stormwater		●			
<b>Sewerage</b>					
Sewerage		●			
<b>Water Supply</b>					
Water Supply		●			
<b>Other Infrastructure</b>					
Waste Minimisation			●		
Reserves and Sportsgrounds					●
Cemeteries			●		
Public Toilets		●			
<b>City Strategy</b>					
City Development	●				
Regulatory Activities					●
Parking		●			
<b>Community and Visitor Experiences</b>					
Community Strategies					●
Sport and Recreation Activities					●
Housing		●			
Cultural Activities			●		
Tourism Activities	●				
<b>Property Assets</b>					
Property Assets		●			

### 3. CIVIC AND LIBRARY BUILDING

<b>Type of Report:</b>	<i>Legal and Operational</i>
<b>Legal Reference:</b>	<i>Building Act 2004</i>
<b>Document ID:</b>	<i>378350</i>
<b>Reporting Officer/s &amp; Unit:</b>	<i>Adele Henderson, Director Corporate Services</i>

#### 3.1 Purpose of Report

To formally receive the Detailed Seismic Assessment (DSA) undertaken on the Civic and Library buildings and to approve the decanting of staff into alternative locations until such time a fit for purpose Council building is available.

#### Officer's Recommendation

That Council:

- a. Receive the Detailed Seismic Assessment report undertaken by Strata Group.
- b. Approve the relocation of staff to alternative locations within Napier that meet the due diligence requirements.
- c. Approve the capitalisation of improvement and lease costs associated with alternative premises to be funded from the building upgrade budget.
- d. Seek any variance in funding through the Long Term Plan 2018-28.
- e. Note that Council will undertake a Special Consultative Procedure on the proposed options for the Civic Building and potential Commercial development opportunities approximately October 2017. A separate consultation on Library options will be undertaken once the Library Strategy has been completed.

#### MAYOR'S/CHAIRPERSON'S RECOMMENDATION

That the Council resolve that the officer's recommendation be adopted.

#### 3.2 Background Summary

As part of the Long Term Plan 2015-25, Council signalled that the Civic Building in Hastings Street required an upgrade and that seismic work was required to strengthen the Council Chambers (based on the report that was completed 2011)

As part of the due diligence process for the proposed upgrade, a Detailed Seismic Assessment was commissioned. The Christchurch and Kaikoura earthquake has resulted in significant changes in building requirements and standards which resulted in changes to methodology to assess buildings.

Strata Group Consulting Engineers Limited (SGL) was engaged by Napier City Council to undertake a Detailed Seismic Assessment of both buildings. Following this assessment the building seismic ratings were identified as follows:

- a. Library Building, with Importance level 3 was identified at 15% New Building Standard (based on 1 in 1000 year event)

- b. Civic Building, with Importance level 3 was identified at 10% New Building Standard (based on 1 in 1000 year event)

Under current legislation, building owners have seven years to consider the findings and then years to improve and strengthen the building. However as a territorial authority it is recommended that we take a leadership position on this which we hope will give our staff and our community a sense of comfort. We want our public to be able to continue to access democracy in a building that is safe for them to visit and for our staff to feel confident and secure while at work.

Until strengthening work is undertaken and given the seismic rating of the buildings, it is recommended that staff be decanted to alternative accommodation within Napier.

There are three sites being considered to decant Councils administration staff to. A site for a temporary Library Service centre (a substantially reduced service offering than the current library) is also being considered and due diligence work on the proposed site is currently being carried out. The Library will remain open while this due diligence work is being undertaken, however, Council may need to consider whether a timeframe is made for the closure of the library in the short term until suitable alternative arrangements are made.

Cost estimates are currently being compiled on strengthening and upgrades of both buildings and will be presented to council in the near future.

It is proposed that Consultation will be undertaken through a Special Consultative Procedure (approximately October 2017). The preferred option will be approved via the consultation for the Long Term Plan.

Council staff who are uncomfortable working from the current premises have been provided with alternative Council owned sites until the temporary office accommodation is established.

### 3.3 Issues

#### 1. Civic Administration Site

Cost estimates prior to the receipt of the seismic information indicated that it would not be cost effective to upgrade the building. Quantity surveyor costs are currently being prepared to ascertain the full cost of the building including seismic works however, it is unlikely to be cost effective to upgrade and remedy.

Opportunities exist for alternative commercial development options for the site. A Business case on the Civic Building is currently being developed and will require a Special Consultative procedure for the options available.

#### 2. Staff

The proposed scenario of housing staff in three locations is not ideal. The proposed fitouts of the sites will provide for collaborative areas so that staff can move between the buildings and continue to work across the business. Reducing the current footprint of staff from two buildings is likely to require new desks so that they can be accommodated in smaller work spaces. These costs were not planned as part of the upgrade project.

#### 3. Library Building and services

The seismic report will mean that Napier main library will close and a temporary premise will be required until an alternative site is developed. Council officers are currently undertaking due diligence on temporary locations. A Library strategy underway to determine the future needs and requirements for a library. A business

case will be developed including site options. A special consultative procedure will be undertaken with the public to determine a preferred option.

4. Council committee meetings

Council committee meetings will be held within the community including Napier Conference Centre, School Halls, and the Taradale Town Hall until such time a Council facility is available. Although this is not ideal, it will provide an opportunity for meetings to be within the community and to provide democracy differently in the short term.

Item 3

### 3.4 Significance and Consultation

A Special Consultative procedure will be undertaken October 2017 on the Civic building and commercial opportunities options. Consultation on the Library options will be undertaken on completion of the Library Strategy .

### 3.5 Implications

#### Financial

Costs associated with the lease and fitout will be capitalised to the project. Once a full understanding of the seismic upgrade related costs and upgrade costs are known, any funding variance will be included in the Long Term Plan 2018-28

#### Social & Policy

N/A

#### Risk

That the current provision for funding allocated in the 2015-25 will be insufficient to meet the needs of the upgrade

### 3.6 Options

The options available to Council are as follows:

1. Close offices and library effective immediately – not a viable option as it would significantly impact upon service delivery, difficult in terms of IT needs and meeting customer service requirements
2. Negotiate leases for alternative locations that meet the following requirements and move staff as soon as practicable once fitouts, and building consent requirements are met:
  - i. Seismic Performance
  - ii. Fire Safety
  - iii. Toxins
  - iv. Accessibility

### 3.7 Development of Preferred Option

*Option 2. Move staff as soon as practicable once leases, fitout and regulatory requirements are met. Legislation only requires the completion of seismic strengthening works to be undertaken within ten years. The proposed timeline is a low risk approach for*

*a Territorial Authority. Any staff who are uncomfortable with working in the earthquake prone buildings have been provided with alternative Council sites from which to work from.*

**3.8 Attachments**

Nil

## 4. REMUNERATION OF ELECTED MEMBERS

<b>Type of Report:</b>	Operational and Procedural
<b>Legal Reference:</b>	Local Government Act 2002
<b>Document ID:</b>	378660
<b>Reporting Officer/s &amp; Unit:</b>	Adele Henderson, Director Corporate Services

### 4.1 Purpose of Report

To advise Council of the proposed remuneration levels to apply for the 2017/2018 year, as received from the Remuneration Authority, and to seek Council approval of these.

### Officer's Recommendation

- a. That the remuneration levels proposed by the Remuneration Authority for the 2017/18 year be adopted.
- b. That confirmation be sent to the Remuneration Authority that the adopted remuneration levels will be implemented from 1 July 2017.

### CHAIRPERSON'S RECOMMENDATION

That the Council resolve that the officer's recommendation be adopted.

### 4.2 Background Summary

The Remuneration Authority has set base remuneration (Local Government Act 2002, clause 7 of Schedule 7) for Councillor and community board remuneration, and provided for a remuneration increase of 1.7% which reflects the increase in the Labour Market Statistics across the board for the public sector in the year ending March 2017. All councils have had their confirmed structures and allocation of additional duties gazetted by the Authority and it is the intention of the Authority to automatically gazette and approve increases to without any requirement for submissions or information by councils.

The proposed annual remuneration levels for the period 1 July 2017 to 30 June 2018 year advised by the Authority are:

	Current	2017/18
Mayor	\$123,872 pa	\$125,978 pa
Deputy Mayor	\$47,300 pa	\$48,104 pa
Committee Chair	\$45,101 pa	\$45,868 pa
Deputy Committee Chair	\$42,000 pa	\$42,714 pa
Councillor	\$39,270 pa	\$39,938 pa

### 4.3 Significance and Consultation

Not applicable.

### 4.4 Implications

#### Financial

Not applicable.



**Social & Policy**

Not applicable.

**Risk**

Not applicable.

**4.5 Attachments**

Nil

## 5. ELECTORAL SYSTEMS FOR ELECTIONS

<b>Type of Report:</b>	<i>Legal</i>
<b>Legal Reference:</b>	<i>Local Electoral Act 1991</i>
<b>Document ID:</b>	<i>377703</i>
<b>Reporting Officer/s &amp; Unit:</b>	<i>Jane McLoughlin, Team Leader Governance</i>

### 5.1 Purpose of Report

To outline the process for making any changes to the electoral system to be used for the 2019 elections.

### Officer's Recommendation

That Council

- a. Receive the report titled Electoral Systems for Elections.
- b. Note that if Council wishes to make a decision to change the electoral system to STV for the 2019 elections, a decision will need to be made by 12 September 2017.
- c. Note that staff will undertake an education campaign and consultation process and report back to Council on the community's views to inform Council's decision-making. A report back will be provided at the Strategy and Infrastructure Committee meeting on 30 August for Council to make a decision on the electoral system.

### MAYOR'S/CHAIRPERSON'S RECOMMENDATION

That the Council resolve that the officer's recommendation be adopted.

### 5.2 Background Summary

In accordance with the Local Electoral Act 1991, Council has an opportunity to change the electoral system to be used in the 2019 election. An electoral system is the system used for voting at a local authority election.

A decision on which electoral systems to use is a precursor to a wider Representation Review that is required to be carried out by Napier City Council ahead of the 2019 local election.

There are two kinds of electoral systems available: First Past the Post (FPP) and Single Transferable Vote (STV) – Note: It is mandatory for elections for District Health Boards to use STV.

To start building interest and involvement in the wider Representation Review process, Napier City Council intends to undertake a joint media "education and feedback" campaign on the electoral system in conjunction with Hawke's Bay Regional Council.

We are undertaking the education and feedback campaign for the following reasons:

- The decision of which electoral system is to be used is a decision which affects the whole community
- It is important that Council take all opportunities to consult with the community

- Council has not consulted on this decision since 2003 via a poll.

### *What is FPP and STV*

FPP has traditionally been the only option for local authorities. In 2004, STV was introduced as an option as well. In 2003, Napier City Council held a poll on the electoral system and the result of the poll was to retain FPP. Since then, Council has resolved to continue with FPP each election. In the 2016 elections, eight councils used STV, the rest remained with FPP.

The First Past the Post electoral system will be used in the 2019 election unless a decision is made to change it to STV. This decision will hold for two general elections 2019 and 2022, including any bi-elections. There are three main ways the electoral system for the 2019 elections can be changed:

- 1) Council may resolve to change the electoral system to take effect for the next two elections (no later than 12 September 2017). Council must then issue a public notice by 19 September 2017 of the right for electors to demand an electoral system poll.
- 2) 5% of electors may demand a poll on a proposal that a specified electoral system be used at the election of a local authority before 21 February 2018. Any poll must be held no later than 21 May 2018.
- 3) Council may resolve to hold an electoral system poll – no later than 21 February 2018.

If Council retains FPP for the 2019 election the next opportunity to change the electoral system is prior to the 2022 election.

FPP and STV have different ways of casting a vote: counting votes, and announcing results. No electoral system is perfect, both FPP and STV have advantages and disadvantages. Outlined below are some of the key differences between the two systems and some of the main advantages and disadvantages as referenced by academics (Janine Hayward, Senior Lecturer, Department of Politics, University of Otago. For more detailed information refer to Attachments A and B on Choosing Electoral Systems in Local Government in New Zealand, and The Local Government Electoral Option.

### ***How do the two electoral systems work?***

	<i>FPP</i>	<i>STV</i>
Casting a vote	<p>You place ticks equal to the number of vacancies next to the candidate(s) you wish to vote for.</p> <p>In multi-member wards/constituencies you cast one vote for each vacancy to be filled, as above.</p> <p>In single-member wards/constituencies you cast one vote.</p>	<p>You cast one single vote regardless of the number of vacancies.</p> <p>You cast this single vote by consecutively 'ranking' your preferred candidates beginning with your most preference candidate ('1') your next preferred candidates ('2') and so on.</p> <p>In multi-member wards/constituencies you cast a single vote by ranking as few or as many candidate as you wish, as above.</p> <p>In single-member wards/constituencies you cast a single vote by ranking as few or as many candidates as you wish.</p>
Counting votes	The candidate (s) with the most votes win(s). Each winning candidates is unlikely to have a majority of votes,	The candidate(s) are elected by reaching the 'quota' (the number of votes required to be elected. (The quote is calculated using the total number of valid votes cast and the number of vacancies).

	just the largest number of votes cast.	<p>Vote counting is carried out by computer.</p> <p>First preference votes ('1s) are counted. Candidates who reach the quote are elected. The surplus votes for elected candidates are transferred according to voters' second preferences. Candidates who reach the quote by including second preferences are elected. This process repeats until the required number of candidates is elected.</p> <p>In multi-member constituencies, despite voters casting only a single vote, a voter may influence the election of more than one representative (if their vote can be transferred to other candidates according to voters' preferences).</p>
Announcing results	<p>FPP results can usually be announced soon after voting ends.</p> <p>Results are announced and published showing the total votes received by each candidate.</p>	<p>Because vote counting is multi-part, it is likely to take longer than for FPP election results.</p> <p>Results are announced and published showing elected candidates in the order they reached the quota and unsuccessful candidates in the reverse order they were excluded. All elected candidates will have the same share of the vote.</p>

**What are the advantages and disadvantages of each system?**

	<i>Advantages</i>	<i>Disadvantages</i>
FPP	Simplicity of process in ways votes are cast, counted and announced.	<ul style="list-style-type: none"> <li>- The results of the election, including the generally 'less representative' nature of FPP councils.</li> <li>- The obstacles to minority candidate election.</li> <li>- The number of wasted votes.</li> <li>- A 'block' of like-minded voters can determine the election of multiple candidates in multi-member wards/constituencies, without having a majority of the votes, thereby 'over-representing' themselves.</li> <li>- 'Tactical' voting is possible; votes can be used with a view to preventing a candidate from winning in certain circumstances.</li> </ul>
STV	<ul style="list-style-type: none"> <li>- STV may achieve broader proportionality (in multi-member wards/constituencies)</li> <li>- Majority outcomes in single-member elections</li> <li>- More equitable minority representation</li> <li>- A reduction in the number of wasted votes.</li> <li>- It is virtually impossible to cast a 'tactical' vote under STV. As a result, voters are encouraged to express their true preferences.</li> </ul>	<ul style="list-style-type: none"> <li>- Public less familiar with the system and possibly finding it hard to understand</li> <li>- Matters of process such as the way votes are cast and counted (for example perceived complexity may discourage some voters, and some voters might not fill out their forms correctly)</li> <li>- The information conveyed in election results.</li> </ul>

### 5.3 Issues

SOLGM, *Electoral Systems, Code of Good Practice, Electoral Systems* paper highlights that STV is of most benefit when applied to a constituency of a minimum of 3-9 positions and the Local Government Commission *Guidelines for local authorities undertaking representation reviews* highlights that between 5-7 positions is where you see the most benefits with a minimum of 3 positions.

Napier's current representation arrangements are six members elected at large and six members elected in wards. It is likely that the benefits of STV would be seen for the voting of 'at large' members, but less so for the wards given traditionally there have been limited number of candidates for wards (sometimes only one) and there is only a maximum of 1 or 2 candidates elected per ward.

The Representation Review which occurs in 2018 may have an unknown impact on any perceived benefits of changing the electoral system. For example, if Napier City moved from a mixed system of "at large" and "wards", to a ward system, the number of positions available in the wards would increase to some degree, but it is unknown how many positions would be available in each ward and how many candidates there would be.

Conversely, a move to STV may encourage more candidates to apply as the STV system is reported as enabling more minority representation as the votes get distributed.

### 5.4 Significance and Consultation

As it is felt that the advantages and disadvantages of FPP and STV are not widely known, Communications and Marketing will deliver a small education campaign. There has been some discussion with other councils in the region whether this could be a joint campaign, and Hawke's Bay Regional Council have agreed to undertake a joint campaign.

Specifically, the following consultation will be undertaken:

- Media release announcing that we are getting ready to take a paper to our Councils and we need the public to have their say.
- A Talk To Us page on the Napier City Council website educating community on the two possible systems and what they mean – the public will be able to nominate which they choose.
- 2 x half or quarter page ads in Napier Mail – 9 August/16 August.
- Various social media (Facebook) engagement across the two weeks.

Feedback from these channels will be collated and provided to Councillors to make a decision.

### 5.5 Implications

#### Financial

A change to STV would incur a slightly higher election cost (approximately \$5,000) to Council due to the complexity of vote counting.

There is currently no budget allocation for a poll. A poll is likely to cost up to \$100,000. A cost effective way to hold a poll is to include a question during the vote for 2019 election.

#### Social & Policy

N/A

**Risk**

N/A

**5.6 Attachments**

- A Choosing Electoral Systems in Local Government in New Zealand [↓](#)
- B The Local Government Electoral Option 2018 [↓](#)



# **Choosing Electoral Systems in Local Government in New Zealand**

## **A Resource Document**

Produced by the STV Taskforce  
May 2002



## Acknowledgements

This document was prepared at the instigation of the STV Taskforce, convened by the Department of Internal Affairs.

The Taskforce members involved in the preparation of the document were:

- the New Zealand Society of Local Government Managers (SOLGM)
- *Local Government New Zealand (LGNZ)*
- the Department of Internal Affairs (DIA)
- the Ministry of Health (MoH)
- the Electoral Commission

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## Contents

Introduction .....	3
In a nutshell .....	4
1.0 Choosing between electoral systems .....	6
1.1 Electoral systems .....	6
1.2 How electoral systems can be changed .....	6
1.3 Polls .....	9
1.4 Effect of decision .....	10
1.5 Electoral systems for other polls .....	11
2.0 The Single Transferable Vote electoral system (STV) .....	12
2.1 Introduction .....	12
2.2 How STV works .....	12
2.3 General outline of how votes are counted in STV elections .....	14
2.4 The “Meek Method” of counting votes .....	15
2.5 New Zealand STV .....	16
2.6 Other issues relating to STV .....	16
3.0 A comparison between FPP and STV .....	20
4.0 The influence of District Health Boards .....	27
4.1 District Health Boards and STV elections .....	27
4.2 Responsibilities of territorial authorities for DHB elections .....	27
4.3 Payment for DHB elections .....	28
4.4 Numbers and geography .....	28
4.5 The impact of DHB STV elections on councils .....	29
5.0 Indicative costs .....	31
5.1 Introduction .....	31
5.2 Influences on costs .....	31
5.3 Assumptions .....	32
5.4 Mutual cost benefit .....	32
5.5 Indicative costs .....	33
6.0 The STV ‘calculator’ .....	35
6.1 Introduction .....	35
6.2 How it works .....	35
Glossary of terms .....	40
Appendix .....	42

## Introduction

This resource document is designed to help local government elected members and officials as they consider whether or not to change from a First Past the Post (FPP) electoral system to a Single Transferable Vote (STV) electoral system for the 2004 local elections. It may also be useful to members of the public.

Councils may decide that an STV electoral system would be beneficial to their district or region. Others may decide that FPP is the preferable system. Some councils may choose to watch others try out STV first before deciding whether or not to adopt it. Communities also have a role to play through the consultative processes and through polls initiated by electors or by the council itself.

Whatever councils decide, all territorial authorities will be involved with STV in 2004, as they run the elections for the District Health Boards (DHBs) which must use STV.

The document has been prepared with contributions from a number of expert authors and reviewers. It is not intended to be a textbook and does not attempt to explain the innermost workings of the STV 'calculator', nor to test the mathematical aptitude of readers with detailed tables.

The document does not present an argument for or against STV, nor is it a 'how to' document. It simply sets out the facts, and tries to describe processes in objective and relatively straightforward terms. It addresses:

- why a change must be considered
- what STV is
- how STV compares with FPP
- the impact of DHB elections
- the possible cost implications for councils, and
- how the STV 'calculator' does its job.

We intend to update this document from time to time, as new information comes to hand, and as comments are received from readers. Updated versions will be available on the Internet from [www.dia.govt.nz](http://www.dia.govt.nz) under Local Government Services.

We hope that this resource document will be helpful.

The STV Taskforce  
May 2002

## **In a nutshell**

This document contains some facts that anybody considering local government electoral systems in New Zealand should know. It also identifies a number of important issues for consideration. These facts and issues are summarised very briefly here.

### **The essence of STV**

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.

### **The mechanics of counting**

Vote counting under STV will be carried out using computers after all votes have been received. To do this, councils will have their own software which will relate to an STV 'calculator' provided by the Department of Internal Affairs.

### **Council considerations**

To reach their decisions on what electoral system to use, councils will need to consider:

- the electoral principles of:
  - fair and effective representation,
  - equal opportunities for participation, and
  - public understanding of, and confidence in electoral processes
- the representation review process (review of membership and basis of election)
- encouraging electors to vote
- the timeliness of final election results
- the impact of DHBs using the STV electoral system

- the costs associated with the different electoral system options.

When making their decisions, councils will also need to consider:

- the importance of community participation
- the need for community information and education on electoral systems
- the promotion of local government elections
- the costs of polls.

### Timing

Key last dates for councils to note in relation to the 2004 elections are:

By 12 September 2002	Council decision whether to change electoral system
By 19 September 2002	Public notice of right for community to demand a poll on electoral system
By 18 December 2002	Community may demand a poll on electoral system
By 28 February 2003	Council decision to hold a poll on electoral system
By 8 September 2003	Public notice of council's proposed representation arrangements

## **1.0 Choosing between electoral systems**

### **1.1 Electoral systems**

The *Local Electoral Act 2001* prescribes a choice of two electoral systems that may be used in council elections from 2004 onwards:

- First Past the Post (FPP), and
- Single Transferable Vote (STV).

The *Local Electoral Act 2001* defines STV as 'STV using Meek's method of counting'. Schedule 1 of the Act, however, includes a number of modifications to Meek's method. Further necessary modifications have been identified in the development of the STV 'calculator' to reflect the New Zealand local elections environment. It is anticipated that these further modifications will be reflected in the new STV regulations and, as a result, it is considered appropriate to refer to the New Zealand STV (NZSTV) electoral system in this document.

### **1.2 How electoral systems can be changed**

The *Local Electoral Act 2001* sets out a procedure by which the electoral system used for council elections may be changed.

In practice, any decision to change electoral systems prior to the 2004 local elections, means a change from FPP to NZSTV.

There are 3 alternative methods for changing electoral systems:

- by a resolution of a council
- as a result of a poll demanded by electors
- as a result of a poll held on the initiative of the council.

A change in the electoral system will have effect for at least the next 2 successive triennial general elections subject to the enactment of the Local Government Bill presently before Parliament.

The statutory decision-making procedure is briefly as follows:

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**Resolution of a council**

Procedure	Statutory provision	Deadline
Council may resolve to change electoral system	s. 27 Local Electoral Act 2001	Not later than 12 September in the year that is 2 years before the next triennial general election

---

**Poll demanded by electors**

Procedure	Statutory provision	Deadline
Council must give public notice of right to demand poll	s. 28 Local Electoral Act 2001	Not later than 19 September in the year that is 2 years before the next triennial general election
Elector demand for poll	s. 29 Local Electoral Act 2001	Before the date of the public notice given under s. 28, or no later than 90 days after the date of that public notice

**Poll initiated by council**

Procedure	Statutory provision	Deadline
Council may resolve to hold poll	s. 31 Local Electoral Act 2001	Not later than 28 February in the year immediately before the next triennial general election
Poll of electors (either as a result of a demand or council initiative)	s. 33 Local Electoral Act 2001	Not later than 82 days after the date on which notice under s. 33(1) is received or the last notice under s. 33(2) is received

**Council resolution**

A council **may** resolve to change its electoral system not later than 12 September in the year that is 2 years before the next triennial general election (s. 27 LEA). Therefore, a resolution to change the electoral system to be used for the 2004 local elections, would need to be made by 12 September 2002.

The *Local Electoral Act 2001* does not specify what, if any, form of consultation is required prior to such a decision being made. However, good practice would suggest that the community should be consulted over an issue as significant as this. This is particularly so as there will not always be a poll held following a council resolution.

A council is **not required** by law to make a decision on its electoral system for the next triennial general election by 12 September – the current system will continue to apply unless changed either by council resolution or as a result of a poll of electors. It is however important that elected members are briefed on the statutory provisions and have the opportunity to consider the issue.

**Poll demanded by electors**

A council is required to give public notice no later than 19 September in the year that is 2 years before the year in which the next triennial general election is to be held:

- of any resolution made by it under section 27, and
- of the right of electors to demand a poll on the electoral system to be used at the next 2 triennial general elections of that council.



To be successful, a demand for a poll must be signed by at least 5% of the electors enrolled to vote at the previous triennial general election of the council (s. 29(3) LEA). There are also some technical requirements that need to be met for a demand to be valid. These are set out in s. 30.

Demands for polls may be lodged either:

- before the date of public notice, or
- not later than 90 days after the date of public notice.

The first of these requirements means that in relation to the following triennial general election, a poll could be requested at any time before 18 December in the year that is 2 years before the next triennial general election.

The second requirement means a poll could be requested between 18 September and 18 December in the year that is 2 years before the next triennial general election.

Good practice would suggest that only one poll is held in any triennium, and that this be in the period March to May in the year before the next triennial general election. This would avoid, for example, the risk of the poll coinciding with Parliamentary elections.

A demand for a poll would arise in the following circumstances:

- where the council has not resolved to change the electoral system, the demand would propose a change in the electoral system, or
- where the council has resolved to change the electoral system the demand would propose that the existing system be retained.

#### ***Poll initiated by council***

A council may resolve that a poll be held on a proposal that a specified electoral system be used for its next 2 triennial general elections (s. 31 LEA). A resolution to hold a poll must be made not later than 28 February in the year immediately before the year in which the next triennial general election is to be held. In relation to the 2004 elections, this means 28 February 2003.

A council may resolve to hold a poll whether or not:

- the deadline for a demand from electors for a poll has expired, or
- a valid demand for a poll from electors has been received.

### **1.3 Polls**

Where electors have successfully demanded a poll or the council has decided to conduct a poll, the electoral officer must give public notice of the poll and arrange for the poll to be held in the normal manner prescribed by the *Local Electoral Act 2001* for polls.

The poll must be held not later than 82 days after the date on which the electoral officer is advised by the principal administrative officer of a valid demand for a poll or of a resolution of the council to hold a poll. The principal administrative officer is required to give the electoral officer this advice as soon as practicable. In practice this means that a poll would have to be held at the latest in the second half of May in the year immediately before the year in which the triennial general election is held.

If the electoral officer receives more than one valid demand for a poll, or, one or more valid demands for a poll and advice of a decision of the council to hold a poll, the polls required to be held must be combined and only one poll is to be conducted. The result of a poll is **binding**.

#### 1.4 Effect of decision

A decision on the electoral system made solely by way of a resolution of a council at present continues in effect until either:

- a further resolution takes effect, or
- a poll of electors is held.

*Note: The Local Government Bill currently before Parliament proposes that any such decision apply for at least the next two triennial general elections.*

A decision on the electoral system made by a poll continues in effect:

- for the next two triennial general elections, and
- for all subsequent triennial general elections until the council makes a resolution under section 27 to change the electoral system or a further poll is held, whichever occurs first.

This applies whether or not the poll has resulted in a change in the existing electoral system.

A decision on the electoral system relating to a territorial authority also applies to the elections of any community boards in the district of that territorial authority.

Territorial authorities, regional councils and other local authorities to which the *Local Electoral Act 2001* applies, make their own decisions about the electoral system to apply to their elections. The exceptions to this rule are:

- District Health Boards (DHBs), which are required to be elected by STV
- any local authority required by another Act to be elected by a particular electoral system (s. 32(b) LEA).

### 1.5 Electoral systems for other polls

Section 35 of the *Local Electoral Act 2001* provides that a council may adopt a particular electoral system for the purposes of a particular poll or for the purpose of two or more polls being held at the same time.

If a council has not made a resolution about the electoral system to be used for a poll, the system to be used is the FPP electoral system.

Sections 27 to 35 of the *Local Electoral Act 2001* are attached as an **Appendix**.

## 2.0 The Single Transferable Vote electoral system (STV)

### 2.1 Introduction

The Single Transferable Vote electoral system (STV) 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'. Details of modifications additional to those included in the *Local Electoral Act 2001*, are set out in Section 2.5. NZSTV also applies to mayoral and single-member wards and constituencies as a 'reduced' form of STV or 'majority-preferential' vote.

### 2.2 How STV works

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

In an STV election each voter has only one vote, hence the name Single Transferable Vote, but is able to rank some or all candidates in preferred order. This enables each voter's single vote to be transferred from their most preferred candidate to their second preference, and so on, if their preferred candidate has either more votes than required to be elected, or so few as to have no chance of being elected.

Successful candidates are those who win enough support to reach the quota. This 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. The following table provides examples.

12

	1 vacancy	2 vacancies	4 vacancies
$Q = \frac{\text{total valid votes (100)}}{\text{no. of vacancies} + 1} + 1^*$	$Q = \frac{100}{1+1} + 1^*$ = 51	$Q = \frac{100}{2+1} + 1^*$ = 34	$Q = \frac{100}{4+1} + 1^*$ = 21

\* this figure is either a whole number or a fraction

Votes can be made more effective by being transferred to other candidates in accordance with voters' wishes as expressed on the voting document. In effect, voters are saying, *'The candidate I most wish to see represent me on the council is Joe Bloggs. If Joe wins so many votes that he doesn't need my vote to be elected, then my vote is to be transferred to Bill Smith to help him get sufficient votes to be elected. But if Joe has so few votes that he can't possibly be elected, my vote is to be transferred to Bill'*.

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.

Under STV, elections for mayoralties and single-member wards and constituencies will provide an absolute majority (50% + 1 of all valid votes cast) for the winning candidate. Since there are usually a number of candidates contesting these elections, it is likely that voters' second and even third preferences will have to be allocated before the winning candidate attains the quota. Although there is only one vacancy to be filled, voters will cast their votes in exactly the same way as for multi-member ward or constituency elections.

As a broadly proportional electoral system, the political composition around the council table under STV should reflect the range of opinions within the community that elects the council. An odd number of representatives in each ward or constituency is likely to achieve a more proportional outcome in districts or regions where political groupings predominate by preventing each party gaining an equal number of positions.

### 2.3 General outline of how votes are counted in STV elections

Once all votes are cast and voting has closed, counting can commence. Usually, several counting stages are needed to determine which candidates are elected. The count proceeds as follows:

- the quota is determined
- each voter's first preference is allocated to his or her most preferred candidate
- any candidate who achieves the quota is declared elected, and any surplus votes for that candidate, that is votes in excess of the quota required for the candidate to be elected, are transferred to other candidates in accordance with those voters' second preferences
- after the transfer of these surpluses, any candidate who has attained the quota is declared elected and any further surpluses arising from the transfer of votes are transferred on to the candidates who are the voter's next preferences
- once all or any surpluses have been dealt with, or if there are no surpluses to transfer, the candidate with the lowest number of votes is excluded and next preferences listed on the voting documents which gave preference to the excluded candidate are transferred to the remaining candidates. If two or more candidates are tied for last place the candidate who had the smallest number of votes credited after the first count is excluded
- at the conclusion of this redistribution of preferences any candidate who has reached the quota of votes required for election is declared elected and any surpluses are redistributed 'pro rata' across those candidates who remain.

These procedures are repeated in turn until all vacancies have been filled. This may take several cycles depending on the number of candidates contesting the election and the number of vacancies to be filled.

The earliest STV elections used a fairly crude method of determining the transfer of surplus votes. It was an arbitrary process which lacked randomness since the selection of voting papers depended on the point at which they were counted and there was no guarantee that they would accurately represent all the second and subsequent preferences of other votes in the pile.

In more recent times surpluses have been distributed pro rata to remaining candidates. While this procedure was a distinct improvement on previous practice in that it ensured that all voters' preferences were acknowledged, it did not totally eliminate the chance of votes being discarded as a result of the order in which candidates were eliminated.

## 2.4 The “Meek Method” of counting votes

The ‘Meek method’ of counting votes was devised by mathematician Brian Meek in 1969, and designed to eliminate the potential inequalities in the transfer of surplus votes resulting from arbitrary decisions present in previous counting methods. Meek developed an algorithm (a set of rules for solving a mathematical problem) that computes a retention factor – referred to in the *Local Electoral Act 2001* as the ‘keep value’ – for each elected candidate.

This means each elected candidate retains a fraction of each vote received and the balance of each vote is transferred to the voter’s next preference. The effect of Meek’s method is that the count, as far as possible, reflects the voting preferences of each voter and the number of wasted votes is kept to an absolute minimum.

Meek recognised that if the problems of earlier counting methods were to be avoided, votes must be transferred to all candidates other than those already excluded – even candidates who had already attained the quota. This means that repeated transfers of surpluses are required from candidates who have already been elected.

All votes cast are dealt with exactly as voters have specified. A number of key principles apply:

- a candidate who achieves the quota retains a calculated proportion of every vote received and the remainder is transferred to other active candidates. The elected candidate retains only enough votes to equal the quota
- when or if candidates who have already been declared elected gain new surpluses, they must be transferred out again immediately, pro rata, to other active candidates
- all non-transferable votes (votes that do not have any further preferences declared) play no further role in the count, and
- whenever a candidate is excluded, all voting documents are treated as if that candidate had never stood and the votes credited to that candidate are transferred to candidates who are still ‘active’, including to any candidates who have already been declared elected, strictly in accordance with voters’ preferences.

Whenever non-transferable votes are set aside the quota has to be recalculated because there are fewer valid votes remaining in the count. Because of this, the ‘keep values’ of any elected candidates also have to be recalculated as all candidates are elected at the quota.

In this way the number of votes that cannot be transferred to another candidate is kept to a minimum, the preferences of each voter are taken into account as far as possible, and there is no incentive for voters to cast their vote in any way other than according to their actual preferences.

Meek's method computes the quota and the fractions of votes that each candidate retains to the accuracy of the computer rather than rounding the fraction to tenths or hundredths.

## 2.5 New Zealand STV

To take account of the New Zealand local electoral environment and to provide refinements in the counting program, New Zealand STV (NZSTV) vote counting further modifies 'Meek's method' as described in the *Local Electoral Act 2001*. These further modifications are:

- the rounding of fractions up to nine decimal places for the calculation of quota and keep values – this will ensure that each candidate retains at least a quota of votes, making it impossible for too many candidates to be elected
- the facility to withdraw a candidate and allow that candidate's votes to be transferred to the next preferred candidate
- the facility to guard elected candidates in the event of a recount after the withdrawal of an elected candidate – this will preserve the position of already elected candidates in the event of a redistribution of votes following the withdrawal of a candidate
- the facility to complete the count in the event of insufficient candidates chosen by voters at any preference level.

How the quota is established and the way in which votes are counted in a NZSTV election, are described in more detail in Chapter 6.0.

It is noted that not all voters will want to follow the complexities of STV counting. What they need to understand is that they are able to express a ranked set of preferences, and that these will be distributed, exactly as they have indicated, to assist their preferred candidates to reach the quota.

## 2.6 Other issues relating to STV

### ***Representation reviews***

Currently councils are required to consider the size of membership and basis of election prior to every triennial general election. Under the Local Government Bill they will be required to undertake these representation reviews at a minimum of every 6 years. The Bill requires achievement of effective and fair representation including criteria for establishing wards and constituencies based on population per member. There is, however, scope to vary this requirement based on recognition of communities of interest.



Any decision to change electoral system will influence issues to be considered as part of the representation review. These issues include:

- representation of women, Maori, and minority ethnic communities
- Maori wards and constituencies
- choice between ward/constituency or ‘at large’ election, or combination
- elections contested by political parties or organised political groupings
- elections contested by independent candidates
- the number of representatives.

***Representation of women, Maori and minority ethnic communities***

STV is seen as enhancing opportunities for women, for Maori and for members of minority ethnic communities to be elected to councils. This is because it allows voters to vote for their preferred candidates on the understanding that nearly all voters have an equal effect on the election outcome and candidates with a general level of support reflected across all preferences are likely to get elected.

***Maori wards and constituencies***

The *Bay of Plenty Regional Council (Maori Constituency Empowering) Act 2001* authorised the Bay of Plenty Regional Council to establish separate Maori constituencies. The Local Government Bill currently before Parliament will, if enacted, permit councils to establish separate Maori wards or constituencies if they choose, or if determined by a poll of electors. Any separate Maori wards or constituencies will work in exactly the same way as wards or constituencies for general electors.

***The choice between ward/constituency or ‘at large’ election or a combination***

Where large numbers of members are to be elected, wards or constituencies may be seen as more manageable. If political parties or organised political groupings contest elections under STV, multi-member ward or constituency structures are likely to produce broad proportionality. In districts with smaller populations, ‘at large’ elections are seen as a practical possibility, particularly where elections are predominantly contested by independents.

If territorial authorities adopt the provision allowing councillors to be elected by wards **and** ‘at large’, as provided by the Local Government Bill, voting documents will need to be separated into two sub-sections, one for recording voters’ preferences for ward representation, and the other to record preferences for ‘at large’ representatives.

***Political parties or organised political groupings contest elections***

Where, as in the larger cities, local politics tends to be organised around political parties or organised political groupings, STV has the capacity to produce results that broadly reflect the range of political opinion across the district. Where such groups contest elections, and where broad proportionality is seen as a desirable goal, at least five member wards or constituencies may be seen as desirable. STV provides voters with much greater choice and

helps to moderate 'block' voting.

***Districts where elections are contested by independent candidates***

Independent candidates often contest elections in smaller councils. STV is still likely to produce results that broadly reflect the range of opinion within the district or region, but the minimum number of members for each ward or constituency can probably be reduced to three.

***The number of representatives***

Because STV usually produces broadly proportional outcomes in line with voters' preferences, there is no need for all wards or constituencies in a district or region to elect the same number of councillors. As long as the statutory provisions of the *Local Electoral Act 2001* are adhered to, that is, ensuring that the ratio of elected representatives to population is similar across all wards or constituencies, including single-member wards and constituencies, boundaries can be drawn to reflect coherent communities of interest rather than being determined purely on a population basis.

***Extraordinary vacancies***

Occasionally during the term of a council a mayor or a councillor dies or resigns and a vacancy is created. There are two possible ways of dealing with this issue if STV is in use:

- if the vacancy occurs more than 12 months before the next triennial general election, a by-election must be held. In this case its form will be identical to the election for mayor or single-member ward or constituency (described above)
- if the vacancy occurs 12 months or less before the next triennial general election it is, as under FPP, filled by appointment or left vacant (if the vacancy is that of mayor, an appointment must be made).

***Timeliness of election results***

Under FPP, preliminary election results are announced on election day. Once the eligibility of special voters has been confirmed, special votes are added to give official election results.

Final policy decisions have yet to be made on the form of election results under STV. Results on election day (i.e. excluding special votes) could comprise first preferences only. Alternatively, to provide 'meaningful' results (including special votes once verified) would mean no election results were provided on election day.

***Publication of results***

When an FPP election result is announced, candidates are listed in order of the number of votes received and it is easy to see who 'won' and who 'lost'.

Generally, STV election results are published by listing the successful candidates in the order that they attained the quota, while unsuccessful candidates are listed in the order they were excluded. It is, however, customary for spreadsheets to be published showing the result of each transfer of votes. Final policy decisions on these matters are still to be made.

***Form of the voting document***

The *Local Electoral Act 2001* provides that the Secretary for Local Government must approve general formats for voting documents. This is to provide necessary flexibility in the future. Criteria for voting documents are presently being developed to accommodate the different electoral systems and technologies used now (e.g. vote processing by barcode wand or scanning) and into the future (e.g. electronic voting).

### 3.0 A comparison between FPP and STV

Characteristics of First Past the Post (FPP)	Characteristics of Single Transferable Vote (STV)
<b>How to vote</b>	
Voters place a tick alongside the name of the candidate or candidates they wish to vote for.	Voters rank candidates in order of preference – ‘1’ alongside their most preferred candidate, ‘2’ alongside the second-most preferred candidate, and so on. Voters do not have to rank all candidates for their votes to count; they may rank one or more but all rankings must be consecutive.
<b>How candidates are elected</b>	
Each voter has one vote for each vacancy to be filled.	Each voter has one vote for each issue, even though there may be more than one vacancy. Each voter can exercise this vote by expressing preferences for any or all candidates.
The candidate who wins the most votes – regardless of his or her share of the total valid votes cast – wins a position.	Candidates who gain sufficient preferences to reach the quota will be declared elected. All candidates are elected with the same proportion of the vote.

The number of vacancies decides the number of candidates to be elected. If, for example, there are four vacancies, the four candidates with the highest number of votes will be successful.

The number of vacancies decides the number of candidates to be elected. To determine which candidates have the greatest support, all first preferences are counted.

Any candidate who has more than the quota is declared elected and any surplus votes are transferred (redistributed) to the remaining candidates strictly in accordance with voters' preferences.

If at any stage there are no surplus votes to be transferred, the candidate with the fewest votes drops out and that candidate's votes are redistributed to the remaining active candidates.

As each candidate achieves the quota he or she is declared elected. This procedure continues until all vacancies have been filled.

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### Proportionality

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FPP is not a form of proportional representation. This means that elected members may not necessarily reflect the range of opinions in proportion to the electors of the district or region holding those opinions.

STV is a broadly proportional electoral system. It provides effective representation for all significant points of view. It cannot, however, guarantee that there will be an increased diversity of representation.

Many voters may not support the candidates who are elected because they did not vote for them. Votes that are not cast for successful candidates are in effect 'wasted'.

Nearly all voters can point to at least one, and probably more than one, person they helped to elect because they were able to transfer their support to another candidate when their first, and sometimes their second or subsequent preference, did not need all of their vote to get elected.

Many votes cast may be ‘wasted’ because successful candidates often receive many more votes than they need to be elected.

STV is widely considered to reflect voters’ wishes better than other electoral systems.

Each vote is of equal value at any given point in the count, and – provided votes have not been made non-transferable – very few votes are ‘wasted’ by not being able to help elect at least one candidate.

Later preferences cannot harm earlier preferences so voters can split their vote between candidates from different parties or organised political groupings.

FPP provides a direct link between voters and their elected representatives because those elected represent everyone, not just those who voted for them. However, even in multi-member wards or constituencies some voters may not have voted for any of the successful candidates.

STV provides direct links between voters and their elected representatives because those elected represent everyone, not just those who voted for them. Most voters are able to point to at least one representative who they helped get elected.

To place a tick beside the name of one’s preferred candidate or candidates represents a positive choice, but this extent of support which can be indicated, is restricted to the number of vacancies to be filled.

To express a ranked preference for candidates for office is a positive action. Voters are, in effect, saying: ‘I prefer candidate B ahead of candidate D, but if both of these candidates can be elected without needing all of my vote I would like part of it to go to candidate A.’

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### Single vacancies or multiple vacancies

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Some wards and constituencies may elect a single member to represent them while others may elect two or more representatives.

Some wards and constituencies may elect a single member to represent them while others may elect two or more representatives, with the additional benefits of a more representative and/or proportional result.

Since each territorial authority elects only one mayor there is only one vacancy to be filled for that position. So the election of a mayor is just like an election for a local (constituency) MP.

Since each territorial authority elects only one mayor there is only one vacancy to be filled for that position.

The candidate who wins the most votes wins the mayoralty, regardless of how big or how small a proportion of all the votes cast. [Note: since regional councils do not directly elect their chairpersons, this provision does not apply to them.]

Where, as in a mayoral election, there is only one vacancy, if no candidate attains 50% plus 1 of the valid votes cast, the candidate with the least votes is excluded and their votes are transferred to the remaining candidates in accordance with voters' 2<sup>nd</sup> preferences. This process continues until one candidate has an absolute majority – i.e. has 50% plus 1 of all valid votes cast.

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### Advantages and disadvantages

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FPP is a straightforward system of voting and counting.

STV is more complex, particularly STV vote counting.

FPP is an electoral system that is familiar to most people and it is generally easy to understand.

The STV electoral system is unfamiliar to most New Zealanders. Many people understand how to cast their votes (by ranking candidates in order of preference) but they do not understand how the result is arrived at. Some find it difficult to understand why they have only one vote when there are a number of vacancies to be filled.

Minor political parties or organised political groupings usually find it difficult to be elected in ward or constituency elections because their electoral support is spread thinly across the wards or constituencies of the district or region and certain communities of interest may not be reflected by ward or constituency boundaries.

Minor parties or organised political groupings usually find it easier to win representation under STV. This is because it is an electoral system that produces results that broadly reflect the range of opinions and views in the community. Where there are no political parties or organised political groupings the preferences expressed by voters still usually result in the range of the community's views being represented around the council table.

In multi-member wards or constituencies voters who vote for fewer than the maximum number of vacancies may actually help another candidate whom they do not support, to get elected, and it may possibly count alongside the candidate they most want to see elected.

In STV the way that votes are transferred from one candidate to another makes it virtually impossible to cast a tactical vote. This is because the transferred votes are shared in appropriate proportions between all candidates as identified by the voter and not just across those still active candidates who have not yet been declared to be elected.

It may also encourage 'tactical' voting in certain circumstances – i.e., where a voter's preferred candidate is known to have no chance of being elected, the vote may be used to support a candidate in an attempt to prevent another candidate from winning.

Where council elections are held in multi-member wards or constituencies, or 'at large' (a single ward across an entire district), each voter is able to cast one vote for each vacancy to be filled. This can result in a disproportionate result where political parties or organised political groupings contest the elections. Candidates from one party or organised political grouping can win all the vacancies being contested as a result of 'block' voting without having a majority of the votes.

STV is seen as a fairer system for electing representatives because it allows voters to discriminate among parties or political groupings, and also between different candidates from the same party or political groupings. It therefore provides voters with much greater freedom of choice, and also helps moderate 'block' voting.



Even without party or organised political groupings, a popular candidate can conceivably be defeated in multi-member wards or constituencies by the votes of his/her supporters that are cast for other candidates. Thus tactical voters may be encouraged either not to use their votes, or to vote for a particular candidate to try to prevent another candidate from winning.

The opportunity to express preferences for all candidates standing for election ensures that the candidates with the greatest level of support will be elected. Tactical voting is virtually impossible.

FPP preliminary election results are usually announced shortly after polls close. The official results (including special votes) are published simply and are easy to understand, and who 'won' and who 'lost', or who 'topped the poll' or who 'just made it', is easy to determine.

Under STV any 'on the day' results are far less indicative of final or official results. Accordingly there will be a greater delay before 'meaningful' results are available.

The results of STV elections can be published in a form that enables people to identify which candidates have been successful and which have not. However the notice does not so readily identify the candidate with the greatest level of voter support as all successful candidates are elected with the same proportion of the vote.

Maori may be represented through general wards or constituencies established by councils, or they may be represented through designated Maori wards or constituencies (subject to the enactment of the Local Government Bill).

STV is likely to provide greater opportunities to elect Maori to councils from general wards or constituencies. This is because candidates are elected as they attain the STV quota through first or subsequent preferences. It will, however, also be possible for councils to establish separate wards or constituencies for Maori electors.

Whether they are standing in a Maori ward or constituency, or in a general ward or constituency, to be successful, candidates are still dependent on enough electors giving them their vote.

Whether they are standing in a Maori ward or constituency, or in a general ward or constituency, to be successful, candidates are still dependent on enough electors including them in their ranked preference list of candidates.

For the same reasons that STV has the potential to give greater representational opportunities to Maori, STV is likely to enhance electoral opportunities for other minority groups such as Pacific and Asian peoples.

## 4.0 The influence of District Health Boards

### 4.1 District Health Boards and STV elections

The first District Health Board (DHB) elections were held in 2001 using the same First Past the Post (FPP) electoral system used by councils. At that time there was no requirement for DHBs, or any councils, to use the Single Transferable Vote (STV) electoral system for their elections.

However, from 2004 there is a legal obligation that DHBs use the STV electoral system in their board elections. The legal requirement reads as follows:

*“The elections of DHBs to be held at the triennial general election in 2004 and at every subsequent triennial general election must be conducted by the Single Transferable Voting electoral system (STV) using the Meek’s method of counting votes”.<sup>1</sup>*

### 4.2 Responsibilities of territorial authorities for DHB elections

DHB elections must be held at the same time as territorial authority triennial general elections.<sup>2</sup>

Legislation requires that the functions (ie the powers and duties) involved in conducting a DHB election be split between an electoral officer appointed by the DHB and those appointed by the relevant territorial authorities (although these can be the same people). Territorial authorities are obliged to carry out at least some of the DHB election functions.<sup>3</sup> In particular, territorial authority electoral officers 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 must appoint an electoral officer<sup>4</sup>. As DHBs are local authorities for the purposes of the elections<sup>5</sup> they can either undertake ‘non-core’ functions (those not carried out by territorial authority electoral officers) themselves or delegate these to the relevant territorial authority.

<sup>1</sup> Section 150 of the Local Electoral Act 2001 inserts this as an additional clause, (9A) into Schedule 2 of the New Zealand Public Health and Disability Act 2000.

<sup>2</sup> Clause 9, Schedule 2 of NZPH&D Act 2000.

<sup>3</sup> Clause 11 of Schedule 2 of the NZPHD Act 2000 and Section 18 of the LE Act 2001

<sup>4</sup> Section 12 of the LE Act 2001.

<sup>5</sup> See definition of local authority in Section 5 of the Local Electoral Act 2001 (a DHB is a ‘partly-elected body’).

In 2001, DHBs recognised that their core business and expertise did not include running elections, and only two DHBs<sup>6</sup> chose to appoint an internal electoral officer to carry out some of the election work. In all other cases DHBs delegated the responsibilities to one of the territorial authority electoral officers in their districts.

Elections in all 21 DHB districts worked satisfactorily. This was assisted by the negotiation of a memorandum of understanding between the Society of Local Government Managers (SOLGM) on behalf of territorial authorities, and the Ministry of Health on behalf of DHBs.

#### **4.3 Payment for DHB elections**

DHBs are required to pay territorial authorities for the election work carried out on their behalf.<sup>7</sup>

In 2001, a national formula was negotiated between SOLGM and the Ministry of Health as part of the memorandum of understanding. The vast majority of territorial authorities considered the payment arrangements to be fair. Territorial authority electoral officers will be consulted over a similar arrangement proposed for 2004.

#### **4.4 Numbers and geography**

As there are 21 DHBs and 74 territorial authorities, in most cases each DHB encompasses more than one territorial authority. Territorial authorities within a DHB area must work co-operatively to run the DHB elections under the control of a single electoral officer appointed by the DHB after consultation with territorial authorities.

Most DHB boundaries are consistent with (combinations of) territorial authority boundaries but in two cases the DHB boundary cuts across a territorial authority. Where this happens (Queenstown-Lakes and Ruapehu Districts), territorial authorities must work closely together to manage the electoral processes.

It is likely that some territorial authorities within a DHB district will continue to use FPP for their own elections, while others will use STV. This will complicate the administration of the DHB STV election as different vote collecting and counting arrangements will be needed, and these will have to be explained to the public.

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<sup>6</sup> Canterbury and Hawkes Bay DHBs

<sup>7</sup> Clause 13 of Schedule 2 of the NZPH&D Act 2000.

In 2001, DHBs used electoral constituencies based on territorial authority boundaries and population size. In deciding the DHB constituency boundaries, the local communities of interest were also taken into account. The overall aim was to provide a fair spread of elected representation across each DHB. As yet, no decision has been made as to whether the DHB STV elections will continue to use constituencies or will revert to an 'at large' system. However it is assumed that the same criteria of community of interest and providing a fair spread of representation, will still apply.

Any changes to DHB constituencies, including changing to a single 'at large' constituency, must be made by Order in Council.<sup>8</sup> In determining its position in relation to any such constituency changes, the Government will be interested in the views of the relevant DHBs and territorial authorities.

#### **4.5 The impact of DHB STV elections on councils**

In choosing the electoral system they wish to use in 2004, territorial authorities will need to consider all the philosophical and practical issues raised in other chapters of this document. They must also take into account their obligation to run DHB STV elections and the impact that this will have on their administrative capabilities, costs and on voters.

As all territorial authorities have a legal obligation to undertake at least some of the DHBs' electoral work, the options for territorial authorities are either:

- to use the FPP system for the territorial authority elections and to accommodate the DHB STV elections at the same time, or
- to use the STV system for territorial authority elections as well as for the DHB elections.

Regional councils will also have to consider to what extent their decisions are influenced by the electoral system being used by DHBs and territorial authorities within their respective regions. The territorial authority will then also have to accommodate this independently made decision.

Some may see the prospect of running a dual system – STV for DHB elections and FPP for territorial authority and regional councils 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 a 'limited' DHB election.

<sup>8</sup> Section 19(3) New Zealand Public Health and Disability Act 2000.

Others may consider that the administrative complexities of running two different systems outweigh the advantages of a 'limited' exposure to STV in this election.

Further factors to take into account when considering a dual STV and FPP approach are:

- opportunities for electoral cost-sharing between a DHB and a territorial authority will be fewer than under a single system
- there may be a heightened risk of public confusion associated with a dual system, and reduced voting response in council and DHB elections as a result.

## **5.0 Indicative costs**

### **5.1 Introduction**

How much it will cost is likely to be one of the first things elected members want to know when considering changing their electoral system. This chapter attempts to address that question.

The most truthful answer is that what it will cost is not yet clear, as there are many factors which are still unknown. It is possible, however, to make some intelligent and informed assumptions; and from them and what has been learned from recent experience, to produce a range of costing projections.

### **5.2 Influences on costs**

There are many influences on the costs of a Single Transferable Vote (STV) election. They include:

- the number of candidates
- the number of electors
- whether a new electoral system is used for all or just some issues
- whether territorial authorities and regional councils use the same electoral system as DHBs
- how much of the required technology is already in place
- whether new software has to be purchased
- the costs of linking territorial authority election software to the STV 'calculator'
- what data capture processes will be used (eg wandling)
- whether separate voting documents are required for different electoral systems
- whether voting documents relating to different electoral systems must be sent out in different envelopes
- how much local publicity is produced
- how many temporary staff will be needed.

What is known is that:

- DHB elections must use STV from 2004
- territorial authorities are required to undertake DHB elections
- DHBs are required to pay territorial authorities for DHB electoral costs
- DHBs and territorial authorities gained some mutual savings in 2001 by working together
- territorial authorities and regional councils have the right to decide independently which electoral system they wish to use (unless a poll is required in which case the electors will decide).

### 5.3 Assumptions

For the purposes of generating the indicative costs below, a number of important assumptions have been made. When considering the costs, these assumptions must be borne in mind and adjustments made as appropriate. These are the assumptions:

**Hard copy voting** will continue to be used in 2004 and data capture will be either by barcode wand or by scanning. This assumes that Internet and other electronic means of voting will not be introduced in time for this election.

**Current ward and constituency arrangements** will continue. It is not yet possible to predict any alterations to boundaries, but some will inevitably be needed in time.

**The number of candidates** per issue is likely to be similar to 2001 levels except that the number of DHB candidates is predicted to be lower in at least some constituencies. The number of candidates impacts on printing and other costs, and on the number of preferences that need be indicated by voters.

**Data capture** will take more than twice as long for STV votes (112.5% longer) than an equivalent process for First Past the Post (FPP). This has been calculated using old 2001 voting documents and barcode wand.

**Overall staffing costs** will increase significantly, due largely to data capture requirements. (Calculated at about 34% overall, based on assessed costs including the increase in counting time as described above).

**Equipment costs**, including computers and wand, will increase to reflect the increase in staff (see above).

**Accommodation costs** may increase. This depends on the capacity of the territorial authority to accommodate the additional short-term staff and their equipment.

**Software and administration charges** associated with linking the STV calculator to the territorial authority's existing database or software will be imposed. This assumes that a straightforward universal software solution is not available in time for 2004, and that costs arise from analysis, specification drafting, linking the STV 'calculator', coding the software for data-entry and structure, and internal and external testing.

### 5.4 Mutual cost benefit

In 2001, both DHBs and territorial authorities gained a mutual cost benefit by sharing most electoral costs.



If territorial authorities choose not to use STV in 2004, some of those cost savings will not be available. However, territorial authorities will still be able to recover DHB STV election costs from the DHBs.

If territorial authorities and regional councils choose to use STV in 2004, it is likely that both DHBs and councils will make greater savings than if they do not both use STV.

### 5.5 Indicative costs

The table on the next page shows the results of calculations of the indicative additional STV election costs for a range of territorial authorities.

For illustrative purposes, the table includes real examples from a range of territorial authorities of different sizes. It is based on 2001 election costs, and uses:

- the eight assumptions above, and
- the additional assumption that the net cost to territorial authorities of DHB elections, is \$0.00.

Variations in the 'indicative extra cost' part of the table reflect anticipated situations in the selected territorial authorities.

Range of territorial authorities									
000s									
Number of electors	7	12	21	25	28	28	123	228	256
\$000s									
Election cost 2001 (excluding DHB contributions)	40	49	75	69	80	58	280	544	548
Indicative <b>extra</b> costs for territorial authority STV elections									
additional; paper and printing (calculated at 20c per sheet)	1	2	4	5	6	6	25	46	51
additional staff (34.17%)	2	3	4	3	5	4	27	43	58
additional hardware for staff	1	0	1	3	1	1	0	7	5
additional accommodation for staff	1	0	0	0	0	0	3	3	3
new software (assuming most use available package)	10	10	10	10	10	10	10	46	10
Total additional indicative STV election cost	15	15	19	21	22	21	65	145	127
Total indicative STV election cost	55	64	94	90	102	79	345	689	675
Percentage increase for STV in 2004	27	31	25	30	27	36	23	27	23

## 6.0 The STV ‘calculator’

### 6.1 Introduction

To make it possible for councils to use the Single Transferable Vote (STV) electoral system should they so choose, the Department of Internal Affairs has developed specialised software for counting votes under STV.

The objective of developing this software (called the STV ‘calculator’) was to validate the STV vote counting method to be used in New Zealand, and to provide a basis on which detailed STV electoral regulations could be developed. The development of one software package was also seen as an opportunity to ensure nationally consistent results and to facilitate any future modifications.

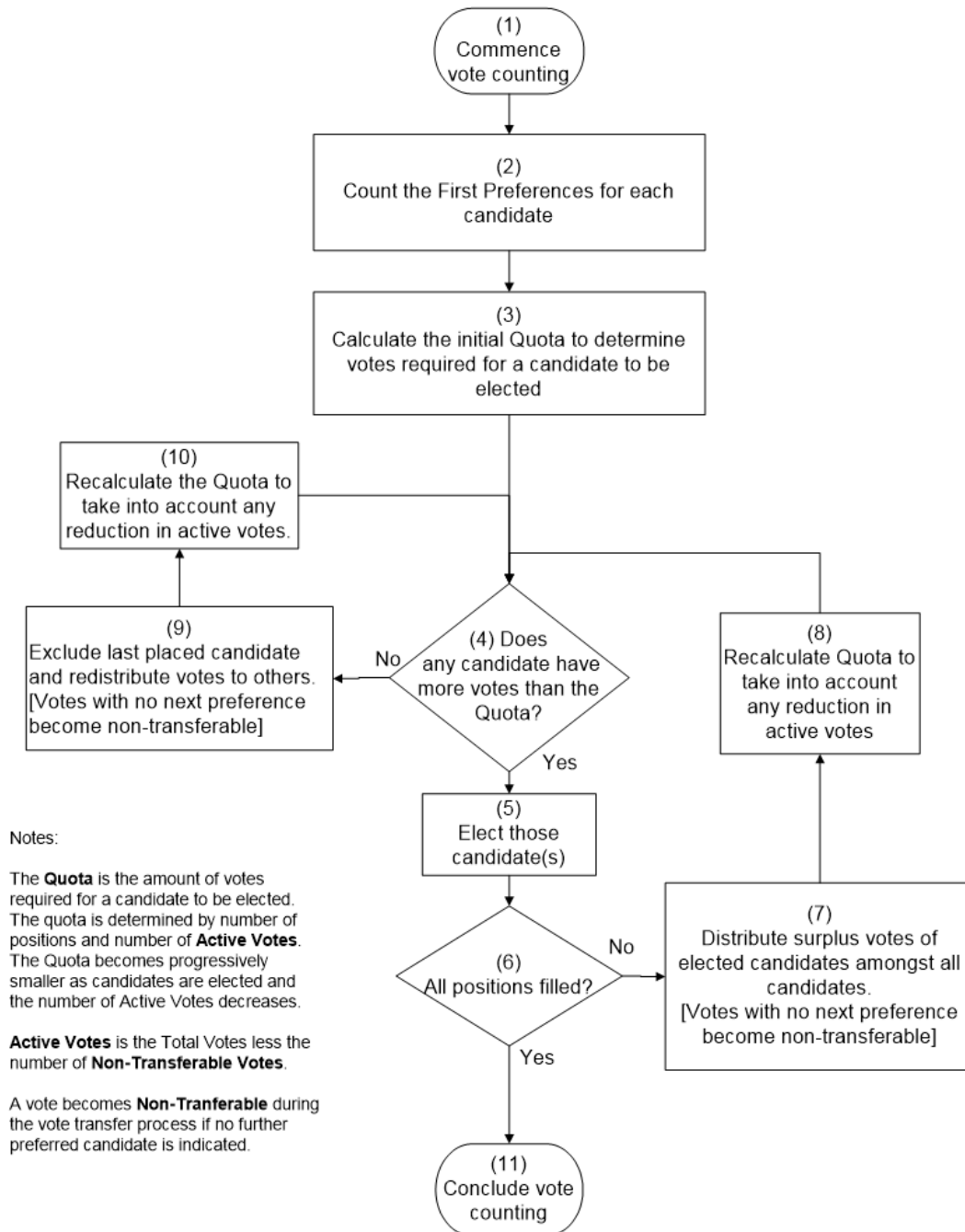
The STV ‘calculator’ is not a total STV electoral management system. It is a counting program only and will need to interface with territorial authorities’ existing electoral systems and data capture programs. The STV ‘calculator’ will be licensed to STV system developers and users, on the basis that it is the **only** counting software permissible for STV elections under the *Local Electoral Act 2001*.

### 6.2 How it works

The diagram on the next page (Figure 1) summarises the STV ‘calculator’ as implemented in the STV vote counting software.

Each of the numbered steps in the diagram is then described in more detail, followed by a glossary of terms.

Figure 1 – The STV vote counting process after close of voting



## Notes to Figure 1

### (1) **Commence STV vote counting process**

- all valid voting documents have been captured into the database
- each voting document contains the voters' ranked preferences for the candidates
- each voter can rank as few or as many candidates as they wish.

### (2) **Count first preferences**

- the first preference of each voter is attributed to the appropriate candidate
- each candidate is assigned a keep value of 1 meaning they keep the whole of each vote attributed to them
- if a candidate is withdrawn, then that candidate's keep value is set to 0 and any vote attributed to them is assigned to the next preferred candidate. If no second preference exists that vote becomes non-transferable.

### (3) **Calculate initial quota**

- the initial quota is calculated. The quota is the number of votes that a candidate must attain to be elected
- the quota is calculated (to 9 decimal places after the point with any remainder being disregarded) in accordance with the following formula:

$$q = v/(n+1) + 0.000000001$$

where

q is the quota

v is the total number of valid votes, less the number of non-transferable votes

n is the total number of members to be elected

(In the above formula 0.000000001 is added to ensure that it is impossible for more candidates to be elected than the number of positions)

### (4) **Determine candidates who have exceeded quota**

- the number of votes attributed to each candidate is compared to the quota
- if the total votes attributed to a candidate equals or exceeds the quota then that candidate is elected proceed to (5)
- if no candidate reaches the quota at this step then the lowest candidate is excluded proceed to (9).

**(5) Elect candidates**

- any candidate whose total votes now equal or exceed the quota is elected
- all elected candidates' surpluses are calculated (each candidate's current votes less the current quota), and all such surpluses are summed to get the total surplus.

**(6) Determine whether all positions filled**

- the number of elected candidates is compared to the number of positions to be filled
- if the number of elected candidates is less than the number of positions, then go to (7), otherwise go to (11).

**(7) Redistribute surplus votes after election of candidate**

- the keep value of the elected candidate is recalculated using the following formula to ensure that the candidate retains the correct proportion of each vote received to remain at or just above the quota.

$$k = (ck * q)/cv$$

where

k is the candidate's new keep value  
 ck is the candidate's current keep value  
 q is the current quota  
 cv is the candidate's current votes

- the reduction in that candidate's keep value then results in a redistribution of all votes among all candidates. The elected candidate retains enough votes to remain at (or just above) quota while the excess votes go to the other preferred candidates.
- votes with no next preference become non-transferable, thus reducing the total number of active votes (valid votes less the number of non-transferable votes).

**(8) Recalculate quota (following redistribution of surplus votes)**

- the quota is recalculated to take into account the reduced number of active votes. [Note that the quota gets progressively smaller with any increase in the number of non-transferable votes.]
- return to (4) to check whether any candidates have now attained the quota.

**(9) Exclude lowest candidate(s) and redistribute votes**

- the candidate with the least votes is excluded if:
  - the sum of that candidate's votes and the total surplus (total votes of elected candidates in excess of the quota) is less

38

- than the votes of any other non-excluded candidate, or
      - the total surplus is less than 0.0001. This saves continual vote redistributions which would have virtually no effect on the current result.
  - in the event of a tie for lowest position, the tie will be resolved by excluding the tied candidate who had the fewest votes the first time they were different (ahead at first difference method). If this method does not resolve the tie, then a candidate is randomly excluded (utilising a random number generator).
  - the keep value of the excluded candidates is set to 0.
  - the keep values of the remaining active candidates are recalculated.
  - all votes are redistributed among the remaining active candidates. Where no further preferences for active candidates exist among these votes, then the vote becomes non-transferable.
- (10) Recalculate quota (following exclusion of lowest candidate)**
- the quota is recalculated to take into account the reduced number of active votes. Note that the quota gets progressively smaller with any increase in the number of non-transferable votes
  - return to (4) to check whether any candidates have now attained the quota.
- (11) Conclude STV vote counting process**
- the STV vote counting process finishes when the number of elected candidates equals the number of positions available.

## Glossary of terms

The following definitions are based on the commonly used terminology associated with the New Zealand local electoral environment and the New Zealand Single Transferable Voting (NZSTV) electoral system.

**Candidate (active)** – candidates in the counting process who are either hopeful or elected.

**Candidate (elected)** – status of a candidate who has reached or exceeded the quota.

**Candidate (excluded)** – status of a candidate who has been eliminated as a candidate because he or she had the lowest number of votes at the point in the counting process where all surpluses have been allocated and not all positions have been filled.

**Candidate (guarded)** – candidate already elected, whose position is protected in the event of a rerun of the counting process.

**Candidate (tied)** – ties occur in NZSTV voting when the candidate with fewest votes must be excluded and two or more have equal fewest.

**Candidate (withdrawn)** – candidate withdrawn before the commencement of counting process. The votes this candidate receives (if any) are allocated to each voter's next preferred candidate.

**Count** – iteration of the counting process, repeated until all positions have been filled.

**Electoral system** - Section 2 of the *Local Electoral Act 2001* defines electoral system as follows:

“*electoral system* - means any of the following electoral systems that are prescribed for use at an election or poll:

the system commonly known as First Past the Post:

the system commonly known as Single Transferable Voting (STV) using Meek's method of counting of votes”.

**Keep value** – the proportion of each vote retained by a candidate. The keep value of all candidates is 1.0, meaning they keep all of every vote (or part of a vote) they receive. One of the key features of Meek's method is that elected candidates continue to receive portions of votes after they have reached the quota. Once a candidate reaches the quota, and is deemed elected, his or her keep value is recalculated as they receive surplus votes, to determine the proportion of all their votes they will retain to remain at the quota, and the remainder of each vote is redistributed as surplus.

In calculating the keep value, both the multiplication and division are taken to

40



9 decimal places after the point, and in each case, rounded up if not exact.

**New Zealand STV** – the STV process of counting votes based on, and consistent with Algorithm 123 published in *The Computer Journal (UK)*, Vol 30, 1987, pp 277-81 plus the additional modifications described in this document. (This method of counting votes is referred to as Meek's Method in the *Local Electoral Act 2001*.)

**Preferences** – the ranking by the voter of the preferred order of choices for a set of candidates or options.

**Quota** – the number of votes that a candidate [or option] must attain to be elected [selected] under the STV counting system. The quota is based on the number of positions available, and the total number of votes.

**Voting document** – previously known as voting paper, the actual form (physical or electronic) provided to voters to indicate electoral choices and returned to Electoral Officers.

**Vote (non-transferable)** – a voting document on which no next preference for a non-excluded candidate is indicated or can be identified by the Electoral Officer.

## **Appendix**

### **Local Electoral Act 2001 (Sections 27-35)**

#### **Part 2: Local elections and polls**

##### ***Electoral systems for elections***

#### **27 Local authority may resolve to change electoral systems**

(1) Any local authority may, not later than 12 September in the year that is 2 years before the year in which the next triennial general election is to be held, resolve that that triennial general election will be held using a specified electoral system other than that used for the previous triennial general election.

(2) A resolution under this section---

(a) takes effect, subject to paragraph (b), for the purposes of the next triennial general election of the local authority and its community boards (if any); and

(b) continues in effect until either---

- (i) a further resolution under this section takes effect; or
- (ii) a poll of electors of the local authority is held under section 33.

(3) This section is subject to section 32.

#### **28 Public notice of right to demand poll on electoral system**

(1) Every local authority must, not later than 19 September in the year that is 2 years before the year in which the next triennial general election is to be held, give public notice of the right to demand, under section 29, a poll on the electoral system to be used for the next 2 triennial general elections of the local authority and its community boards (if any).

(2) If the local authority has passed a resolution under section 27 in respect of the next triennial general election, every notice under subsection (1) must include---

(a) notice of that resolution; and

(b) a statement that a poll is required to countermand that resolution.

(3) This section is subject to section 32.

#### **29 Electors may demand poll**

(1) A specified number of electors of a local authority may demand that a poll be held on a proposal by those electors that a specified electoral system be used at the next 2 triennial general elections of the local authority and its community boards (if any).

(2) This section is subject to section 32.

(3) In this section and sections 30 and 31,---

demand means a demand referred to in subsection (1)

specified number of electors, in relation to a local authority, means a number of electors equal to or greater than 5% of the number of electors enrolled as eligible to vote at the previous general election of the local authority.

### 30 Requirements for valid demand

(1) A demand must be made by notice in writing---

(a) signed by a specified number of electors; and

(b) delivered to the principal office of the local authority, either---

(i) before the date of the public notice given under section 28;

or

(ii) no later than 90 days after the date of the public notice given under section 28.

(2) An elector may sign a demand and be treated as 1 of the specified number of electors only if---

(a) the name of that elector appears,---

(i) in the case of a territorial authority, on the electoral roll of the territorial authority; and

(ii) in the case of any other local authority, on the electoral roll of any territorial authority or other local authority as the name of a person eligible to vote in an election of that local authority; or

(b) in a case where the name of an elector does not appear on a roll in accordance with paragraph (a),---

(i) the name of the elector is included on the most recently published electoral roll for any electoral district under the Electoral Act 1993 or is currently the subject of a direction by the Chief Registrar under section 115 of that Act (which relates to unpublished names); and

(ii) the address for which the elector is registered as a parliamentary elector is within the local government area of the local authority; or

(c) the address given by the elector who signed the demand is---

(i) confirmed by a Registrar of Electors as the address at which the elector is registered as a parliamentary elector; and

(ii) within the district of the local authority; or

(d) the elector has enrolled, or has been nominated, as a ratepayer elector and is qualified to vote as a ratepayer elector in elections of the local authority.

(3) Every elector who signs a demand must state, against his or her signature,---

(a) the elector's name; and

(b) the address for which the person is qualified as an elector of the local authority.

(4) The principal administrative officer of the local authority must, as soon as is practicable, give notice to the electoral officer of every valid demand for a poll made in accordance with section 29 and this section.

(5) This section is subject to section 32.

### **31 Local authority may resolve to hold poll**

(1) A local authority may, not later than 28 February in the year immediately before the year in which the next triennial general election is to be held, resolve that a poll be held on a proposal that a specified electoral system be used for the next 2 triennial general elections of the local authority and its community boards (if any).

(2) A local authority may pass a resolution under subsection (1), irrespective of whether---

(a) the time for delivering a demand specified in section 30(1) has expired; or

(b) any valid demand under section 29 is received by the date specified in section 30(1).

(3) The principal administrative officer of the local authority must, as soon as is practicable, give notice to the electoral officer of any resolution under subsection (1).

(4) This section is subject to section 32.

### **32 Limitation on change to electoral systems**

Sections 27 to 31 do not apply if---

(a) the electoral system to be used at the next triennial general election of the local authority and its community boards (if any) was determined under section 33 by a poll held in the year immediately before the year in which the previous triennial general election of the local authority was held; or

(b) another enactment requires a particular electoral system to be used for the election of members of a local authority.

### **33 Poll of electors**

(1) If the electoral officer for a local authority receives notice under section 30(4) or section 31(3), the electoral officer must, as soon as is practicable after receiving that notice, give public notice of the poll under section 52.

(2) Despite subsection (1), if an electoral officer for a local authority receives 1 or more notices under both section 30(4) and section 31(3), or more than 1 notice under either section, in any period between 2 triennial general elections, the polls required to be taken under each notice must be combined and 1 poll only must be taken.

(3) A poll held under this section must be held not later than 82 days after the date on which---

- (a) the notice referred to in subsection (1) is received; or
- (b) the last notice referred to in subsection (2) is received.

(4) Every poll under this section determines whether the electoral system to be used for the next 2 triennial general elections of the local authority and its community boards (if any) is to be---

- (a) the electoral system used at the previous general election of the local authority; or
- (b) the electoral system specified in any resolution under section 27; or
- (c) the electoral system specified in any demand of which the electoral officer has received notice under section 30(4) and, if notice of more than 1 demand is received, 1 of the systems specified in those demands and, if so, which one; or
- (d) the electoral system specified in any resolution of which the electoral officer has received notice under section 31(3).

### **34 Effect of poll**

If a poll is held under section 33, the electoral system adopted or confirmed must be used---

- (a) for the next 2 triennial general elections; and
- (b) for all subsequent general elections until a further resolution under section 27 takes effect or a further poll is held under section 33, whichever occurs first.

### ***Electoral systems for polls***

### **35 Electoral systems for polls**

(1) Every poll conducted for a local authority must be conducted using an electoral system adopted by resolution of the local authority---

- (a) for the purposes of the particular poll; or
- (b) for the purposes of 2 or more polls that are to be conducted at the same time.

(2) If a poll is to be conducted for a local authority and there is no applicable resolution, that poll must be conducted using the electoral system commonly known as First Past the Post.

## **The Local Government Electoral Option 2008**

This guide was prepared for the Department of Internal Affairs,  
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## Introduction

The Local Electoral Act 2001 offers the choice between two electoral systems for local government elections: first past the post (FPP) and the single transferable vote (STV).

The option was first offered for the 2004 local government elections. As a result of that option, ten city/district councils used STV at the 2004 elections (Kaipara, Papakura, Matamata-Piako, Thames-Coromandel, Kapiti Coast, Porirua, Wellington, Marlborough, Dunedin and the Chatham Islands). After the 2004 election, two councils (Papakura and Matamata-Piako) resolved to change back to FPP. The remaining eight councils used STV at the 2007 elections.

Councils now have the option to decide, by 12 September 2008, whether to stay with their current electoral system (either FPP or STV), or whether to change to the alternative system for the 2010 elections.<sup>1</sup>

Whether or not a council passes a resolution by 12 September 2008, it must give public notice by 19 September of the right for 5% of electors to demand a poll on the electoral system to be used at the 2010 local elections.

This guide has been developed to help councils reach their decision. It is also intended to provide a basis for information to help local communities understand the issues. Communities have an important role to play in the decision. They must be consulted by way of public notice and may be polled on their preferred electoral system or demand a poll themselves.

The guide includes:

1. a brief description of the two electoral systems including important differences
2. some commonly identified advantages and disadvantages of each electoral system
3. responses to common concerns and questions councils and the public have raised about each electoral system and the electoral option.

This guide does not intend to influence councils either way in their decision-making. It presents arguments for and against both systems and encourages councils to make an informed choice about the electoral system best suited for their community.

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<sup>1</sup> This option does not apply for any council that for the 2007 elections had the electoral system determined by way of a poll. The outcome of such a poll applies for two triennial elections i.e. 2007 and 2010.



**1. The Choice: First Past the Post (FPP) or the Single Transferable Vote (STV)****(a) How do the two electoral systems work?**

FPP	STV
<p>FPP: casting a vote</p> <ul style="list-style-type: none"> <li>You place ticks equal to the number of vacancies next to the candidate(s) you wish to vote for.</li> <li>In multi-member wards/constituencies you cast one vote for each vacancy to be filled, as above.</li> <li>In single-member wards/constituencies you cast one vote.</li> </ul> <p>FPP: counting votes</p> <ul style="list-style-type: none"> <li>The candidate(s) with the most votes win(s). Each winning candidate is unlikely to have a majority of votes, just the largest number of votes cast.</li> </ul>	<p>STV: casting a vote</p> <ul style="list-style-type: none"> <li>You cast one <i>single</i> vote regardless of the number of vacancies.</li> <li>You cast this <i>single</i> vote by consecutively ‘ranking’ your preferred candidates beginning with your most preferred candidate (‘1’) your next preferred candidate (‘2’) and so on.</li> <li>In multi-member wards/constituencies you cast a <i>single</i> vote by ranking as few or as many candidates as you wish, as above.</li> <li>In single-member wards/constituencies you cast a <i>single</i> vote by ranking as few or as many candidates as you wish.</li> </ul> <p>STV: counting votes</p> <ul style="list-style-type: none"> <li>The candidate(s) are elected by reaching the ‘quota’ (the number of votes required to be elected).<sup>2</sup></li> <li>Vote counting is carried out by computer.<sup>3</sup></li> <li>First preference votes (‘1s’) are counted. Candidates who reach the quota are ‘elected’. The ‘surplus’ votes for elected candidates are transferred according to voters’ second preferences. Candidates who reach the quota by including second preferences are ‘elected’. This process repeats until the required number of candidates is elected.<sup>4</sup></li> </ul>

<sup>2</sup> The quota is calculated using the total number of valid votes cast and the number of vacancies.

<sup>3</sup> The New Zealand method of STV uses the ‘Meek method’ of counting votes. Because this method transfers proportions of votes between candidates, it requires a computer program (the STV calculator).

<sup>4</sup> If at any point there are no surpluses left to transfer, the candidate with the lowest number of votes is excluded and the votes redistributed according to voters’ next preferences. For further information on the details of vote counting, see, for example, STV Taskforce, ‘Choosing Electoral Systems in Local Government in New Zealand: A Resource Document’, (May 2002).

FPP	STV
<p>FPP: announcing results</p> <ul style="list-style-type: none"> <li>FPP results can usually be announced soon after voting ends.</li> <li>Results are announced and published showing the total votes received by each candidate.</li> </ul>	<ul style="list-style-type: none"> <li>In multi-member constituencies, despite voters casting only a <i>single</i> vote, a voter may influence the election of more than one representative (if their vote can be transferred to other candidates according to voters' preferences)</li> </ul> <p>STV: announcing results</p> <ul style="list-style-type: none"> <li>Because vote counting is multi-part, it is likely to take longer than for FPP election results.</li> <li>Results are announced and published showing elected candidates in the order they reached the quota and unsuccessful candidates in the reverse order they were excluded. All elected candidates will have the same share of the vote.</li> </ul>

***(b) What are the most important differences between the two electoral systems?***

To understand the important differences between the two electoral systems it is helpful to think about what happens to 'wasted votes' in both cases. A 'wasted vote' is a vote that does not help to elect a candidate. This might be because the candidate was very popular (so did not need all the votes received), or was very unpopular (and had no chance of being elected).

Let's imagine that you vote in a local government FPP election to fill two vacancies, with four candidates standing for election. You vote for Candidates A and B. Imagine Candidate A wins by a landslide and Candidate B is the least popular of all the candidates. The vote for the other candidate to be elected is very close between Candidates C and D; in the end Candidate D wins the second vacancy by a very small margin. Candidate D is your least preferred candidate.

You might think to yourself, once you see the results, 'I wish I had known that Candidate A didn't need my vote to win, and that Candidate B didn't have a chance of being elected as I would have voted differently. I may have still voted for Candidate A, but would have voted for Candidate C instead of Candidate B.'

Now imagine you vote in the same election using STV. You have a *single* transferable vote even though there are two positions to fill. Again Candidate A wins by a landslide and Candidate B is the least popular candidate. Candidates C and D are very close on first preference votes and so second and subsequent preferences become important.

You cast your vote by ranking the candidates according to your preferences; you rank Candidate A as '1', Candidate B as '2' and Candidate C as '3'. You don't rank candidate D at all because you don't want that candidate to be elected. Under STV:

- Candidate A is very popular and is elected on first preferences
- Candidate A has votes surplus to the number required to reach the quota and these are transferred according to voters' second preferences
- the surplus portion of your vote for Candidate A is transferred to your second preference, Candidate B
- both Candidates C and D are very close to the quota at this point and Candidate B is least popular
- Candidate B is excluded and the proportion of your vote for this candidate is transferred to your third preference, Candidate C
- when preferences are counted again Candidate C reaches the quota and is elected.

Under STV, unlike the FPP election, your ranking of the candidates made your vote more effective and avoided it being 'wasted' on Candidates A (who had a surplus of first preference votes) and B (who was excluded once surplus votes from Candidate A were transferred). In other words, despite Candidates A and B being your most preferred candidates, under STV you were also able to influence the race between Candidates C and D because you showed a preference between them on your voting document.<sup>5</sup>

These election results reveal an important difference between FPP and STV electoral systems. Think again about your FPP vote. You voted for two candidates to fill two vacancies. If you are part of the largest group of like-minded voters, even if that group is not the majority, you could determine the election of both candidates. Other voters (from perhaps only slightly smaller groups) won't have gained any representation at all.

In the STV election, however, you cast only one *single* transferable vote, even in multi-member wards/constituencies. That vote is used to greater effect as long as you rank all the candidates you like in order of preference. Because your vote is a single vote that can be transferred in whole or in part according to your wishes, you and other voters will not be over-represented or under-represented. This is why STV, unlike FPP, in multi-member wards or constituencies, is called a proportional representation system. The outcomes potentially better reflect community views.

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<sup>5</sup> These scenarios oversimplify how the vote count actually works under NZSTV, in order to explain the principle of vote transfers. The STV calculator uses a complex mathematical set of rules to ensure that the appropriate proportions of votes are transferred between candidates.

## 2. What are the advantages and disadvantages of each system?

No electoral system is perfect. Both FPP and STV have advantages and disadvantages.

Overall, the advantages of STV relate to the people who get elected using STV.<sup>6</sup> The system potentially achieves:

- broad proportionality (in multi-member wards/constituencies)
- majority outcomes in single-member elections
- more equitable minority representation
- a reduction in the number of wasted votes.

The disadvantages of STV relate to:

- the public being less familiar with the system and possibly finding it harder to understand
- matters of process such as the way votes are cast and counted (for example perceived complexity may discourage some voters)
- the information conveyed in election results.

The advantages of FPP, on the other hand, relate to the simplicity of the process including the ways votes are cast, counted and announced.

The disadvantages of FPP relate to:

- the results of the election, including the generally ‘less representative’ nature of FPP councils
- the obstacles to minority candidate election
- the number of wasted votes.

Deciding which electoral system is best for your community may come down to deciding which is more important: process, or outcome. Unfortunately, neither electoral system can claim to achieve well in both.

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<sup>6</sup> For further discussion, see Graham Bush, ‘STV and local body elections – a mission probable?’ in J. Drage (ed), *Empowering Communities? Representation and Participation in New Zealand’s Local Government*, pp 45–64 (Wellington: Victoria University Press, 2002).

*More detailed advantages and disadvantages*

FPP	STV
<p>FPP: casting votes</p> <ul style="list-style-type: none"> <li>FPP is a straightforward system of voting.</li> <li>FPP is familiar to most people.</li> <li>‘Tactical’ voting is possible; votes can be used with a view to preventing a candidate from winning in certain circumstances.</li> </ul> <p>FPP: counting votes</p> <ul style="list-style-type: none"> <li>FPP is a straightforward system for counting votes.</li> <li>Votes can be counted in different locations and then aggregated.</li> <li>Election results are usually announced soon after voting ends.</li> </ul> <p>FPP: election results</p> <ul style="list-style-type: none"> <li>Official results show exactly how many people voted for which candidates.</li> <li>Results are easy to understand.</li> <li>A ‘block’ of like-minded voters can determine the election of multiple candidates in multi-member wards/constituencies, without having a majority of the votes, thereby ‘over-representing’ themselves.</li> <li>The overall election results will not be proportional to voters’ wishes, and will not reflect the electoral wishes of the <i>majority</i> of voters, only the <i>largest group</i> of voters who may not be the majority.</li> </ul>	<p>STV: casting votes</p> <ul style="list-style-type: none"> <li>STV is a less straightforward system of voting.</li> <li>There is a need for more information for people to understand the STV ranking system of candidates.</li> <li>It is virtually impossible to cast a ‘tactical’ vote under STV. As a result, voters are encouraged to express their true preferences.</li> </ul> <p>STV: counting votes</p> <ul style="list-style-type: none"> <li>STV vote counting requires a computer program (the STV calculator).</li> <li>Votes must be aggregated first and then counted in one location.</li> <li>Election results will usually take a little longer to produce.</li> </ul> <p>STV: election results</p> <ul style="list-style-type: none"> <li>Official results will identify which candidates have been elected and which have not and in which order. They do not show how many votes candidates got overall, as all successful candidates will have the same proportion of the vote (the quota). This information, at stages of the count, can still be requested.</li> <li>Results can be easy to understand if presented appropriately.</li> <li>STV moderates ‘block’ voting as each voter casts only one <i>single</i> vote, even in multi-member wards/constituencies.</li> <li>The overall election results reflect the wishes of the majority of voters in proportion to their support for a variety of candidates.</li> </ul>

FPP	STV
<ul style="list-style-type: none"> <li>• In single-member elections, the winner is unlikely to have the majority of votes, just the largest group of votes.</li> <li>• There will be more ‘wasted’ votes (votes that do not contribute to the election of a candidate).</li> </ul>	<ul style="list-style-type: none"> <li>• In single-member wards/constituencies, the winner will have the majority of votes (preferences).</li> <li>• Every vote is as effective as possible (depending on the number of preferences indicated) meaning there are fewer ‘wasted votes’ and more votes will contribute to the election of a candidate than under FPP.</li> </ul>

### 3. Common Questions and Concerns

#### *FPP ain’t broke: so why fix it?*

For those voters supporting candidates who tend to get elected under FPP, it can appear that there is nothing wrong with this system. But FPP councils do not truly ‘represent’ their community in terms of their composition. STV is a proportional representation voting system that means (if a diversity of candidates stand for election and a diversity of electors vote) the candidates elected will better represent the wishes of a greater number, and a wider diversity of voters.

#### *FPP is easy to understand. I can’t trust a complicated system like STV.*

It is true that FPP is a very easy way to vote, and to count votes. Voting under STV is less straightforward, but as long as a voter knows how to rank their preferred candidates, they will find it easy to vote. A post-election survey has found that most people found it easy to fill in the STV voting document and rank their preferred candidates.<sup>7</sup> The way votes are counted is complicated. That is why it requires a computer program (STV calculator). The STV calculator has been independently certified and voters *can* trust that it only transfers a vote according to voters’ preferences ranked on their voting documents. Nothing (and no person) can influence the transfer of votes set out on voting documents.

#### *Won’t voters be put off if the voting system is too complicated?*

Voter turnout (the number of people voting) in 2004 and 2007 in the STV local body elections was mixed. Some councils’ turnout was higher than the national average, and some lower.<sup>8</sup> Turnout for DHB elections (which must use STV) can be seen to be

<sup>7</sup> Local Government Commission, ‘Report to the Minister of Local Government on the review of the local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation’ (February 2008), p 14

<sup>8</sup> Local Government Commission, ‘Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation’ (February 2008), p 13

influenced by a range of factors including elections being at large for seven vacancies, the number of candidates (and often less well-known than council candidates) and the fact this issue is usually at the end of the voting document).

Overall, voter turnout has been on the decline for many years. It is possible that *more* voters would turn out to local elections in the future if they feel with STV they have a better chance of electing a representative who better represents them than FPP has in the past.

***Won't there be more blank and informal votes under STV, which is not good for democracy?***

Despite voters saying in the Local Government Commission survey that they generally found STV an easy way to vote, some voters did cast an invalid vote in STV elections (including DHB elections). A small proportion of these voters seemed confused by the voting system. But most blank and informal votes are thought to be due to two different voting systems (FPP and STV) appearing on the same voting document and to other factors, rather than being due to the way STV votes are cast.<sup>9</sup>

***STV will not work for our council because of our ward/at large system.***

Eight of the ten councils using STV in 2004 had wards, one used the at large system, and one had a combination of wards and at large. There is no 'rule' about the need or otherwise for wards or constituencies, but STV can be seen to provide the greatest benefit in wards or constituencies of between three and nine candidates. If there are fewer than three candidates, the benefits of the transferable vote in terms of proportionality are not likely to be evident. If there are a very large number of candidates to choose from, voters are likely to find it a more difficult task to rank preferred candidates (though there is no need to rank all candidates).

***STV hasn't made any difference to the diversity of representation in STV councils***

Until a greater variety of people stand for local body election and a wide diversity of electors vote, no representation system will be able to improve the diversity of representatives elected. There has been some change in the gender, ethnicity and age of some members elected by STV in 2004 and 2007 which may be due to STV.<sup>10</sup> But it will take some time for a diversity of candidates to see the opportunities of standing in an STV election and more electors to see the potential benefits of voting under a proportional representation system. Two elections in a small number of councils is not enough time to judge the difference STV could make over time.

<sup>9</sup> Local Government Commission, 'Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008), pp 13–18

<sup>10</sup> Local Government Commission, 'Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008), pp 18–19

### Useful resources

Graham Bush, 'STV and local body elections – a mission probable?' in J. Drage (ed), *Empowering Communities? Representation and Participation in New Zealand's Local Government*, pp 45–64 (Wellington: Victoria University Press, 2002).

Local Government Commission, 'Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008)

*(Note: this paper has now been withdrawn from the Commission's website but its contents may be found in the Commission's main report on its review of the above legislation which will be posted on its website in the near future at [www.lgc.govt.nz](http://www.lgc.govt.nz).)*

Justice and Electoral Committee, 'Inquiry into the 2004 local authority elections' reported to Parliament in August 2005.

Christine Cheyne and Margie Comrie, 'Empowerment for Encumbrance? Exercising the STV Options for local Authority Elections in New Zealand, *Local Government Studies*, Vol. 31, No. 2, 185-204, (April 2005).

STV Taskforce (The Department of Internal Affairs, Ministry of Health, SOLGM, Electoral Commission and Local Government New Zealand), 'Choosing Electoral Systems in Local Government in New Zealand: A Resource Document', (May 2002).  
[[http://www.dia.govt.nz/Pubforms.nsf/URL/STV.pdf/\\$file/STV.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/STV.pdf/$file/STV.pdf)]



## 6. NEW YEAR'S EVE EVENT - FUNDING APPLICATIONS

<i>Type of Report:</i>	<i>Operational</i>
<i>Legal Reference:</i>	<i>N/A</i>
<i>Document ID:</i>	<i>376879</i>
<i>Reporting Officer/s &amp; Unit:</i>	<i>Belinda McLeod, Community Funding Advisor</i>

### 6.1 Purpose of Report

To seek approval to apply for external funding to support the New Year's Eve event for 2017-18.

### Officer's Recommendation

- a. That the Council apply to external funders as outlined in **Table a**.
- b. That a **DECISION OF COUNCIL** is required urgently <enter reason for urgency> . This will require the following resolution to be passed before the decision of Council is taken:

That, in terms of Section 82 (3) of the Local Government Act 2002, that the principles set out in that section have been observed in such manner that the Napier City Council considers, in its discretion, is appropriate to make decisions on the recommendation.

### CHAIRPERSON'S RECOMMENDATION

That the Officer's recommendation to apply for external funding as stated in the **Table a**, is approved.

### 6.2 Background Summary

The New Year's Eve event was initiated, in its current form, in 2000 by the Millennium Committee. The event is held at the Soundshell, and is organised by PM Event Management, a preferred provider. This family event is well attended by a range of people in the community, drawing around 23,000 people each year. The event draws a multi-generational crowd, and is promoted as alcohol and smoke free, so behavioural issues are minimal.

### 6.3 Issues

No Issues

### 6.4 Significance and Consultation

N/A

### 6.5 Implications

#### Financial

Council provides \$40,000 for the event and seeks external funding for the remainder. In recent years due to the decline of funding available from external sources, costs have had to be cut back to enable the event to go ahead. The total cost of the event is between \$72,000 and \$76,000 each year.

## Social & Policy

By offering an alcohol and smoke free events to the community and its young people, the New Year's Eve event contributes to the Council's Joint Alcohol Strategy, Smoke Free Policy and Youth Policy. It also contributes to the vibrancy of the city utilising an iconic community facility.

## Risk

In the past, Community Development Funding has funded a small shortfall. However, should a significant shortfall occur Council reserves the right to cancel the event. Fees of \$12,500 are not recoverable if this occurs. Grant applications are made early in order to secure funding well ahead of time. Multiple applications are made to funders if appropriate.

## 6.6 Options

The options available to Council are as follows:

1. **Scale Back** –do not apply for external funding, retain Council contribution of \$40,000, and reduce the scope of the event.
2. **Increase Council contribution** - to enable the event to go ahead in its current form, with no external funding.
3. **Status Quo (preferred option)** - apply for external funding, to top up Council's contribution to enable the event to go ahead in its current form.

## 6.7 Development of Preferred Option

Continue Council support and apply for external funding to enable the event to go ahead in its current form. Apply for external funding as follows in **Table a**.

**Table a**

<b>External Funder</b>	<b>Apply for funding up to:</b>
Pub Charity Ltd	23,000
Eastern & Central Community Trust	14,000
Youthtown	6,000
North and South Trust	4,000
First Sovereign Trust	4,000
Infinity Foundation	10,000
Grassroots Trust	9,000
<b>Total</b>	<b>\$70,000</b>

## **6.8 Attachments**

Nil

## Finance Committee

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# OPEN MINUTES

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Meeting Date: **Wednesday 14 June 2017**  
Time: **4.01pm**  
Venue: **Main Committee Room  
3rd floor Civic Building  
231 Hastings Street  
Napier**

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**Present:** Councillor Wise (In the Chair), Mayor Dalton, Councillors Boag, Brosnan, Dallimore, Hague, Jeffery, Mcgrath, Price, Tapine, Taylor, White, Wise and Wright

**In Attendance:** Director Corporate Services, Director City Infrastructure, Chief Financial Officer, Manager Business Transformation and Excellence, Corporate Planner

**Administration:** Governance Team

## **APOLOGIES**

Nil

## **CONFLICTS OF INTEREST**

Nil

## **PUBLIC FORUM**

Nil

## **ANNOUNCEMENTS BY THE MAYOR**

A short seminar will be held following this meeting.

## **ANNOUNCEMENTS BY THE CHAIRPERSON**

Nil

## **ANNOUNCEMENTS BY THE MANAGEMENT**

Nil

## **CONFIRMATION OF MINUTES**

### **Councillors Brosnan / Wright**

That the Minutes of the meeting held on 3 May 2017 were taken as a true and accurate record of the meeting.

**CARRIED**

## **NOTIFICATION AND JUSTIFICATION OF MATTERS OF EXTRAORDINARY BUSINESS**

(Strictly for information and/or referral purposes only).

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## **AGENDA ITEMS**

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### **1. FUNDING APPLICATIONS**

<b>Type of Report:</b>	<i>Operational</i>
<b>Legal Reference:</b>	<i>Local Government Act 2002</i>
<b>Document ID:</b>	<i>351363</i>
<b>Reporting Officer/s &amp; Unit:</b>	<i>Belinda McLeod, Community Funding Advisor</i>

#### **1.1 Purpose of Report**

To seek approval to apply for external funding to purchase two all-terrain wheelchairs for community use on the foreshore and inline hockey rink boards for Bay Skate.

### At the Meeting

There was no discussion on this item.

### COMMITTEE'S RECOMMENDATION

#### Councillors Wright / Brosnan

That Council:

- a. Approve that applications for external funding are made to purchase of two all-terrain wheelchairs.
- b. Approve that applications for external funding are made to purchase inline hockey rink boards for Bay Skate.

**CARRIED**

## 2. FEES & CHARGES 2017/18

<b>Type of Report:</b>	<i>Operational</i>
<b>Legal Reference:</b>	<i>Local Government Act 2002</i>
<b>Reporting Officer/s &amp; Unit:</b>	<i>Caroline Thomson, Chief Financial Officer</i>

### 2.1 Purpose of Report

To approve Fees and Charges for the year commencing 1 July 2017.

### At the Meeting

In response to questions from Councillors, it was clarified that:

- On page 58 of the agenda, the MTG Film Admission “concession” is for senior citizens and community services card holders; this will be specified in the fees and charges schedule.

It was noted that there is some perception in the community that our facilities are quite expensive for community groups to hire and people are often surprised when they see the actual costs which much lower than they had expected. It was suggested that better communication of pricing be advertised.

### ACTION

Officers to advise if the Meanee Quay “living aboard” charge is being monitored, along with any wastewater discharges from the boats.

#### COMMITTEE'S RECOMMENDATION

**Councillors Taylor / Brosnan**

That Council

- b. Resolve that a **DECISION OF COUNCIL** is required urgently to allow for notification of the Schedule in advance of it becoming effective on 1 July 2017.

**CARRIED**

#### COMMITTEE'S RECOMMENDATION

**Councillors Wright / McGrath**

- c. This will require the following resolution to be passed before the decision of Council is taken: That, in terms of Section 82 (3) of the Local Government Act 2002. That the principles set out in that section have been observed in such manner that the Napier City Council considers, in its discretion, is appropriate to make decisions on the recommendation.

**CARRIED**

#### COUNCIL RESOLUTION

**Councillors Price / Tapine**

That Council

- a. **Adopt the Schedule of Fees and Charges for 2017/18.**

Note that once the Schedule of Fees and Charges for 2017/18 has been adopted, it will form part of the supporting information for the 2017/18 Annual Plan.

**CARRIED**

### 3. SECTION 17A REVIEW WORK PROGRAMME PLAN

**Type of Report:**

*Legal and Operational*

**Legal Reference:**

*Local Government Act 2002*

**Document ID:**

*356245*

**Reporting Officer/s & Unit:**

*Rachael Horton, Manager Business Excellence & Transformation*

#### 3.1 Purpose of Report

The purpose of this paper is to provide Council with an update on the progress of the Local Government Act (2002) Section 17A service delivery reviews

#### At the Meeting

In response to questions from Councillors, it was clarified that:

- Section 17a reviews are focussed on current services.
- The priority level of reviews incorporates the cost of the activity and any proposed changes to the levels of service.

- Where possible, opportunities to work with other local Councils on reviews will be identified via HBLASS – for example a review of transportation may be undertaken jointly with Hastings District Council.
- The review of security has yet to be scoped but is likely to include items such as uplift of money, alarm monitoring and so on. It would not include community security as this is not a current activity.
- The intention is to take a wider view on the reviews, meeting our legislative requirements as well as aligning our activities with our strategic goals.

#### **COMMITTEE'S RECOMMENDATION**

##### **Councillors Hague / White**

That Council

- a. Note that Local Government Act Section (2002) 17A of the Local Government Act places an obligation on local authorities to routinely review their services for cost effectiveness.
- b. Note the timeframe for the reviews Napier City Council will undertake.
- c. Endorse the proposed schedule of Section 17A reviews.

**CARRIED**

#### **4. HB LASS LIMITED - STATEMENT OF INTENT**

<i>Type of Report:</i>	<i>Operational and Procedural</i>
<i>Legal Reference:</i>	<i>Local Government Act 2002</i>
<i>Reporting Officer/s &amp; Unit:</i>	<i>Adele Henderson, Director Corporate Services</i>

##### **41.1 Purpose of Report**

To receive the Final Statement of Intent 2017/18 for Hawke's Bay Local Authority Shared Services Limited (HB LASS Ltd) to Council as part of the reporting requirements for Council-Controlled Organisations.

##### **At the Meeting**

There was no discussion on this item.

#### **COMMITTEE'S RECOMMENDATION**

##### **Mayor Dalton / Councillor White**

That Council:

- a. Receive the Final approved Statement of Intent for 2017/18 for HB LASS Limited (HB LASS Ltd).

**CARRIED**



## 5. HB MUSEUMS TRUST STATEMENT OF INTENT 2017 - 19

**Type of Report:** Legal  
**Legal Reference:** Local Government Act 2002  
**Document ID:** 358905  
**Reporting Officer/s & Unit:** Adele Henderson, Director Corporate Services

### 5.1 Purpose of Report

To receive the final Statement of Intent 2017 – 19 for the Hawke's Bay Museums Trust to Council required for reporting requirements for Council-Controlled Organisations.

### At the Meeting

There were no major changes made to the Statement of Intent from the previous but was rather a 'fine tuning' of the document.

### COMMITTEE'S RECOMMENDATION

**Councillors White / Wright**

That Council:

Receive the final Hawke's Bay Museums Trust Statement of Intent 2017 – 19.

**CARRIED**

## 6. HAWKE'S BAY AIRPORT LIMITED - STATEMENT OF INTENT

**Type of Report:** Operational and Procedural  
**Legal Reference:** Local Government Act 2002  
**Reporting Officer/s & Unit:** Adele Henderson, Director Corporate Services

### 6.1 Purpose of Report

To receive the final Statement of Intent 2017/18 for Hawke's Bay Airport Limited (HBAL) to Council required for reporting requirements for Council-Controlled Organisations.

### At the Meeting

There was no discussion on this item.

### COMMITTEE'S RECOMMENDATION

**Mayor Dalton / Councillor Taylor**

That Council:

- a. Receive the final Statement of Intent for 2017/18 for Hawke's Bay Airport Limited (HBAL).

**CARRIED**

## PUBLIC EXCLUDED ITEMS

### Councillors Hague / Wright

That the public be excluded from the following parts of the proceedings of this meeting, namely:

1. Hawke's Bay Airport Limited - Report to Shareholders
2. Bad Debt Write Off

**CARRIED**

The general subject of each matter to be considered while the public was excluded, the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution were as follows:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) TO THE PASSING OF THIS RESOLUTION
1. Hawke's Bay Airport Limited - Report to Shareholders	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.
2. Bad Debt Write Off	7(2)(a) Protect the privacy of natural persons, including that of a deceased person  7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.

The meeting moved into committee at 4.18pm.

**APPROVED AND ADOPTED AS A TRUE AND ACCURATE RECORD OF THE**

**MEETING**

**CHAIRPERSON:**\_\_\_\_\_

**DATE OF APPROVAL:**\_\_\_\_\_

**Item 6**