You have two votes, one for a party and one for a person.

Your Party Vote is for the party you prefer.
Your Electorate Vote is for the person you would like to be the MP for your local electorate.

Your Party Vote

The Party Votes decide the total number of seats each party gets in Parliament.
Here's how...
We each vote for our preferred party with our Party Vote.
Each party's share of all the Party Votes decides the overall share of all the 120 seats in Parliament. (See the last box for how a party's share of seats is made up of its electorate votes and list seats.)
The more seats a party has, the more influence it is likely to have in deciding what laws are passed and how the country is run.

But...
A party must get at least 5% of all the Party Votes or win an electorate seat to get a share of the seats in Parliament.
This is called the threshold.
A party that doesn't get over the threshold won't have any seats in Parliament.

How a party's share of seats is decided

Each party gets seats in Parliament based on its share of all the Party Votes.
For example, if a party gets 40% of all the Party Votes, it gets 40% of all the seats in Parliament: 40% of 120 seats = 48 seats.
If another party gets 10% of all the Party Votes, it gets 10% of all the seats in Parliament, i.e. 12 seats.
And so on.

Your Electorate Vote

The Electorate Votes decide who will be the MP for your electorate.
The person who gets the most Electorate Votes in each electorate is elected the MP for that seat.
There are 60 General electorates and 5 Maori electorates.
So, the Electorate Votes will decide 65 of the 120 seats in Parliament.
The other 55 seats in Parliament will be filled by MPs elected from the party lists.

The Party List MPs

Remember, the total number of seats for each party is decided by its share of all the Party Votes - provided it gets over the threshold.
A party's seats are filled by list MPs, electorate MPs, or a combination of both.
If a party has some electorate MPs but not enough to reach its rightful total of seats, it tops up to its rightful total with MPs from its party list.
If a party hasn't won any electorate seats, all its MPs will be list MPs.
And a party will not have any list MPs if it has enough electorate MPs to fill its rightful share of seats.

IF YOU WANT TO FIND OUT MORE ABOUT MMP
Internet http://www.govt.nz/elections

MMP: IT TAKES JUST TWO TICKS