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Sir Roger Douglas

The New Zealand Centre for Political Debate

Does ACT have a Future?

Speech to the 2006 ACT Conference

I welcome the opportunity to be here this evening and also the opportunity provided to me to say a few words.

I would like to start by congratulating Garry Mallett on his election as President and Trevor Loudon his election as Vice President.

Your job as President and Vice President over the coming 12 months is a huge one – how well you do that job will largely determine whether Act becomes a party along the lines of NZ First, United or the Alliance based on their Leader – parties destined to head for oblivion as soon as their current Leader stands down or a party similar to the Greens in the sense it is policy/principle driven.

Why was Act set up? We said at the time that New Zealand was at a crossroads. We said:

- Much is still to be done if we are to recoup previous losses caused by New Zealand being the worst economic performer in the O.E.C.D. for 30 years.
- Need to move forward and accept we are part of a global economy.
- Current parties retreating to a dangerous do nothing approach.
- No difference between existing parties except in matter of degree.
- None of them have clear vision of where New Zealand stands and where it should be heading.
- All believe in a policy approach where politicians make choices which would best be left to individuals. In other words, none of them are prepared to trust the voter, by giving them the responsibility and dignity of making decisions for themselves.
- Act is the only party which has a 20 year vision for New Zealand's future and a cohesive, well thought out programme to achieve that vision.
- Act is the only party prepared to trust the public, to give the public the opportunity to take responsibility for their own lives.
- Act is the only party which will provide genuine security for the disadvantaged.

How well the new President and Vice President do their job over the coming 12 months will largely determine whether Act becomes a party ... headed for oblivion as soon as their current Leader stands down or a party similar to the Greens in the sense it is policy/principle driven.

We stated openly that Act stood for:

- Individual choice and personal responsibility within a supporting framework of social and economic policy.
- Opportunity, security and dignity which come from fair treatment, productive employment, rising living standards and personal choice.
- Less government involvement in the delivery of services to the consumer but greater concentration on creating an environment where there is choice, competition and diversity.
- Access to a high standard of education for all children.
- Access to a high standard of health care for all citizens.
- Security of income in retirement.
- Security to an adequate level of income for all citizens in the event of some adverse event such as sickness, an accident or unemployment.
- Competition as a means of achieving key objectives and goals in areas such as Education, Health, Retirement Income and Social Welfare.
- Consumer power in that there should be no special privileges or assistance of one sector over another.
- Income support policies which have as their objective, the redistribution of income fairly and efficiently.

This means that:

- Assistance should meet the needs of the most disadvantaged.
- Benefit provisions should avoid creating severe disincentives for employment; instead they should assist and reward effort and, in a broader sense, self-help, participation and dignity.
- Social Welfare transfers should be carried out efficiently and, in particular, should as much as possible minimise welfare losses, not inhibit economic growth, and contribute to jobs.
- Tax collections and benefit payments should not interfere with people's lives and choices more than absolutely necessary.

– Transfers should be fiscally sound, that is sustainable.

A tax system which meets the following goals:

- The efficient collection of taxes with the least interference in people's lives, fair and equitable treatment, the encouragement of productive jobs and economic growth.
- Lower Government debt.
- Control of Government expenditure.

We went on to say that Act recognised that:

- Any programme of reform has to be about goals, objectives and dreams. These must be capable of being delivered within a reasonable timeframe, and by practical, commonsense means and measures.

- For many New Zealanders, the pain of waking up to 40 years of mismanagement has been significant – financially, emotionally and intellectually. Instinctively, many have turned nostalgically to a past that never was – a past in fact directly responsible for the difficulties many New Zealanders face today. In order to counter this desire to look backwards, a carefully planned 20 year vision of New Zealand's future is required.

We concluded by saying that:

- In the final analysis, all the principles, the framework of policy, are not about economic and social theories. They are about and for people. How do you give people a real chance to live successful fulfilling lives that contribute to the country's economic and social progress?

I remain committed to Act's original vision – I believe Act can recapture its place within the New Zealand political landscape, a place which should mean 10–20 MPs

How do we do it? That's what I would like to address this evening.

STEP 1

Become once again the conviction-driven party we were when first established.

Resolve to never gain compromise our beliefs in search of short-term populism.

Remember: Effective Parties/Effective Leaders – stand for something. We need to ask ourselves once again:

What does Act stand for? What should Act stand for?

If we asked the public, even our members what Act's principles are today, would they be able to tell us?

What is the main message Act broadcasts today to people based on our daily Actions and words?

Is it a message we as a party subscribe to or should it change?

Remember, if you don't stand for something, you'll fall for anything. What are Act's mission and values today? Do we have a set of values that guide us as a party?

If we don't, and I don't believe we do, in the sense

of what we say to the public day in and day out, then let's start putting them together.

We certainly had that vision, mission and set of values in 1995 when we started the party and need them today. Only when Act has a common vision will everyone in our party begin to move in the same direction.

STEP 2

Stand for something. Leadership (including political leadership) implies that you are moving towards something – A sense of direction is required.

No party, no leader can be successful until you have a clear idea of what you believe (we knew what we believed in 1995) where you're headed and what you're willing to go

to bat for.

These sorts of beliefs, that sense of direction, that leadership, were at the heart of everything I did during the 1980s and why I formed Act in 1994.

They were fundamental to building the team that won re-election in 1987 and got Act elected in 1996.

The simple fact is that beliefs and convictions provide the boundaries and direction that people need and want in order to perform well.

Without boundaries, a river becomes just a big puddle. So it is with political parties.

- Beliefs are what make things happen.

- Beliefs come true.

- Inadequate beliefs are setups for poor performance.

And it's the leaders' beliefs (in a political sense, that means our Parliamentary and Board leaders) that are the most important because they become self-fulfilling.

Keeping a specific focus before the party and concentrating their efforts within a narrowly defined limit is the task of good leadership.

Act is currently failing to deliver adequately. I hope the new Board will not.

The 1984 – 1987 Labour Government was successful because it recognised these principles, it did not allow itself to get sidetracked. When it did finally get sidetracked in 1988, it went off the rails and subsequently lost the 1990 election.

I could summarise all this by saying: Without a vision, the people perish

A clear vision and set of operating values are really just a picture of what things would look like if everything was implemented and running as planned and that vision was fulfilled.

For any party to be successful the leadership of that party needs to communicate that vision constantly to ensure that there is no doubt about the direction the team (party) is heading. Week in week out.

That's the difference between success and mediocre performance.

A vision is important because it can inspire people to do their best. Act currently fails to communicate any vision people can relate to. It might be in the cupboard but it's useless there.

Having said that, just as success is not forever, failure isn't fatal. You need to keep things in perspective.

Our failure at the last election could, if used properly, be the best thing that ever happened to Act.

How Act, how you and I rebound from a major setback (which the last election was) speaks volumes about the party and who you are. The fact is that in these circumstances your attitude makes all the difference.

- Attitudes can take good outcomes and make them better;

- Likewise, it transforms bad events into opportunities to learn. (No evidence we in Act have learnt much over the last 6 months)

A political party's character/identity is the sum total of what people see as your beliefs. They make this judgement from your day-to-day behaviour.

It's how they perceive your inner character.

1980s doing what was right.

1990s belief Act could change New Zealand. We had new answers to old problems

2006 party's character/identity driven by our uncovering of various scandals.

People in the 1980s often asked: How can you implement the policies you are?

My answer was always the same - provided I could look in the mirror each morning and say I'm doing what I believe is in the best interests of New Zealand I was happy.

In the 1980s we had the courage of our convictions.

1990s - Same

2006 - It all seems too hard; forget it; don't talk about it or if you do don't make it central to what you have to say merely a by-product.

1980s 1990s. A consistent approach. We didn't attempt to behave the same way all the time but we did behave the same way in similar circumstances.

This is vital to gaining acceptance of any programme you are promoting. Today you answer the question.

STEP 3

Welcome debate and participation within the party

Give people the opportunity to:

A. Take part

B. Hold a position within the party comparable to their ability.

It's simply not happening - given we only have 2 MPs. The idea of having special spokespeople was raised at Board level and went nowhere, yet in 1995 we had 30+ spokespeople covering 30+ policy areas. 50+ Advocates able to undertake cottage meetings and sell our policies. We welcomed people into the fold

When you have people like: Graham Scott, Stephen Franks, Muriel Newman etc.

How can you simply let them sit on the sidelines and rot? What sort of party does that?

Great leaders and parties listen to their members and to their staff and once they've heard all of the important information they are prepared to make the best decision they can, telling everyone consulted why they made the decision they did.

Act needs to once again create a situation where we use everyone's talents.

STEP 4

Act Board. Under Act's rules and constitution, the supreme governing body of Act is its Board of Trustees comprising the president, vice president, leader, deputy leader, one MP elected by caucus and seven regional board

representatives.

Under our constitution, because Board members so directly represent and are accountable to the grassroots of the party, we rely on their individual judgement to keep Act on the right path at all times and, as necessary, to use their influence over the Parliamentary party. They have the responsibility, as keepers of the Act faith, for mediating between the party, the Parliamentary caucus and the rest of our membership. There is no case for diluting this direct democratic selection process, and as long as that process stands no case either for reducing the responsibilities we impose on the Board. The Board in turn simply has to do its job.

Humility is very fine in its place, but Act Board members need to have the courage of their convictions, no matter what issues and short-term problems this may raise.

The fact is that the Board over the past few years has been divided and relatively ineffective - it has not given Catherine the support she deserved.

With only two MPs, the Board's responsibilities have grown dramatically - for the sake of the party, I hope the Board under your leadership, Garry, lives up to its responsibilities and has the courage of your collective convictions. If it doesn't, Act will suffer accordingly.

STEP 5

Put in place an organisational programme for the next 2½ years.

Progress for this party means a 3-year programme founded on total buy-in to a team effort by everyone in this party: the Board, Members of Parliament, and all the rest of our membership - not rushing off on uncoordinated solo missions in quest of personal glory. We have to start by understanding why sideshow politics may work for Peters but will never work for this party and discipline ourselves to

serve the team and the nation.

Working together, we have to cement a solid platform in place that demonstrates clearly and credibly why Act policy is the only approach capable of delivering real gains to New Zealanders. We will need to follow that by a very heavy education programme targeting first our candidates, our Board and our members. We need everybody in this party on-line, committed, and 100 per cent competent in educating third parties nationwide.

In the immediate future, we have to ensure that we set in place an organisational structure capable of developing and delivering the programme, educating our own people, then establishing the 30-month PR and marketing programme required to drive it through. That programme has to be powerful, totally credible, and show clearly why all of the other approaches advocated by the other political parties will harm society, hurt the economy and damage disadvantaged people.

Then bound together as a team, refusing to let ad hoc distractions pull us off track, we have to get out there, and in an environment dominated by a mish-mash of self-defeating left-wing ideas, sell our programme to the community, in the political marketplace.

STEP 6

Organisation at Electorate Level. At present, we have a variety of structures across the country at electorate level. Most common among them is the electorate committee elected by local Activists. In a few cases, they work superbly. In other cases, over time, they have decayed or become moribund. Clearly wherever that has occurred, it has to be turned round without delay. Recapturing the Act dream is step one in this process.

In the traditional major parties, most candidates expect to stand two or three times unsuccessfully, often in seats where they have no chance of election, to serve a political apprenticeship. For the majority of future Act candidates, exactly the same thing is likely to apply. Act needs to establish some form of candidate apprenticeships (e.g. electorate organisers).

The new Act Board should consider appointing political organisers for each electorate. They would report quarterly to the Board. They would be given targets and tasks to achieve. Their track record would be taken into account if they applied to go on the candidates' register. This would in effect create a form of apprenticeship based on practical grassroots achievement, and would assist the Board in its job of list selection. This vibrant electorate structure would enable Act to get its message to the maximum number of people throughout New Zealand .

STEP 7

Be disciplined when responding to government initiatives. We can confidently expect that the socialist coalition will continue to anger an increasing number of people, and give Act a lot to respond to, but it will not be enough to look smart at their expense. To the voting public, smart comes across as smart-arse. The cut, the thrust and the parry of the slanging match that pretends to be political debate does not interest or serve the voting public. It is the main reason, along with compromise and obfuscation, why the public hold politicians in such general contempt.

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It is in Act's interest in identifying the problem, the goal, the options, their costs and their benefits to get a grip on what's going to work best for New Zealand, and why. Act's role in the next three years must focus as an over-riding goal on educating people to understand, on the one hand, the self-defeating fallacies of existing policy, and on the other, why Act policies can and will deliver.

STEP 8

Clarify Act positioning. Clearly, there is a need for Act to present its case in the market with flair, with drama, and a high level of creativity. Our policies are fundamental to the economic and social advancement of every voter in the 21st century. They are relevant, in particular, to disadvantaged New Zealanders who have grown up, for whatsoever reason, deficient in the skills required by a modern job market. We need clear and forceful communications.

There is however, one over-riding requirement without which Act New Zealand will never accomplish anything of value, for itself, its members or anyone else. That requirement is credibility. Credibility in the family home of the average New Zealander, credibility in the eyes of the underprivileged, and at the same time, credibility with the best informed and best educated economic and social analysts in this country.

Act was formed because we could see that, without further policy change, some disastrous outcomes could be expected by the year 2010. As we all know, adequate changes were not made. Now, in the year 2006, the outcome is all round us, across the board in everything from our falling trade balance to our rising crime rate. That consideration imposes some fundamental constraints on all of us.

Voters in New Zealand value political parties for the contribution they seem likely to make to the perceived wellbeing of society in the longer run. They want to see the problems of the nation come first. The fastest way to political suicide is to come across as a party whose members put personal ambition ahead of the common good and, for personal advancement, destroy the ability of their team to serve the national interest.

Five years ago I said if this party behaves like

Winston Peters, nobody is going to adopt our principles, because we won't be seen as having any – and Act, under those conditions, will not survive. Use flash-in-the-pan tactics on public issues and a flash in the pan is all we're going to be. We need to understand the nature of the situation facing us, and the responsibility it will impose on Act, more than any other party, in the next three years.

There is no future for Act in skidding on the fundamental goals and principles of this party. They embody what is valuable in Act to the rest of the community.

I said that 5 years ago – you be the judge of what we did right and what we did wrong.

STEP 9

Debunk the myth that has operated in this party for 9 years now that we only won power in 1996 when we changed some of our policies.

I don't believe this and I give you a number of reasons why:

1. We went immediately to 5 per cent+ in the polls in 1995 when we announced our policy platform – we were unable to maintain this poll level because National and Labour ignored us, as did the media. It showed however that when the limelight was on us we could gain 5 per cent+.
2. 10,000 – 12,000 paid-up members and supporters always meant we would achieve 100,000+ votes. A multiply factor of 10-20 votes for every member, generally operates for smaller parties - 2,000 members 2005 = 30,000+ votes.
3. The Greens went into the 1996 election on just over 1 per cent and got elected – why, because they had the committed membership required and the attention an election brings.

Having said that, undoubtedly Richard's drive and dedication helped. If we want to get 10 MPs at the next

election, the message is clear:

- Have a vision that enables us to build our membership to 10,000+.
- Welcome and involve those members.
- Stand on principle and give people a sense of direction, as well as a vision of what New Zealand could look like.

The problem with our approach since getting elected to parliament is that we became a party of campaigns – some we carried out extremely well – but this approach always means:

- You are only as good as your last campaign.
- You are following someone else's agenda – health is the news this week – let's have a campaign on health etc.

Campaigns are important but they must be linked back to your dream, vision and objectives, i.e. your main message – campaigns help you set the agenda and demonstrate the direction you wish to take the country.

STEP 10

Ask yourself why are you involved in politics? Let's not join the other parties whose only philosophy seems to be to fine-tune their image and their policies in order to achieve better results in the next poll.

Their adherence to policies which focus on their immediate needs rather than the country's future opportunities brings with it the accumulated difficulties we see today – Act is better than that. Let's resolve together to demonstrate this fact to voters.

Sir Roger Douglas is a former Minister of Finance, Founder and Past President of ACT.

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Regards

Muriel Newman
(founder & director of NZCPD)

