nave Store Review.

Review - NT General Election 2005

"We have done it to ourselves" (Alice Springs) *"No one listens anymore"* (Tennant Creek, Alice Springs, Katherine, Darwin)

Introduction

This Review is about going forward rather than looking back.

Having said that it is important to have regard for what came before in framing where we go in the future.

This is not a long Review. The CLP does not need a long dissertation on who did what, why and where. The CLP in my view needs a straight forward unambiguous set of recommendations that the membership can debate, decide and act decisively upon.

Further this Review does not contain detailed confidential material relating to the Party's finances and polling.

There is nothing to be gained by empowering the CLP's political opponents with such detailed information. I have however included general trends in the research that would have been picked up in the ALP polling in any event. What is clear is that the ALP was always going to win, win overwhelmingly and the election was never going to be close on any scenario.

The mantra maintained by the ALP that it was a close election was a clever ploy and strategy to lower expectations and mislead the commentators.

I believe that I have had access to all material. I don't believe that anything has been concealed from me, nor have I been denied access to any material I specifically requested.

I believe everyone who wanted to make a submission or have their say have been accommodated within the scope of what was possible in the time frame allowed. I am grateful to all those who have taken the time to write, email, telephone and discuss in person their views. I have held meetings in Alice Springs, Tennant Creek and Katherine. I have attended three meetings in Darwin. My apologies to people in Gove, The Gulf, Timber Creek and beyond – time was and remains of the essence.

A word of caution – **don't spend the rest of the term debating this Review**. Settle matters thoughtfully and promptly and get back to work representing the aspirations and hopes of your fellow Territorians. If you the membership allow yourself to become consumed by process then expect another decade in opposition. This Review is not about 'scapegoating' any particular individuals and groups. We the collective membership of the CLP, myself included have all contributed in varying degrees to the shortcomings and failure of the CLP over time. It was inevitable that we would one day face electoral defeat as we ate away out our collective 'political capital'. That is the nature of the electoral cycle in a democracy.

It's how we deal with defeat, rebuild and win back Government that matters most.

The preliminary observations that follow by way of an introduction reflect not only my own views but also the submissions of others who have taken time to give careful thought to what they consider went wrong and what we need to rebuild.

The CLP of old captured the very hopes and aspirations of Territorians and by and large delivered – Self Government, sensible balanced development, major projects, economic prosperity, jobs, a sound education and health systems (including our own University), a well resourced police force, an enviable lifestyle and a sense of pride in our identity – proudly Territorians all working together.

Most importantly Territorians knew what we the CLP stood for. It was about having goals and vision – making sure the Territory kept its lifestyle and grew in a balanced way so our children had a great future.

Put succinctly the CLP equaled *stability, security, lifestyle*. Successive CLP Governments delivered the services, created the opportunities and preserved the best lifestyle in the country.

Such an observation might be dismissed as hype and rhetoric. I have observed and experienced first hand the way Territorians identify and react. We don't always fit the national trend on a range of issues. It was said to me by a senior Howard Minister that the recent election result confirmed that the Territory had forever changed. I had a different take – Clare Martin has learned her lessons well from the CLP. What better illustration than her *'lock up the drunks'* policy (since qualified) contrasted with Denis Burke captured by Channel 9 news speaking at Port Keats claiming that he didn't want the *'red neck vote'* of the Northern suburbs.

I say more about this later and in particular the way in which the CLP has allowed itself to be persuaded by commentators that we have a history of wedge and race politics that we should be ashamed off. We do not.

That said it would be foolish to assert that the Territory has not changed – it has. It has developed and matured socially, economically and politically. What was important at the time of Self Government is a distant memory compared with current priorities that occupy Territorians. What has also changed are the main political protagonists - the CLP and Labor.

The other overwhelming factor that works for every Labor Government in Australia is a robust, prosperous national economy driven by the Howard Government. State and Territory Labor Governments Australia wide (the Martin Government is no exception), 'bask' in this reflected glory claiming it successfully as their own economic management. Such could not be further from the truth.

The CLP forgot how they got into Government in the first place and what kept them there. The ALP, having fallen into Government in 2001 has worked out how to stay in Government.

The key to the CLP's past electoral success was that it mirrored the aspirations of Territorians. Put simply the CLP was the Territory. The demographics of the Territory at the time of Self Government were very young – from the Chief Minister through to the public sector and business community. Public servants didn't just have a job – they had a stake in creating a new Government, a new constitutional entity, a new future. The business community had new found opportunity – fortunes were won, lost and held through an exciting period of economic growth, often counter cyclical to what was happening nationally.

The fortunes of the fledging Government, the CLP, the people who proudly called themselves Territorians was a formidable buttress against an Australian Labor Party that was seen as run from Canberra, opposed Self Government and just about everything else Territorians saw as inextricably linked to their future.

Chief Ministers came and went but the formula by and large worked. We had our close calls, internal *'bust ups'* but we got by and most importantly kept winning because when it mattered we renewed and fostered that bond with Territorians – the CLP was the Territory Party and we sold that message effectively time and again.

But certain things changed. Most importantly the demographics changed, the public service was a lot older and there was new generation of public servants and business people who were not imbued with a sense of our history let alone the Territory's history. **The CLP took too much for granted**.

The CLP became lazy and complacent – both the Parliamentary and organizational wings. There was a perception that Government was the *'natural'* calling of the CLP (unfortunately a view articulated in Parliament on occasions). There appeared a conscious and deliberate distancing from the business and ethnic communities. At the organizational level there were the same tired (and aging faces) dominating the branch meetings, Central Council and Annual Conference – there was limited renewal and recruitment. There must be a blend of the old with the new.

There appeared limited efforts to revitalize the membership, win and hold the trust and confidence of the next generation of Territorians and to maintain that sense connection.

There were two fatal and enduring mistakes made by the CLP post 2001,

- believing that Territorians had 'got it wrong' and that things would return to their natural order in due course (hence the incomprehensible failure to conduct an independent review of the Party's first ever defeat).
- second, failing comprehensibly on all fronts to convey to Territorians what the CLP now stood for (usually achieved by hard work in the electorate and policy that is explained well in advance of an election).

There are also three other observations that I can make based on the submissions and research.

- There was an obvious disconnect between the CLP members of Parliament and the wider Territory community – the old networks of 27 years had frayed and withered in an atmosphere of indifference and complacency. The CLP had lost just about all of its *'intelligence'* threads in the wider community;
- There was a recognized failure of leadership within the ranks of the CLP Parliamentary wing – the lack of discipline among the elected members was most telling;
- The CLP in trying to stand for everything (the 'me too' syndrome most famously practiced by Kim Beazley) was found wanting – the CLP stood for nothing.

I elaborate on the above in the body of the Review.

I now propose to deal with the campaign. The second part of the Review will address more general matters that in my view impact on the future electoral performance of the CLP.

1. The Campaign – the Preliminary Audits and the Campaign Proper

There has been a great deal said about the running of the campaign and what might have been. I received a number of submissions that reflect a degree of frustration and disappointment over the way the campaign unfolded and was run.

A blueprint to prepare for the campaign was produced. The fact that much of what was recommended was not acted upon is another matter – the simple facts are that a blueprint for running the election was put forward by *'experienced hands'* who took the time and effort to make very specific recommendations.

The fact that matters did not materialize as expected in a timely fashion is a matter of disappointment. What was recommended remains a salient lesson for the future.

We have the advantage of an extensive and detailed independent external audit that was conducted of the campaign readiness before the election was called.

It is clear that the CLP was unprepared, under resourced and completely 'at sea' in the lead up to the election (arguably for the whole term). However, there was an attempt to set things right and it is important that the membership understand that an enormous effort was put into correcting matters and that members understand the breadth of logistics and preparation that are necessary for a successful campaign.

The inescapable fact remains however that the once *'well oiled'* CLP Party machine was no more. Despite best efforts the inexperience of many involved was very telling in the final result. People can do their best but if they don't know what they are doing then it is all to no avail.

Research conducted in mid 2004 (which had been preceded by extensive research during the Federal election campaign undertaken by the Federal Liberal Party) proved very telling. I deal with this below in very general terms. What is clear is that had the Martin Government called an earlier election towards the end of 2004 the CLP would most likely have not held any seats in the Territory Parliament at all (shades of 1974 where Labor was unrepresented in the Legislative Assembly).

Politics is about timing and Labor missed an opportunity to consign the CLP to the political waste bin for ever – an opportunity they will in time come to regret. It is hard to believe that ALP research was not telling them the same as the CLP research. Perhaps they just didn't believe it. It was a very consummate performance by the ALP to keep asserting with a straight face that the election was going to be close. It never was at any point in time.

The Audit

What became apparent during the Federal Election campaign in 2004 was that the CLP was not capable of mounting a campaign. Were it not for the willingness of Suzanne Cavenagh and a dedicated team to work collaboratively with Liberal Party CHQ in Melbourne David Tollner would most certainly have been defeated in the 2004 Federal election.

In the final analysis the 'Howard factor' loomed large in Tollner's re election.

What we had learned from the Solomon bench mark poll and subsequent quantitative research during the campaign prompted an emergency meeting in Darwin mid Federal campaign – not to discuss the Tollner campaign but rather the emerging trends likely to have a serious impact in a Territory campaign (this is referred to later in this Review). That meeting was attended by the local Federal Campaign Committee and then Leader Terry Mills. There was I recall a very frank and spirited discussion about a looming 'train wreck' at the Territory level.

As matters turned out the most opportunistic time for Clare Martin to have called the election was immediately following the historic Howard 4th term election win – they missed it, fortunately for the CLP.

As the Christmas break overtook matters it was agreed by the Party President that remedial action was required as a matter of urgency. Unfortunately the continuing malaise in the CLP saw matters drift further into the New Year.

Ultimately an external initial audit of candidates, the Leader's Office and Party Secretariat was taken between 12th March 2005 and 18th March 2005.

This audit of candidates comprised of interviews with candidates to review their program, campaign activity, mail and other basic preparations for the election campaign.

The audit of the Leader's Office and Party Secretariat comprised of meetings with key staff and questioned their daily activity and preparations for the campaign.

As a result of this visit many weaknesses were identified in the candidates, Leader's Office and Secretariat activity and general election preparations.

Recommendations were made for each candidate that had been audited and for the Leader's Office and Secretariat.

It is quite wrong for members from Central Australia to allege that there was no understanding of the differentiation between the Northern Suburbs of Darwin and Alice Springs – such was recognized early on. The fact that it was not acted upon is another matter.

Detailed recommendations were made for each electorate and candidate and these are detailed in the document '*Northern Territory Seat Reports*' dated 21 March 2005 – I have not set these recommendations and findings out in detail. The above document will be made available to those who carry the future responsibility for elections in the Territory.

It was a reported concern that sitting Members were not campaigning sufficiently in their electorates and the Leader was advised very specifically.

"We also need to make sure all current CLP seats are held at the election. All MLAs need to be told that they must increase the amount of newsletters, direct mail, community activity and door

knocking in line with what the marginal seat candidates are being asked to do".

What is clear is that despite the general lack of preparedness of the CLP to mount an election campaign they had been given a very comprehensive check list of tasks and objectives.

Sadly many of the recommendations were not acted on. By all accounts the Leaders Office was dysfunctional and largely acting in a vacuum.

Progress Visits

Further visits to the Northern Territory took place from 10th May 2005 to the 13th May 2005 and again on 22nd May 2005 to 25th May 2005 by the external political auditor. These visits were to review progress that had been made following the initial recommendations made in March 2005 and to further advise and guide staff working in the Leader's Office, the Party President and candidates.

All these points were once again raised with the Campaign Director with a request for urgent action to be taken with further advice on how to get a basic organization and program in place.

The Campaign Proper

I have also had made available to me a very detailed report on the campaign logistics and structure itself. I don't propose to delve into that Report in this Review. All that would do would be to *'arm'* our political opponents with vital intelligence about the way we run our campaigns (or this case what we should have done).

This Report will be made available to the Strategy Committee recommended below.

It is clear that many of the recommendations made since March 2005 were not carried out either by local campaign teams or by CHQ.

In future, there should be certain requirements candidates have to meet if they are going to be pre-selected as a candidate in a seat (including sitting members).

Conclusion

It is clear that in-fighting within the Country Liberal Party following the defeat in 2001 and a failure to acknowledge that the voters had removed the CLP from office for a reason contributed to the election defeat.

With high expectations from candidates and Party members throughout the campaign that the CLP would be elected back into government as 'a matter of *course*' it was clear that many in the CLP still hadn't accepted the 2001 defeat. The collapse of the organization of the CLP following the 2001 defeat meant that much of the organization of the campaign fell to the Leader's Office which simply wasn't up to it.

The initial campaign audit needed to have been undertaken twelve months earlier and the results and recommendations acted upon. The initial recommendations in March 2005 and following guidance in May 2005 were largely ignored.

For his part the Campaign Director Ian Hankie worked around the clock, was clearly under resourced and over extended. He had reluctantly accepted the assignment knowing he was on a hiding to nothing.

The most damning observation is that there was no one left in the CLP organizational wing or Leaders Office capable of running a campaign, hence the *'outsourcing'* of the Campaign Directors role.

I have taken the time to provide a sanitized report on the mechanics of what transpired during the campaign as documented and reported to high light the complete failure of the logistics involved in the campaign.

It is not important to dwell on who did what or who failed to act or understand the importance of what was required. Rather it is a matter of learning from the above.

Never again can the CLP enter into campaign without the skilled local people who know what is required, are capable of actioning those requirements and are outcome driven in delivering the very mechanics of a successful campaign.

I comment in greater detail later in the Review under the heading *Future Campaigns*.

The Review would be incomplete without reference to the research, or more precisely the lack of it.

The Research

It is near impossible to run a successful campaign nowadays without the benefit of research – quantitative and qualitative). Research remains however a *'tool'* or a *'road map'* – at best an informed *'guide'*. It tells us about yesterday and helps us define *'tomorrow'*.

Research is not the panacea for underperforming candidates, policy vacuums and poor leadership.

I have taken the time to set out the details of methodology for the simple reason that in the past we have had members of the parliamentary wing who have alleged that the pollster was '*wrong*', made up the results or was giving a skewed view of what the electorate was saying. It's worth noting that those MP's who made those allegations have all lost their seats over the course of the 2001 and 2005 election.

The pollster (researcher) was not retained or contracted to provide strategic advice or direction. Campaign funds did not permit such an engagement.

Methodology

This analysis is based on qualitative and quantitative research conducted by the pollster prior to and during the recent 2005 NT election campaign.

Quantitative research

Although the most sophisticated procedures were used to collect and analyze the information presented below, it must be remembered that surveys are not predictions. They are designed to measure public opinion within identifiable statistical limits of accuracy at specific points in time. This survey is in no way a prediction of opinion or action at any future point in time.

Two quantitative research samples were conducted prior to the election. The first was the Solomon Benchmark conducted on the 6-9 May 2004 in the run up to the Federal election campaign. A Core Seats Benchmark quantitative sample was then conducted on the 10-13 March 2005 in 10 marginal seats throughout the Northern Territory (this data was shared with Party President Paul Bunker and the Leader Terry Mills).

The quantitative research contains results from each of the samples of n=400 voters 18 years of age and older, conducted as representative random probability samples.

The data was stratified by gender, age and postcode. Results were weighted by gender and age to reflect the population distribution in urban and country areas according to the latest population estimates available.

The pollster typically used qualitative (percentages or proportions) and quantitative (averages or means) measures in its survey designs. In general, for

a qualitative measure, the maximum margin of error for a sample size of approximately 400 is ± 4.9 percentage points in 95 out of 100 cases.

It should be understood, however, that this margin of error only applies to measuring a proportion based on the total sample. Margins of error will be different for comparisons between sub samples and for quantitative measures, such as means derived from ratings scales.

Any variation in reported percentages of $\pm 1\%$ in this report is due only to rounding. In reporting of figures "0%" denotes mentioned by less than 0.5% and "--" denotes not mentioned or no difference.

Qualitative research

Qualitative focus group research was conducted prior to the campaign on the 16 November 2004 (during the tenure of Terry Mills as leader). Further groups were then conducted during the campaign on 6 June 2005 (during the tenure of Denis Burke as leader).

In each wave, two (2) focus groups were of soft voters were conducted in Darwin. Each group consisted of soft voters aged 20 - 55 and comprised of 6/8 participants with an approximately 50/50 mix of males and females.

In each wave, one group was recruited from the Territory electorates of Casuarina, Johnston, Millner and Nightcliff. The second group was recruited from the Territory electorates of Blain, Brennan, Karama, Sanderson and Wanguri.

Qualitative research is designed to uncover ideas and persuasive creative leads. It is not designed to quantitatively define the marketplace. Qualitative research reporting should be read and understood with a view to the quantitative research results.

Indeed it was strategically very unusual at that stage of a campaign not to have campaign quantitative work commissioned or available in order to triangulate the qualitative research and to aid the proper targeting of messages in the narrow band of seats the CLP was looking at.

Strategic Summary

Following is a strategic summary of the lead up to the 2005 Northern Territory Election and of the campaign proper by way of an analysis of the quantitative and qualitative research from May 2004 to June 2005. **Recent history of first term Governments**

It is important to keep in mind that from the outset, it was always going to be very difficult in this election for the Country Liberal Party not only to win, but just to hold ground.

The facts are that in recent times first term Labor Governments in Queensland under Peter Beattie, New South Wales under Bob Carr and Victoria under Steve Bracks all managed to either extend their majority in parliament (Carr won an extra 5 seats in a Parliament reduced by 6 seats overall in 1999, Beattie won an extra 22 seats in 2001 and Bracks won an extra 20 seats in 2002) or, in the case of Western Australia under Geoff Gallop, lose only a small amount of their majority.

No mood for change prior to the election

A consistent finding throughout the qualitative and quantitative research, both prior to and during the campaign, found that the Martin Labor Government were perceived to be doing a reasonable job by the voters and had done enough to deserve re-election. There was also no real desire to give another party and leader a chance to do a better job.

This was exemplified in the quantitative research of May 2004 with 53% of Territorians saying that the Labor Party had done enough and only 39% saying give a new party a chance (a difference of +15 points).

The qualitative research prior to and during the campaign, also revealed that there was a strong sense among soft voters that the Territory was heading in the right direction. This was largely due to an excitement about the projects that the Territory had won and the *'boom'* and knock-on affect to other areas expected shortly. Continued job and career opportunities were expected to be strong.

This was evident in the quantitative results of March 2005 which showed that 67% of people thought that the NT was heading in the right direction with only 23% thinking that it was heading in the wrong direction. This was a significant difference of +45 points.

As the pollster noted in the qualitative research memo in June 2005 "the perception that, qualitatively, things in the Territory are 'heading in the right direction' is a concern for the Country Liberal Party's campaign as not only does this make it difficult to generate a mood for change, but it makes it easier for Clare Martin and Labor to demonstrate, as they are, that they are a safe pair of hands and should be given the opportunity to continue doing what they are doing."

In short there was no real mood for change which is generally a pre-requisite for ousting an incumbent Government based mainly on dissatisfaction with their performance.

Economy/finances seen as most important for the Territory

In pre-campaign qualitative research in November 2004, voters saw the issue of economy/finances and general planning and development as one of the most important for the Northern Territory to ensure the strength and future success of the Northern Territory economy. Voters also believed that one of the most important roles for the Territory government was to be very pro-active and aggressive in sourcing opportunities and *'projects'* for the Territory.

It was revealed in the pre-campaign qualitative research that whilst voters believed that Clare Martin and the Labor Party were doing a 'good job' in running the economy, there were concerns that she 'may' have no future plan for keeping the Territory's economy strong.

Therefore, the challenge for the CLP was to define the debate on the economy as one about the future growth of the economy (rather than about its present state) and cast as one about which Party is best to manage the economy so that the NT can cope with future world downturns and an increasing population whilst still maintaining the unique Territory lifestyle.

However, it was noted by the pollster that during the election campaign the notion that only the CLP had the plans, the experience and the energy to develop such a plan for the Territory's economy and to deliver it had not been established at all with soft voters based on results from the campaign qualitative research.

Country Liberal Party economic messages at odds with voter perceptions

The continued perception of voters that things were heading in the right direction coupled with the CLP not establishing its economic credentials, meant that the CLP's claims in the lead up to the campaign period proper that various government outcomes are *'not good enough for the Territory Clare'* were perceptually at odds with what voters themselves were experiencing and seeing around them *("people aren't leaving the Territory – they are moving up here – look at all the apartments"*).

As noted by the pollster in the qualitative Benchmark memo it was found that "the Country Liberal Party did not demonstrate in any way WHY such government outcomes are not good enough for the Territory, but also did not use examples that were perceived to be more believable (such as no commitment to big projects, no long term plan for the economy, no plan to reduce the cost of living)."

Clare Martin perceived as doing good job

Whether or not voters liked Clare Martin, the general consensus, qualitatively, was that she had done a pretty good job and was described in positive terms.

Pre-campaign, Clare Martin was perceived to be a good communicator, getting out in the community and representing the Territory throughout the region.

It was observed that from the quantitative research in Solomon in May 2004 to the Core Seats Benchmark in March 2005 that Clare Martin increased her favorability ranking from +23 point to +32 points, an increase of +9 points over that period.

This trend continued qualitatively in the research conducted during the campaign in June 2005. Clare Martin's performance was perceived to have *'improved'* since the campaign commenced, with her performance being described as *'sharp'*.

These perceptions were driven by a sense that she was 'articulate', 'being positive' and outlining what she has done and what she plans to do in a manner that is 'credible and believable'.

It was also noted that concerns expressed in the first round of qualitative research in November 2004 about Clare Martin being a '*one woman show*' with '*no real team behind her*' had dissipated, either in a top of mind or prompted basis, by the second round of research in June 2005.

Loss of favorability for Country Liberal Party leadership

The quantitative research of March 2005 showed that the increase in Clare Martin's favorability corresponded with a significant drop in the level of favourability of the Country Liberal Party leaders, Terry Mills and Denis Burke, over the same time period.

It was observed that from a high of +18 point favourability for Terry Mills in May 2004, leadership favourability had dropped to a -1 point deficit by March 2005 for Denis Burke. This was a drop of -19 points overall in the same period which saw Clare Martin's favourability rise by +9 points.

From the qualitative research during the election campaign, the dominant concern about Denis Burke and the CLP centered on the perception that they *'may'* not have learnt their lesson and would govern in the same way as they had in the past.

For example, many from the campaign qualitative groups thought the Country Liberal Party's slogan of *'we had it before'* meant that they wanted to go back to what they had before (i.e. *'cushy jobs'*).

The quantitative research of March 2005 also confirmed that Territorians thought that Clare Martin would be a better Chief Minister than Denis Burke by a +25 point

margin. 57% of respondents believed that Clare Martin would make a better Chief Minister with 33% preferring Denis Burke.

Strength of Labor Party candidates

The strength of the Labor Party leadership was coupled with a perception that the Labor Party had stronger local candidates.

It was shown that in March 2005 quantitative research that the Labor Party had a significant lead in the total favourability of their local candidates in the core seats surveyed. These seats amounted to a net favourability of +32 points for the Labor candidates, a significant margin.

On the other hand CLP candidates only held a +2 favourability. They were also relatively unknown with 58% of voters either having never heard of them or had heard about them but did not know them (begs the question of the extent of door knocking by the CLP candidates).

This was in contrast to the ALP candidates who only 12% of voters had never heard of or had heard of them but did not know them.

Concerns about Country Liberal Party

The strength of the Labor Party leadership and candidates was also shown to be a major problem for the Country Liberal Party in the March 2005 quantitative research which revealed that the main issues or hesitations in voting for the CLP was the strength of the party itself. It was shown that Territorians had strong concerns about the local candidate (10%), the party itself (8%) and its competency and attitude (7%).

Whilst voters expressed similar concerns about the ALP, they demonstrated more concern for each aspect with regards to the CLP, particularly competency and attitude (Labor 3%, CLP 7%).

Primary vote warning signs

The quantitative research of March 2005 revealed that the CLP faced a deficit of -17 points in its primary vote figure compared to Labor. The CLP's primary vote figure was 31% compared to 48% for Labor (almost a reversal of situation pre 1997 when the CLP won 18 of the 25 seats).

Furthermore, a comparison of the vote figures from the 2001 Northern Territory election results and those in the March 2005 quantitative research showed a significant drop in the CLP vote from 41% in 2001 to 31% in 2005 as opposed to Labor maintaining their vote – 49% in 2001 and 48% in 2005.

This difference had blown out from -8 points in 2001 to -17 points in 2005, a 10 point swing over that time period. Furthermore, it was shown by the quantitative research that this deficit had significantly increased from the Solomon Benchmark in May 2004 which showed only a -10 point deficit at the time.

These results reflected the actual outcome of the 2005 Northern Territory election which was the ALP receiving 51.9% of the vote and the Country Liberal Party receiving 35.7% of the vote.

Two party preferred warning signs

Similarly, it was revealed in the quantitative research of March 2005 that Labor held a sizeable +22 point lead over the Country Liberal Party with Labor receiving 56% of the votes and the Country Liberal Party receiving only 35%. (two party preferred results from 2005 NT election not readily available).

Denis Burke trailing Clare Martin on positive phrases and characteristics voters identify with

The statements summary of the quantitative research of March 2005 showed that Denis Burke held an advantage over Clare Martin on only six of twenty three statements.

Furthermore, Clare Martin had the advantage of greater than 10 points on 16 of the 23 statements.

This included statements which broadly corresponded with what was revealed in the qualitative research as being of importance to Territorians. Statements of note which Clare Martin held a significant lead over Denis Burke included:

- Is performing better and communicating more clearly at the moment (31 point lead)
- Has done enough to deserve to win the next Territory election (28 point lead)
- Has strong plans and goals for the Territories future (23 point lead)
- Is tackling the issues which are important to people in the Northern Territory - (18 point lead)
- Have definite plans to create more jobs (18 point lead).

Given all the perceptual problems for the Country Liberal Party specified above, the 2005 election campaign was set against a very difficult background. Because of this it was highly important that the CLP run a highly effective campaign.

Perception of a low key start to the campaign for Country Liberal Party

The June 2005 qualitative research showed that there was a perception that the Country Liberal Party *'may'* not have entirely been prepared for the election and *'could'* have been caught out.

This was driven by a sense that the election campaign had 'woken up' Denis Burke and the CLP and that they are 'finally' doing something.

It was concerning that voters had such a perception because the theme of the Country Liberal Party's campaign was one of *'energy'*.

Low key start of campaign and perception of *'heard nothing'* from the Country Liberal Party affected voter's perceptions of the campaign messages

There was a perception from soft voters that they had *'heard nothing'* from the Country Liberal Party for three years (apart from *"airing their dirty laundry"*) and this could be a reason why soft voters were more predisposed to positive messages from the CLP about their plans and agenda (such as job creation and electricity) than they are about their attacks on Clare Martin and Labor.

It was the case for soft voters that neither Denis Burke nor the CLP had earned the right to attack Clare Martin and the Labor Party as the perception was that they had been *'missing'* until the election was called.

Lack of agenda in campaign

The campaign itself had no single issue, statement or policy that defined the election campaign, with soft voters believing that there was no meaningful differentiation between the two main parties or the leaders on issues.

The CLP campaign was not defining or controlling the agenda, and the debate, in a way that talks about the long term development of the Territory, even using the electricity announcement as an example.

For example the electricity grid announcement did not successfully send any wider message to demonstrate how the Country Liberal Party plan to use it to build the Territory for the future and reduce the cost of living on families (so they have more money to spend on the things they need) and on businesses (so that they can create more jobs).

The real tragedy is that the CLP actually had a full set of policies fully costed in *'their kit bag'* which they largely kept a secret.

Advertising messages did not resonate with voters

The series of campaign material was tested in the campaign qualitative research of June 2005 which revealed that voters did not identify with the messages being

put forward by the Country Liberal Party with all ads receiving a mark lower than the acceptable mark of 7 points out of 10.

The average for the 5 advertisements shown was just 3.4 out of 10.

Conclusion

The limited research undertaken bore out the final result.

Recommendations

- That the CLP commit to a work program of qualitative polling annually to monitor progress and issues;
- That the CLP commit to quantitative polling as an essential tool in future Territory election campaigns;
- That the CLP commit to engaging the selected pollster to provide ongoing and corresponding strategic advice and direction.

I now turn to the second part of the Review and deal with more general matters that impact on the overall performance of the CLP and will arguably shape the future electoral fortunes of the CLP if not acted upon.

The Electricity Grid

The Review would not be complete without a reference to the electricity grid. Everyone has assailed this policy with great viciousness. The notion of *'the grid'* was developed *'In house'* and was not an initiative of the pollster.

Had the CLP won seats most of you would have been applauding the idea. That old saying *'success has many parents and failure is an orphan'* is true here.

Members need to understand the context in which the 'idea' came about. Faced with a '*CLP train wreck*', acknowledging that a typically 'bread and butter' campaign was not going to work (the research had confirmed that an overwhelming number of Territorians believed the Territory was heading in the right direction under Clare Martin) the strategy was to try and break through. It's now a matter of history that it did not work. The failure was two fold, too late in the day and an inability to articulate and explain the policy. A failure of leadership.

I suspect that one day someone will build this grid. It is the type of project that the CLP was famous for. Ignore the criticism of Labor – they have built very little in their time in Government. Every major project they have claimed thus far has it antecedents in the CLP

The fact the Parliamentary wing did not have any real big ticket projects in their collective *'kit bag'* notwithstanding that they had been sitting in Opposition for 4 years is the real issue here – a failure of leadership yet again.

The Final Result

We lost. A win is a win and a loss is a loss no matter what the margin. There is no second prize. Face up to it and get on with it. The Party must stop making excuses.

Let me start by debunking one of the persistent myths - that the CLP was defeated by low voter turn out. The facts are that voter turn out in 2001 was 81% and in 2005 80% - we didn't loose by 1%.

The only real aberration I could find on any analysis of the figures was Port Darwin where there was a voter turn out of 87% in 2001 (total enrolment 4013) and a voter turn out of 78% in 2005 (total enrolment 4537).

There are other abundant myths which I don't propose to canvass but they reveal certain individuals in complete denial. Get over it.

For a more detailed understanding of who voted where and how go to <u>http://notes.nt.gov.au/nteo/Electorl.nsf?OpenDatabase</u> where you are able to contrast the 2005 election results with the 2001 results.

To understand the breadth of our decline consider the CLP primary vote over the last decade - in 1994 (Perron) it was 51.94%, 1997 (Stone) was 54.7%. In 2001 (Burke) it had collapsed to 45.38% and in 2005 (Burke) it had fallen further to 35.73% (Labor was 41.4% in 1994 (Ede) and 38.5% in 1997 (Hickey)).

From a high water mark of 54.7% of the primary vote in 1997 (58% on two party preferred basis) to a low of 35.73% in 2005 we have managed to loose almost 20 percentage points on the primaries and it's not because of low voter turn out or a turnover of population.

This represents a complete reversal of fortunes – however, if it happened to us it can happen to them.

For a more comprehensive and detailed analysis of the 1997 election go to <u>http://www.aph.gov.au/library/pubs/rn/1997-98/98rn07.htm</u> and for 2001 go to <u>http://www.aph.gov.au/library/pubs/rn/2001-02/02RN03.htm</u> I anticipate that the Commonwealth Parliamentary Library will in due course publish a research paper on the 2005 election.

SEE 2005 Election http://www.aph.gov.au/library/pubs/rn/2005-06/06rn07.htm

One telling failure relates to Postal and Absentee votes – the CLP appear to have been beaten on this front to the detriment of sitting members. Whether this responsibility was overlooked or even contemplated is hard to determine, it should remain however a salient reminder for all future general election (Territory and Federal) and by election campaigns.

2. General Reforms and Other Related Observations

Expectations

Before embarking on my more general recommendations for reform I sound a word of warning about the way we go forward. A number of members are already jostling for position come the Annual Conference. *'Ticket's'* and *'lists'* are already being drawn up. People are making a claim based on geographical location.

That's the politics of Labor. The future management of the Party needs to be entrusted to people on the merits – not because '*deals*' have been done to support one candidate or another for office.

For the sake of the future pick your office bearers according to their ability. You don't have to like someone to vote for them.

Also let me debunk the criticism that because people have limited experience they are not to be trusted with the responsibility of office. Stop looking at prospective candidates through the prism of our *'glory years'*. When Paul Everingham, Ian Tuxworth, Jim Robertson and Marshall Peron took on the mantle of leadership at the time of Self Government they were in their late 20's early 30's and had little experience of political matters – they grew into their roles as many of us did over time.

Stop looking for an instant star and savior. That person does not exist. Rather join forces together to help people fulfill their roles. Support and encourage office bearers and in that way you will attract candidates prepared to have a go. Don't harbor the grudges of the past. Learn to move on.

Be Realistic

A number of submissions made recommendations and assertions that are simply not achievable.

I understand the frustration but you simply cannot make local media print or broadcast what you want - that is not the nature of the media and the way journalists work. You cannot buy the news. You cannot counter media coverage by matching paid advertising. The media and public relations functions of the Party are not matters for well meaning amateurs hell bent on having their 5 minutes in the sun to our continuing detriment – to put it bluntly.

Good media comes with hard work, plausible policies, goals and visions that capture the imagination. It comes down to leadership.

Journalists are not there to promote a political party – their job is to report the news (rather than participate) and comment accordingly. I agree that there are real issues of bias to be addressed in sections of the Territory media but that is a case of hard work rather than constant complaining and carping on about it.

Politicians cannot be heard to complain when the media actually report what they said or did – in this game you live and die by your words and actions so stop complaining and get on with it.

A number of submissions also urged that the Party to embark on a range of strategies and tactics that with the greatest respect to those concerned simply are neither achievable nor desirable. I think at this stage of my life I have a fair idea of what works and what doesn't. That in itself is part of our problem. We as a Party have lost our corporate knowledge and in the process have of late been reinventing the wheel much to our detriment. I deal specifically with this issue under a number of headings that follow.

That's not to say that there are not more good ideas and strategies to come – rather it's a case of balancing the old with the new.

Denis Burke

Denis took back on the leadership knowing that the CLP was in a very difficult situation. I have no doubt that had he remained on the back bench and simply worked his electorate as he had done so assiduously in the past he would still be in the Parliament. He would not have suffered the ignominy of being a CLP leader who lost his seat (the second after Goff Letts in 1974). He and his family have paid a big price.

The dignified and gracious way he handled the situation on election night is very much to his credit. His wife and sons should reflect proudly on that moment.

As Leaders will all have our critics – that's the nature of the game. People can be very wise in hindsight after the event. The CLP collective membership is no exception.

There is little to be gained by banging on about Denis and his role as both Chief Minister and Leader of the Opposition. Denis has accepted full responsibility for what has transpired on *'his watch'*. He has not sought to blame anyone other than himself – what more can he do?

We can learn from the ALP in these circumstances. They honor and venerate all their former leaders as we should too. It is a great and onerous responsibility that takes a human toll that few understand or comprehend.

This a time for healing and going forward. There is no room for recriminations in our future.

I turn now to some specific recommendations.

State Director

Time to get professional – the era of well meaning amateurs have passed us by.

The CLP has from time to time employed a fulltime Director. The CLP has also on occasion paid a small honorarium to the General Secretary to fulfill the role of State Director. On each and every occasion the appointment has been fraught with conflict.

There developed a view within the party hierarchy that the CLP did not need a full time professional officer. This may have been the case whilst the CLP was in Government as recourse could be had to the skills of ministerial staff who gave of their free time willingly to support the re election of successive CLP Governments.

The reality is that no mainstream political party can succeed nowadays without full time professional staff. The electorate is far more sophisticated and demanding than ever, the techniques and scope of communication far more technical than ever and the tools of campaigning require a high level of experience and specialization. The day of the amateur campaign director is long gone.

It has been suggested that the CLP should consider becoming part of the Liberal Party. One reason for that suggestion is that the CLP would be able to access the skills base of the Liberal Party, particularly at the Federal level.

The reality is that the CLP has affiliate status with both the Liberal and National Parties. The CLP already has access to the skills base sought without merging with either Party. Both during the 2001 and 2004 election the Federal Liberal Party played an important and defining role in the campaign in Solomon, the National Party did likewise in Lingiari and the Senate campaign. In 2004 the seat of Solomon was included in the core marginal seats program of the Federal Liberal Liberal Campaign. The package included research, media, direct mail and general campaign assistance and direction.

Also in 2004 the Federal National Party folded their campaign Headquarters into the Federal Liberal Party Headquarters in Melbourne. This joint arrangement worked exceptionally well and hopefully will be repeated in the future. The skills base is there to be tapped and utilized and always has been.

The problem has been that in between federal election campaigns the CLP has not availed itself of that important interaction with both Liberal and National Parties. For example, a CLP representative has not presented at a Federal Liberal Executive meeting in 5 years. Further, there is no record of a CLP Director or General Secretary having ever attended a State Directors meeting. These meetings are regularly convened by the Federal Director usually to coincide with quarterly Federal Executive meetings. They are an invaluable forum for State Directors who carry the dual responsibility of running both state and federal campaigns.

The skills required to run and prosecute an election campaign are very specialized. State Directors learn a great deal from each other. Mistakes and successes alike can be shared. State Divisions of the Liberal Party (including the ACT) share staff and resources in support of each other.

The CLP is completely out of this *'loop'* to its detriment and attempting to act in isolation.

In the election just held help came from the Western Australian and New South Wales Divisions. Also both the Federal Liberal and the National Party organizations lent resources to assist.

There was a time during the 1980's and 1990's that the position was reversed. The CLP has the opportunity to learn from both Coalition partners.

Recommendations

- The CLP appoint a full time State Director with the requisite professional skill and demonstrated ability without delay;
- That consideration be given to amending the CLP Constitution to make the State Director the General Secretary of the CLP as an ex officio non voting member of Management Committee;
- That the CLP re engage the Federal Liberal Party at both the organizational level and as between State and Territory Directors.
- That the CLP resume attendance as Observers at the National Conventions of both the Liberal and National Parties.

The Secretariat

The CLP has always maintained a full time secretariat. There have been 3 moves in recent years notwithstanding the Party owns its own premises in Woods Street.

The rationale in moving to Casuarina was to emphasis a link with the *'northern suburbs'* and to provide candidates with closer proximity to a working base. The Prime Minister opened the new Casuarina Secretariat during the 2004 Federal election campaign.

It was submitted to me that the Secretariat should be relocated to Alice Springs. That would be one way to ensure the extinction of the CLP. The Secretariat needs to be based in the capital where the principal population and voting public reside.

Now more that ever the Secretariat is going to assume a high level of importance in supporting the reduced parliamentary wing. In the event that the Party accepts the recommendations in relation to the appointment of a State Director that person will need to be in close proximity to the Parliament to work closely with the Parliamentary Leader, Chief of Staff and Shadow Ministers

All political parties strive to own their own premises. It appears as a symbol of security and success. Most companies, including Australia's more successful rent their space. Owning your own building is on one view an unproductive use of capital. I make a number of specific recommendations in relation to the CLP finances later in this report.

Recommendation

- That the CLP relocate its Secretariat to the Darwin CBD;
- That the Secretariat be small and compact with room for a reception area, two offices, board room and modest storage area (typically 150 to 200 square meters);
- That the new Secretariat be relocated as a matter of priority (say within 6 months);
- Undertake an audit of existing plant and equipment to ensure that the new secretariat is properly equipped and resourced.

Finances and Fundraising

It costs money to run elections. The scales are firmly tipped against the Conservative side of politics Australia wide. The Territory is no exception.

The CLP set a very modest budget for the 2005 campaign. The campaign stayed within budget and the Party has not been financially crippled by the election outcome. This very much to the credit of the President and Campaign Director both of whom insisted on and enforced financial discipline.

Notwithstanding the finances of the CLP are far from what they once were. It is clear that in the past 5 years the fundraising effort has been haphazard, uncoordinated and largely unsuccessful when measured against past CLP

performance. There is no fundraising strategy in place other than assigning responsibility to individuals in an ad hoc fashion.

Certain funds that many of us worked hard to secure and entrench have in recent years been dissipated in general administration (maintenance) costs. This was a very disappointing revelation. There is little point in going on about what has happened but what it does reinforce is that the guardians of the CLP's assets need to understand the Party's corporate history and agree certain fund raising and investment strategies that deliver fiscal discipline and certainty for the future. The only other option is ultimate bankruptcy.

The CLP's principal asset is the Woods Street property, a share portfolio and cash in the bank. These assets are offset by a bank overdraft. There is adequate capacity however to lay down a firm financial base for the future.

Fundraising is hard work and requires careful planning and execution. It is also a shared responsibility. Donors, particularly in the Territory are few at the corporate level. A number of donors who made submissions to me claimed that they feared reprisals from the Labor Government if they were identified. The current threshold for disclosure (\$1500) makes for small donations. Past public inadvertent disclosure of donors have seriously damaged the CLP's credibility with long standing donors and clearly had an impact on the willingness of some to contribute this time round.

Also many donors expressed serious reservations about what they were supporting – they struggled to understand what the CLP stood for yet were being asked as an act of faith to make a donation. This simply did not 'wash' with many.

It is also evident that the CLP branches have struggled with their fundraising efforts. Branches need to be realistic about what is achievable. In the Territory context if a branch can raise \$10,000 a year then that is a commendable effort. For the Secretariat and general administration (maintenance) of the Party anything less than \$300,000 per annum is unacceptable.

Concurrently the Federal Members need to maintain their fundraising effort. A minimum of \$300,000 needs to be raised to defend the seat of Solomon in 2007. If there is to be a serious assault on Lingiari a similar amount will be required. The Senate election can largely be absorbed within the above but that does not excuse the sitting Senator from being assigned a specific fundraising target.

It is also very important to keep the Federal accounts separate from the Territory accounts. Money raised during a federal campaign and public funding money should not be used for maintenance (general administration) or Territory purposes save for an agreed 20% on cost.

There is also a disconnect between the role of the Treasurer and the expectation of fundraising. This is not a new problem and has been discussed within the forums of the CLP for some years.

The Treasurer needs to be a person with standing and connection both with in the Territory and interstate. That person should be assisted by a Deputy Treasurer based in Central Australia. This presupposes that the Treasurer will inevitably come from the '*Top End'* – that's the reality of where the major donors are and if this Party is to go forward then 'banging on' about the Berimah line only serves the interests of the ALP.

The roles of the Treasurer and Deputy Treasurer should not be confused with the day to day accounting functions of the Secretariat. Similarly the State Director save for an oversight role should not be expected to be a book keeper. There needs to be a specific person who can undertake the role of Finance Director. Within the ranks of the CLP there are members more than capable of undertaking this task – they just need to be asked.

The President and Parliamentary leader carry a joint responsibility to fundraise. In Opposition the Parliamentary Leader has an enhanced responsibility. Similarly all members of the Parliamentary wing have an obligation to fundraise in support of their own re election. That is over and above the electoral allowance which should not be treated by elected members as additional personal income.

There was a system in place where Members of Parliament were obliged to pay a *tithe*'. Once vigorously enforced it had fallen by the wayside like many other things in the CLP. I am assured it is now back in place.

The CLP needs to develop a comprehensive fundraising strategy (which includes an investment strategy) with agreed targets. There also needs to be a guaranteed revenue stream to ensure the employment of a State Director and the resources to support that person on an ongoing basis.

There also needs to be an agreed fundraising protocol similar to that adopted by the Federal Liberal Party to deal with the way funds are raised, accounted for and reported to the Australian Electoral Commission.

Finally, the issue of safeguards to protect the long term assets of the Party has been raised with me. I have examined different models as to how safeguards can be built into the financial governance of the Party. Most examined have proved dismal failures and have on occasion hamstrung campaigns. Perhaps there is a role here for Trustees who actual act as Trustees and have a right to interpose themselves in meetings of the Finance Committee and to consult the Auditor as of right. This is an issue that must not be ignored and fobbed off. The loss of the Life Members capital fund should concern all members. Although I do not make a formal recommendation on this matter I encourage the new Management Committee to place the issue on their Agenda and keep it there until a resolution can be found.

Recommendations

- Subject to appropriate tax advice liquidate all the assets of the CLP save for the existing share portfolio;
- Eliminate all debt (including the overdraft) from the proceeds;
- Obtain proper professional advice and invest the balance in equities and consolidate with the existing share portfolio;
- Appoint/elect a Treasurer who has a real connection with the Territory business community and the capacity to fundraise interstate (logic suggests that person would reside in Darwin);
- Amend the CLP constitution to include a Deputy Treasurer who has responsibility for Central Australia. Amend the Constitution to make that person a member of Management Committee with full voting rights;
- Obtain the services of a CLP member who is an accountant who can undertake the role of Finance Director in a volunteer capacity and deal with the day to day accounting functions;
- Obtain the services of a CLP member who is experienced in the requirements of the Australian Electoral Commission who in a volunteer capacity can take responsibility for the completion of all AEC Returns and requirements (ideally this would be an experienced Management Committee member);
- Agree a fundraising strategy as a matter of urgency;
- Agree a fund raising protocol as a matter of urgency;
- Assign both the Member for Solomon and the sitting Senator a fundraising target of \$100,000 each for the term;
- Enforce the *'tithe'* for all Parliamentary members and make it a condition of pre selection or reselection;
- Audit all members of the Parliamentary wing Territory and Federal to ensure that they are spending their electoral allowances on electoral matters and not treating it as personal income;
- Set specific fund raising targets and report regularly and openly to the Central Council on progress;

Management of the Party

The CLP operates at 4 levels – local branches, Central Council, Management Committee (Executive of Central Council) and Annual Conference.

These structures have served us well in the past (although of late the system seems to have collapsed) but it's time to rethink where we commit our energies in the future. In my view the branches are most important – this is where the people are. Many submissions supported this view.

The dysfunctionality and lack of accountability of the Management Committee in recent times has been widely commented on in the most adverse terms. This must be addressed immediately.

The electorate at large is quite detached from our structures. The CLP has become too consumed by process. After the 2001 defeat the Party spent endless meetings debating process, looking inward and generally talking about matters the electorate had not the slightest interest in. As well meaning as the Lake Bennet meeting post 2001 was intended to be it all came to nothing – just a papering over of the cracks and shortcomings.

The CLP became a side show and not a very good one at that.

We should rationalize the number of Central Council meetings and concentrate on rebuilding our branches and membership. By way of comparison the Liberal Party Federal Council meets once a year – the Federal Executive 4 times a year. The frequency of meetings has not impacted on our ability to win 4 elections *'on the trot'* and increase our majority on the last two occasions.

Finally, there is little point in holding an Annual Conference in September if the Party has not started a process of reform and actually started to action a number of these recommendations. In your haste to execute members of the Management Committee you will once again become consumed by process and loose sight of the main game.

Recommendations

- That there be two Central Council meetings held per year one in Alice Springs and one in Darwin;
- That Annual Conference coincide with one of those Central Council meetings;
- That the Management committee meets 4 times a year (and if circumstances demand more frequently if required);
- That Annual Conference be postponed to a date to be fixed.

I turn now to one of the most important set of recommendations that I can commend to you.

Branch Structure

In the early formation of the CLP there was a tight branch structure. As the success of the CLP grew a new strategy emerged to expand the branch structure to capitalize on this success. This was an appropriate strategy at the time.

The time has come to consolidate and regroup the remaining membership – that must start with the branches.

I anticipate that the recommendations that follow will be resisted by those who are determined to defend their *'turf'*. We should take inspiration from the Alice Springs Branch who regrouped and reformed for all the right reasons prevalent in Central Australia at that time.

For sometime now some Branches have been the personal fieldoms of Members of Parliaments. Some branches were formed to thwart pre selection competition and escape accountability. Some branches were formed in response to disappointments and disputation over pre selections. Some branches were *'collapsed'* and made dysfunctional by local members to safeguard their preselection. Such are among the reasons why we are where we are today.

Also branches are either meeting too frequently or not at all. The rigor of monthly meetings is way over the top. It is better to meet say bi monthly and make the meetings interesting and worth attending. Six good meetings a year are better than 12 boring process driven events. I say more about this under Membership below.

The recommendations that follow will in turn impact on the way the Party pre selects candidates. I say more on that next.

Recommendations

That the branch structure be rationalized as follows:

- That there remain a single Branch for Central Australia Alice Springs Branch;
- That the Port Darwin, Fannie Bay and Nightcliffe/Milner Branches merge as one – the Darwin Branch (all those branches the City side of Rapid Creek);
- That the northern suburbs branches of Casuarina Marrara, , and Sanderson merge as one the Northern Suburbs Branch;
- That there be a single branch of Palmerston, Nelson, Calder (formerly Vanderlin) and Litchfield the Palmerston Branch;
- That there remain a Katherine Branch;
- That there remain a Tennant Creek Branch;
- That on a trial basis to be reviewed after 12 months the Gove and Gulf Branches merge as one – the Arnhem Land Branch;
- That there remain a Central membership register for those not wishing to participate in branch activity (those who join the Central Register should not be put through the *'third degree'* as to why they elect to join the Central Register. It's a matter of choice, but in doing so they forego the right to participate in pre selections).

Ideally these arrangements would be formalized as soon as possible. I am not recommending any change in the way branches are represented at Central Council and Annual Conference. The weightings based on membership numbers should remain. When we get the branch structure right we can start to have a meaningful discussion about pre selection – the quality of our candidates and how we select them.

Branch Meetings

Related to the above branch meetings have to be worthwhile *'events'*. The drudgery of routine branch meetings slavishly held every month that at best a social event is enough to turn anyone off being a member of a political party. Branch meetings should be a mix of social activity, policy comment and debate on current issues. Worthwhile guest speakers will always attract a crowd. Consideration should be given to convening occasional meetings of Branch Chairmen to work shop ideas and concepts for branch meetings to make sure they are interesting and engaging.

To keep members on the Central Register in *'the loop'* the State Director using an email blaster system should advise details of all branch meetings and forthcoming Guest Speakers.

Membership

Membership is the life blood and recruiting ground of the Party. Our membership level remains barely acceptable and far from what it was. The greatest problem is the level of inactivity and the demographics. Hopefully that will be redressed through the Branch restructuring recommendations if accepted.

Briefly on the demographics the sentiment *look at the age of the people in this roo*m' was stated over and again. That's not to say that because the same faces have been around for a long time that they should just disappear. We may have an aging membership but that same membership founded the CLP and they have worked tirelessly as dedicated volunteers over almost 4 decades. We have much to thank them for and to learn from them. What we need to go hand in hand with our existing membership is renewal – the next generation.

Members and prospective members have to be given a reason to join and rejoin. If members are ignored, fobbed off or dismissed out of hand then they won't come back. Not everybody aspires to be caught up in the cut and thrust of policy development but people do want to have their say and be listened to. Members do want to play a meaningful role in candidate selection and not have their decisions arbitrarily overturned.

Members also want to be communicated with. There was a time when the Party President wrote to members on a regular basis reporting activities, policies and events. As the technology has changed there has been occasional communications through email. The whole area of communication with the membership needs to be revisited. Much can be learned from the New South Wales Division of the Liberal Party in the way they communicate with their members.

The CLP also needs to revamp its website. An interactive website that is up to date and includes *'email blasters'* is a very powerful communication tool. For those who are *'technologically challenged'* hard copy letters and news sheets remain an effective means of communication. These are matters for the State Director to implement.

The Party should also renew its efforts to increase the number of Financial Life Members as well as grow the general membership list.

The above is not a task for yet another Committee but rather for the State Director (again, subject to the recommendation to appoint such an officer being accepted).

Recommendations

- A membership recruitment campaign be run over the next four years to rebuild the membership and rebuild the CLP on the ground;
- That the State Director implements an effective communications system with members, supporters and donors including a complete revamp of the CLP Website.

Pre selection

The CLP has a mixed record when it comes to pre selection, re selection and de selection. During the course of our history we have got it spectacularly right and spectacularly wrong on different occasions.

We clearly got it right on most occasions as we continued to win, but there have been times where seats have been lost because we lost sight of the fundamental principle that you pick candidates who can win. Why do they win? They win because they mirror their electorates; they are *'connected'* and work hard.

The starting point for pre selection turns on the quality of the candidates on offer. It goes without saying that the Party leadership has a very clear responsibility to encourage, nurture and promote quality women and men as pre selection candidates.

The first issue to confront is whether the principle – *'branches pre select and Central Council endorses'* – is to remain in tact. Other options include Central Council reserving the entire decision to them selves as is the case with federal candidates or to move to a plebiscite. The latter is harder to manipulate.

The other issue to confront is whether and in what circumstances the Executive of the Party should interfere with a branch recommendation. The simple fact is that neither the branch nor the Management Committee will always get it right. However the inescapable fact is that there does need to be some safe guard in *'the system'* to protect the interests of the Party.

The management Committee has observer status at all pre selections. That status needs to be re visited and Management Committee should have some ownership and responsibility for the candidates selected. In the past it has been too easy for members of Management Committee to disassociate themselves from decisions they *'observed'* but not agreed with.

Similarly the Parliamentary Leader should be directly involved as is the case and the norm else where. For example in the NSW Division of the Liberal Party I was entitled as Federal President to participate in every preselection. The Prime Minister is similarly entitled although he tends to appoint a senior Minister as his delegate. It beggars belief that the very people most intimately involved in running a campaign not be involved in the process to play a role in ensuring quality candidates are selected. The same should apply in the Territory.

I don't intend to trawl over some of the more spectacular pre selection decisions taken or over turned in recent years but as a general observation based on submissions made by CLP supporters, sympathizers, former branch members and donors pre selection matters a whole lot more than may have been appreciated.

People have resigned, allowed their memberships to lapse and donors put their cheque books away when faced with decisions they neither understood nor were prepared to accept.

There is little doubt in my mind that part of the contributing phenomena at play in the 2001 and 2005 defeats was that the broader community – the electorate – was doing what the Party had failed to do – *'cleaning house'*.

What this underscores is that pre selection is not just a run of the mill function of the Party – it is an onerous responsibility to be executed with great care and regard for what Party members and the community think.

The timing of pre selection also drew considerable comment. I do not believe that candidates should be pre selected early (including sitting members). If the Party wants to do something early then run candidate schools to identify good prospective quality candidates. It is a *furphy*' to believe that elections are won or lost based on whether candidates are pre selected early.

Elections are won based on the performance of the Parliamentary Leader, the existing incumbent members of Parliament and their work in developing and

selling policy in the broader community. The rest get caught up in *'the tide'* one way or the other. No new single candidate ever influenced a change of Government simply by being *'on the slate'* early. In my experience in our small electorates a lead time of 6 to 9 months is adequate – particularly if the candidate is prepared to commit full time once pre selected. There are other profile building activities in the community that prospective candidates can and should be encouraged to engage in the interim.

Recommendations

- That the Party under the new branch structure continue to carry the primary responsibility to pre select with Central Council endorsing the decision;
- That electorate responsibility 'mirror' the new branch structure;
- That the pre selection at branch level be by way of a branch plebiscite, not a limited panel and that entitlement to participate be according to the existing rules;
- That management committee continue to participate with three nominated members with full voting rights;
- That the Parliamentary Leader or the leaders nominated representative from parliamentary wing participate in all pre selections with full voting rights;
- That Management Committee agree a protocol including a very strict process that will be adhered to if a decision at Management Committee to pre select or de select is being foreshadowed;
- That the Central Council continue to fulfill the role of the federal pre selection panel which is in effect a plebiscite;
- That the Party establishes a *'candidate's school'* on terms determined by the State Director in conjunction with Management Committee.

Policy

Policy is paramount.

The formation of policy is not the domain of the Parliamentary wing alone. Whilst the CLP is not governed by a model where the Organizational wing directs the Parliamentary wing as is the case with Labor the lay members do have a clear right and entitlement to help shape policy. The broad Party membership is entitled to be heard.

The Parliamentary wing could not claim in the last term to have developed any real policy of substance. What they did have – too late in the day – was a comprehensive set of policies developed externally which they contributed to.

Permit me to emphasis the phrase again 'You can't fatten the pig on market day', the electorate needs to know who the CLP are and what we stand for. The

electorate needs to be able to differentiate the CLP from the ALP. Unless you can do that – differentiate - you will never build a case for change.

In Government there was less of an imperative to work up policy – that was delegated to Departments and Ministerial Advisers. Occasionally Cabinet seized the initiative and very occasionally the Parliamentary wing. Attempts by Party members to initiate policy were infrequent and when it did occur they tended to be *fobbed off*'.

In Opposition the importance of Policy development is not to be under estimated. Hand in glove is the imperative of marketing and selling that policy well in advance of Election Day.

Recommendations

- That there be a Policy Committee comprising the Leader, President, State Director, an elected member of the Parliamentary wing and two co opted Party members with recognized skills in this area;
- That the Committee meet quarterly and Report to Central Council;
- That the Party Policies be published widely in the electorate as they are developed.

The Role of Party Functionaries

The role of the Party leadership is different in Government than when in Opposition.

When in Government the Parliamentary leader is the Chief Minister. For all intents and purposes the Chief Minister is the spokesman on all issues that matter. The electorate doesn't vote⁻ for the President, General Secretary or Treasurer and generally is not that interested in what they have to say about anything.

In Opposition the position is only slightly different. The Parliamentary Leader – in our case Leader of the Opposition – is the *'talking head'* that the public is interested in. Occasionally the President might be called upon to comment directly on Party process or events.

From time to time, in a strategic and agreed way the President can and should deliver certain messages targeted at the membership and the broader electorate. By way of example many of my Federal Presidents Annual Reports over the past 6 years carried predetermined messages that set the theme for successive Conventions and Federal Council meetings. That is a legitimate function of the Party leadership working collaboratively with the Parliamentary Leaders Office.

The President and all members of management must give a clear an unequivocal commitment to support the Parliamentary leader. If that commitment cannot be given then that officer bearer should resign.

The position must never arise where the Parliamentary leader and senior members of the organizational wing are *'arguing the toss'* in the public arena. Such behavior only feeds perceptions of *'division'* and *'a house divided'*.

The Party forums, Management Committee, Central Council and Annual Conference are the only forums for internal debate.

It is not a function of the Party President to comment publicly on policy. That role is reserved to the Parliamentary wing and when delegated to the State Director.

Unfortunately in recent years there have been occasional *'outbreaks'* which I put down more to a lack of experience and loss of the CLP's corporate history and knowledge than sheer mischief. Over 27 years the CLP learned the hard way what the electorate rewards and punishes and that has largely been lost in the collective memory.

Recommendations

• That Management Committee form a small working party of former senior Party members from both the organizational and Parliamentary wings to 'craft' a protocol to properly manage the relationship between the two wings.

Members of Parliament

The reported lack of accountability of elected members has been written about and spoken of with great clarity by Party Members, supporters and donors.

Unflattering descriptions like 'bone lazy', 'disloyal', 'disengaged', 'not interested', 'not listening', 'ungrateful', 'in it for themselves' and 'self serving' were among the more generous – and this from Branch Executive members who have given a lifetime of unpaid volunteer service. There sense of betrayal is overwhelming.

The Members of Parliament are the public face of the CLP and on balance the Parliamentary wing has failed dismally. The result speaks for itself. In 1999 there were 18 MLA's – in 2005 there are 4. The *'punters'* never get it wrong. They have done what the organizational wing has spectacularly failed to do – get their house in order.

In conjunction with the State Director and Management Committee it is fundamentally important that MLA's be regularly audited on performance – Territory and Federal. They should comply with all the requirements expected of a Federal marginal seat holder – not negotiable.

For their part branch members should be far more assertive without being silly about demanding performance and accountability of their elected members.

The Federal Members and Managing our Relationships in the Coalition and Other Matters.

The CLP is the third Party in the Federal Coalition. A number of CLP members hold membership in either the Liberal or National Parties interstate – some in both (although membership of both (as distinct from the CLP) remains contrary to the rules of both the Liberal and National Party).

The CLP has enjoyed moderate success when it has come to securing positions in the Coalition. At the Parliamentary level we have achieved appointment as Shadow Minister, Parliamentary Secretary and Whip. We have never achieved a Ministerial appointment in either the outer Minister or Cabinet (Labor can claim the latter with Bob Collins). At the organizational level we have had observer status in the Executive of both the Liberal and National Parties. We have held the Federal Presidency of the Liberal Party for the past 6 years.

By inclusion in the Coalition Party Room we have been able to exercise a certain influence on behalf of Territorians. With inclusion comes a corresponding responsibility. By accepted *'the Whip'* – the discipline of the Party Room - it does not befall the CLP Federal members to threaten walk outs or for the CLP Party hierarchy to similarly threaten Federal members with disendorsement for failure to vote and act in a particular way.

Also the federal members should be mindful of where they came from – David Tollner may sit with the Liberals and Nigel Scullion with the Nationals but their first loyalty is to the CLP and the discipline of the Coalition Party room.

What CLP members can expect is for the Federal members to argue forcefully and vigorously for the Territory – to stand up for the Territory – to ensure that Federal colleagues understand the issues as they impact on Territorians. What better example than the way David Tollner persuaded his colleagues against the odds to maintain a second seat in the Territory notwithstanding that on all the figures there was every possibility that Solomon (the most marginal seat in Australia) would be won by Labor. This was an important victory for Territorians – not for Dave Tollner personally despite the cynical commentary at the time.

Never again can the Party embark on such a self indulgent exercise as was associated with former Senator Grant Tambling. The circumstances surrounding the disendorsement of Grant Tambling were destructive. It was not the disendorsement per se (most people accept that the Party was entitled to select or not select), but rather the circumstances, the timing (shortly after he had already been re endorsed) and perceived motives of some associated with the *'fraca'* which then dragged on through the Courts at great expense to both parties (and to the fury of donors who saw their financial contributions being squandered by internal squabbling and fighting).

Similarly, although not directly related to federal matters some submissions referred to the Maley matter – they tended not take issue with the expulsion of Peter Maley from the Parliamentary wing. What they did take issue with is that it took so long, traversed two leaders and was like a festering sore for most of the term. Many pointed to a failure of leadership – a failure to act at the outset. Put another way Peter Maley should have been invited to leave the Parliamentary wing from the moment their were concerns about his alleged continuing activity as a legal practitioner – Steve Hatton, Marshall Perron and I were of like mind – the electorate is entitled to a members undivided attention. The Maley issue should have been resolved on day one, not on the cusp of an election – that is a failure of leadership.

To conclude the Federal members have a unique opportunity to stand up for the Territory and vigorously support CLP policy where it matters – the forum of the Coalition Party room. They cannot do that of they are forever looking over their shoulders.

Recommendations

- Unless there are compelling reasons to the contrary and exceptional circumstances arising that the decision as to where the Federal members sit in the Federal Parliament be determined consistent with the principle that where there are two Federal members one will sit with the Liberal Party and one with the National Party;
- Unless there are compelling reasons to the contrary and exceptional circumstances arising that in the event that there be one Federal member that member sit with the larger of the two coalition Parties;
- That the Management committee be at liberty to put 'a position' to the Federal members with respect to legislation and policy but not to direct a federal member how to vote;
- That the Central Council as the Pre selecting panel retain the right to raise with sitting Federal Members their voting record and general performance when determining whether to pre select for a further term;
- That the Federal members be mindful that whether they sit in the Liberal or National Party Room their first responsibility after their CLP allegiance is the Coalition Party Room not the Liberal or National Party Rooms.

CLP History and Corporate Knowledge

I have two observations to make under this heading. The first deals with gratuitous advice about our past from our critics.

Some commentators would like the CLP to ditch its history and make a complete break with the past. With faint praise they congratulate the CLP on breaking with the past – and for good reason, it part ensured our defeat. To take that advice would be a mistake.

When writing about or discussing the history of the CLP there is constant reference to *'race based elections'* and *'wedge politics'*. I don't intend to debate the *'usual suspects'* about the past, particularly the partisan media who are more participants these days than commentators. Save to say that the CLP had a clear and unequivocal responsibility to test the veracity of land claims – to put applicants to their proof. Even a rudimentary understanding of both the Land Rights Act and the Native Title Act contemplates that people need to prove their claim – no different than the rest of us.

That is precisely the point – the CLP always stood firmly by the principle that we were all the same – one law, one community – Territorians together. For that we were pilloried and ultimately we fell for the rhetoric and started apologizing for doing what Territorians expected of us. Labor quickly filled the void.

Similarly allegations that law and order policies of successive CLP Governments was all about imprisoning indigenous Territorians suddenly fell silent in the wake of ALP policy in the last Territory election. The most salient aspect of the campaign was the silence of the very same critics of past CLP Governments – the legal profession, NT Criminal Lawyers Association, Aboriginal Legal Aid Services to name some, in fact just about every past third party antagonist of the CLP *'went missing'*.

The CLP would do well to understand that whilst the Territory has changed most don't believe is special deals for special interest groups – in that respect they are no different than the rest of Australia. For example the failure of the CLP Parliamentary wing to tackle the *'great Park giveaway'* still mystifies those who understand the issue.

On the issue of Land Rights that is now a closed chapter with the effect of the legislations 'sunset provisions'. Native Title remains a live issue in the community but history will record that it was a CLP Government that achieved the first of many Native Title settlements in the Territory. That is hardly the actions of a racist and divisive regime. Indeed consistent with past CLP policy the Party has an opportunity to refine its platform to underscore our commitment to giving Aboriginal Territorians 'a hand up' rather than 'a hand out'.

Much of what we advocated in the past – health strategies that included camp dogs being shot out, Aboriginals being weaned off welfare and schools being staffed according to attendance and not enrolments – have suddenly become fashionable. We have nothing to be ashamed of as much of what we stood for has in time been vindicated.

Law and order remains 'top of mind' with most Territorians and the CLP should not back away from past policies that still resonate with the electorate. Labor may promise solutions – as they did with their 'now qualified'' lock up the drunks policy – but they will never deliver and the electorate needs to be continually reminded of that failing. Put simply when it comes to Labor and Clare Martin 'judge them by what they do not by what they say'.

The second observation I want to make under this heading is in part related to the first. It is the importance of maintaining that historical thread with the past. We must ensure that our history is safeguarded and defended. Our political opponents have turned rewriting history into an art form. They will say and write whatever it takes.

Also I stress the importance of learning from former office bearers and members of Parliament what has come before and what has worked and failed. Our Party Trustees should be selected from the ranks of the foregoing. Similarly Special Central Council Delegates should be Party members of standing and experience.

On that note former members of the Parliamentary wing and former senior office bearers should be encouraged to re engage the Party. In my view former members still living in the Territory in receipt of a Parliamentary pension has a clear responsibility to get involved and help out. We all had wonderful parliamentary careers by reason of the brand name we carried – the CLP and it's time to put something back.

Ways in which former Parliamentary members could assist would be to make themselves available to be a guest speaker at branch meetings, to actively mentor prospective candidates, help out with fund raising and participate in the work of one of the committees that has been recommended.

The Immediate Past President has a right to be part of Management with full voting rights. The continuing role of the Immediate past President should be encouraged.

Further the CLP should consider inviting *a representative selection* of former senior Federal Officer bearers (Liberal and National), former Chief Ministers and CLP Party Presidents residing in the Territory and who are financial members of the CLP to attend Management Committee meetings in an ex officio non voting capacity. For example 3 might be selected and then rotated annually subject to their willingness to be involved.

People who would fall into this category would include Steve Hatton (former Chief Minister), Grant Heaslip (former CLP President), Graeme Lewis (former CLP President), Shirley McKerrow (former Federal National Party President), Len Notaras (former CLP President), Suzanne Cavenagh (former CLP President and

Secretary General), and Denis Burke (former Chief Minister). They should all be approached and their participation encouraged.

The latter two suggestions are consistent with the view that we need to maximize our effort and draw from the greatest breadth of experience on hand to restore the electoral fortunes of the CLP.

Recommendations

- That the Party plan a second edition of the publication authored by the late Associate Professor (Reader) Alistair Heatley;
- That the Party appoint an Honorary Historian to archive party records and maintain material for future lectures and publications;
- That the Trustees of the Party be assigned an active role in meeting with Management committee at least once every 6 months;
- That the Trustees be elected from the ranks of former Parliamentary members and senior office bearers;
- That Special Council Delegates be similarly selected from the ranks of former Parliamentary members and senior office bearers;
- That Management Committee identify all former Parliamentary members and senior office bearers still living in the Territory and invite them to participate in Party affairs and activities;
- That the Management Committee in its discretion invite former senior office bearers of the Liberal and National Party, and former Chief Ministers and Party Presidents who are financial members of the CLP residing in the Territory to attend Management Committee as ex officio members;

The Name – the CLP

I have received several submissions that urge a change of name. There is this preoccupation with the nomenclature *'liberal'* as though it represents some kind of *'magic bullet'*. If only it were that simple. The name in my view is not the problem – the product is.

The product needs to be reworked, re invented and revitalized. That will take a lot of hard work but all is achievable.

Any one who had read this Review thus far will realize that the name did not defeat us. Ironically in Queensland there are those who want to abandon the names Liberal and National in favor of CLP.

Recommendations

- That we retain the name the CLP;
- That we continue to promote the CLP as The Territory Party;
- That we retain our affiliate status with both the Liberal and National Parties federally.

The above is not a task for yet another Committee but rather for the State Director (again, subject to the recommendation to appoint such an officer being accepted).

Recommendations

- A membership recruitment campaign be run over the next four years to rebuild the membership and rebuild the CLP on the ground;
- That the State Director implements an effective communications system with members, supporters and donors including a complete revamp of the CLP Website.

Future Campaigns

All campaigns are different but logistical arrangements tend to be consistent over time.

The most disturbing revelation was the way in which the campaign had to be *'outsourced'*. The Territory media made much of the fact that the campaign Director came from interstate. The CLP had no choice – there was no single CLP member either capable or prepared to run the campaign. That is an indictment of a Party that once boasted a skills base that was the envy of every conservative political party in Australia.

Predictably this statement will prompt comment from some that they weren't asked. Put in the kindest way possible campaigns are not for well meaning amateurs. There is no second prize in this game.

The willingness of lan Hankie to accept the challenge of running the campaign knowing full well what he was getting into is to his credit. When he came on board there were no campaign staff, resources or funds. He was also confronted with earlier research which pointed to a complete CLP wipe out.

What the above highlights is the decline of the Party membership in recent years, the failure to engage new members and train up the *'next generation'* in campaign skills. Notwithstanding all of this is reversible over time.

The core of any campaign remains policy – the very ideas and strategies that a political party has on offer. The policy represents the very ideas that differentiate a political party from its political opponents.

Ironically the CLP had what I consider an outstanding set of policies that remained largely a secret. They had been worked on collaboratively with the Parliamentary wing, were well articulated, argued and fully costed – but too late in the electoral cycle. Sadly they were never shared with the very people who needed to hear about them – Territorians.

Two points worth making – the first is that as a political party you have to stand for something. A political party and leader who stand for everything stands for nothing. John Howard is a case in point. The Australian public has a very clear understanding of what John Howard stands for. They don't necessarily agree with him on different issues. That's not the point – they know who he is and what he stands for. That's the point.

Second you cannot expect to sell your policies during the course of a campaign. You cannot, as a rule just spring 'a good idea' during a campaign and hope to get traction with the electorate; it takes time and hard work. I have been quoted in the media as stating 'You can't fatten the pig on market day'.

The reality is that the 2005 election was lost the day after the 2001 election.

Recommendations

- That the Party form a Strategy Committee to comprise the Leader, Deputy Leader, President, State Director, Treasurer and two co opted Party members with a proven track record of involvement in successful campaigns;
- That the Strategy Committee report from time to time to the Management Committee as required;
- That the Strategy Committee have the oversight of by elections, General Election campaign and candidate training;
- That the Central Council reintroduce Local Member Electorate Reviews for all Parliamentary members without exception.
- As soon as a candidate is pre-selected and endorsed a campaign plan be prepared and a contract signed between the candidate and State Director detailing minimum benchmarks to be met.
- A telephone canvassing program needs to be put in place as soon as a candidate is pre-selected and endorsed.
- All Parliamentarians to send out a 'thank you' newsletter immediately if not already done and put in place a program of regular newsletters and direct mail.
- A mail program be put in place in the *'marginal'* ALP seats over the term to enable the CLP to communicate with voters in these seats;
- The Party appoint an independent 'political auditor' to cross check that between elections and during the election preparation period all that needs to be done has been done (on a par with the extensive audit undertaken of marginal Federal seats).

Conclusion – the CLP 'all washed up' or a new opportunity?

A number of people who made submissions expressed a genuine concern that the damage done was too great to overcome. There is a sense of despair and deep disappointment. People are angry and upset. All of that is understandable. However, if my fellow CLP members and Territorians trust my political judgment and instinct then I can only urge that what has happened represents an opportunity.

I am not being overly optimistic – rather realistic and opportunistic.

Every political Party goes through the cycle we find ourselves in today. Our position is not unique. If I was a young Territorian looking for a political career in the Territory today I would be seizing the opportunity with the CLP – it's all up from here.

For the ALP it's all down hill from here despite what they say.

The CLP will rebuild and one day return to Government. It will be a hard slog but the electorate will ultimately reward hard work and effort.

This is an opportunity for the *Next Generation* – but it will only be realized if the members join together without recrimination and go forward together in the service of their fellow Territorians.

The CLP is the Territory Party – but we will have to work hard to regain that mantle.

Going Forward

Despite what you may think the public are interested in what happens here to day. There are expectations that when you walk out of this room at days end there will be a commitment to fundamental change and a recognition of what has gone before.

Don't *'muff'* it – you may not get a second chance.

The next campaign starts today. Regroup, Rebuild and Re engage. Most importantly – make a decision.

Hon Shane L. Stone QC President CLP, 1986, 1988 Member for Port Darwin 1990 – 1999 Chief Minister 1995 – 1999 Federal President, Liberal Party of Australia 1999 – 2005 Assistant Chairman, International Democratic Union (IDU) 2004 -Immediate Past President and Member of the Federal Executive Liberal Party of Australia 2005 - Member Liberal Party of Australia (NSW Division) Financial Life Member CLP (Darwin Branch)