



Scott Mitchell and Brian Loughnane hand to Country Liberal President Shane Stone draft copy Review in Katherine 4 March 2017

## **Review of the 2016 Northern Territory General Election**

### Preface

Following the 2016 Territory election, the Country Liberals (CL) requested Scott Mitchell (former Federal Director, National Party of Australia) and Brian Loughnane (former Federal Director, Liberal Party of Australia) to undertake a review of the campaign and the events leading up to it and to make such recommendations as they believe appropriate to assist the CL in rebuilding.

This document sets out the findings of that Review. Much of what is contained in the Review is not ‘earth shattering’ or new. In our observations (Scott Mitchell attended Annual Conference and Central Council 2016 and Central Council March 2017; Brian Loughnane attended Central Council March 2017) the party membership has sensibly set about to learn from what transpired and address the shortcomings that swept the CL from office. We found a reservoir of goodwill to go forward mindful of the need to face up to what came before. During our involvement important mile stones have been achieved, not least financial repair, arresting membership decline and the rebuilding of the Young CL and Women’s Committee. Numerically and activity wise the Young CL is the strongest it has been in decades. The future belongs to the Territory youth hence this is a very important achievement.

### Introduction

At the election held on Saturday 27<sup>th</sup> August 2016 the ALP won 18 seats, Independents five and the CL 2. There was a swing of 5.7% to Labor on primary vote and an 18.8% swing against the CL.

In the 18 seats where the contest was directly between Labor and the CL, Labor won 58.8% of the vote and the CL 41.2% (a swing of 14.6% to Labor). (*Refer: Commonwealth Parliamentary Library Research Paper: “Northern Territory Election 2016*).

In 2012, Terry Mills had led the CL out of the political wilderness after 11 years of Opposition. The CL under the Mills leadership achieved a solid victory over the Henderson ALP government with a strong 58% of the two party preferred vote. The CL won 16 of the Territory’s 25 Assembly electorates. The ALP was reduced to just 8 seats, with one electorate won by Nelson Independent Gerry Wood.

Mills was replaced as Parliamentary Leader and Chief Minister eight months after forming Government while overseas on a trade mission. In the short period of his Government, Mills had undertaken four Ministerial reshuffles in six months.

Over the four year term of the CL Government (2012-2016), the NT had two Chief Ministers, six Deputy Chief Ministers and numerous re-shuffles. The Government suffered a number of parliamentary defeats and had been in a minority Government since July 2015. At the administrative level there were seven Party Presidents in five years.

It is therefore not possible to consider the result on 27 August 2016 simply by reference to the campaign; in fact, the submissions to this review comprehensively confirm the fate of the Government was sealed well in advance of the general election. Nevertheless, the campaign mattered and factors associated with the campaign are reviewed in this report.

### The Review

In preparing this Review, we were greatly assisted by interviews with and submissions from individuals whose responsibilities covered all key areas of the campaign and the period of government, and also from Party members who wished to share their observations and concerns. We also examined key documents used in preparing the campaign.

The Review has benefited from the frankness with which people were prepared to discuss events and we wish to acknowledge the importance of the feedback received (face to face, by telephone and through email exchange). The deadline for Submissions was extended 4 times to allow maximum input; the input received is a statement of the commitment of those involved with the Party.

In examining the 2016 election we have also sought to use the learning of the campaign to make recommendations to assist the Party in its preparations for the 2020 election. While each campaign is different, there are important lessons from the 2016 campaign which must be addressed well in advance of the 2020 election.

This Review shows significant problems with the operations of the 2016 campaign and, in particular, the dysfunctional nature of the Government and the Party in the years leading to the election. Nevertheless, the CL has a long and very accomplished record of achievement in helping build the Northern Territory. The Party retains a strong base of support in the community and, as became clear in the preparation of this Review, it has a strong group of supporters who are available to assist the Party as it rebuilds. Providing co-ordination and

leadership to this group is a priority in the next few years if the CL is to again build towards electoral success.

It is important to remember the effectiveness of a Review is not in the report delivered; it is in the commitment and resources provided to implement its recommendations.

In preparing this Review we have been provided a copy of the Stone Review undertaken in 2005 (completed by former Chief Minister and Federal Liberal Party President Shane Stone), that called for major reforms following the defeat of the CLP in the election of that year. The Stone Review was largely accepted and implemented, laying the foundations for incremental reforms and ultimately electoral victory in 2012. For those interested in this Review we recommend that you also read the Stone Review concurrently.

We have also reviewed other reports conducted by the Party over the years, including the Sheezel | Tambling Report of 2013.

#### A note on modern campaigning

The formal period of an election campaign after the writs have been issued remains very important; parties can win or lose government by their actions during this period. However, the reality of politics is that campaigning is now a continuous “whole of term” reality. The 2020 NT election campaign commenced immediately after the 2016 election. The need to define the Labor Government, reconnect the CL with the electorate and redevelop the strengths which drove the many years of good government by the CL should now be underway. This Review is intended to assist with practical suggestions drawing on the learnings of the 2016 loss.

#### Background to the General Election

As was stated in one of the submissions we received:

“.....there were a number of initiatives that were innovative and should have been well received by the electorate, particularly debt reduction, implementing some of the recommendations of the RMB, indigenous engagement, law and prison reform and the Home Improvement Scheme to mention some, the trouble was they lost credibility and trust early in the piece and the community had disengaged and was no longer listening. Unfortunately as far back as 2014 the electorate at large had stopped listening....What they do not expect or want is the dysfunction and division that marred our Government for the 4 years between 2012 and 2016”.

Those “other matters” referred to in the earlier Submission were compelling. One Submission produced a chronology of what was described as a ‘‘chronology of destruction’’ – it makes for depressing reading. There were sexual misadventures, allegations of corruption, an expressed

want of confidence in the NT Police, slurs against colleagues and staff, defections, perceived conflicts of interest, a failed clumsy attempt to dislodge Adam Giles as Chief Minister capped by the Don Dale controversy. While not a complete list, any of these would alone have been enough to derail a government and when coupled with a general failure to communicate effectively on policies and decisions compounded the disengagement of the electorate from the government.

Another Submission reflected:

“Long term Party Members who had lived through turbulent times in the past could never remember there being such a publicly fractured Parliamentary Wing”.

A number of submissions stated that when experienced Party supporters sought to speak privately about the situation they found it difficult to obtain a hearing and when they did so their comments were largely dismissed as irrelevant. The attacks against CL members were at times public and unrelenting.

The challenges of the new government in 2012 originated in the appalling financial legacy the previous NT Labor Government left behind and which the new CL Government was ill equipped to deal with. Not a single member of the incoming Mill's CL Government had any experience at Ministerial level. Mills attempted to fill this void by hiring in former experienced Treasury officers and former Treasurer Barry Coulter. This initiative was attacked within the CL and this, in turn, spilled out into the public where uninformed criticism and comment was commonplace. The group led by the distinguished former Under Treasurer and Administrator Dr Neil Conn AO provided a detailed road map requiring urgent fiscal measures to repair the NT finances. These measures, including tackling power pricing, were challenging and electorally difficult to manage. It was one thing to come up with a road map; it was another to have the political skill to implement it.

As matters transpired the fiscal medicine was not palatable to the Territory electorate. The swing at a by-election on 13 February 2013 (the seat was a Labor seat retained by them) was a warning sign the Mills Government was 'on the nose' after a mere 6 months. The Review was reminded neither Marshall Perron nor Shane Stone ever won a by-election during their respective terms; Denis Burke did. It was unlikely the electorate would give the CL with a further seat the CL having just won 16 in the General election in August 2012?

With the loss of GST Revenues and the record deficit forecast by the Gunner Government the Labor Party now faces the same challenges.

A consequence of this period of CL Government, and the frequent and well documented dysfunction during the term, is that the reputation the CL had built over a number of generations for providing strong, effective and community centred government to the Territory has suffered significantly. Addressing the reality of this legacy should be a priority for the Party, collectively. In fact, unless it is effectively and quickly addressed it is unlikely the community will restore its trust in the Party again in the short term.

The statement to the Legislative Assembly by Parliamentary Leader Garry Higgins on 19 October 2016 was in our view warranted and well made:

"Four years ago the Country Liberals had 16 members, today we have 2. It is difficult to imagine a more comprehensive repudiation by the electorate of our performance in Government over the past four years".

The CL going forward must demonstrate to the Territory community that the Party has the strength to step up to its shortcomings. The public expect and demand such plain speaking. As one writer urged:

"Learn from our mistakes. Don't paper over the cracks. Tackle difficult scenarios head on. The voters will respect you for it".

The lesson remains that a lack of discipline and purpose in Government inevitably leads to electoral defeat - a recurring theme among many Submissions. Such behaviour invites the retort one member wrote: "It's all about them and not about us (the electorate)".

### The Relationship between the Parliamentary and Administrative Wings

It was a recurring theme of submissions that the Parliamentary Party was deeply divided and alienated from the Administrative Wing of the Party. In addition, many submissions commented on the ineffective nature of the structure and performance of the Administrative Wing of the Party. Central Council meetings were described in a number of submissions as a "farce". It is a central challenge, and a priority, for the working relationship between the Parliamentary Party and the Administrative Wing to be restored. Both need each other and must work together in rebuilding the Party.

We made a number of preliminary recommendations at the Central Council meeting in Katherine which was subsequently referred to the branches and who have now all had an opportunity to debate and consider them. Those same recommendations in their preliminary form are set out as an annexure to this Review. Arising from these branch discussions a number of resolutions are slated to come forward to Annual Conference 2017. When implemented and

adhered to these recommendations will go some way to ensuring that the Parliamentary and Administrative Wings work together going forward.

#### CLP – Liberal, National or something else

One Submission advocated a name change – ‘Territory Liberal Party’. In the aftermath of the election there was an ongoing discussion about the CL becoming a Division of the Liberal Party. The current President Shane Stone, a former Federal President of the Liberal Party has strongly opposed such a course. In the final wash up there was a prevailing view that the CL is here to stay. The CL is a genuinely merged party between the Liberal and Country Parties and has a proud history of electoral success. The challenge for the CL is to reinvent itself and win back the trust of Territorians. The election was not lost because of the name – it was the product.

In any event being absorbed into either the Liberal or National Parties is no easy matter and is no quick fix. The brand has been damaged but in our view will recover - that’s the nature of politics.

One final matter relates to actual name - County Liberals or Country Liberal Party known colloquially as the CLP. Country Liberal is now associated with the failed Miles | Giles Governments. In contrast the CLP successfully governed for 27 years using CLP as the brand name.

We make a recommendation about the CLP’s future which is unambiguous and straight forward. Remain independent as the Territory Party and change the name back to the CLP. Take back your heritage and history – as a political party you have much to be proud of.

#### Party branding and positioning

Given the magnitude of the loss suffered by the CL, it is recommended that consideration be given to a major research project to ensure going forward the CL has a comprehensive understanding of the current values, aspirations and expectations of the NT community. While this cannot replace the need for the Party to reconnect with the community at the local level across the Territory it would assist in forming the strategic approach needed for the next election, the development of policy and the work of the Parliamentary party. It would also specifically assist in any specific repositioning of the CL as the CLP going forward.

A reminder for all that polling research is not the panacea for election victory. It is a tool; it tells you where you have been and helps decide where you are going.

#### Electoral Act changes

Clearly and in hind sight one of the most damaging decisions (taken at Government level without real consultation and support of the Party) were the changes to the NT Electoral Act. It is not clear whether the optional preferential voting proposal was driven by the fact that the CL primary vote consistently outpolled the ALP or other factors. This demonstrated a naïve understanding of the electoral system. What it failed to address was the preferences that were still cast for the ALP from the Greens, Independents and 1 Territory. Described by some in submissions as an ‘own goal’ the set-back provisions applying to political party workers directly worked against the CL – the Party in Government. It beggars belief that members of the Parliamentary Wing appear not to have challenged this amending legislation at Wing meetings. In remote polling booths candidates and party workers reported back the rules were abused and ignored.

### The General Election Campaign

Submissions were strongly critical of a campaign that was rudderless at an Administrative and Parliamentary level, lacked leadership and was under resourced. Importantly there was no real experience where ‘old hands’ who had run and led past elections at a Federal and Territory level were involved.

Consistent with the revolving door culture of the then CLP the Task Force had a number of different Chairmen.

Overall the Election Campaign lacked direction and proper planning with a Task Force that did not function as a cohesive team and reflected negatively upon all aspects of the campaign throughout the Territory.

The election failed to be adequately funded, despite assurances from the Parliamentary leadership that \$1 million had been committed; a statement made at a Central Council meeting and repeated to concerned Party elders.

The proof of the under resourcing is laid bare in the substantial debt that remained after the NT General Election and earlier Federal election. It is very much to the CL’s credit that they have dealt with the debt in a relatively short period.

We make a number of specific recommendations in relation to fund-raising going forward.

### Policy



The growth and prosperity of the Northern Territory since self-government has been largely driven by the CL. The Party has a proud and effective history of achievement of practical policy implementation which made a difference to the Territory community.

The reality must be now faced that the Party needs to comprehensively review its policies and develop fresh, effective answers to the issues facing the Territory.

An important first step in this process is the detailed community research project recommended in this report. Just as importantly, however, the Party should, over the next twelve months, undertake a major programme of community-based outreach to all parts of the NT. This should involve both the parliamentary party and the organization. In reality, it must be driven by the lay organization of the party. The CL needs to reconnect with local communities in seats across the Territory. Sessions open to the public should be held in all key seats with the support for these events driven by the Party organization. Such an exercise is intended to assist in the rebuilding of branches and also to clearly understand the concerns and priorities of these communities. The development of policy should be informed by and tested against the findings of these forums.

It will be difficult for a two person parliamentary party to develop the policies required to make inroads in the next election. In addition to the support of the organization recommended above, the Party must engage professional assistance to help research and write the policy manifesto for the next election. This is the norm in political parties nowadays – well thought out, researched and costed policies.

Policy development is the bedrock of a political party. As Sir John Carrick, legendary General Secretary of NSW Liberals and Fraser Cabinet Minister opined:

“You can’t fatten the pig on market day”.

As was written in one Submission:

“I believe we need to go back to our core values and principles and adhere to those values in all policy and our behaviour. We need to respect each other in the party and ensure that all branches are respected as equals”.

The writer went onto urge that in the pre-selection process our candidates must sign up to the CL core values as a pre-condition of support. And:

“We above all else need to put first our respect for our party values and philosophy and adhere always to those core values in every decision we make. We need to gain respect from our supporters and only then will we be stronger and our branches will grow with new membership”.

In 2014 a Policy and Motion audit was conducted in an attempt to discover what happened to motions successfully moved at Central Councils and Annual Conferences. What was revealed was a complete disconnect between the Party and the Parliamentary Wing both in Government and Opposition. This issue was also raised in the Stone Report (pages 32 & 33) in 2005 which remains relevant today hence it has been set out below:

“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 (Stone) to emphasize 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 underestimated. Hand in glove is the imperative of marketing and selling that policy well in advance of Election Day’”.

From 2009 to 2016 numerous motions were moved that required action from the Parliamentary Wing. Very little appears to have eventuated by way of Statement, Policy Development, Plan Implementation or new initiatives, or feedback to the Party. The fact that the Party did not follow this up over 6 years is a reflection on their behaviour as it was on the Parliamentary Wing for its inaction.

We are informed that a two day workshop was conducted at Crab Claw Island 24 to 25 September 2014. The exercise was broken into three sessions – Cabinet, backbench and bureaucracy. Some 160 Policy, plans and new initiatives were identified as worthwhile pursuing. No connection with the Party was ever made to further develop and endorse these outcomes. In the main they just lapsed, whilst some work to develop them occurred in the Chief Minister’s Office this exercise all came to little.

The Policy Procedural Manual in possession of the Party, whilst not current and some 8 years old remains basically sound and with the appropriate updating should be one of the pillars to launch the CL forward based on good procedures and research to identify what is needed to bring about change required for Territorians.

As one Submission stated:

“...of the 80 in total recommendations of the Stone Report, the three on Policy are vital to our future”.

We make a number of recommendations on policy below.

### Fund Raising

Whether the CL can be rebuilt in the NT quickly will be dependent in large measure on adequate fundraising. The debt by end of August 2016 in itself was enough to take out the CL who had a near death experience electorally, financially and membership wise. It is a credit to a number of the branches that they have managed to remain solvent and in funds during this difficult period and simultaneously engage in a membership drive.

Fundraising must be accepted as an immediate and central priority by the organization. The objective of fundraising must be to ensure the three key areas necessary for rebuilding the Party are adequately resourced. Those three areas are:

- The organization, specifically the Secretariat and the employment of a Director with adequate support staff and resources to be effective
- With two members, the reality is the Parliamentary party will need support with research, policy development, communications and other tools if it is to be fully effective.
- The Party should also begin raising the resources necessary to support candidates and to fight the next campaign.

Fundraising activity is essential to running a political party and is the responsibility of all Party members. The heavy lifting must not be left to a few. Whilst the President, Treasurer and Assistant Treasurer have a key role to play in raising funds (if any of those office bearers don't perform they should be moved on), there is a broader responsibility attaching to the membership. The days of big donors are fading fast particularly in corporate Australia. Meanwhile the union movement is giving more than ever to their political allies the Labor Party aided and abetted by so called third party entities like GetUp who are clearly aligned with Labor and Greens policy. Low donor fund raising is an option if supported by the membership and the wider community.

A political party without funds has no capacity to prosecute its policies and campaign for Government. It is therefore important that CL fundraising is targeted and effective. Various Submissions referenced blurred lines between the central campaign effort, branches and individual candidates. Donors became fed up by multiple requests that were neither targeted at particular activity (for example purchasing corflutes for a candidate) or could be validated as central to the overall campaign. Not unreasonably nowadays donors want to know what you are spending their donation on. Donors also want to know that their paperwork is in order when it comes to disclosure.

Add to the above the parallel fund raising by Foundation 51 where supporters did not understand the difference between the related entity and the CL. When approached some would say ‘‘I have already given’’. Going forward it is important that there are clear lines of demarcation and authority when it comes to the ‘‘asking’’. Foundation 51 is no more and CLP Gifts & Legacies does not engage in fund-raising.

We make a number of recommendations about fundraising going forward, the relationship with ‘‘related entities’’ and the importance of not blurring the lines when it comes to supporting the Party overall and individual candidates.

#### Foundation 51

Some Submissions included a reference to Foundation 51. It appears that the circumstances surrounding Foundation 51 were a distraction for the Giles Government over an extended period much of the Government’s own making. It has also been put to us that much of the controversy was fuelled from within the CL at both a Parliamentary Wing and Administrative Wing level. Key protagonists in the Organisation Wing were vocal about Foundation 51 including a former President and Management Committee member who subsequently left the CL. Some antagonism remains in the ranks.

It appears that Foundation 51 at different times was a far more effective raiser of funds than the Party and this appears to have driven suspicion and envy. The veracity of allegations in the media has never been made, so we set out below some important history as advised to us to ensure that the facts are firmly on the record.

It is a matter of record that the Electoral Commissions (NT and Federal) and the NT Police launched investigations into Foundation 51.

The Australian Electoral Commission discontinued its investigation, and the NT Electoral Commission referred the matter to the NT Police. The Police investigation after a lengthy and

detailed investigation released their findings on 19 October 2015 and referred the matter to the Director of Public Prosecutions. The DPP did not proceed with the matter on the basis that it was not in the public interest.

Foundation 51 subsequently filed a late return as a ‘related entity’. The sole director argued that Foundation 51 did not give financial assistance to the Party, but agreed that he had shared “information” namely research with the Party in the lead up to the 2012 NT Election.

The Gunner Government have flagged a continuing interest in Foundation 51 so it remains to be seen what transpires going forward.

#### Candidate recruitment, training and support:

All party members have a responsibility to identify prospective candidates for both Territory and Federal elections. Management Committee must lead on this task, including indigenous outreach. Identifying candidates cannot be left to the last minute. The Party will never be able to make a proper assessment of the strengths and weaknesses of candidates if left to ‘one minute before Midnight’ which appears to have happened in the lead up to the 2016 NT general election.

Having identified prospective candidates the Party has an obligation to train and prepare them for campaigning and Parliamentary life. Too many people from both sides of the political divide are ill prepared and ill equipped for one of the most important roles in our community.

In our view the most effective approach to indigenous outreach is not so much as signing up members but rather to have visibility in remote communities and engagement with prospective indigenous candidates on the ground. It is important that the CL build alliances in the indigenous communities as has been effectively undertaken by the Parliamentary Leader Garry Higgins in his own electorate. Higgins is a role model of what can be achieved.

#### Pre-selection

In the CL the branches select and the Central Council endorses candidates; only in the rarest of cases has Central Council overturned a branch selection. Submissions received by this Review endorsed this arrangement. That said the Party has to be prepared to consider the possibility that during a term a Branch may come to Central Council with a recommendation dis-endorse a candidate for very compelling reasons. Branches don’t make such decisions lightly and in retrospect given what transpired in Katherine the seat may have been saved with

a different candidate. Central Council must always ask the question – what is right by the Party and the community?

In the lead-up to the 2016 election the Parliamentary leadership set about sponsoring candidates into seats, drawing extensively from staffers on the “5<sup>th</sup> floor”. Further some candidates selected, not originally from the 5<sup>th</sup> floor, were recruited to jobs there. It goes without saying, this “control and command” model cannot be relied on to be politically successful.

The CL must be a merit based organisation where candidates are selected on the basis of capacity and not who they know or work for. The Parliamentary Leader has the opportunity as a member of Central Council and Management Committee to help make the case for a candidate but not to foist a particular person on the Party. The leader of the day is entitled to a view about candidates but never the right to impose a candidate.

There has been some discussion around whether defeated members should be discouraged from seeking pre-selection again. This is at first instance a branch matter, but the best possible field of candidates must be encouraged if the Party is to present a fresh and re-invigorated image to the community. If a pre-selection has been manipulated, Central Council must be prepared to override the pre-selection.

It remains critically important that thorough back ground checks are conducted of all potential candidates including police clearances. Background checks should extend to community based organisations that the prospective candidate claims, academic records and professional achievements should also be cross checked.

#### Who elects the leader?

We received Submissions supporting the system that applies in the UK Conservatives, Canadian Conservatives and Federal ALP where all members who satisfy certain membership requirements (attending a number of meetings and undertaking Party related activities) participate in the vote to decide the Party leader. Such a process would essentially be a plebiscite to determine the Parliamentary leader and Deputy.

We recommend against such an approach, which can have unintended consequences. As an example, in the ballot for the federal leadership of the ALP Bill Shorten was primarily elected by those outside the Labor Parliamentary Wing.

#### Campaigning

Many of the submissions received the Review discussed the campaign arrangements in 2016.

Submissions from Alice Springs and remote electorates detailed many campaign related failings in both the Federal and NT elections. Some of the most basic campaign tasks originating from the Darwin Secretariat were described by senior Party officials in Alice Springs as “ad hoc and unorganised”. Many examples were given of delays, failure to act and general paralysis in decision making. It is claimed that there were too many ‘gate keepers’ and levels of approval, from the Party Secretariat to the Chief Ministers office. One candidate wrote there was “no clear strategy or guide from the party”.

One candidate gave a detailed account of what transpired at remote mobile booths across the electorate she was contesting. Mobile polling in remote areas clearly remains a major challenge for the CL and requires a strategic approach of its own, separate from urban campaigning. What is particularly troubling is that the CL in Government appeared to ignore an opportunity to address issues associated with mobile polling. We make a specific recommendation in relation to remote electorates.

We make a number of recommendations relating to campaigning and in particular have urged, as a matter of some urgency, the appointment of an experienced State Director with the requisite campaign and skill set. We are pleased that this process has occurred.

#### Campaign Committee

It is not possible for a campaign director to run a campaign by themselves. A small committed campaign leadership group is essential to the task. Ideally this comprises a group who give full time service absent from their work space – some paid professionals, others volunteers. As difficult as it may be, and the sacrifice involved, it is not a part time commitment. Also it is not a place for well-meaning amateurs. Those selected to serve on a campaign committee must be selected on the basis of their experience and skill in the political space. Importantly that skill must include an appreciation of all campaign tools that are now on offer in the political space – ‘old school’ tactics to ‘new school. Social media strategies are today critical in all campaigns.

#### The Secretariat

By necessity, the Party organizations and, in particular, the Secretariat has a more significant role during a term of opposition than government. Greater demands are placed on the Secretariat and the rebuilding of the Party must in large part be driven from the organization as the Parliamentary party concentrates on defining Labor, dealing with daily events and developing policy.

It was a recommendation the CL move to employ a Director as soon as possible; we note the Party has done exactly that. It is also recommended the Party employ a social media communications professional to support the parliamentary party in its work.

### Support for the Parliamentary Party

The Parliamentary Party notwithstanding its size is well resourced and funded in relative terms. It is not for the Administrative Wing to tell the Parliamentary Wing how to deploy their funding and resources. The Administrative Wing is able to lend support by policy input, attendance at events and functions in support if requested and where appropriate deputise for the Leader.

### Research

We are not able to provide a comprehensive over view of what polling took place, as there is limited data available. However, it is hard to imagine an incumbent Government facing the polls apparently so ill prepared when it came to a clear strategic direction based on research. The CL commissioned polling within the limited resources available from time to time. Foundation 51 undertook certain polling. It is also presumed the then Chief Minister's Office held certain polling which has not been forthcoming.

We make a recommendation relating to research and the importance of that research being 'owned' and conducted by the Administrative Wing and overseen by the campaign director.

Having viewed some of the polls available as a snap shot it is evident that the CL was heading for defeat for some considerable time. The Chief Minister had an unacceptably high disapproval rating as did the Treasurer David Tollner. In the Northern Suburbs, where elections have been traditionally won and lost save for 2016, Peter Styles (who went onto serve as Deputy Chief Minister) consistently languished in the polls. A dedicated poll conducted in Sanderson predicted Styles comprehensive defeat months out. If the CL couldn't hold Styles seat there was no hope for any incremental gains in the suburbs.

Overall the electorate had lost faith in the CL. As set out in one Submission (which included the polling from as early February 2014 undertaken prior to the Blain by-election) it became very clear that the Chief Minister was a definite negative for the Campaign and could not participate in the by election. This extraordinary situation should have had members of the Parliamentary Wing deeply concerned. A subsequent poll in June 2015 (Territory wide with a sample size 1154 a copy of which have been provided) showed that the Giles Government was in serious trouble, with both Giles and Tollner recording very high disapproval ratings. To put



things in context the 2012 election result the two party preferred vote was CLP 56%, ALP 44%. By June 2015 the two party preferred vote was 41%, ALP 59%. An earlier poll had the two party preferred vote at 47%, ALP 53%. All the seats predicted to be lost in June 2015 were in fact lost. As preferred Chief Minister in April 2014 Delia Lawrie led Adam Giles 34% to 24%. When Michael Gunner took the Labor leadership he maintained the lead over Giles with a 16% point lead and never looked back. The other telling results from June 2015 were that a mere 18% thought the CL were doing a good job (61% said they were not) and 28% believed the Territory was heading in the right direction with 54% believing the Territory was heading in the wrong direction.

Reading from the poll analysis:

“Traditionally party leaders either need to have a positive NET rating or need to have some very strong issues and a party that is seen as performing well if they are to be effective in a campaign setting. That said if a NET figure continues to degrade over time, especially in a substantive manner, it would normally spell disaster for their ability to hold their position. Since 2014 Mr. Giles NET favourability figure has dropped from -12% to -30% in February this year to this polling (June 2015) being -37%. This is disastrous figure for Mr. Giles”.

Based on Submissions from candidates this sentiment was born out on the doorstep during the election campaign.

In summary, successive polling from a range of sources from 2014 to 2016 indicated that the Chief Minister's negative position continued to deteriorate. The Parliamentary leadership appear to have been dismissive of the polling according to a number of submissions to this Review. It was also put to the Review by a number of members of the Parliamentary Wing that they were continually assured in Wing Meetings that all was on track and at worst a minority Government achievable. It remains unclear whether there was a leadership group who considered such matters strategically and whether other MLA's or the Chief Staff was across the polling.

Candidates door knocking reported back a hostile reception on the door step long before Election Day. Labor was clearly picking up the same results in their polling and tapped into this sentiment with posters on polling day. It was clearly unfortunate that those charged with the campaign and in the Party leadership were in such denial. Quite apart from the polling there were other indicators of defeat that the Party should have been alert to.

Had membership numbers been properly monitored and analysed over the 4 years leading to the August 2016 election there would have been a clear warning that the CL was losing its base.



It would not be unrealistic to expect a surge of membership on return to Government and increased numbers whilst in Government but the opposite was in play. The following snap shot highlights the problem.

The CL lost 346 members during the term in Government 2012-2016.

- 66 members last renewed in June 2012 but did not renew in June 2013;
- 78 members last renewed in June 2013 but did not renew in June 2014;
- 96 members last renewed in June 2014 but did not renew in June 2015;
- 106 members last renewed in June 2015 but did not renew in June 2016.

The decline mirrors the upheaval and dysfunction in Government and the Party. The collapse in membership appears to have escaped all who should have had a vital interest in such matters.

The membership at the time of the August 2016 election was approximately 600 including honorary life members (35) and financial life members (166) – that is 400 members renewing on an annual basis which is well short of CLP traditional numbers in times past. Since the rebuild of the Party began in earnest over 60 members have been added to the total comprising new members and those who have decided to re-join.

This was a clear responsibility of the Administrative Wing; in particular the President and serving members of the Management Committee must be alert to what was happening.

### Summary and Conclusion

Political parties must understand and weigh the transactional costs associated with deposing an elected leader with a mandate. Terry Mills whatever his perceived shortcomings was a mere 8 months into his first term as Chief Minister. Adam Giles never had a mandate and never recovered from the various antics that beset his Government from the outset. It is critically important that those elected to leadership positions and appointed to Ministerial office have the necessary skill set to serve. The criticism of the Administrative Wing applies to all from the then President to Central Council. To requote one correspondent ‘we let it happen’.

That said the CL has a unique opportunity to rebuild from the ground up and return to Government. The CL still retained 30% of the primary vote. This is a solid core to work from. There is a political cycle and although a long march lies ahead the CL will return to Government and predictions of the Party’s demise have already been proved wrong.

At Katherine Central Council we distributed a number of preliminary Recommendations for discussion at Branch level as set out below. We understand that those Recommendations have been discussed and debated at Branch level and also added to and amended. We have in all probability missed some areas of concern but that does preclude such matters being raised separately by members.

We congratulate the CL membership on commissioning this Review and being prepared to step up to a very difficult but necessary conversation. Not all political parties face their demons in an open and transparent way as the CL have.

The CL has marked the first anniversary of its election defeat – a sobering experience. This Review is timely in those circumstances. Everyone who wanted to have a say has been afforded an opportunity. The Recommendations have been carefully considered and crafted; they have not been a knee jerk reaction rushed into print. It is time to move on; the CL owes it to

Territorians to rebuild and once again offer a strong alternate Government which can take the Territory to a brighter future.

#### Preliminary Recommendations dating from Katherine Central Council March 2017

1. The Central Council of the CLP, at a meeting prior to the conclusion of 2017, to discuss the recommendations of this report and decide which recommendations, if any, it will accept.
2. The Northern Territory Country Liberals retain their autonomy and independence as the CLP, which continuing their close working relationship with both the federal Liberal and National parties.
3. The CLP to recruit a State Director as soon as funding allows. This should be considered a priority.
4. Fundraising to be considered an immediate priority, and the Party President, in consultation with the Treasurer, other senior office bearers and the Parliamentary Leader to develop a comprehensive fundraising programme for the remainder of this term which provides the resources to the Party to undertake the necessary work to successfully contest the next election. All sections of the Party must accept responsibility to support and assist in fundraising.
5. The CLP should develop a strategy targeting low donors over the parliamentary term.
6. Fund raising should generally be the domain of the President, Treasurer and Assistant Treasurer. Sensitive to the fact that elected members and various candidates will attract their own supporters it is important that the Treasurer is made aware of all donors so there is no doubling up and over reaching in the donor base.
7. The elected members levy to be enforced.
8. Members of the Parliamentary Party should not authorise Party expenditure. Matters requiring expenditure should be authorised by the Party Director in accordance with the Party's protocols on expenditure.
9. Following each redistribution Central Council to reassign and confirm pre-selection responsibilities to the Branches.
10. The Party should undertake a programme of community consultation in each electorate involving open community meetings with the Leader to better understand community issues and concerns.
11. In addition, all local branches should be asked to undertake membership recruitment drives to increase the volunteer base of the Party. CLP Branches and members must develop new strategies around branch meetings to encourage wider community participation.
12. Branch Executives to follow up lapsed and past members to encourage a recommitment to the CLP.

13. Following the recruitment of a Party Director, consideration be given to running a series of training seminars in key regions of the Territory to equip Party branch members with the skills to be effective community advocates for the CLP.
14. That all sections of the Party, as a priority, accept the responsibility to recruit indigenous members of the Party
15. All sections of the Party to identify potential candidates for the Party and encourage their engagement with the Party. Consideration be given to The CLP membership has a collective responsibility to identify future candidates who can be introduced to the Party and encouraged to consider active participation in the activities of the CLP.
16. Holding a number of information and training seminars for prospective candidates.
17. Pre-selection remains the primary responsibility of the branches, subject to Central Council endorsement. Central Council must exercise an active role of undertaking a forensic examination of the suitability of candidates submitted by the branches.
18. Those former members of the CLP Parliamentary Wing who defected to the cross benches and stood as independents against endorsed CLP candidates not be invited to re-join the CLP. Former members of the Miles and Giles Government who lost their seats should be actively discouraged from standing for pre-election for future elections.
19. The leadership of the Parliamentary Wing be determined by the wing and not the membership at large.
20. The CLP develop a code of conduct applicable to all candidates. Committing to the code of conduct to be a pre-condition to endorsement. The Code of Conduct to apply equally to all elected members with appropriate sanctions applied.
21. The attendance of members of the Parliamentary Wing including the leadership at Central Council and Annual Conference is mandatory, unless leave is granted by the President.
22. The Parliamentary Wing to consult Central Council prior to agreeing to any changes to the NT Electoral Act.
23. Given the reality and experience of a fixed date election in August, all elements of the campaign be in place and fully operational by March of that year.
24. That the Parliamentary Party begins immediately a formalized review of the Party's State policies.
25. That the Party Director be actively involved in Policy Development providing political and campaign guidance through ongoing research.
26. The Shadow Treasurer, in conjunction with the Leader and State Director identify at an early stage a suitable individual or Panel to be responsible for certifying final costings of Party policies for the next election. Suitable resourcing should be included in the campaign Budget to allow for this.
27. That consideration be given to resourcing further policy support to the Parliamentary Party.
28. That the role and mandate of the Campaign Committee to be reviewed and clarified.

29. That the Director (and President) attends Shadow Cabinet on a monthly basis.
30. That the Leader's Office coordinate the timetable for announcements of policies with the Party Director so that policy releases fit within the overall campaign strategy.
31. That a program of regular polling be developed by the Director and undertaken throughout the Parliamentary term.
32. That the Director produce draft key seat budgets and fundraising targets, and these be reviewed regularly.
33. That detailed key seat polling be undertaken at a time to be decided by the State Director, after consulting the Leader, but before mid-2018.
34. That the Director devise a campaign training plan for all new candidates, so that they can be trained as soon as possible after their preselection's.
35. Central Council considers re-establishing a Standing Committee on Membership as a means of recruiting new members of the Party, particularly in key seats.
36. That experienced political operatives from across Australia be identified ahead of the campaign and embedded in local key seat campaigns for the duration of the writ period
37. That the Secretariat be resourced to provide rapid response and social media support to the Parliamentary Party
38. Preferences: while CL candidates are encouraged to have civil relations with other party candidates, preference decisions are a matter for the organization under the supervision of the campaign director to ensure all relevant Territory-wide factors are taken into account.