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Back room dealers and the great kiwi battler: a study of advertising frames in the 1993 and 2011 New Zealand electoral referenda

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### **Abstract**

In 1993 and 2011, New Zealanders were presented with the choice of retaining their current electoral system or changing to a different system through a national referendum. The result of the 1993 referendum was a dramatic change which saw New Zealand shift to a mixed-member proportional representation system, after 73 years of elections under the simple plurality first-past-the-post system. Eighteen years later, in the 2011 referendum, New Zealand chose to retain this system.

This research explores the information regarding the potential impacts of a change in electoral system that was presented in advertising campaigns run by key lobby groups during the 1993 and 2011 referenda. Drawing on theories of the democratic role of the media, political advertising, and framing theory, this research considers how advertising, as part of the broader media landscape, framed the discussion of the issues surrounding the choice of electoral systems in the 1993 and 2011 New Zealand electoral referenda.

Using an inductive approach to content analysis, the research developed a set of quantitative data on the themes within the advertising campaigns. Content analysis highlighted the priority issues in each campaign.

Drawing on framing effects and semiotic theory, these themes were then considered within their wider context to assess what the data suggests about the quality, tone and breadth of discussion about the two electoral systems. It was found that the campaigns used specific frames to differentiate the campaigns on a social and ideological level. Advertising drew on social myths to characterise the decision as a battle between big business and the 'everyday New Zealander' in the mixed-member proportional campaigns, and between a system that held politicians accountable and one that was bound by bureacracy in the campaigns that stood against the mixed-member proportional system.

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# Guide to acronyms used

CBG	Campaign for Better Government, a pro-FPP lobby group from the 1993 referendum.
CKM	Campaign for MMP, a pro-MMP lobby group from the 2011 referendum.
ERC	Electoral Reform Coalition, a pro-MMP lobby group from the 1993 referendum.
FPP	First-past-the-post, the electoral system of New Zealand from 1853 until 1993 (excluding a brief period between 1908 and 1913 where elections were held under a second-ballot system).
MMP	Mixed-member proportional, the electoral system of New Zealand from 1993 to present.
VFC	Vote for Change, a pro-change lobby group from the 2011 referendum.

## **Prologue**

"...anger, betrayal, ineptitude, and two referendums..."

(Arseneau & Roberts, 2012, p. 325)

#### An environment for change

The loss of guaranteed access to New Zealand's largest export market that came with Britain's entry into the European Economic Community (EEC) in 1973 was the start of many shocks to the New Zealand economy that saw the economic stability of the post-war period replaced with a period of prolonged economic stagnation and instability. New Zealand's golden days of an agriculture-based economy with high growth and high gross domestic product (GDP) per capita were left battered by the 1973 oil crisis and the collapse of the global commodity boom.

This was not unique to New Zealand. From 1973 the world economy "struggled with consequences of low growth, rising unemployment, accelerating inflation, expanding budget deficits, deteriorating balance of payments, unstable exchange rates, diminishing company profitability, and a rising volume of national and international debt" (Foley, as cited in Roper, 2005, p. 3).

But the effect in New Zealand was more severe. "There are very few countries, certainly among high income economies [such as New Zealand], which have suffered from a combination of the effect of an oil shock plus a chronically weakening market situation for major traditional exports" (Gould, 1985, as cited in Roper, 1993, pp. 4-5).

The interventions of the Third National Government, led by the authoritarian Prime Minister (and Minister of Finance) Robert Muldoon, failed to reverse the economic decline. With the election of the Fourth Labour Government in 1984, New Zealand economic policy took a sudden change in direction. Aided by the unicameral system and an electoral system which favoured majority governments, the Government began a period of structural adjustment, rapidly shifting the economy from a Keynesian-based managed economy to a free-market economy based on monetarist

and neoliberal<sup>1</sup> economic theory. It is said by some that New Zealand took to neoliberal free-market economic policy with a devotion even its founder, Milton Friedman, would have been surprised by (Barry, 1996).

The breadth, pace, and impact of the reforms created widespread public anger and disillusion with the government and with the parliamentary process (Aimer & Miller, 2002a). Many saw the reforms as a series of unwelcome changes pushed "on an unwilling public" (Mulgan, 1997, p. 267). The dominance of the two major parties in the legislature, enabled by the first-past-the-post (FPP) electoral system <sup>2</sup> was considered to be one of the reasons that the reforms could be pushed through despite widespread public dissatisfaction (Kelsey, 1997; Mulgan, 1997; Roper, 2005)<sup>3</sup>.

This anger and disillusionment was further compounded by a series of contentious election outcomes occurring over the same time period. The dominance of Cabinet within Parliament, and 'disproportionate' electoral results such as the National Party forming the government in 1978 and 1981 despite the Labour Party receiving a larger share of the overall votes (Lamare & Vowles, 1996; Levine & Roberts, 1993a), highlighted a growing concern among the New Zealand public regarding the performance of the electoral system (New Zealand Electoral Commission, n.d.). In response to this, the Labour Party pledged during the 1981 and 1987 election campaigns to set up a Royal Commission to report on a wide range of matters regarding the electoral system.

Upon the formation of the 4<sup>th</sup> Labour Government in 1984, the Royal Commission was established. In 1986, the Royal Commission reported on its findings, which recommended a fundamental change to New Zealand's electoral system: to change the electoral system from FPP to the German-style mixed-member proportional

<sup>&</sup>lt;sup>1</sup> The term 'neoliberal' was originally used as a term to describe the Mont Pelerin Society's project to create new liberal theories based on the idea of a free economy and a strong state. While recognising this alternative definition and the continuing difficulties in defining the concept of 'neoliberalism', I have chosen to use the term to refer to the economic theory behind the neoclassical reforms of the 1970s (Hartwich, 2009; Thorsen & Lie, 2006; Williamson, 2008).

<sup>&</sup>lt;sup>2</sup> It is argued that FPP favours tactical voting, whether voters select a candidate they think is more likely to win, rather than their preferred candidate to avoid "wasting" their vote. This, in turn, results in the FPP system favouring a two-party system, which increases the likelihood that a single party will hold a majority of seats in the legislature. This situation is referred to as Duverger's law (Riker, 1982).

<sup>&</sup>lt;sup>3</sup> This was also likely to have been compounded by the fusion of legislative and executive powers that occurs in parliamentary systems (Needler, 1991, p. 116).

(MMP) system (Royal Commission on the Electoral System, 1986). In doing so, the Royal Commission had (perhaps inadvertently) provided "a tangible focal point for a host of generalised dissatisfactions" (Aimer & Miller, 2002a, p. 2)4.

The proposal was perhaps too radical for Parliament – the government neglected the report, and did not issue a response on the report until the lack of action led to the report becoming an election issue in 1990. In a game of one-upmanship, both major parties then pledged to hold a referendum on the electoral system if elected<sup>5</sup>. Upon the election of the National Government in 1990, a referendum was scheduled to be held in 1992.

### The 1992 'preferendum'

The 1992 referendum was a preliminary, non-binding referendum<sup>6</sup> which asked New Zealand voters whether they supported a change from the existing electoral system of FPP, and if so, what alternative system they preferred.

The results were "of genuinely landslide proportions" (Levine & Roberts, 1993b, p. 59). Following the referendum, Labour Leader Mike Moore was famously quoted as saying "The people didn't speak on Saturday. They screamed." (Levine & Roberts, 1993b, p. 57). An overwhelming majority of 85 percent of voters chose to change the electoral system. Alternative options given were MMP, single transferable vote, supplementary member, or preferential vote. Again, a significant majority (70 percent) voted for a change towards MMP (New Zealand Electoral Commission, n.d.).

A subsequent binding referendum was held in 1993, coinciding with the general election. The referendum offered two choices: stay with the current electoral system (FPP), or change to MMP. Fifty four percent of voters opted to change to MMP, which was introduced for the 1996 general election (New Zealand Electoral Commission, n.d.).

<sup>&</sup>lt;sup>4</sup> Vowles (2005) notes that a shift towards multiparty politics (due to new political issues and social movements which could not be contained in the two-party system) was also a factor in the call for a change in system.

<sup>&</sup>lt;sup>5</sup> The first party to announce the promise of a referendum was Labour leader David Lange, despite the majority of the Labour cabinet opposing a referendum (Katz, 2005, p. 66). Lange is purported to have later claimed that the announcement of a referendum was, in fact, a mistake in reading his notes (Donald, 2003; Jackson, 1993).

 $<sup>^6</sup>$  This is despite the fact that the National Party's 1990 election manifesto actually promised to hold a binding referendum in 1992 (Jackson, 1993).

In 1996 New Zealand held its first election under the MMP system. While the formation of a government following the 1996 election was the longest coalition negotiation period to date (of two months), the system has now been in place for 17 years.

#### The road to 2011

The MMP system was reviewed by a parliamentary select committee in 2000 to assess the effect of changes to the division of electoral districts and Maori representation enacted under the Electoral Act 1993, and to consider whether there should be "a further referendum on the changes to the electoral system" (Electoral Act 1993, s264(1)). The review made recommendations on the list system, representation of Maori and minority interests, dual candidacy, electoral boundaries, and seats, but the Select Committee was unable to reach a consensus on whether MMP should be retained and therefore made no recommendation on the matter. The Government noted in its response to the Select Committee's report that it did not consider there was sufficient consensus? within the committee or from the public to justify a further review of the electoral system at the time (New Zealand Government, 2001).

However, eight years later the National Party proposed a referendum on MMP as part of its campaign pledges for the 2008 election<sup>8</sup>. Upon winning the election, preparations were made for a referendum to coincide with the 2011 general election (Cabinet preparing for MMP referendum: Key, 2009).

The Electoral Referendum Act 2010 provided for a referendum to be held on whether voters wished to retain the current MMP electoral system, and for a review of MMP to be undertaken by the Electoral Commission if the outcome of the referendum was in favour of retaining MMP. The 2011 referendum asked two questions: If voters wished to retain the current MMP system, and their most preferred alternative system. Some 57 percent of New Zealanders voted to retain MMP (New Zealand Electoral Commission, 2011c).

<sup>&</sup>lt;sup>7</sup> "Sufficient consensus" for this committee was a particularly high bar. Most New Zealand select committees only require a simple majority to make a recommendation on behalf of the committee. The terms of reference for the Review of MMP, however, only enabled the committee to make a recommendation if it has unanimous or near-unanimous support for the recommendation (MMP Review Committee, 2001; New Zealand Government, 2001).

<sup>&</sup>lt;sup>8</sup> Following the shift to MMP, the National Party had made several references to a referendum on whether MMP should be retained, including the introduction of the Electoral Optional Referenda Bill in 2000.

Following the referendum, in 2012 the New Zealand Electoral Commission undertook a review of the MMP system, with a view to establishing whether any improvements should be made (New Zealand Electoral Commission, 2013b).

A change in electoral system can be a significant shift in the way a country is governed. Electoral systems form the foundation of citizens' participation in democracy. They translate preferences into representation in the legislative structure. They also have an influence on the level of involvement citizens have in governance decisions, the limits of representatives' power, and the checks and balances in place to ensure the government acts in the interests of its citizens.

But a change in electoral system is not common. It is usually the result of a move by a self-interested government seeking to create a system that favours their re-election, or as a response to "deep-rooted ruptures in the historical and political development" of a country (Nohlen, 1984, as cited in Katz, 2005).

In New Zealand it was the "high-handed imposition of policies that were contrary to the wishes of the people, the electoral manifesto of the government in office, and the preferences of the government's backbench supporters" that led to a call for change in this first instance (Katz, 2005, p. 69). By choosing to change the system through a referendum, the Government handed the decision of how they wanted to be governed back to the citizens of New Zealand.

So how did New Zealand voters make their decisions? What information contributed to the decision to turn their backs on almost 73 years of elections under FPP<sup>9</sup> in favour of a new system, and to retain it almost 20 years later? This thesis considers how lobby groups sought to influence voters during the referenda campaigns and what messages their advertising presented to the voters about the key issues of the referenda.

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<sup>&</sup>lt;sup>9</sup> From 1853 until 1993 almost all elections were held under the FPP system. There was, however, a brief period between 1908 and 1913 where elections were held under a second-ballot system. This provided that if no candidate won more than 50 percent of the votes in an electorate, a run-off would be held between the two top candidates. This system was abolished in 1913, and a pure FPP system reinstated (New Zealand Electoral Commission, n.d.).

#### Overview of the campaigns

1993 electoral referendum lobby groups

In 1993, the two major lobby groups for the electoral referendum were the Electoral Reform Coalition (ERC) and the Campaign for Better Government (CBG).

Founded in 1986 following the publication of the *Report of the Royal Commission* on the Electoral System 1986, the ERC was led by Labour activist Phil Saxby. Members included a mix of Alliance party members, trade union representatives, and a small number of sitting MPs (Donald, 2003; Temple, 1995, p. 236). Characterised as a "well-organised pressure group with strong links into community networks" (James & McRobie, 1993, p. 127), the ERC had a centralised structure with, with activities planned by a small group of Wellington based activists. However, in a reflection of its grassroots nature, individual branches enjoyed "a high degree of autonomy" (Donald, 2003). The total spend for the ERC has been reported by different sources as between \$180,000 and \$300,000 (Donald, 2003; Roberts, 2012a; Temple, 1995, p. 236) for the 1993 campaign.

The CBG was founded in 1993. Led by Telecom chairman Peter Shirtcliffe, the CBG reportedly spent over \$1.5 million on their campaign (though one researcher notes that an analysis of the advertising suggests the spend is closer to \$2 million (Temple, 1995, p. 236)). No spending caps were in place for the 1993 electoral referendum. However, it is remarkable that in the final week of the 1993 referendum and election campaign, CBG spent more on television advertising than the two main political parties (Donald, 2003). Funding contributors were not published, but it is widely assumed that the major financiers were prominent businesspeople within New Zealand (Donald, 2003; Temple, 1995).

2011 electoral referendum lobby groups

In 2011, the two major lobby groups for the electoral referendum were the Campaign for MMP (CFM) and Vote for Change (VFC).

The CFM was established in 2009. The CFM was founded by former ERC campaigners with an interest in ensuring their 'legacy' was defended (Grey & Fitzsimons, 2012, p. 298). Led by spokesperson Sandra Grey, President of the Tertiary Education Union (who was later joined in 2011 by spokesperson Lewis Holden, Chair of the New Zealand Republican movement), the campaign was organised in a similar way to the 1993 CBG campaign. A centralised group set

national messages and organised activities. Localised groups supported the national campaign, while retaining a reasonable level of autonomy. Unlike the 1993 referendum, spending caps were in place for 2011 electoral referendum campaign spending. Promoters who spent more than \$100,000 on referendum expenses were required to submit expense returns to the New Zealand Electoral Commission. The total spend for the CFM was just over \$156,000 (New Zealand Electoral Commission, 2011f).

The VFC campaign was launched in June 2011. While Peter Shirtcliffe was listed as one of the founding members of the campaign, the campaign was represented as a new campaign, unrelated to the 1993 CBG. VFC was led by Wellington-based campaign spokesperson Jordan Williams, and supported by founding members such as Bob Harvey, a former Labour Party President and Michael Bassett, a former Labour Party Cabinet Minister (Vote for Change, 2011c). The total spend for the VFC campaign was just over \$79,000 (New Zealand Electoral Commission, 2011f).