New Zealand prime minister storms out of parliament over tourism scandal

A correspondent
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It is not often that a prime minister is denied the right to make a personal statement to parliament. Yet that is exactly what took place last Tuesday when New Zealand Prime Minister Jenny Shipley sought leave to explain her role in a rapidly unfolding scandal involving the country's Tourism Board. Rebuffed by the Labor Party leaders who wanted the opportunity to question her, she stormed out of the building and made her "explanation" to the assembled media and startled passers-by.

The incident, which came on the same day as her minority government faced a crucial vote of no-confidence, highlights the sharpness of the political tensions in ruling circles in New Zealand. With national elections due by November, Shipley is only clinging to office with the support of a motley collection of small right-wing parties, so-called independents and defectors.

The Tourism Board scandal began a fortnight ago when one of its prominent members resigned, citing as his reason the unacceptable intrusion of Tourism Minister Murray McCully into the board's affairs. The affair soon engulfed Shipley herself, when papers giving details of the Board's operations were released.

The documents revealed close personal and political relations between the prime minister, her National Party and Kevin Roberts, the international head of the Saatchi and Saatchi advertising company, which currently has over $NZ20 million worth of Tourism Board contracts. Roberts had been hired to give motivational talks to the National Party on how to become a "peak performing organisation".

Attention focussed on discussions between Roberts and Shipley at a private dinner in Wellington last August. According to a letter leaked to opposition Alliance MP Jim Anderton by a businessman, Roberts had offered to provide the National Party with a low-cost election advertising campaign if Saatchi and Saatchi won a lucrative new tourism contract. Shipley initially denied discussing either the tourism contract or politics at the dinner.

But her story unravelled as further documents came to light. Shipley has given three different versions of events. She has now admitted that Roberts "openly indicated" his willingness to assist the National Party "to see we never allow the Labour-Alliance bloc to get back into government". Roberts has retracted a letter he wrote indicating that details of the Tourism Board deal had been discussed during the dinner.

Intimate relations between politicians and big businessmen are hardly surprising. But unfortunately for Shipley and the National Party, the scandal erupted in the lead-up to a no-confidence vote that the government could no longer put off. Shipley narrowly survived by a 61-59 vote margin.

Since the National Party's coalition with New Zealand First collapsed last year, Shipley has been forced to depend on an unstable and shifting informal coalition. She achieved her two-vote majority with the help of the right-wing Association of Consumers and Taxpayers (ACT), the United Party's Peter Dunne, ex-Alliance MP Alamein Kopu and fragments of Shipley's former coalition partner, NZ First. These remnants of NZ First consisted of the ethnically-based party Mauri Pacific and two other MPs, Tuariki Delamere and Peter McCardle.

Over the Christmas period, the ACT had briefly threatened to withdraw its support for the Nationals unless the government agreed to accelerate its program of tax cuts and attacks on social welfare. But by the time parliament resumed, ACT leader Richard Prebble had declared his party's support for Shipley during the

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no-confidence vote. The two parties have held discussions on a common strategy for the coming elections in which they are unlikely to challenge each other in key selected electorates, including Prebble's own seat of Wellington Central.

Sections of big business have lost confidence in the ability of Shipley and the National Party to carry out further austerity measures in the wake of the country's slide into recession. As the minority government stumbles from one crisis to the next, there is growing support in ruling circles for the Labour Party, which has pledged to implement corporate demands. The leaking of Tourist Board documents undoubtedly provides the Labour Party with a useful helping hand right at the point when the National Party appeared to be clawing back its lead in the polls.

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