

# The rise of the far-right ACT Party in New Zealand

Tom Peters

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As New Zealand approaches an election on October 14, the ruling Labour Party is polling below 30 percent and there are growing predictions that it will be defeated by the right-wing opposition National Party and its ally, the far-right ACT Party.

National is polling around 35 percent, meaning it would need support from ACT, and possibly the right-wing nationalist New Zealand First, to form a coalition government.

The collapse in support for the two main capitalist parties reflects growing disillusionment and anger over soaring social inequality, the cost-of-living crisis, decaying public services and never-ending deaths and disease from COVID-19. Nothing remains of the Labour Party's 2017 election pledges that it would govern with "kindness" and address child poverty, homelessness and the crisis in the healthcare system.

Such rhetoric, always hollow, has now been shelved. Labour has begun its 2023 election campaign by pledging to protect the wealth of the super-rich by keeping taxes low, and to divert more funds into the military to prepare to join a US-led war against China.

Internationally, the rightward lurch of the entire political establishment has provided an opening for the extreme right. It is deliberately promoted by sections of the ruling class in order to whip up racism and nationalism and counter the growth of anti-capitalist sentiment in the working class. Outright fascists now play a prominent role in parliament or in government in several countries—including the Alternative for Germany (AfD), Georgia Meloni's government in Italy, Bolsonaro in Brazil and Trump in the United States.

In New Zealand, the libertarian ACT Party has made significant gains after being extremely unpopular for years, receiving around 1 percent in national elections from 2011–2017. In the 2020 election ACT benefited from the National Party's internal chaos, winning 7.6 percent and 10 seats in parliament. In two recent polls, ACT is now the third most popular party with 13 percent, overtaking the Greens on 12 percent.

ACT has an extreme anti-working class platform, including: massive tax cuts for the rich; a three-year freeze on the minimum wage; a 12-month trial period during which workers can be more easily sacked; \$9 billion in cuts to annual government spending, including slashing the public service workforce by 30 percent; and measures to push people off welfare.

ACT calls for increased privatisation of the health system and the reintroduction of privately-run charter schools. On law and order, it wants tougher prison sentences, including for teenagers,

and more police officers.

While Labour and even National criticise ACT as "extremist" and "divisive," the reality is that ACT is setting the agenda for both parties.

During the first years of the pandemic, Labour handed out tens of billions of dollars in corporate subsidies, bailouts and tax concessions. The Reserve Bank's quantitative easing policies and low interest rates contributed to a housing bubble and record profits for the banks.

The historic transfer of wealth to the rich is now being paid for through brutal austerity measures. Labour's most recent budget was based on starving healthcare and education, resulting in hundreds of job cuts in universities across the country.

To compete with ACT and National, Labour has also promised tougher policies on "youth crime," including an expansion of juvenile detention facilities.

In foreign and defence policy, ACT is in lockstep with the Labour government in supporting the US-NATO war against Russia over Ukraine, and calling for a more explicit alignment with US imperialism against China. Recently, Labour indicated that it would seek to lift military spending from 1.4 to 2 percent, something long called for by ACT.

ACT leader David Seymour recently set the tone for an hysterical McCarthyite campaign, which Labour joined, against Radio NZ online reporter Michael Hall. Hall was forced to resign after he drew attention to the fact that Washington supported the 2014 coup in Ukraine, and that Ukraine's military includes fascist forces. ACT railed against the public broadcaster in a June 9 press statement titled "Red Radio issues Russian propaganda."

A major area where Labour has adopted ACT's program is the scrapping of all public health measures to control the COVID-19 pandemic.

This week, Prime Minister Chris Hipkins denounced ACT for being "propped up by a bunch of anti-vaxx conspiracy theorists" after revelations that ACT candidate Elaine Naidu Franz had compared COVID-19 vaccinations to the Nazi concentration camps. Naidu Franz resigned on Wednesday.

In February 2022, Seymour met with members of the far-right, anti-vaccination protest occupying parliament's lawn, and sympathised with their opposition to public health measures. Labour, however, had by that point abandoned its Zero-COVID policy. Since then, the government has acceded to all the demands of the right-wing protesters: it has ended vaccine and mask

mandates and other mitigations, allowing COVID-19 to infect millions of people and kill thousands.

As Labour's support has plummeted, the government and its allies, the Greens and Te Pahi Māori (the Māori Party), have denounced ACT as "dangerous" and "racist." In parliament on August 22, Hipkins accused Seymour of "trying to demonise a large segment of New Zealand society... that have too often been kicked around for political benefit."

This followed Seymour's inflammatory statement to Newstalk ZB on August 17 regarding wasteful spending by the Ministry for Pacific Peoples. "In my fantasy we'd send a guy called Guy Fawkes in there and it'd be all over, but we'd probably have to have a more formal approach than that," he declared.

The ministry, one of a number that ACT wants to abolish, advises the government on policies relating to Pacific Island migrant communities from Samoa, Tonga, Fiji and other countries, who are about 8 percent of the New Zealand population. It provides a façade of official concern for the welfare of Pacific peoples, who are the most brutally exploited layer of the working class.

Hipkins accused Seymour of "making jokes about blowing people up." Seymour refused to apologise for the statement.

There is no doubt that ACT has engaged in racist dog-whistle politics. For the most part, however, it has capitalised on widespread opposition to the Labour government's own divisive policies based on identity politics. Labour has created a separate Māori health authority, which will provide services "by Māori, for Māori"; added ethnicity as a factor in prioritising surgery waiting lists; and supported separate Māori seats on local councils and Māori tribal "co-governance" of the country's water infrastructure.

Since the 1980s, through the Treaty of Waitangi settlements process, successive Labour and National governments have handed over hundreds of millions of dollars to Māori tribes, supposedly to compensate indigenous people for crimes committed through colonisation. In fact, this money has been used to create businesses that have enriched a capitalist and upper-middle-class layer connected with the tribal leadership. Meanwhile the Māori working class remains largely impoverished.

All of this has allowed the ACT Party to cynically posture as egalitarian. Its website states that it stands for "universal human rights," "one set of laws for all New Zealanders," and that it will "reverse race-based policies." It declares that "no person should be treated differently based on who their ancestors were."

This is all utterly hypocritical and fraudulent. There is a fundamental division in society, but it is not race, but class. ACT's entire purpose is to defend the privileged position of the country's billionaires and multi-millionaire, including access to the best healthcare, education and housing that money can buy. Seymour unabashedly backs the record level of wealth inequality in New Zealand and is calling for massive tax cuts for the rich.

ACT gives the most open expression to the class-war agenda of the ruling class, which Labour and National basically agree with. It is not accidental that ACT is an offshoot of the Labour Party: it was founded in 1993 by Roger Douglas, formerly the finance minister in the 1980s Labour government led by David Lange.

The 1980s 1990s Lange-Douglas attacks on the working class in response to the globalisation of production—the same basic agenda implemented by Thatcher in Britain and Reagan in the United States. Agricultural subsidies were scrapped, bankrupting many farmers; tens of thousands of workers lost their jobs in forestry, rail transport, meat processing and many other industries; government departments were prepared for privatisation; fees were introduced for university courses; the regressive goods and services tax was introduced; and corporate taxes were slashed as part of a sweeping market liberalisation agenda.

Significantly, in 1992 Douglas gave a series of speeches in Russia as part of a "privatisation advisory committee" organised by the World Bank. Drawing on his experience in New Zealand, he advised the former Stalinist bureaucrats on how to loot the state-owned assets of the Soviet Union and turn themselves into a new capitalist oligarchy.

Douglas founded ACT to complete what he called the "unfinished business" of the 1980s: the complete evisceration of what remains of the welfare state and public services. While Douglas was knighted for his services to capitalism, for workers, especially those who lived through the 1980s, he remains one of the most reviled figures in New Zealand politics.

Notwithstanding Labour's demagogic denunciations of ACT, the changes implemented in the 1980s have never been reversed by any government, and the Ardern-Hipkins Labour government has intensified the social disaster.

The obsessive focus on race, including the mutual accusations of racism by all the parliamentary parties, is intended to cover up their shared agenda, to whip up racial division and distract attention from the assault on working people, which will be deepened whoever wins the election.



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