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Page 3. Shifting rightwards

Bolger becomes leader

Following the 1984 general election, National Party deputy leader Jim McLay, an urban economic liberal, ousted Muldoon, but in turn was ousted by Jim Bolger, a conservative farmer. Bolger returned National to power in October 1990 in a landslide victory.

Ruthanasia

National's most radical reformer was Ruth Richardson, finance minister during the 1990–93 Bolger government. Wanting to reduce the size of government and encourage self-reliance, she slashed welfare benefits and introduced the Employment Contracts Act 1991, which de-unionised much of the workforce – leading critics to dub the reforms 'Ruthanasia'. The reforms were a victory for the libertarian wing of the party, but

^ a rift with conservatives and

When National almost lost the 1993 election, Richardson was relieved of her finance portfolio.

New-right reforms

Under the influence of Finance Minister Ruth Richardson, Bolger's government continued the free-market economic reforms initiated under the previous Labour administration. This agenda was more radical than the mildly right-of-centre approach expected by National voters, many of whom defected to other parties. Many went to the populist New Zealand First party, led by Winston Peters, whom Bolger had sacked from his cabinet in October 1991. National barely retained power in 1993, helped partly by severe divisions on the left. A measure of voters' disenchantment was their approval of a switch to a proportional representation electoral system, in referendums in 1992 and 1993.

Coalition government

Under the new mixed-member proportional representation (MMP) system Bolger retained power in 1996, in a coalition with New Zealand First. But he was ousted as leader on 8 December 1997 by Transport Minister Jenny Shipley, who became New Zealand's first woman prime minister. Shipley led the party to defeat in 1999 after breaking up the coalition in August 1998. Successive leaders Bill English (2001–3) and the neoliberal Don Brash (2003–6) failed to win office in 2002 and 2005 respectively. The party then turned to John Key, who won resoundingly in 2008 with a 44.9% party-vote share, and entered into confidence-and-supply agreements with the Māori Party, ACT and UnitedFuture. These agreements were made again after the 2011 and 2014 elections.

Return to consensus

Key chose Bill English as his deputy. By combining his own liberal leanings with English's conservatism, he returned National to the positioning that marked its 1950s and 1960s ascendancy – a constructive tension between its liberal and conservative strands. In December 2016 Key resigned as both party leader and Prime Minister, succeeded by his former deputy.

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