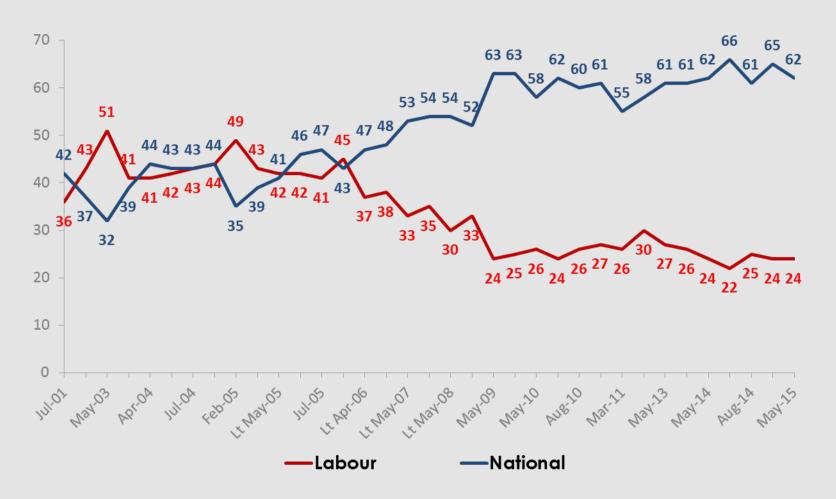
Current political issues

Hugo Group panels Pattrick Smellie September 9, 2015

Political implications of a sharp downturn

- Inevitably, it will have impacts on National Party support
- Conventional wisdom says 'governments lose elections, opposition parties don't win them'
- BNZ's downside scenario bottoms out in 2018
 - Deterioration through election year
- However, bear in mind....

National remains dominant on economic management



Labour's competence – will it improve?

- Five working papers produced for Future of Work Commission
 - No media traction or fresh debate
 - Grant Robertson remains a learner
- Andrew Little being pulled left on TPP (& the Corbyn phenomenon?)
- Note the Australian Labor Party is close to scuttling the Aussie/China FTA
- A starker choice emerging does a more left-leaning Labour really become more electable?

Recent policy developments - transport

- Govt has rolled over Len Brown on Auckland transport strategy review
 - New blueprint before 2016 local body election
 - With concrete progress in 2017?
- National infrastructure plan makes clear KiwiRail will continue to be supported
 - Probably without much change to the current network
- Digital technology to aid time-based user charging to deal with congestion

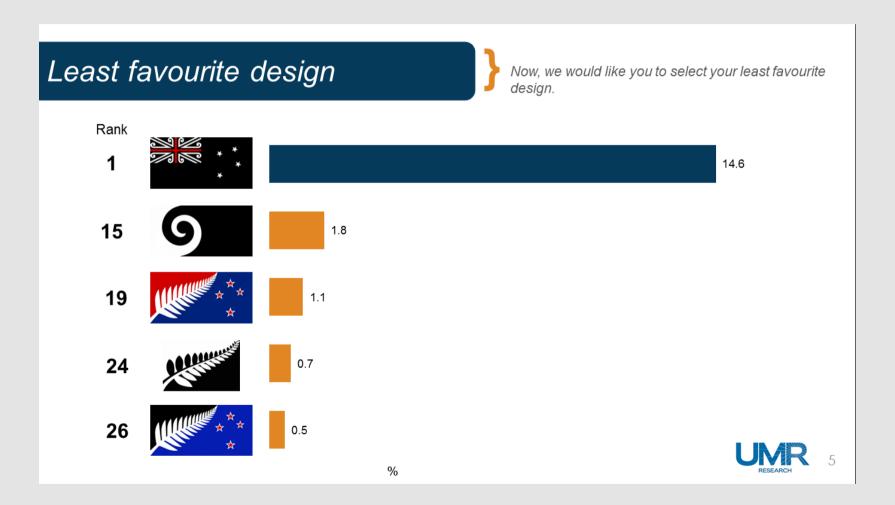
The flag



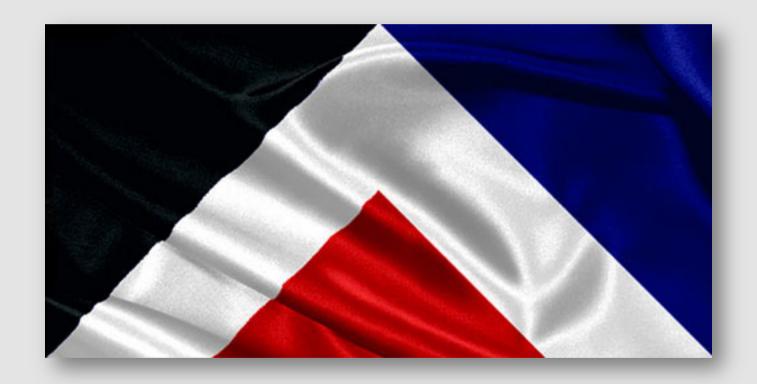
UMR poll of flag preferences – virtually unreported



By contrast



Red Peak – 35th from 40 'most preferred'



International politics

- Australia
 - Canning by-election, Sept 19, another referendum on Abbott
 - Early return to polls unlikely, but possible
- UK
- Despite elites assuming him unelectable, the frustration with globalisation and unrepresentative politics that Jeremy Corbyn embodies can't be ignored
- China
 - Economic management not so sure-footed; political reaction is to become more authoritarian
- Middle East and Europe
 - Refugee crisis will it play into Assad's hands