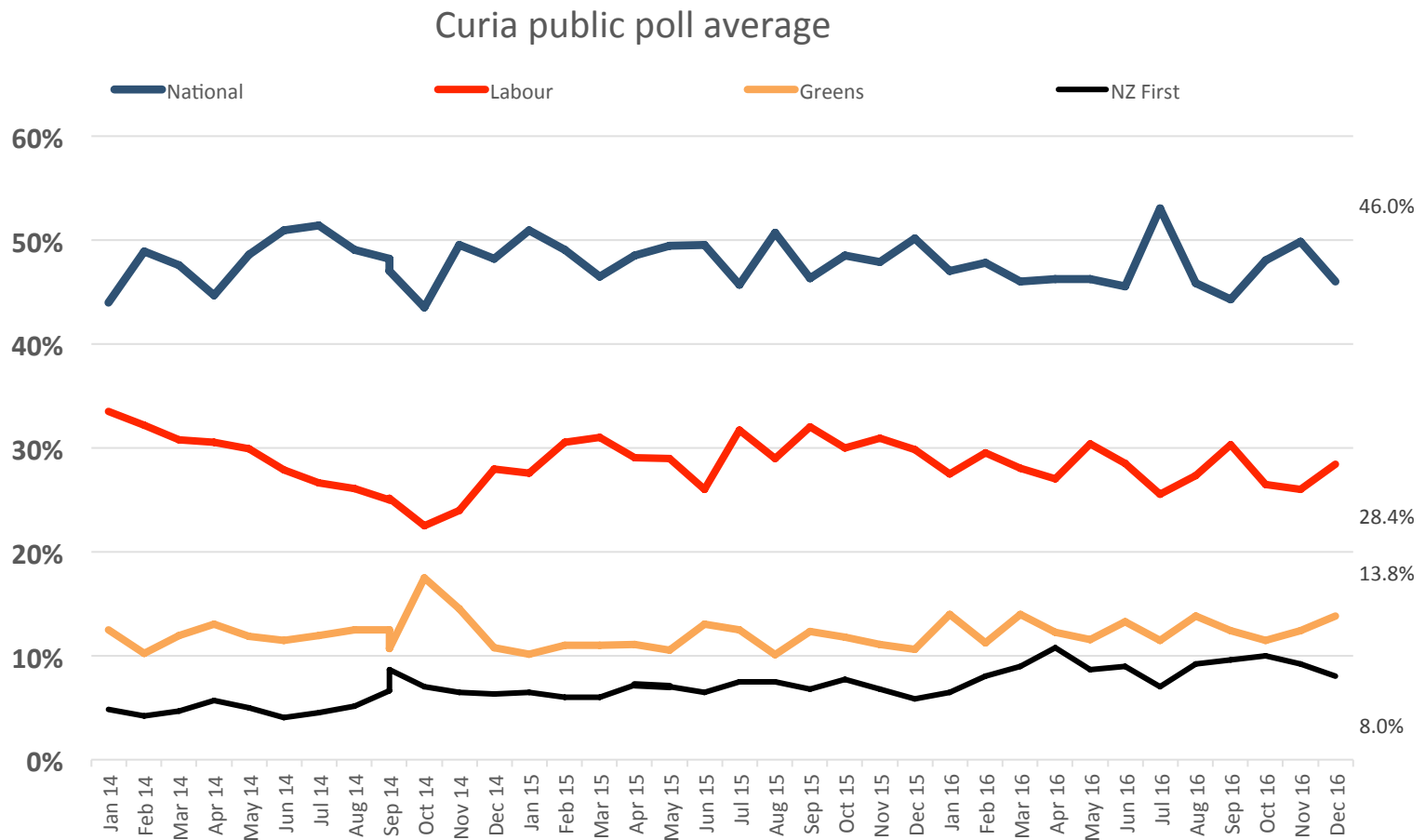


And they're off

The Hugo Group, February 2017



Current state of public polling



2016 vs 2015 averages

	Nat	Lab	Green	NZ1st	Maori	U.F.	ACT	Mana	Cons
2016	47.1	27.9	12.6	8.7	1.4	0.05	0.7	0.3	0.6
2015	48.5	29.7	11.3	6.8	1.2	0.05	0.6	0.2	1.0

- Both National and Labour weaker
- Both Greens and NZ First stronger
- Conservatives were near 3% early 2016 – assumed now irrelevant
- Note weakness of United Future, notwithstanding margin of error problem
- TOP not yet appearing in any public polls or showing cut-through privately

Has anything changed this year?

- No new public opinion polls, but:
- Party pollsters indicate:
 - No significant change in the state of the parties
 - John Key's popularity is easy to over-rate
 - English has high trust ratings
 - Little is still seen as a reluctant/hesitant leader

2016 averages extrapolated to govt formation

	With United Future	Without United Future
National	51	51
Act	1	1
United Future	1	0
Maori	2	2
TOTAL SEATS – centre-right	61	60
Labour	34	34
Green	15	15
TOTAL SEATS – Lab-Green	49	49
NZ First	11	11
TOTAL SEATS – Lab/Gr/NZF	60	60
TOTAL PARLIAMENT SEATS	121	120

Implications

- Ohariu becomes critical in this scenario
 - Can Greg O'Connor beat Peter Dunne?
 - Expect Greens to stand aside for Labour; Nats for Dunne
- NZ First holds the balance of power in a hung Parliament
 - Very strong negotiating position with both sides
- Maori Party doing even slightly better could offset loss of Ohariu
 - But can they pull it off?
- NZ First is on the rise – at, say, 12% = 15 seats
 - At whose expense?

The govt – key themes

- Growth, stability, safe – English is a ‘change’
- Govt will be building houses in volume this year
 - Vulnerable to HNZ total being less than 1,000
 - Lack of credibility on action to date
 - Point England/Tamaki getting messy again
 - Social housing reforms – asset or liability?
- Fiscal war-chest is huge
 - \$1/2 billion police package shows this
 - Room for social spending, debt reduction and tax cuts
 - Joyce is also Minister of Infrastructure – watch this space

Labour – key themes

- “Change the government”
 - As opposed to “vote Labour”
- “Tired” govt
- “Out of touch” govt”
- Bill English is PM, but “not a leader”
 - “The sales and marketing dept has been replaced by the CFO”
- KiwiBuild – 10,000 homes a year
- A candidate slate more ‘representative of NZ’
 - i.e., Willie Jackson/Greg O’Connor – “more faces like we’ve got at the moment isn’t going to help” – “broaden our reach”

Agenda-setting – or the lack thereof

- Both English and Little have both had high points and stumbled badly in the first few weeks of the year
 - English: strong at Ratana; weak on Trump Muslim ban
 - Little: strong Lab-Greens launch; in a muddle on Willie Jackson
- Both are guilty of failing to set distinctive agendas
- Little is saying Labour will offer little new policy this year
- English's police package is stock-standard election year politics **so far**
- When political leaders don't set the agenda, they leave themselves open to media concentration on 'gaffes'

The minor parties

- NZ First
 - Shane Jones clearly heading back to Parliament
 - Despite an unusual ginger group emerging: “NeverShane”
 - Exploiting rise of populist/nationalist sentiment
 - Although Peters is a known quantity, unlike Trump
- Maori Party
 - Failing to attract ‘big name’ candidates
 - Willie Jackson loss humiliating
 - Overplayed hand at Ratana
 - Mana negotiations misguided?

What will TOP do?

- Gareth Morgan is a polarising figure
- Individual policies do not add up to a coherent whole as yet
- “Make NZ Fair Again” is a good slogan
 - But is Gareth, the motor-mouth, millionaire smarty-pants the man to sell it?
- Ginger group rather than political party?
- Capable of taking a few votes from both National and Labour, maybe some Greens
- No polls include him yet, but seats in Parliament look remote
- Possible spoiler at best