

## Squeeze on small parties hardens as Dunne quits

**Peter Dunne's** decision today to leave Parliament makes the National Party's ability to form a government after the Sept 23 election a little harder, based both on current polling and on scenarios where Labour gets much closer to 40% support or more.

But National is still better-placed. Unless Labour takes two or three percentage points of National's current support – which cannot be ruled out – **National could form a govt with NZ First on its own, rather than most Labour-led combinations still requiring a three-way deal involving the Greens**, even if the latter barely break the 5% party vote threshold to return to the next Parliament.

**United Future's departure removes one so-called 'overhang' seat** from the next Parliament, won by an MP whose party fails to cross the 5% threshold. In most scenarios, Dunne represented a 122nd seat in what is nominally a 120-seat Parliament.

**Removing Dunne makes a 121-seat Parliament more likely**, so that the **seats required to command parliamentary majority fall from 62 to 61**. The election could be close enough for that kind of difference to matter.

So, Ohariu is one seat National would rather not see lost to Labour, but only matters if other support parties also fall by the wayside. And even then, all that does is **force National further into the arms of NZ First**.

Dunne's departure is also a further boost to the Labour Party's rampant sense of momentum. Greg O'Connor, Labour's Ohariu candidate, **now becomes part of the Jacindamania, Labour-swing narrative**.

Other **small parties, other than the ACT stronghold in Epsom, also face oblivion** if Labour's strong run-up continues.

**Maori Party** voters cannot be confident of even the 2% party vote that brought Te Uruora Flavell and Marama Fox to Parliament in 2014, let alone Flavell holding the Waiariki seat as Labour makes a fresh appeal to its traditional Maori base.

**There is a possibility that the Mana Party's Hone Harawira could beat Labour's Kelvin Davis** in Te Tai Tokerau. **In 2014, the Maori and Internet-Mana vote combined outpolled Davis** and the Maori Party isn't running a candidate this time under a deal with Mana, but Davis wasn't the deputy leader in a resurgent Labour Party then.

**The Opportunities Party** was running at 2% to 3.5% in the latest polls with a strategy to build momentum for 5% by election day. But Gareth Morgan's characterisation overnight of Ardern taking the Labour leadership as **"putting lipstick on a pig"** is likely to be a big turn-off for the kind of voter attracted to Morgan's cerebral policy mix.

This is high-risk when TOP needs to maintain momentum if it is to cross the 5% threshold. It believes it was **already losing women voters back to Labour**, although TOP is deciding to "own" the remark and develop messaging around it for social media this year. Meanwhile, **Morgan has just injected a further \$500k into the TOP campaign, taking his contributions to date to \$1.4m**.

**Labour good for 40%? Can it be maintained?**

If Labour's 37% in last week's OneNews Colmar-Brunton poll is to be believed, and Jacinda Ardern's strength as a campaigner continues, the party is probably good for 40% support, if not a little more, at which point it would be eating into National's vote and would have both parties virtually level-pegging.

While **Ardern's election campaign opening speech was upstaged in the mainstream media by the death of rugby legend Colin Meads**, the euphoria of the event further fired up Labour's already reasonably well-organised base. It may experience logistical indigestion if it experiences a flood of volunteers.

For anyone wondering what the fuss is all about, **Sunday's speech itself is worth watching in its entirety**.

Ardern is a skilful speechmaker and covers a lot of policy ground without making many, or perhaps any, specific new commitments or articulating much detail.

Her skill is an ability to speak authentically and inspirationally, and an instinct for managing a crowd.

While media have concentrated on the “climate change is this generation’s nuclear free moment” line from the speech, **Ardern covered a wide range of topics, although notably not trade policy or the reinvigoration of the TPP-11** announced last week.

As attenders at Hugo breakfasts will know, **she has been honing her story** about her Waikato and Mururpara roots and quoting Norman Kirk’s “someone to love, somewhere to live, somewhere to work and something to hope for” as touchstones **for years**. Her political gift is in telling the same story well every time.

She added to it on Sunday by confidently adding herself to a roll-call of the great Labour Prime Ministers: Savage, Fraser, Kirk, Lange and Clark.

Also playing to current momentum is her youth and the injection into a previously boring election a sense that NZ is also part of the democratic disruption happening throughout the developed world.

**Ardern acknowledged the challenge she faces being taken seriously on the economy:**

“Some have said that the only thing I need to show you to prove that I deserve to govern is an appreciation of the economy. You will never hear me question the importance of a strong economy.

Never. I worked alongside the last Labour government whose economic record speaks for itself and for that, I say thank you Helen Clark, and thank you Michael Cullen.”

In one sentence, she **dealt with the Rogernomics rift by acknowledging Cullen’s rather than Roger Douglas’s economic stewardship**.

“GDP rates, and numbers on a sheet of paper don’t always tell you much about the wellbeing of the people working to keep our economy going. Yes GDP is rising in New Zealand. And in some respects we’re told we are the envy of the world. But **how someone in Whanganui feels about their wages, their cost of living, and their prospects matters more to me than the praise of overseas financial commentators,**” she said.

## Gareth has a point on policy

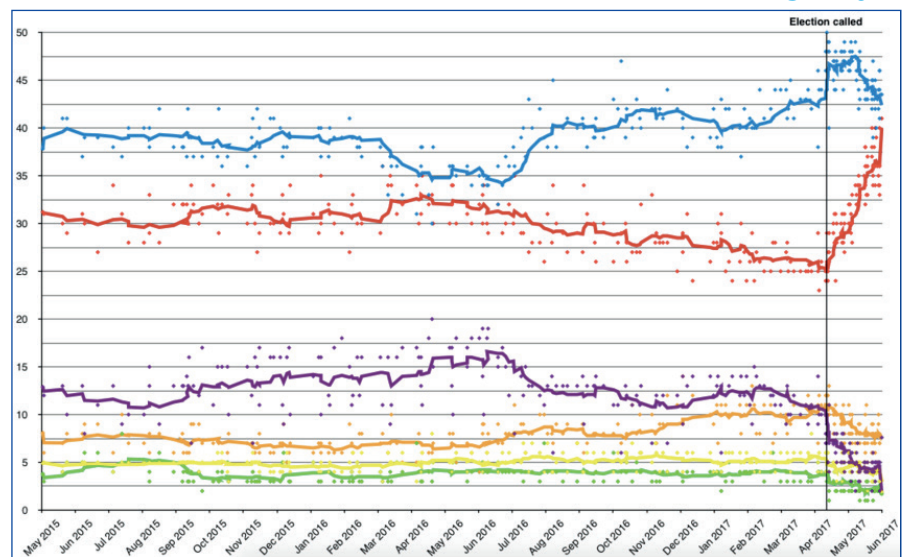
Meanwhile, the national infrastructure Dutch auction between National and Labour continues.

The government’s \$10.5b of new roading, on top of rail and other infrastructure announcements for Auckland already announced are derided by Labour and the Greens for an obsession with road-building.

However, Labour’s plans for both light rail to the airport in Auckland and passenger services on the heavily used freight routes between Auckland, Hamilton and Tauranga have an air of unreality about them even before discussion of upgrading to ‘rapid rail’ services “if justified”.

This Wednesday’s pre-election election fiscal update (PREFU) will reveal how much fiscal gas National has left in the tank ahead of its official policy launch this Sunday.

UK 2017



NZ poll of polls

