

Odds improve for a change of govt

The final election result is **exactly the result the Labour-Greens bloc was expecting**, although they'd hoped for a third seat coming their way. That would almost have guaranteed a change of govt by making National and Labour-Greens equal at 55 seats each.

Instead, there is a two seat gap between the two sides - 56 for National and 54 for Labour-Greens - instead of the six-seat gap delivered on election night. While National can still count on Act's one vote, it is essentially irrelevant as only NZ First, with an unchanged nine seats, can deliver a parliamentary majority to either side.

The difference in total party votes between the two blocs is 33,448.

On the new arithmetic, **a centre-right coalition would have a majority of 11 (66-55), while a centre-left coalition would have a 6-seat majority (63-57).**

Typically, **while the National, Labour and Green party leaders offered immediate reactions to the final count, there has been initial silence from Winston Peters**, whose NZ First party attracted a total of 186,706 party votes and whose election night tally of 9 seats is unchanged.

The simple **bottom line is that the odds have improved substantially for a change of govt.** The two-seat majority delivered for a centre-left combination on election night was too tight for that to be likely. However, a 6-seat buffer is sufficient for comfort and removes a key reason for Peters to focus on a deal with National.

English accepts National's position has been weakened, but "only marginally", and stresses National has been working with multi-party combinations for the last 9 years. His greatest fear was if four seats switched, which could have left the centre-left bloc with more seats than National. A three-way centre-left govt would be a recipe for "considerable uncertainty".

Can it happen by Thursday?

Possibly, but it is an artificial deadline imposed by Winston Peters. Particularly if there are to be separate negotiating strands between Labour and the Greens and NZ First respectively, that timetable may not prove feasible.


More likely, Peters has chosen to highlight that date as his preference to stave off the political downside of being seen to delay govt formation, for which he fears political punishment.

If other parties' processes mean the process takes longer, he will seek to shift the blame to them.

Bill English expects to be speaking to the NZ First team in Wellington tomorrow - he was unclear late Saturday afternoon about whether Peters would be involved, and that those talks would precede any meetings between NZ First and Labour, under the informal convention that the largest party gets first chance to talk.

A National-NZ First deal is easier in principle because it involves only two parties.

Jacinda Ardern's task is more complex. She has made clear there will be no three-way negotiation and that **Labour will negotiate in parallel with the Greens and NZ First**, at least in the first instance.

As was the case on election night, **James Shaw has given the clearest indication of his expectations for the outcome.** Firstly, he sees a **full coalition agreement**, rather than cross-bench arrangements, as preferable for creation of a stable govt. And with an extra seat, the **Greens expect proportional allocation of Cabinet posts.** Of NZ First's historical enmity, Shaw says much has changed since 2005, when Peters ruled out working with the Greens. He describes his relationship as "polite and cordial" with Peters, with whom he has had little contact, while having "strong" relationships with NZ First MPs Tracey Martin and Fletcher Tabuteau. 

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