

Political scenarios

February 2020

A fragile balance

- A Labour-led govt remains the most likely outcome
- But it is not a slam-dunk
- NZ First the weak link
 - Very poor polling
 - Despite massive PGF funding and constant headlines
 - NZ First Foundation murky
 - PM exposed and cannot continue handling the issue as she is currently

Bridges's calculation

- Rule out NZ First now to stop the inevitable media 'chatter'
- Many NZ First voters still angry about Labour tie-up
- Simple messaging – ScoMo and Boris-style – will weaken a weak govt's credibility
 - Assisted unexpectedly by coronavirus economic confidence impacts to reduce economic growth rates
 - Plays to 'safe pair of hands in crisis' messaging
- ACT will gain 2-3 seats
- NZ First will not win in Northland

Risks

- NZ First bounces back
- National suffers its own SFO/donations damage
- Likelihood of a Labour-led govt heightens
- Threat of a Labour-Greens govt is a two-edged sword for National
- NZ First vote likely to hold up if a sharply left-leaning govt with Greens in coalition looks likely
 - The handbrake effect

Latest polls

	Colmar-Brunton	Reid Research	Average
National	46	43.9	44.5
Labour	41	41.6	41.3
Green	5	6.3	5.7
NZ First	3.3	4.0	3.7
ACT	1.7	1.4	1.6
TOP	0.1	1.1	0.6
Maori	1.1	0.7	0.9

Polls translated to seats

	Seats/NZF wins Northland	Seats/NZF fails in Northland
National	55	58
Labour	51	53
Green	7	7
NZ First	5	-
Act (wins Epsom)	2	2
TOP	-	-
Maori	-	-
TOTAL	120	120
OUTCOME	3-seat Labour-led majority	Hung Parliament

What if?

- NZ First Foundation scandal deepens
- Winston Peters steps aside as Deputy PM
- NZ First chooses new leader
 - E.g., Shane Jones – as comfortable with National as with Labour?
 - Allowing Simon Bridges to rescind his ‘no-talks’ commitment
 - (and possibly triggering an early election)
- **This is not a prediction**

Polls translated to seats – Peters no longer leads NZ First

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TOTAL	120	120
OUTCOME	2-seat National-led majority	Hung Parliament

Caveats

- The Serious Fraud Office has yet to commit to an investigation into the NZ First Foundation
- PM may find a way to assert leadership that stops short of Peters's removal
- Public may not care about political donations scandal
- SFO charges against National offset damage to NZ First

Other policy issues

- Energy
 - Proposal to allow for ministerial intervention to allocate gas in event of gas or electricity ‘market failure’
 - UTS brought by small retailers and some major users, including Fonterra, is soaking up resource at the EA
 - EA has suffered significant loss of institutional capacity – high staff turnover; inexperience showing

Other policy issues

- Coronavirus response
 - Politically dangerous issue
 - NZ govt at risk of looking like a constant follower/slow mover
 - No opportunity for Prime Ministerial empathy
 - Capacity for govt to be seen as failing to manage economic fallout
 - International students and tourism industry
 - Timber industry
 - Food exporters