

Election scenarios

July 29 2020



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Key themes

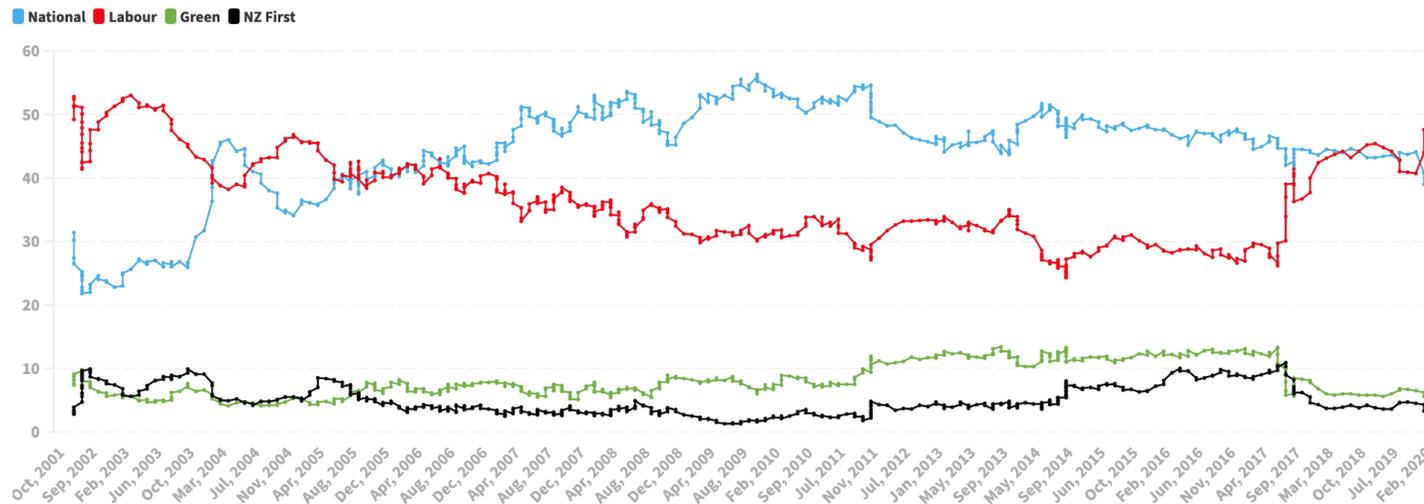
- Could Labour govern alone?
- Could National, somehow, emerge as the government?
- Where to for NZ First?
- The impact of covid-19
- The economy post-election



The lay of the land

Public opinion polls four main parties

Smoothed using a simple five-poll moving average



- Eight weeks until advance voting starts (Mon, Sept 7)
- 1.2 million of 2.6 million votes were cast before election day, 2017



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Could Labour govern alone?

In all scenarios:

- ACT wins a territorial electorate seat (Epsom), polls 4%
- Neither the Greens nor NZ First wins an electorate
- Labour is presumed to poll 50%
 - Confidence in PM
 - Economy still feels unexpectedly buoyant
- Judith Collins fails to fire, Nats presumed to poll 35%
- 1% Maori/TOP vote (wasted)



Scenario 1: NZF and Greens return

	120 seat Parliament – 61 seats = majority	
Labour	61	Bare majority
NZ First	6	Confidence and supply
Greens	6	Confidence and supply
National	42	No govt combination
ACT	5	

- Nats + ACT = 47
- Nats + ACT + NZ First = 53



Scenario 2 – Greens returned, NZ First out

	120 seat Parliament – 61 seats = majority	
Labour	64	Clear majority
NZ First	0	
Greens	6	Confidence and supply
National	45	No governing combination
ACT	5	



Scenario 3 – NZ First returned, Greens out

	120 seat Parliament – 61 seats = majority	
Labour	64	Clear majority
NZ First	6	Confidence and supply or Opposition
Greens	0	
National	45	No governing combination
ACT	4	

Nats + ACT + NZ First = 55



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Scenario 4 – new assumptions

- Labour does worse – 46%
- National does better – 40%
- NZ First returned
- Greens returned
- ACT wins a seat/polls 4%



	120 seats	
Labour	56	Coalition or C&S agreement with one party for majority
NZ First	6	Coalition or confidence
Greens	6	Coalition or confidence
National	47	- Still 3 short of majority even with NZ First onboard
ACT	5	Nat + ACT + NZF = 58



Scenario 5 – new assumptions, but NZ First out

	120 seat Parliament	
Labour	58	Coalition with Greens delivers majority
NZ First	0	
Greens	6	
National	51	No governing combination
ACT	5	

- This outcome delivers a strongly Green-influenced Labour-led government
- National will highlight this possibility in its campaign



Scenario 6 – new assumptions, Greens out

	120 seat Parliament	
Labour	58	Requires NZ First
NZ First	6	kingmaker
Greens	0	
National	51	Requires NZ First
ACT	4	

- In this scenario, NZ First once again decides who will govern
 - Likelihood is they will choose Labour, but ... as always, who can be sure?
 - This is the scenario NZ First will hope for
 - Labour + NZ First = 62 seats – 2 seat majority
 - National+ NZ First + ACT = 61 seats – 1 seat majority
- NZ elections tend to produce knife-edge majorities**



Why assume ACT does well?

- Three reasons:
 - End of Life Choice referendum puts ACT front of mind and is expected to win heavily
 - Hunting lobby capture
 - National Party disarray – can Judith Collins pull it back?



What is NZ First's track record of recovery?



Elections since 2000:

- Biggest comeback: 2002
- 2nd biggest – 2014
- In both elections, one major party polled low-mid 20s
- Worst performance; 2008 – not returned to Parliament
- 2nd worst – 2017
- Current polling at +/-2%



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Why should the Greens be confident?

- They tend to underperform on polling day
- Labour remains viewed by its left-leaning base as non-transformative and cautious
- Greens' wealth tax and ACC reforms have resonated
- Greens represent a 'safe' alternative to Labour
- In scenarios where NZ First looks likely to fail, voting Green would increase Green influence
 - And potential to be in formal coalition
- Cannabis referendum may bring out a stronger, disaffected and youth vote than usual



What could wrong for Labour?

- Everything depends on covid management and economic sentiment
- A covid reversal could be catastrophic, depending on its scale
- Debate will increasingly turn to whether 'elimination' is a practical long term strategy
- Job losses will rise – wage subsidy winding down now
- Business confidence is weak – a 'w'-shaped recovery?
- Judith Collins? – the anti-Jacinda



Conclusions

- Scenarios can only tell you so much, but:
 - Only 1/6 of these scenarios deliver a win for National
 - National's only chance on these scenarios is if two things happen
 - The Greens are not returned to Parliament (unlikely outcome)
 - NZ First switches sides (possible, but net unlikely – leadership may become a factor)



The economy post-election

- Some certainties, mainly negative:
 - Border will be difficult to relax for six months minimum
 - Covid will be with us for probably 2-3 years
 - Economic growth will be stunted through that period
 - Unemployment will be higher
 - Interest rates low forever
 - Taxes probably will rise to start repaying debt
 - Fiscal stimulus replaced by retraction two years out
 - Bad debts, household debt stress inevitable

