

100 Days In

The government so far



THE HUGO GROUP

Reality so far

- Distracted into Treaty and race issues, cigarette taxes
- Peters “acts out” for local consumption, a different person in the foreign minister role
- Seymour – “think tanky” – yet to work out where the limits of his influence lie and how to wield it
- Jones – ambitious, over-reaching, self-harming, but a “secret weapon” on race/Treaty?



Reality so far - 2

- National's popularity remains below 40%
- Act may have had a surge on Treaty issues, but polls are in conflict
- Labour faces a years-long uphill slog and is uncompetitive
 - All other Opposition parties accordingly irrelevant
- Luxon is right to say, and belated to assert, that the public voted for a change of tack



A small kitchen Cabinet

| Memberships | | | | | | | | |
|-------------|-----------|------------|----------|-----------|-------|----------|------|-------|
| 8 | Luxon | Seymour | Peters | | | | | |
| 7 | Willis | Bishop | | | | | | |
| 6 | Reti | Van Velden | Jones | | | | | |
| 5 | Brown | Stanford | Collins | Potaka | | | | |
| 4 | Goldsmith | Upston | Mitchell | Grigg | | | | |
| 3 | McClay | Doocey | Lee | Costello | Watts | Simmonds | Penk | Bayly |
| 2 | McKee | Hoggard | Chhour | Patterson | | | | |



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PM seeks control

- State of the Nation speech
 - Economy
 - Law and order
 - Education and health
 - “tough love”
 - “obsessed with getting stuff done”
 - “crash through”
- Determined to get back to “turnaround” narrative
- Move on from “distractions”



PM's style of working

- “Hard” yeses and noes
- Indecision/no recommendation = hard no
- Quarterly (100 day) rolling plans
- Six-monthly performance reviews for Ministers
 - 1/3 will be gone within 18 months
- “Clarity crusaders”



Fiscal challenges

- Budget 2024 looks very difficult to write
 - State of the Nation made no mention of tax relief
 - 6.5% - 7.5% cuts look very difficult to achieve
 - PM says he does not want “austerity”
 - But cuts of this size represent austerity in parts of the public service
 - Defence budget – both capex and opex to rise
 - Water infrastructure – govt intervention looks inevitable
 - Willis/Luxon tension?



Economy and environment

- Luxon the first PM to use “crash-through” language since Roger Douglas
 - Who never actually said “crash through”
 - But pursued such a large and decisive agenda that it was hard to resist
 - Like that government, mistakes are bound to be made
 - Expect a ‘hell for leather’ approach on new public infrastructure, resource exploitation



2026 election

- Luxon is in it to win
- But who does he have to beat?
- Objective: a two-party coalition?
 - Preference between Act and NZ First
 - Too early to pick
 - But NZ First looks instinctively better aligned
 - New leader, pro-farmer, pro-defence, more nuanced on the Treaty than Act while being same as Act on law and order, climate scepticism, property rights over environmental concern.

