

# NZCPR Weekly

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NEW ZEALAND CENTRE FOR POLITICAL RESEARCH

## HOW THE NUMBERS ADD UP, FOR LABOUR

Dr Muriel Newman

The latest Reserve Bank Monetary Policy Statement will be of very serious concern to the Labour-led coalition government, given that it comes only months ahead of the 2008 general election. The Reserve Bank forecasts a seriously declining economy, inflation at an 18-year high of 4.7 percent, escalating food and petrol prices, falling house prices, 50,000 more unemployed, and even greater numbers of people leaving to live in Australia. It's hard to see how the forecast could be any worse.<sup>1</sup>

This grim outlook was reflected in Sunday's first post-budget One News/Colmar Brunton opinion poll which showed that 57 percent of respondents thought the economy would get worse over the next twelve months. Ominously for Labour, it's promised \$10.6 billion in tax cuts has done nothing to change public confidence in the economy.

This mood was reflected in the One News/Colmar Brunton Party vote poll. National has opened up a 26 point lead rising one point to 55 percent, with Labour dropping 6 points since last month to 29 percent. On these numbers, Labour would win around 37 seats and National 70 seats, enough to govern alone.

The poll showed the Green Party rising 3 points to 7 percent, New Zealand First up 3 to 4.4 percent, with the Maori Party polling 2.5 percent, ACT 1.2 percent, United Future 0.2 percent, and Jim Anderton's Progressive Party 0.1 percent.

The TV3 poll released at the same time was kinder to Labour. It showed Labour dropping 3 points to 35 percent, with National up 2 to 50 percent. The Greens, unchanged on 5.8 percent, was the only small party to poll above 5 percent.

The poor showing by the minor parties does not, of course, mean that they will disappear far from it. If ACT, United, the Progressives and the Maori Party all hold their electorate seats, their presence in Parliament is assured. That is not the case for New Zealand First or the Greens, which do not hold electorate seats. They must either win a seat or break the 5 percent party vote threshold to win Parliamentary representation.

TVNZ's political commentator, Dr. Therese Arseneau, Political Science Senior Fellow at Canterbury University, has done some revealing trend analysis of main party support. Using the One News/Colmar Brunton poll she shows that National's vote has been growing, on average, by just under half a percentage point per month since 2002, while Labour's support has been dropping by just under a quarter of a percentage point per month.

These strong and consistent trends, reveal an underlying long-term change in attitude in favour of National: "these trends show that for six years now, National has been heading towards victory and Labour towards defeat".

Dr Arseneau explains: "It is interesting that National's trend line crossed above Labour's before the September 2005 election. But the gap between the trend lines was small in 2005; small enough to be breached by interest free student loans and Clark's stronger leadership".

In comparison, the gap between the trend lines is now much bigger and beyond the margin where election "inducements" alone could change the result: "Given its length and strength, it will take a Herculean effort from Labour and a similarly massive gaffe by National - to sufficiently alter this trend before the election".<sup>2</sup>

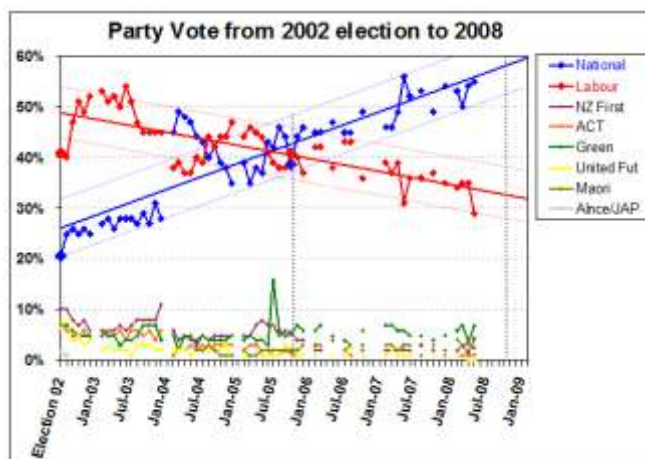
While the trends in all of the polls indicate that National is on track to win the election - and maybe even govern alone - any complacency ignores the reality of MMP. Under MMP, small parties tend to increase their vote during election campaigns and more so when they can claim "every party vote counts" from the security of a constituency seat.

There is also the overhang to consider. An overhang occurs when a party wins more electorate seats than their party vote entitles them to. That occurred at the last election when the Maori Party won 2.1 percent of the party vote - entitling them to 3 Members of

Parliament - but won 4 electorate seats. That means that the present Parliament has an overhang of one additional MP making 121 in total, not 120.

With predictions being made that the Maori Party could win all 7 Maori seats, unless they are able to boost their party vote significantly, the next Parliament could face an overhang of 4 seats or even more if some of the leaders of the minor parties win their seats but fail to attract a proportionate number of party votes. That would mean that to govern alone, a single party would possibly need to win 64 or even 65 seats, not 60.

Essentially, this means that the numbers are stacked against a single party governing alone, and it might well be the minor parties that once again determine which of the major parties will govern. United Future and New Zealand First have already stated that they are will talk first with the party that gets the most



Note: The large diamonds in the graph show election results and the grey dotted line, the election date. The dark blue and red straight lines are the best fit trend lines for National and Labour, and the lighter bands represent the 95% confidence limits around these trends.

votes. That of course does not mean they are tied to forming a coalition with that party.

The Greens on the other hand have said that they will decide which party to support in the run up to the election - ahead of polling day. Their decision, they say, will be based largely on how the major parties plan to deal with the issues that they regard as key - sustainability and social justice.

At their conference last weekend, the Green Party made it clear that they are ambitious for seats at the Cabinet table so they can have more influence. Co-leader Russell Norman even went so far as to describe National and Labour as 'disgusting', 'self-interested' 'bottom-feeders', explaining that the Green Party wanted to be the largest party in Parliament with Jeanette Fitzsimmons as the Prime Minister: "Our first goal is to be the largest party in parliament after the election. Our first goal is to lead a coalition government dedicated to sustainability, peace, justice and democracy. This country needs a Green Prime Minister like Jeanette Fitzsimmons and it needs one fast". Such is the imagination of the Green Party leadership.

In her speech, co-leader Jeanette Fitzsimmons outlined what the party's priorities would be if they gained greater influence. They would: increase social welfare benefits, introduce a universal child allowance, build more social housing, impose greater restrictions on private tenancies, invest more in public transport and less in roads, limit the growth of dairy farming, introduce greater control over New Zealand's food supply chain, ban the mining and use of coal, push for biofuels, emissions trading, and alternative energy, and challenge the whole concept of free trade.<sup>3</sup>

Certainly the environmental mania that now dominates the media will assist the Greens. As a result, they and the Maori Party are likely to be the largest of the minor parties after the next election - if Labour loses its Maori seats again. It is however surprising that the major parties have not sought to comment on how extreme the policies of the Greens have become.

This point was well made in a recent NZ Herald editorial. The Herald considers that a less extreme green party could have a far stronger presence in Parliament, as environmental values span the normal political and social divide: "The party in our Parliament has not offered a separate identity, it adheres to a left-wing view of environmentalism, opposed to free trade, preferring public ownership to private property, distracted by issues it calls social justice. A broader Green Party would build

some conservation projects on private property rights and recognise the power of market forces to ensure resources are used sustainably. A party of that stamp would draw support from across the spectrum and could contemplate dealings with any government. The Green Party needs to move out of left field and become a central player".<sup>4</sup>

Clearly there is a gap for a political party to promote sensible green policies without the extremism of the New Zealand Green Party's socialist agenda. One would have thought National or one of its potential coalition partners could have sought that space, thereby exposing the Green's electoral vulnerability given they lack a constituency seat.

*This week, the NZCPR presents a Research Paper by Professor Bob Carter, which explores the issue of media bias further, by examining a government sponsored conference held in Wellington for evidence of media bias as well as political bias by the civil service and research fraternity. See [www.nzcpr.com](http://www.nzcpr.com).*

*Mid Week Politics guest, Dr Ron Smith questions the role of political interference in the loss of academic freedom and argues for a cheerleader to take a principled stand on environmental issues see <http://www.nzcpr.com/midweek28.htm>*

**This week's poll asks:** Which of the Parliamentary parties you would like to see work with National if they were to win the 2008 general election with the most votes but without an outright majority. ACT, Greens, Labour, Maori Party, NZ First, Progressive, United Future.

#### FOOTNOTES

<sup>1</sup>. Reserve Bank, [June Monetary Policy Statement](http://www.rbnz.govt.nz/monpol/statements/jun08.pdf)  
<http://www.rbnz.govt.nz/monpol/statements/jun08.pdf>

<sup>2</sup>. Dr Therese Arseneau - TVNZ, [Polling Trends Good News for National](http://tvnz.co.nz/view/page/536641/1831750)  
<http://tvnz.co.nz/view/page/536641/1831750>

<sup>3</sup>. Green Party Conference Speeches: Russell Norman, Jeanette Fitzsimmons  
<http://www.greens.org.nz/searchdocs/speech11885.html>,  
<http://www.greens.org.nz/searchdocs/speech11880.html>

<sup>4</sup> Herald, [Neglect May Cost Labour](http://www.nzherald.co.nz/section/466/story.cfm?c_id=466&objectid=10514188)  
[http://www.nzherald.co.nz/section/466/story.cfm?c\\_id=466&objectid=10514188](http://www.nzherald.co.nz/section/466/story.cfm?c_id=466&objectid=10514188)

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