



Molesworth & Featherston

In The Loop



BETWEEN THE LINES

UPGRADE

The Governor's Edition of Molesworth & Featherston gets you extra facts and extra depth early in the week.

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MORE STOPPAGES

The fresh pace of industrial action is continuing and the Employment Relations Authority issues a long-awaited ruling. [Pages 4 & 5].

TRADE DEALS

One trade more trade partner signed up to the p-4 deal, and a deal with malaysia is racing closer. [Page 3].

SICK OF THE ELECTION?

Tough luck, we've got tons, including the next big moves and the the players's darkest fears.

FEEDBACK

[Email us](#) with your comments and criticisms.

Rolling average poll

Labour brash, National shy

The turnaround in Labour's fortunes in the rash of polls at the end of last week have shot it back in front in our rolling poll of polls, leaving it with a new-found confidence; and all the options.

So the numbers are (assuming sitting leaders are returned in their electorates):

	percent	seats
Labour	40.60	51
National	38.79	48
NZ First	7.27	9
Greens	5.49	7
Maori	2.15	3
United Future	1.79	2
Progressive	0.26	1
Act	1.29	0
Destiny	0.55	0

As it has been most of the year, National is short of a majority even with the help of both New Zealand First and United Future. On the other side a Labour-Progressives-Green (LPG) Government, favoured by PM Clark because of the certainty of the parties' allegiances, can scrape together 59 seats.

Alternatively, Labour, New Zealand First and Progressive could just make it, unless there is a big overhang from the Maori Party winning more electorate seats than its party vote entitles it to.

The worry for National now is that polls showing its fortunes sliding were all but completed before Labour's king-hit on student loans. So the lead might increase even more.

Meanwhile the Green Party is worried that a chunk of its

strong youth and university vote, which it was trying to bolster with a generous student loan policy, may have decamped to Labour. It is busy trying to refocus student opinion on its own even more generous package, while stressing it will be needed to help Labour deliver.

In the meantime we suspect the Greens' are in real danger of slipping under 5 per cent in the next few polls.

Campaign

Policy traction

On the stump and at the Grey Power meetings the Iraq war and links with the US are more powerful topics than many imagine. Ditto apprenticeships, which evoke warm fuzzy feelings of a bygone era among the senior citizenry.

Both of those policies will be winners for Helen Clark. Student loans and their negative impact on pairing, nesting, and breeding, is also a key vote-trigger for parents and grandparents of students and potential students.

But again we urge caution. There is a considerable body of voters who see the \$300 million a year (and then some) policy as a cynical vote-buyer funding students off their taxes.

Again, the size of National's tax cut will be crucial, and we wonder why it is insisting on waiting another three weeks to uncork his core policy. It is giving Labour free airtime to out-spend it with its unallocated spending from the last Budget (not money conjured from the ether as some people seem to imagine).

Is this the same tactic that saw National adopt a policy freeze after the 2004 Orewa I race speech, aiming to "take all the benefits without providing distractions", only to watch Labour wriggle and compromise its way back to a 10-point lead?

Polls apart

Divergent Maori seat polls are causing heads to be scratched. One in Tamaki-Makaurau shows Maori Party co-leader Pita Sharples streets ahead and another shows John Tamihere in touch. There is a similar disparity in Nanaia Mahuta's Tainui seat.

Given the potential importance to the make up of the next Government of the seven Maori constituencies, Digi-poll and TNS obviously need to look again at their methodology in polling these seats.

Maori seats are notoriously difficult to poll. In a general poll, an interviewer can ring random numbers in defined geographical areas and ask to speak to the adult who had the last birthday. In the Maori seat polls, the respondent needs to be selected by name from the electoral roll. The constituency may be more transient than average, may have a lower participation rate anyway, is less likely than average to own a landline and less likely to cooperate with a stranger asking to speak to them. Combined with a small sample, the margin of error in these polls may be enormous.

M&F

Weekend update

Next round

Next Thursday the first leaders debate screens on TV3. Mark Jennings is wobbling over United Future's participation. (Our rolling poll shows the decision to exclude is arbitrary - United is ahead of Act in more surveys. If they are really concerned about time, TV3 should separate the minor and major party leaders.

Also on Thursday expect Labour's next pledge card promise - law and order and a significant spending package to go with it ... to help give Helen Clark the edge in the one-on-one debate ("show us your tax cuts" was the chorus from the Government benches during the last few days in the House). National released a tax pamphlet taking the mickey out of Labour, including a re-write of the telethon song (thank you very much for your high taxation). It's rather a lame attempt to get tax back on the agenda without a policy launch.

Trade deals

Brunei has signed the New Zealand, Chile, Singapore 'Trans-Pacific' trade deal, now known as 'P-4' (Pacific Four).

Meanwhile Kuala Lumpur Trade Commissioner Jeff Shepherd is talking up the benefits of a free trade agreement with Malaysia.

Negotiations began with the visit of the Malaysian Prime Minister this year. Second round of negotiations were held in early July and officials hope to ink a deal and get it up and running by next year.

Mr Shephard says an FTA could reduce transaction costs from differing different standards and regulations, and encourage technical cooperation between regulatory authorities. "It is hoped the agreement will promote competition, cooperation in customs issues, and intellectual property protection."

Energy development

Although lines companies are restricted from entering generation, Unison Networks -- the lines business in Hawkes Bay, Rotorua and Taupo -- is seeking permission to build a wind farm in the Hawkes Bay with Tasmania's Hydro-Electric Corporation.

The Auckland Chamber of Commerce welcomed reports Todd Energy is seeking consents for up to three medium sized gas-fired stations in Auckland. Business would welcome 'the idea of building smaller capacity plants in a modular way, adding extra capacity when needed ... to address both the immediate and long term electricity needs of Auckland', it said.

The gargantuan New Zealand Super-annuation Fund cleaned up last year with a 14.13 percent return on its investments in the year to the end of June.

The Super Fund has averaged a return of 12.5% since 30 September 2003. That's pretty good considering the Fund is required to beat 90-day Treasury bills-plus-2.5 percent over twenty-year rolling averages and the risk free rate of return of 5.88 percent

With a \$2.1-billion government kick, and earnings of \$726.1 million, the fund has been growing quickly. It's already a monster, worth \$6,613 million.

Pace of industrial action continues to pick up.

Industrial disruption this week included a round of mass stop-work meetings by workers in the plastics industry in the build-up to their pay negotiations starting in Auckland on Thursday of next week. They want a 7.9 per cent pay rise.

There have been strikes among international baggage handlers at Auckland airport, at Irwin Industrial Tools in Wellsford, at Radio New Zealand, at the Jack Links beef jerky plant in Mangere, at Christchurch polytechnic, and at engineering companies A and E Tilley in Wellington and Southward Engineering's Auckland plant. Workers at National Aluminium in Hamilton banned overtime.

The common thread? Money. All are seeking pay rises above the CPI.

Radio New Zealand staff want a five percent increase. Staff are frustrated over the way the company has handled a review of RNZ's 'remuneration system', and that the company budgeted for only a two percent increase while the new CEO's salary is up thirty percent.

Meanwhile the Herald this week has raised the possibility of redundancies. Not because of any immediate hardship -- Herald publisher APN recorded a record \$A130 profit last year, up 26 per cent on the previous year -- but *because there might be a recession coming.*

Authority rules against Herald

The Employment Relations Authority has ruled against the Herald in a landmark case on good faith bargaining – known as the ‘Wallo’ case after Tony Wall, the reporter at the centre of the dispute.

To recap, Mr Wall was working at the Herald when the Sunday Star Times tried to poach him. He told the Herald he wanted to stay, but the SST was offering more money. The Herald offered to match the money, but said he’d have to sign an individual agreement. The union went to the Authority looking for a ruling this breached ‘good faith’ under the Employment Relations Act.

The Authority found the Herald breached its duty of good faith by unfairly and unreasonably requiring Mr Wall to withdraw from the collective agreement. It also breached its duty of good faith to the union by adopting a blanket policy calculated to undermine the collective agreement.

Oh, and where’s Wallo? He now works at the Sunday Star Times.

Campbell Jive

This competition has ended now, so thanks to all those who entered our Alistair Campbell spin-a-thon.

Congratulations to the winner Phil Sargent.

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