

## NEW ZEALAND ELECTION 2020

20<sup>th</sup> September

The list below shows the possibilities for the government following the election now delayed until the 17<sup>th</sup> of October. The listing has been ordered from least to most likely based on the probabilities of being the government (prior probabilities) as determined on the 18<sup>th</sup> August and posted previously:

Labour/Greens/NZ First or LGF at 0.009804 or 1%  
 National/Act or NA at 0.196078 or 20%  
 Labour alone or L at 0.352941 or 35%  
 Labour/Greens or LG at 0.441177 or 44%

Note that we have excluded both National alone and a hung parliament at this stage, but if the lead-up polls suggest either of these is a possibility, that possibility will be included subsequently. Prior probabilities as above are detailed in a previous posting. The methodology involved in the derivations used here is explained in *Structuring Probability Assessments* on the website [hugheseconomics.com](http://hugheseconomics.com).

Our pairwise judgments below based on news to date start with 1.0 for LGF, as the least favoured option for government. NA are 20 times more likely than LGF to form a government. In fact, any high number in the range 5 – 20, will show LGF to be extremely unlikely which is the reality today and the purpose of this judgment. L is close to twice as likely as NA to form a government **in its own right** and hence 1.75 is the next judgment. And the Greens are not doing so well as a party but are slightly more likely at this stage to be in government with Labour than **L alone** as the pairwise alternative. Closer to the election, this judgment could reverse on present trends. Currently, this pairwise value is just over 1.0 (reflects equal likelihood) and is 1.10 (10% more likely). Note that different pairwise judgments in the table could be used leading to differing likelihoods for the alternative government possibilities.

LIKELIHOODS OF RESULTING NEWS TO DATE 20.09.20

Government	Pairwise Likelihood	Compound Likelihood	News Likelihood	Percent Likelihood
LGF	1.00	1.000	.010 582	1
NA	20.00	20.000	.211 640	21
L	1.75	35.000	.370 370	37
LG	1.10	38.500	.407 408	41
		<b>94.500</b>	<b>1.000 000</b>	<b>100</b>

Updating of our previous probabilities is shown in the table below.

POSTERIOR DISTRIBUTION AFTER LATEST NEWS ON ELECTION

Government	Prior Probability	News Likelihood	Joint Probability	Posterior Probability	Percent Probability
LGF	0.009 804	.010 582	.000 104	.000 295	0
NA	0.196 078	.211 640	.041 498	.117 872	12
L	0.352 941	.370 370	.130 718	.371 296	37
LG	0.441 177	.407 408	.179 739	.510 537	51
	<b>1.000 000</b>	<b>1.000 000</b>	<b>.352 059</b>	<b>1.000 000</b>	<b>100</b>

Numbers have been rounded in the above tables to reflect correct totals, but this does not affect the percentage probabilities. LGF has zero chance of being the government at this stage with a month to go. NA drops from a 20% chance to 12%. L is now an 88% chance (previously 79%) to be government leader. And Labour has a 37% chance to govern alone, slightly up on the 35% probability previously.