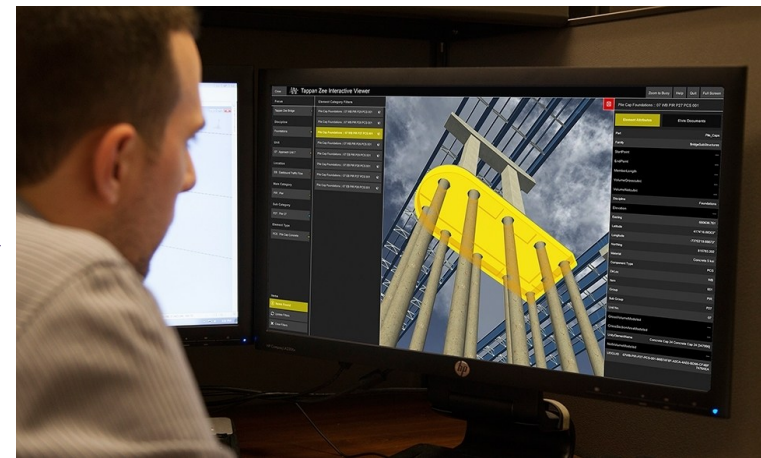


# WHAT IS GOING ON WITH THE WORLD?



# WHY HAS THIS HAPPENED?

- Globalisation and trade liberalisation disrupted the natural order
- While it fostered a decade plus of solid economic growth
- It also created a split between Old economy vs New economy jobs
- The emergence of the haves and have nots!





# WHY HAS THIS HAPPENED?

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- The gap widened and is widening still
- Now an Urban vs Regional thing
- Growth/Wages split between cities and regional areas
- PWC report - Urban wages grown 3X country areas (10 years)
- The have-nots are rising up – blaming immigration – the elites – anything that represents establishment and that means BUSINESS
- AND NOW THEY KNOW THEY HAVE A VOICE!



# WHAT IT REALLY MEANS?

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- The world is polarising – extreme left & extreme right
- The era of centrist governments is over – at least for now
- Populism is on the rise
- But it's not a red vs blue thing!
- Incumbency is death!
- Governing and being re-elected in this environment will be tough even for good governments.....



**Labor**



PAULINE HANSON'S  
**one**  
**NATION**

# SO HOW IS THIS PLAYING OUT IN THE AUSTRALIAN/ NZ POLITICAL LANDSCAPE?

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- Over next 18 months elections scheduled for....
  - New Zealand – September, 2017
  - Queensland – Late '17/early '18
  - South Australia – March 2018
  - Victoria – November 2018
  - NSW – March 2019
  - Federal ?

# NEW ZEALAND – ‘NZ FIRST’ BACK IN THE FRAME



**NEW ZEALAND  
FIRST**



- The Nationals could buck the trend on incumbency?
- Labour Leader Andrew Little could be rolled before election
- The Left (Greens) and Right (NZ First) both polling strongly
- Winston Peters is back!! NZ First will likely determine who governs

# QUEENSLAND – ONE NATION POWERBASE



- Next election – As early October this year?
- Hanson hurting both parties – could win multiple seats regions/outer urban
- Balance of Power prospect again
- LNP shifting right – populism/protectionist – Sugar industry
- Palaszczuk – the unlikely inoffensive Premier – to scrape home



# SOUTH AUSTRALIA



**NICK XENOPHON'S**  
**SA BEST**



- Trending to Libs (but they lost the unlosable election last time)
- Big issues - Power security/cost of living/sluggish economy
- The battery led recovery....enter Elon Musk
- Xenophon the unknown factor – 8-9 seats (of 47) on some polls!!!
- Who will he favour to form government?



# VICTORIA – GROWING PAINS IN MELBOURNE

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- Rapid growth driving agenda – population to double by 2050
- Port Melbourne outcome has boosted economy - \$\$ for other key infrastructure across the city – Metro/Western Motorway
- Regional threat less obvious at moment
- Government focused more on Greens threat in the inner city

# NSW – A NEW PREMIER ALL ABOUT THE REGIONS



- Orange by-election first sign of trouble for Coalition
- New Narrative – while Sydney has done well it is now all about the regions
- Nats taking stronger independent stance but will be tested in fresh by-election in Cootamundra
- Government will invest heavily in local infrastructure
- But will it be enough.....



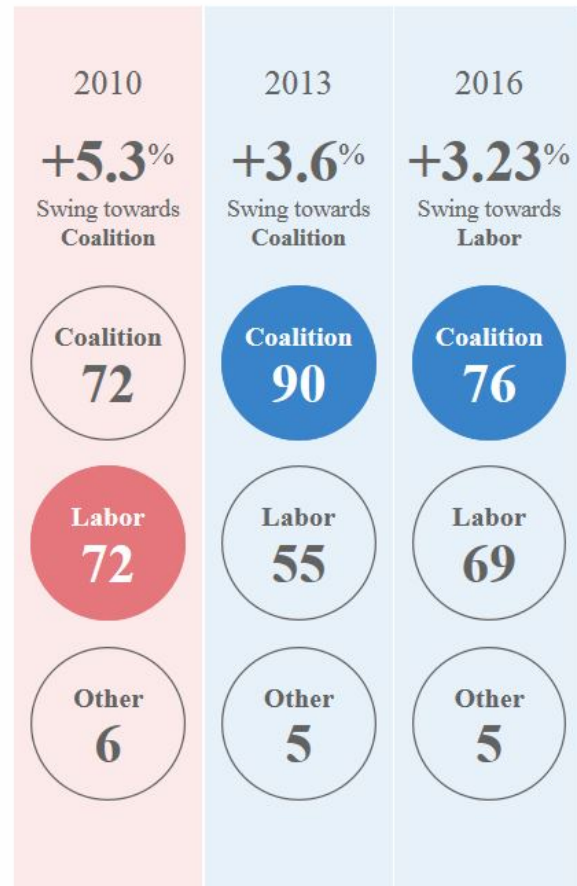
# FEDERAL POLITICS



# NEWSPOLL- IF A FEDERAL ELECTION WAS HELD TODAY, THE COALITION WOULD LOSE 13 SEATS

## SEAT PREDICTIONS

### PAST ELECTION RESULTS

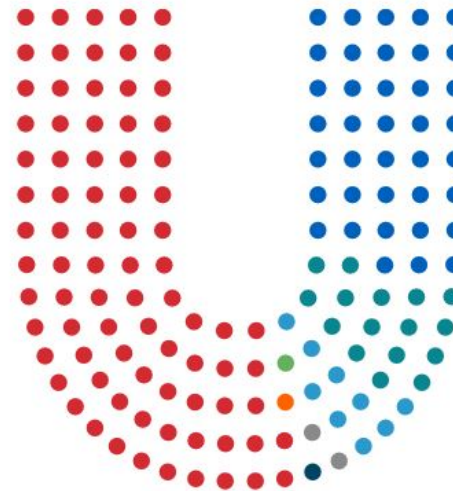


### THE CHAMBER

If an election was held today

**+2.5%**

Swing towards **Labor**  
Newspoll July 24, 2017



### PARTY BREAKDOWN

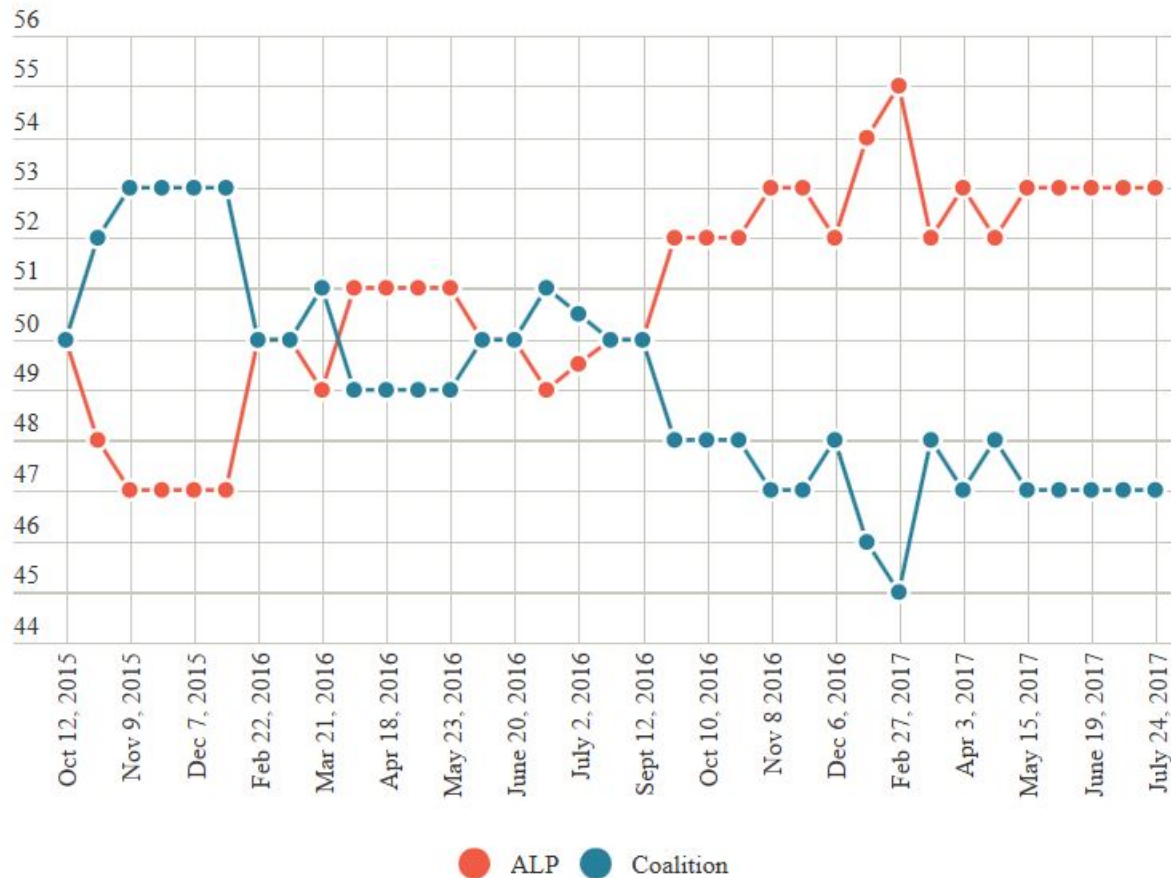
Coalition	63
● Liberal	38
● LNP	16
● Nationals	9
● Labor	82
Other	5
● KAP	1
● XEN	1
● Independents	2
● Greens	1



# TWO PARTY PREFERRED

## Two-party preferred

Based on the preference flow at the July 2016 federal election.



# FEDERAL FACTORS AT PLAY

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- Electorate sullen, distrustful and volatile
- Low-wage growth, cost of living pressures
- Shorten following Corbyn playbook
- A shamelessly populist agenda – shift to Left
- Inequality narrative – tax the rich!
- Turnbull trying to hold centre in own party
- Wedged on Marriage Equality and Renewables
- Struggling for clear air – the Abbott factor
- One seat majority no room for boldness
- Save a scandal hard to see how Turnbull can turn it around



# WHAT DOES IT ALL MEAN FOR THE AVIATION SECTOR

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- Political Risk is sky high!
- Populism the new World order
- All Business susceptible - bank tax
- Aviation too – already plenty at stake
- Knee-jerk policy threats - regulatory
- curfews, landing slots, visas, FIRB, open skies
- Infrastructure – community, environment
- Industry needs to be proactive in advocacy
- Protect position – make your case
- Demonstrate critical role as economic driver
- Australia more than any depends on aviation

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