

Some reflections on the origin of my ideas about economic policy, the public sector and the commercial world.

Sir Roderick Deane

I was recently asked by a researcher exploring the changes in public policy over the past few decades in New Zealand about the origin of my ideas about economic policy and public sector policies. She interviewed me with the preamble being:

“I am most interested in the educational background, family/childhood and other major influences. ideas, philosophical interests, theoretical perspectives and political views that shaped the thinking of the key people - mostly men - who created and established the state-owned enterprises, and where and how those attributes were formed, influenced and developed.”

The biography “The Life and Times of Roderick Deane” by Michael and Judith Bassett sets out more comprehensively the answers to these questions. Without wishing to repeat that, these notes summarize my thoughts about the background influences on my thinking and the principal mentors who helped shape my ideas.

The context is the range of senior positions I held over a period of substantial change in economic and public sector policies in New Zealand: Chief Economist of the Reserve Bank of NZ (1976-82), then Deputy Governor of the Bank (1982-86), Chairman of the State Services Commission (1986-87), Chief Executive of the Electricity Corporation of NZ (1987-92), Chief Executive of Telecom Corporation of NZ (1992-99), and later Chairman of several of NZ’s largest companies including Telecom NZ (later Spark and Chorus), TransPower, PowerDesignBuild, the ANZ NZ Bank, Fletcher Challenge Group and its successor Fletcher Building, along with board positions on overseas companies, ANZ Banking Group, Woolworths, and Pacific Road Group (a merchant bank) in Australia, and TransAlta Corporation (a large electricity power company) in Canada.

I was also Alternate Executive Director of the International Monetary Fund in Washington DC; and one of the founders and Chairman of the NZ Seed Fund which originated Pacific Edge Ltd (a cancer diagnostics company) in NZ and Neuren Pharmaceuticals (which develops drug therapies for neurological disorders) in Australia.

Throughout my life I had the huge advantage of a series of great mentors, really special mentors, people who knew how to encourage younger people and get the most out of them. I also had the advantage of an unending curiosity and a willingness to learn. I always asked heaps of questions, sometimes to excess some of my teachers thought. Later my professional mentors included some of the finest economists and central bankers in not just NZ and Australia but also the US, Canada and the UK.

At home during my school years I had my Father, Reg Deane, who was like an extension of school in his willingness every night to help teach me more and then to plan my university career (in great detail, year by year, course by course). Given the array of professional examinations he suggested I undertake, the logistics were complicated. In some cases I had to self-learn as I could not attend multiple overlapping lectures. But he never put any pressure on me, always quietly encouraging but never demanding. When the time came for me to look for a job, he came to Wellington and arranged six interviews with different organizations. He gave me the list, I had the interviews, they all offered me jobs. When I switched to economics, he did the same again a few years later.

My Father was a natural manager, well organised, clear goals, got on well with others, knew how to delegate, kept track of work flows. At the end of World War II he was the Adjutant for one of the large groups of troops to be brought home via ship across the Atlantic, train across the US and ship down through the Pacific. It was easy to see why he was allocated a job like this.

He said the major advantage was that he got his own bunk; everyone else had to share in eight hour shifts in a bunk. He was one of eight to go away as a group after initial training in the Air Force and the only one of the eight to come home. The Air Force asked him to visit the other seven families when he returned. He hardly ever spoke of his war years. We were reluctant to ask too much. My wife Gillian said it was too painful. Before the war he and my Mother had a house, a business and a car. Given the lack of income while on war service, they had to sell the lot. He came home with nothing. So many made so many sacrifices.

My Mother Margaret was wonderfully supportive of me, hugely well organised, caring and strong, always there, seldom intrusive, loved books, taught elocution, starred in repertory. She had style and energy and, as Gillian says, plenty of Methodism. I was devoted to her. She always welcomed my friends into our homes and many of them stayed with us over the years, even extending to when they were at university and even when I was not at home myself.

Mum and Dad loved each other deeply and their marriage bound them together strongly, every day, every year. My sister Jill and I were the great beneficiaries of a loving and strongly supportive family environment. Both my parents were generous to others, to their friends, of whom they had many, and to those in need. It was another family tradition from which I hope I learnt. The eulogies I gave for Reg and Margaret are on my web site:

<https://www.independenteconomics.com/>

I started school at Mauku in 1946 and then Pukekohe Primary until 1952. I had satisfactory results, nothing special, getting glasses helped hugely. Corporal punishment was frequent. I developed a severe distaste for it and worried that one or two of the teachers seriously overindulged in it.

At the tiny Opunake District High School (1953-37) I did well at maths (except in School Certificate when I realized we had not even touched on half the syllabus) , mixed at other subjects, poor at French, did not get on well with some of the teachers (asked too many questions, wanted to discuss too many things), loved sport, captained the swim team and the hockey team.

I volunteered many times to go to Army cadet camps in the holidays and twice was nominated as the top cadet to lead the final parade. Over 1,000 boys attended from throughout NZ. I went to Trentham, Waiouru, and Linton camps. I loved the Scouts and at weekends when we had no sport we would go camping, 6 to 10 of us, self-organised, no adults, no cell phones, using Scout gear. We had the most marvellous Scoutmaster, a young local farmer, who taught me all manner of things to which I might not otherwise have been introduced. He expected and got from us a culture of self-help and resilience (never unkind) on all manner of fronts. I swam in the NZ Surf Life Saving Championships a couple of times. My Father taught many of my friends to bodysurf and he was something of a local hero at the Opunake Surf Life Saving Club for his generosity in helping so many learn to swim and to bodysurf. Opunake was an exciting surf beach. We not infrequently pulled people out who got into strife. I benefitted hugely from membership of the Boy Scouts and the Surf Club. I played hockey for Opunake High, Te Kiri senior grade team, NPBHS 1st IX, and the University (VUW) senior A grade team.

At New Plymouth Boys High School (NPBHS), in my final year at school, 1958, my questions in class were suddenly welcomed. I was often invited to talk to the teacher at the close of class. We had a wonderful Headmaster, Jack Webster, a formidable man and a strict disciplinarian, feared by some, who took me for many special evening classes in mathematics, just two boys, and who rescued me from initially appalling marks and restored my confidence that I could do anything I set my mind to if I was willing to learn from

(and work) with others. NPBHS was a simply amazing place for me, truly transformative.

It restored my faith in education and in teachers. I was forever in strife at Opunake (much corporal punishment in my early years), not once at NPBHS. I continued to swim and surf every day during a long summer, did a lot of running and played hockey.

I started at Victoria University of Wellington in 1959 and fell in love with Wellington. I boarded at the Central Baptist Youth Hostel and made many friends there whom Gillian and I still see today. The study culture there was intense and it suited me well. At VUW I had the superb Professor, later Sir, Frank Holmes who took an interest in me from year one in economics (my third year at university), who only had to give his first economics lecture to persuade me that was where my interest and career lay, and who became a wonderful mentor and one of my closest friends. He taught me not just about economics but about all manner of things. He later meticulously read and commented on my PhD thesis and corrected the grammatical errors. On the day he died, he asked his son Ross to call me so I could speak to him. He had no speech by then and passed away from a brain tumour. I helped him wallpaper his house.

My other teachers in economics were Doug Sloan, Les Castle, John Zanetti, Fraser Jackson, Peter Lloyd and Babu Niculescu. But Frank was by far the lead player in terms of influence over me. Les taught me much about how to learn from history and about how all the various strands of economics and the theories fitted together. I was reluctant to take his History of Economic Thought course at the Honours level and it ended up as my favourite course.

Financial necessity demanded that I study part time and work full time after my first year at university and until my Honours year (4 years, 1960 to 1963). But my course and the number of subjects I took was the same as if I had been full time at university.

At the Union Steam Ship Company (1960-62), at the time easily the largest company in NZ in terms of total profit, I worked with David Jury who went on to become the General Manager (the position now called the Chief Executive). He taught me about how to relate to people much more senior than me and about accounting and systems and about how to think about structures and processes and analysing problems. He was forever patient and wise. I completed my BCom degree there and my professional Chartered Accountancy and Chartered Secretary examinations.

At the Reserve Bank of NZ (RBNZ), where I started in 1963, I was recruited by the Chief Economist, Philip Coney (the Father of the famous cricketer, Jeremy Coney), who had first been approached by my Father. I was to work with him for many years. My eulogy for him is on my web site. He was a wonderful man, probably the most underestimated economist in New Zealand in his day, partly because of his great modesty. I learnt a huge amount from him across economics and policymaking. I loved working with him.

Both the Governor Alan Low and the Deputy Governor and later Governor Ray White took a surprising amount of interest in my career and in me (as they did for other staff). They were encouraging in all manner of ways and taught me about dealing with difficult politicians, how to handle myself at meetings (be more patient, don't be too smart for your own boots) and ensured I had wide experience including arranging spells for me at the Reserve Bank of Australia, the Bank of England, the IMF, and other visits to central banks and universities around the world. They created the most splendid training ground for me and others. And the work was great too.

When the two Governors and the Chief Economist met with the Minister of Finance they invariably took me with them. That was when I first met Robert Muldoon, at the time Minister of Finance. I saw how the Bank top officials quietly stood up to politicians, understated but determined to explain good economic policies.

I learnt. At that stage the Economic Department of the bank would have comprised perhaps 40 people. Why I got to go with them was never explained other than perhaps that I wrote many policy papers.

During this period, I was given the opportunity to meet some of the world's leading economists. My PhD supervisors were Frank Holmes and Professor Charles Kindleberger of MIT in the US who wrote the world's leading textbook of the day on International Economics. Read his Wikipedia entry to appreciate how incredible it was for him to agree to become one of my supervisors. For example, he was one of the architects of the Marshall Plan. He wrote over 30 books. He also found time to send me detailed comments on every chapter of my thesis, all by post mail at that time. One result of this was that Frank and I persuaded him to visit NZ and give some lectures.

Later I was able to encourage the Reserve Bank of NZ to invite people such as Professor John Helliwell of the University of British Columbia (UBC) and Professor Milton Friedman of Chicago to visit NZ. Helliwell lead the team at the Bank of Canada which constructed the first Canadian macroeconometric model, which rated as one of the world's most outstanding works of this kind, advised us on our equivalent work in NZ (and did the same for Australia) and we are close friends to this day. Friedman was much taken with our reforms of the 1980s. He was hugely insightful on any subject we discussed.

In Sydney at the Reserve Bank of Australia I met and had discussions with Professor Harry Johnson, also of Chicago. I met and discussed policy matters with Paul Volcker, Chairman of the Federal Reserve in the US under Carter and Reagan. Later he was a lead Advisor to Barack Obama when he was President. Volcker was credited with reducing the high levels of inflation which prevailed in the 1970s and early 1980s. He was splendidly thoughtful and astonishingly helpful to someone from the other end of the world. I also had discussions with Martin Feldstein, Chairman of the US Council of Economic Advisers, again under Reagan.

I was given the opportunity to meet Governors and top economists of other central banks in a range of countries, including for example three Governors of the Bank of England, Gordon Richardson, Robin Leigh-Pemberton, and Eddie George (before he became Governor).

We lived in Sydney for six months in 1970, me on secondment to be part of the Reserve Bank of Australia (RBA) team constructing the first macroeconomic (mathematical economics) model of the Australian economy. I did the first simulations of that model late one night on their computer which occupied much of a floor of the Bank in Sydney. The Head of the RBA Research Department was Austin Holmes who became an outstanding mentor and a close and ongoing friend. During WWII he flew dive bombers. He drove me at high speed to and from work every day, along with his Deputy, Don Sanders (who went on to head the Commonwealth Bank). Austin later became the Economic Adviser to the Prime Minister of Australia. In my view he may have been the best applied economist in Australia in his day. He was certainly the best I encountered. He led the argument for flexible interest rates and a floating exchange rate in Australia. I met and became close friends with two outstanding Secretaries to the Treasury in Canberra, John Stone and later Chris Higgins.

Other economists who became friends and from whom I learnt much included Charles Goodhart, Chief Economic Adviser at the Bank of England, and later Professor at the London School of Economics, who earned international renown as a central bank specialist; and Professor Lawrence Klein of the University of Pennsylvania, and the Wharton School, Nobel Prize winner, leader of Project LINK (to link models around the world including NZ) and the first economist to develop statistical econometric models that embodied Keynesian economics, tools still used by many central banks.

The US State Department invited and sponsored me on a wide-ranging visit to the US, a visit which benefitted me hugely and for which I was forever grateful to the American people who offered me the opportunity and ensured it worked well. In the same way, the UK Government generously offered me a visit to London which was a wonderful opportunity to meet a range of top policy advisers.

There was a strong common element here. Many of the economists whom I met were leaders in the profession, in some cases world leaders, but I would not describe them or their economics as right or left wing, liberal or neoliberal, or whatever. The NZ penchant for labels is childish. They were outstanding in their understanding of the full gamut of economic theory and how to apply it to policy problems.

They taught me about the need for governments to pursue conventional economic policies: monetary policy which balanced growth in the money supply with the capacity of the economy to grow; the need to avoid inflation which is so detrimental to economic growth; the need for sensible prudence in fiscal policy and the avoidance of an overbearing tax system if the private sector is to generate growth in output and jobs; the avoidance of excessive overseas and domestic debt; the need for flexibility in labour and capital and foreign exchange markets to allow economies to adjust to changes over time; the associated need for flexible interest rates and floating exchange rates; the limits to the extent to which governments can regulate solutions to problems and the unintended consequences of regulation; how poor governments typically are at running commercial businesses; and the need to avoid governments becoming so all-encompassing that they crowd out the private sector.

Much of what I learnt from them about economics was far removed from what we were experiencing in NZ in the 1960s, 1970s, and early 1980s. As an Alternate Executive Director at the International Monetary Fund (IMF) in Washington DC 1974-76, I worked with the brilliant Bob Whitelaw of the Australian Treasury (he was an Executive Director of the IMF) from whom I learnt much about the international monetary system; and Jacques Polak, the Head of the Research Department at the IMF. My interactions with IMF senior staff were so extensive that they offered me a senior job if I were to stay on after my term on the Executive Board. I returned to NZ because the RBNZ kindly wanted me back and the Governors had been marvellous to me. I also returned because, quite simply, I am a New Zealander. My salary in NZ was one quarter of what it was at the IMF. Gillian would have otherwise remained in Washington.

For many years at the RBNZ (1963-86), by default (or self-appointment) I oversaw the Library. It was probably the best economics Library in New Zealand. I was perhaps its most enthusiastic user. In reading endlessly as the economic books and journals arrived from overseas, it was not hard to conclude that conventional and sound economic policies seemed to be barely heard of in New Zealand in the 1960s, 1970s and early 1980s.

For many years, I was also the Bank's recruiter of other younger economists, including most members of the team which constructed the first econometric model of the NZ economy in the period 1970-74. At the same time, I taught economics at Victoria University of Wellington (and earlier at the Wellington Polytech and the NZ Correspondence School as well). I loved teaching. I was offered three professorial chairs at three different NZ universities before I was 30 years of age. Some of the economists who became lead players in the reform period were my students such as Roger Kerr (the best student I ever had), Rob Cameron and Peter Nicholl. I taught two postgraduate Honours courses, in monetary economics and international economics, at Victoria University of Wellington.

So just as I benefitted hugely from splendid mentors, so too I endeavoured to pass on economics training to others. As an aside, my teaching, all part time, at Victoria University of Wellington, was so extensive (as perhaps was my research publication list) that in 2000, VUW gave me a personal Professorial Chair in economics. I think I may have been their only part time full Professor. The Governors of the RBNZ encouraged my teaching activity. It was a great advantage in finding and recruiting the best young economists.

Prior to 1984, the Reserve Bank was heavily constrained by the interventionist direct control oriented policies of Sir Robert Muldoon, Prime Minister and Minister of Finance, and indeed of his predecessors. The Bank Governors' response to this was to encourage much research and international connections such that we ran a parallel universe, one serving our Ministerial masters and the other preparing ourselves for the day when more enlightened and sensible policies could be advocated, accepted and implemented. That is why we were ready in mid-1984 for the massive changes in economic policy which occurred.

For example, in the 1970s I had the opportunity to lead the team that created the first macroeconomic mathematical model of the NZ economy and participate in the team which did the same in Australia for that country. Quality models require the use of the best theory, sound data, and well thought out assumptions. They teach one about the interactions within and between economies. They can illustrate the adverse impacts of poor policies. We published numerous papers from this research and used the model for both forecasting and policy analysis.

This work was to serve me well at both the Electricity Corporation of NZ (ECNZ) and Telecom Corporation of NZ where modelling was extremely useful, particularly at ECNZ to understand the interrelationship between water flows, other fuel use and demand in power station management; and at Telecom to illustrate the

competitive effects of different pricing approaches. The technical staff at ECNZ were initially surprised then pleased at my close interest in and understanding of their power system modelling work.

Twice Muldoon turned down the Reserve Bank of NZ Board's unanimous recommendation that I become Governor (1982 and 1984) but he reluctantly (his words to me) appointed me as Deputy Governor in 1982 because in his words he "needed someone to run the Bank". Muldoon was explicit with me that he did not usually like my policy recommendations. I was not prepared to moderate those positions in the interest of becoming Governor and he knew that.

In 1986 under personal pressure from the Prime Minister, David Lange, the Minister of Finance, Roger Douglas, and other Ministers, I reluctantly took up the role of Chairman of the State Services Commission (SSC), effectively head of the public service in NZ. I believed strongly in the need for reform of the public sector including the need to place the commercial departments on a proper self-sufficient corporate footing. Sir Roger Douglas had arranged with the Treasury to send me papers on the public sector for many months before I became Chairman of the SSC.

To my surprise and pleasure I arrived at the SSC to encounter two people who made that huge job of restructuring the public service eminently possible, Margaret Bazley and Donald Hunn, my fellow members of the Commission. I learnt a huge amount from them and maybe helped free them from the shackles of the past. Like my colleagues in the RBNZ, I felt we were a very good team. I was also to learn much about working with Maori and Pacific Islanders from the SSC staff and especially from Don Hunn. As part of the SSC job, I was Head of the Public Service of both Niue and the Tokelau Islands. At the IMF I had represented Western Samoa as well as Australia, NZ, the Philippines and PNG.

During the so-called Maori Loan Affair in 1986-87, I had the need to meet and have extensive discussions with some of the country's leading Maori including particularly Sir Hēpi Te Heuheū and his sons Timu and Timi. Later these relationships were to be very helpful to ECNZ in our dealings with the Ngāti Tuwharetoa over water rights. At Telecom I dealt a lot with Sir Graham Latimer, President of the NZ Maori Council.

As an aside, working with politicians was a mixed bag. I would not describe any of them as mentors. From an economic policy point of view, Sir Robert Muldoon was a disaster. His fellow ministers were too weak to overrule him. By 1984, New Zealand had one of the worst combinations of balance of payments deficit, oversea debt burden and fiscal deficit in the western world. Muldoon could be very tough on public servants, never once to me. He could be a bully and I was unintimidated, for which I paid a price. I had to travel overseas with Muldoon as neither Governor with whom I worked at the Reserve Bank when I was Deputy Governor would travel with him. They disliked him and were frustrated by his unwillingness to adopt commonsense policies.

But in the event I got along remarkably well with him despite our gaping differences on policy matters. I wrote speeches for him (some jointly with Tim Groser, much later to be a Government Minister), trying to rescue Muldoon from disaster on the international stage. He wanted to reform the international monetary world but was seriously inadequate in his understanding of these matters.

I loved David Lange, Labour Prime Minister after the change of government in mid-1984. He was the great propogandist. I saw a lot of him. Immediately after the election and our initial briefings he turned to me and asked, "how long is this all going to take" to which I replied "my guess would be five years". Well, he said, I have to do what is right for New Zealand. He meant it. I admired him for it.

On helping the IHC and fixing the Education Act in 1959 to provide for a free education for all children (including those with handicaps) he was wonderful. Lange could master a brief so rapidly, like no one else I knew. I was sent to London to persuade him to float the NZ dollar in March 1985. He could be brilliant.

The Minister of Finance Roger Douglas was masterful, a great strategist, indeed truly outstanding and wonderful to work with. He used to call me up and ask me to go across to his office and brief him on the economics of his latest policy concern. I would get on the white board for an hour, just like teaching at the university. He was excellent at distinguishing between the economics and the politics of issues which helped his advisers understand much better the nature of the choices faced by the government.

The Deputy Prime Minister Geoffrey Palmer was the superb legislator and helped greatly in making things happen during the public sector reforms. But he was often cautious about economic policy, as he was on the float. He chaired the Cabinet Committee on the public sector reforms and was outstanding at it. David Caygill was careful, cautious, intelligent and helped make sure they got things right.

Stan Rodger was my Minister while I was Head of the State Services. He did not want me appointed as Chairman and indeed with my predecessor Merv Probine's connivance tried to get my appointment overturned. The Governor General was not happy. Lange said it was the only occasion on which he got reprimanded by the Governor General (who received conflicting instructions on my appointment to the SSC). But then, no doubt to Stan's amazement, we got on well and worked hand in glove. I liked him. We achieved huge changes for the better. Stan was a great negotiator, who had mastered the art of listening and then getting on with what he really wanted to do regardless.

Richard Prebble was the hit man in this outstanding group of Ministers and I loved working with him. He was smart and brainy, witty and courageous. He and I lead the push for the float. He briefed me on how to survive the witch hunt, kangaroo court of the Parliamentary Enquiry into the devaluation in 1984. It was led in scandalous fashion by Jim Anderton and Rob Muldoon and had to be cancelled before it completed its work. Douglas and Prebble knocked it off.

Under National, the Prime Minister Jim Bolger was for me excellent to work with, outstanding during the 1992 ECNZ water crisis, clear, considered and supportive. He and his wife Joan went to Opunake High School, Joan in the same class as me for four years, Jim a few years ahead. I helped Ruth Richardson get the MoF job (at her request I persuaded a series of top-level people to call the PM in support) but she was subsequently uninterested in talking to me or helping me with any issues where she could have made a difference. Simon Upton, who had been a good friend, was the same.

On the IHC, Jenny Shipley was difficult as was Ruth Richardson. Their views on intellectual disability were from the distant past. On Telecom, Shipley was excellent. From a commercial perspective, many years after the disaster of the Big Projects, Bill Birch as Minister of Finance was top rate to work with. John Luxton as Minister of Energy was first class. Maurice McTigue on SOE's was very good too.

Later, Helen Clark as Labour Prime Minister and Minister for the Arts persuaded me to become Chairman of Te Papa Tongarewa, the Museum of NZ (2000-06), and I could not have wished for a more supportive Minister. She was reluctant to deal with commercial matters and the Telecom regulatory tsunami in 2006 impaired our otherwise excellent relationship. Michael Cullen as Minister of Finance was very good to deal with. David Cunliffe as Minister of Telecommunications was unsatisfactory, as the rest of New Zealand was to discover in time.

I would refrain from comment about Winston Peters. Despite making much noise about the Maori Loan Affair in 1986-7 (where I chaired the government inquiry) he would not appear as a witness.

In the commercial world I had some splendid mentors: my Chairman, John Fernyhough, at ECNZ; Sir Ronald Trotter, whom I succeeded as Chairman at both Fletchers and Te Papa (and as a board member at the ANZ Bank in Melbourne and Chairman in NZ) and one of my closest friends; and the inestimable Peter Shirtcliffe, my Chairman at Telecom and still a very close friend. From Fernyhough and Trotter I learnt much about commercial matters but equally about what not to do, in the sense that the way they each operated was sometimes not the way I would ever contemplate. Shirtcliffe's standards were impeccable, he was quick and incisive, always on top of the numbers and the issues, a real people person, and wonderful to work with.

When I moved from the RBNZ to the SSC it was on leave of absence from the Reserve Bank and I was guaranteed by the Labour Government (including by the PM personally) that I would return as Governor to the RBNZ when Sir Spencer Russell's term was complete. That promise was kept but I declined the offer of the job (and suggested instead Dr Donald Brash, who took it).

As for the State Services Commission, I was clear with the Government, including in writing, that I would oversee the state sector reforms and then feel free to move on. In the event we implemented most of the reforms in quick time, except for some of the State Sector Act changes, since the government deliberately decided to leave those until after the 1987 election. In early 1987 I became aware of some of the tensions within the government and in particular was perturbed by the secret settlement done by Douglas and Rodger with the state unions one night for a 7% wage increase while the SSC team were negotiating with cabinet authority at the 2% level. At the close of 1986, I was disconcerted by the Government separating itself from us on the Maori Loan Affair report.

Against that backdrop, other offers were being made to me, including the CEO position at the Electricity Corporation of NZ (ECNZ). The substantial intellectual and managerial challenge of implementing the reforms I had advocated and overseen by heading the country's largest State Owned Enterprise (SOE) greatly tempted me and I took it up. I also knew that I had a successor at the SSC who would advance further the public sector reforms. Donald Hunn was appointed on my recommendation to the Prime Minister without the job being advertised. I enjoyed hugely the ECNZ job and only later moved to Telecom because we were unable to persuade the government to privatize ECNZ at that stage (1992).

I would like to say something about the women with whom I worked. From an early stage in my career I realised that women were one of the great underutilised resources, if I can put it like that. It was a mystery to me why more women did not occupy more senior roles. They had at least half the country's brainpower, every bit as much drive and energy as men (albeit characterised in a different, usually less aggressive manner) and they often had superior people interrelationship skills. It gave me huge satisfaction to work with a number of women who did exceptionally well: Dame Margaret Bazley (later to head a range of large organisations), Marie Shroff (later to become Cabinet Secretary), Liz Sinclair (later to become a top civil servant), Marijke Robinson at the SSC; Judith Aitken (later to head two government agencies), Geraldine Baumann, Juliet Hensley at ECNZ; Patsy Reddy (later to become Governor General), Theresa Gattung (later CEO of Telecom NZ), Linda Cox, Trisha McEwan at Telecom; Susan Peterson, Elizabeth Proust, Alison Watkins at ANZ; Ginny Ratcliffe, Trisha McEwan at Fletchers (FCL); Barbara Rocco, Jan Dowland, Trish Grant, Janine Stewart at IHC NZ; Kim Schmidt at Woolworths; but there should have been more. Interestingly, on the floor on which I worked at both ECNZ and Telecom, there were only a couple of males, the rest were women.

But life is much more than economics and commerce of course. There are some other strands which influenced me greatly. Alongside these experiences I was to be introduced initially by my wife Gillian, subsequently abetted by others, especially Fred Turnovsky, one of my closest and most unlikely friends, to the world of the arts, music, opera, and ballet. It was a great moderating influence for me and underpinned for example how well I got on with Helen Clark. I had always loved museums and easily succumbed to the charms of art galleries. So my life was filled with work but by no means unbalanced. I turned out to be a successful advocate for the arts and supported many sponsorship activities.

Kristen our daughter had Rett Syndrome, a rare degenerative neurological condition. She was to lose gradually the ability to do things and passed away at age 27. I was asked in 1976 to help IHC NZ. This is NZ's largest voluntary welfare charitable organization, caring for people throughout NZ with an intellectual handicap. Ironically, IHC did not help us with Kristen. Despite this, the IHC and the pursuit of normal lives for people with intellectual disabilities became an obsession for me. I was persuaded to become Vice President then President of IHC NZ.

With my colleagues and particularly the indomitable JB Munro as CEO, we eventually succeeded in getting the wretched psychopaedic hospitals closed, moving people into regular houses in the normal community (the IHC purchased many hundreds of houses), and getting the Education Act changed to allow for a free education for all children regardless of whether or not they were disabled. Some politicians (Rob Muldoon and Merv Wellington) made nasty threats to me and to IHC; others took much persuasion to rectify matters (Lange was marvellous, Cullen helpful, Douglas reluctant). Some pulled the financial rug from under us (Richardson and Shipley). Some were ghastly on the real issues. I needed all the courage I could muster to keep at it.

But we succeeded. It is the achievement which gives me the most satisfaction of anything I have done. We transformed many people's lives and gave thousands of intellectually disabled people normal lives in normal homes in normal communities.

Another strong thread in my life has been philanthropy although neither Gillian nor I have ever wished to publicize this in any significant way. Gillian and I created the Deane Endowment Trust in 1995 in memory of our daughter Kristen Marie Deane. It occupies much of our time these days. Gillian Chairs the trust and I help. We have two other outstanding trustees who teach us much. The trust has a Charter setting out the wide range of people and organisations we have been privileged to assist. These areas encompass the arts, music, opera, ballet, dance, galleries and museums; scientific research projects especially in the areas of brain research, cancer research, and rare disorders; NZ archaeological research; the provision of many student scholarships for graduate and postgraduate study, both within NZ and overseas, in the areas just mentioned; publications in the arts and NZ history, especially Maori history; helping people who have rare disorders and intellectual disabilities, and the organizations which assist them; and some community projects.

Through these experiences and reverting to economic matters, I learnt what good economics amounted to (something quite different from what NZ practised pre 1984 as seriously misguided economic policy), how to analyse problems, how to work in teams and how to make things happen. I think I had my Father's managerial genes so I fell happily into management roles, even large ones. Good economics and good management go hand in hand but are not always found in the same person. On economics, the earlier paragraph on the common elements in any sound economic policy framework tells the story.

Beyond economics, what lessons emerged about management from these experiences and from the mentors I had the good fortune to encounter ?

First, that one needs a vision about what really matters and where one wants to head. Then there is the establishment of clear objectives, the design of good strategies and smart tactics, the assignment of individual accountabilities, expected timelines, the measurement and monitoring of progress, the standard management textbook lessons. But interestingly perhaps, and in contrast to my experience in economics, I have never really read many management text books. What I did learn was that having very good people to work with is overwhelmingly important; that the qualities one looks for in those people are primarily the intellectual capacity to problem solve; to get along well in teams and with their colleagues; and the capacity to get things done and to deliver. If one has this bunch of talents, one may well have leadership potential too. There are some other over-rides of course: the need for integrity and honesty, strength of character, and the personality to provide leadership. Technical knowledge, whether it be economics or accounting or engineering or communications, forms the backdrop. For the public service, the trick was how to create an environment where these sorts of principles could flourish despite the unavoidable intrusion of political elements.

My wife Gillian is the most modest and understated person I know. She does not want to be mentioned in this recounting of influences on me. So let me say simply that there has been no greater influence in my life than Gillian. Meeting her on the day she arrived in Wellington in 1961 was the best thing that has ever happened to me. She is endlessly loving and great fun, wise and thoughtful, caring and kind, smart and articulate, advises me on everything. She has made my life what it is. She insisted on this note on her being greatly shortened. However, I have placed on my web site a copy of what I said about her at our 50th wedding anniversary function.

How might I summarize these thoughts on what has influenced me ?

I had a strong and inclusive and loving family.

Both my parents had strong values, absolute integrity and a formidable work ethic.

They were devoted to encouraging their two children to build on their talents.

My education got off to an uncertain start but gathered pace and became a powerhouse for me.

From NPBHS onwards, I had the best mentors one could ever imagine.

This was the case at school, at university, at work, within NZ and from abroad, academic and work related.

In economics, mixing with some of the best economists and central bankers from abroad, being involved in economic modelling, and reading endlessly, built a strong framework of thinking.

This intellectual framework was built up in a sense independent of the policies NZ was actually pursuing.

Other colleagues in the NZ Treasury and the RBNZ were going through analogous processes. They were hugely helpful to me.

The framework encompassed both macro and micro economics, so it underpinned both policy advisory work and commercial work.

I had an insatiable appetite for academic books and journals and I had continuous access to the best library resources in NZ.

I did much teaching simultaneously with my regular research and policy advisory work. I had some outstanding students.

At university and at work, I learnt about the personal characteristics that enabled one to achieve something in life and the practicalities of doing that: building one's intellectual capabilities, being openminded to the best ideas, working well in teams, the importance of strong leadership, courage in defending what is the right thing to do, making things happen, getting things done.

The ideas I advocated came from this background and these mentors. Until 1984, the policy ideas were quite different from what NZ was doing.

So one needed not just the ideas but also courage and resilience and support to advocate the need for change.

I missed out twice on being Governor of the RBNZ as a result of adhering to the advocacy of what I believed were the policies NZ needed.

But I had an overwhelming belief that NZ could do so much better than we were doing.

As it turned out, we needed a crisis to crystalize this.

By mid-1984, a return to conventional economic policies became inevitable. The foreign exchange crisis was massive.

Moreover, the need to restructure the public sector in a major way became abundantly clear.

I had the great good fortune to participate in both those sets of changes. Vast improvements followed.

Despite what some say even today, the improvements in the economy and in the performance of the SOEs has been huge.

My web site sets out the numbers demonstrating this:

<https://www.independenteconomics.com/>

Ideas matter a lot.

So does the courage to advocate and implement them.

Sir Roderick Deane

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