

## Phil Taylor Story

# Call it a day but not a slow-down

12:00AM Saturday June 03, 2006  
By [Phil Taylor](#)

Exit, stage left. Take a good look at the picture and you will notice the man is smiling, the word on the door says "free". Did it feel like that last Wednesday when Dr Roderick Deane called time on his stewardship of Telecom, where he'd been CEO or chairman since since 1992?

"Liberated and relieved," he said. The announcement that June 30 will mark his last day there, and at ANZ National Bank and Te Papa, which he also chaired, coincides with the release of his authorised biography, *Roderick Deane: His Life and Times*, by historians Michael and Judith Bassett.

Why is it that when someone leaves such a position or such a book is published about them it's as though they're shuffling off this mortal coil? Because Deane certainly isn't. "Slowing down," he says, is the wrong expression.

But it's a good time to ask him to take a look in the rear-view mirror.

Most interesting time in politics?

The economic crisis at the end of the Muldoon era and the drastic reforms of the Lange-Douglas government that followed.

Deane and Sir Robert Muldoon didn't see eye to eye. Muldoon thought he knew it all about economics, the Reserve Bank economist with the PhD knew he didn't. Though Deane is far too polite to put it so crudely.

Instead, he puts it thus: "[Muldoon] thought he was a master of it. He thought that he could control inflation and other problems by regulating everything that moved, including every price, every interest rate, every wage, the exchange rate, rents etcetera. And of course what happens ... is it's like pushing on a balloon and other pressures emerge."

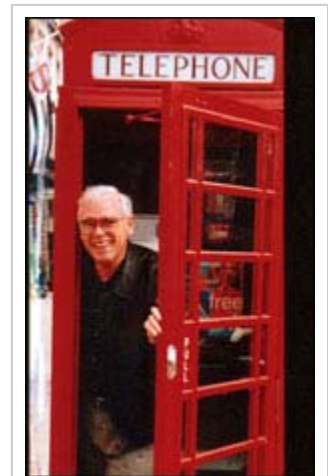
Muldoon twice knocked back recommendations to appoint Deane as Reserve Bank governor, on one occasion telling Deane he didn't like his advice.

"I realise that was a career-capping exercise but that just happened to be the way I was made up," says Deane, "I had to tell him what I regarded as the essence of the matter. I think the dilemma was I was not afraid of him, I was not intimidated by him and I did tell him the time of day."

But Deane, who regularly travelled with Muldoon, says the former PM was always courteous to him when he wasn't with some officials.

"Until the last month or two he unfailingly gave us a good hearing ... but I had to conclude through that period that he had limited understanding of economic policy."

If Muldoon was a career-limiting influence for Deane, it took off at pace under the new regime. There



Rod Deane is looking forward to stepping outside the old, diary-driven life. Picture / Supplied by Penguin

was a confluence of opinion. It was, he says, a unique time to be an economist in his position. Perhaps even exhilarating given the pace of reform after such a period when Muldoon had tied the Reserve Bank's hands.

"They [the 1984 Labour Government] were an amazing team to work with because it's unusual in politics to have such a team with such powerful intellects who were for several years very much aligned in terms of what they wanted to do."

Deane participated in reforms when at Reserve Bank, then was asked to be chairman of State Services Commission and head public sector reforms.

Deane suspects reform would not have been as speedy or as deep had the crisis at the end of Muldoon's era not been as serious. "People are more prepared to accept reforms when they understand there is an urgent and pressing need. The balance of payments crisis and also the fiscal crisis of 84, they did induce a feeling that reforms were required."

Despite the dramatic changes wrought by Labour it was re-elected with an increased majority. "So the reforms were not as unpopular as some people might have thought."

Those changes – stable monetary and fiscal policy, low inflation, business sector liberalisation, floating dollar, corporatisation of many unprofitable government commercial functions – had underpinned economic growth rates of the past dozen years which put New Zealand among the best in the OECD and only a little behind Australia.

He disagrees, though, that unbundling the Telecom residential network is merely a further reform aimed at greater market freedom.

"Well Telecom's assets are the assets of the shareholders and it was privatised and what is happening now, of course, is that those assets are being severely intruded upon by other parties and in some cases that is not going to be productive for Telecom. I think the regulatory environment for telecommunications now is altogether much more severe."

Deane seems to be one of those people who has time for everything. He guided the IHC – with which he has a long involvement – out of a likely financial doomsday.

In that association lies a lesser-known side of the man. His and wife Gillian's only child Kristen was born with a degenerative neurological disorder, Rett syndrome. Kristen died 10 years ago, aged 26, having been confined to bed for the last decade of her life. His drive to help intellectually handicapped people live as normally as possible came of that tragedy.

Deane became a force in moving kids from special schools to normal schools, closing down psychopaedic hospitals. He arranged the mortgages – on very modest security – for IHC to buy 700 houses. "If you asked what I'm most satisfied with it would be getting intellectually handicapped people back into the community rather than being isolated and getting the IHC on to a really sound financial footing that gave it a sustainable future."

"It [Kristen's condition] was one of those experiences in life which, if someone had told me about it I would have thought of it as a major worry and really very demanding, but in the event it taught me a huge amount about what really matters in life and how to enjoy and live for each day."

There were world trips by the "Deane team" as Roderick called the three of them, before the inevitable advancement of her condition made travel impossible.

Ask about career highlights and he speaks of luck. Lucky to have had such varied, interesting work; to have been involved at a time of political and economic tumult; to have chaired New Zealand's three largest companies; to have worked in the public, private, voluntary welfare and arts sectors.

All of which has enabled him and his wife for many years to put their earnings into an endowment trust to quietly use their "luck" to help young singers, musicians, scientists, as well as galleries, music organisations and the like. Ask about life highlights and he speaks of Kristen and of Gillian, who was responsible for the artistic enlightenment which so enriched his life.

He may be leaving centre stage of New Zealand business but he's not going far. There'll be more time with Gillian, including helping her with the 36ha of wetland (declared a national heritage area) they own north of Wellington, more time for what he thinks he's best at – one-off projects, helping people identify and deal with business problems – but boardrooms (Fletcher Building, Woolworths, New Zealand Seed Fund, IHC) will remain part of his habitat. But there will be this: "I want to be less diary-driven."

And, when those last boardrooms duties are finally over, how does he want to be remembered? Simple. "I have no wish to be remembered."

*Roderick Deane: His Life and Times by Michael and Judith Bassett, Penguin Viking.*