

Roderick S Deane:

Citation for the award of Distinguished Fellow of the New Zealand Association of Economists

Roderick has made a considerable contribution to New Zealand over the past 30 or so years: as an economist and policymaker; as a corporate leader; and as a citizen supporting the arts and the disadvantaged.

Following his early days at Opunake and New Plymouth Boys High, Roderick studied Accounting and Economics at Victoria University. Much of his study was undertaken part time while he worked, first at the Union Steamship Co, and then at the Reserve bank of New Zealand. He came away from Victoria in 1968 with one of their first PhDs, on Foreign Investment in New Zealand Manufacturing, which was subsequently published by Sweet and Maxwell. The doctorate was supervised by another of our Distinguished Fellows, Frank Holmes. It also benefited from another well known supervisor and examiner, the prominent International economist Charles Kindleberger from MIT who visited New Zealand several times during this period.

While Roderick's doctorate had contained little in the way of econometrics, he made up for this when he returned full time to the Reserve Bank at the end of 1967. He was the driving force in the early development of the Reserve Bank econometric model, which was aimed at providing a consistent framework for monetary policy decisions, based on both theory and data. Certainly there was considerable data work involved in those early days, in particular the creation of the first quarterly national accounts estimates. During this time, Roderick had the support of a very good Chief Economist in Phil Coney (the father of Jeremy) and also benefited from his close contacts with the Reserve Bank of Australia. From the presentation of the first modelling discussion paper at this Association's conference in 1968, a significant research capability was built up at the Reserve Bank, with a strong modelling and policy emphasis. As a new graduate economist joining the Bank in 1976, I can attest to the stimulating and enjoyable research environment that Roderick promoted.

In the policy arena, Roderick had begun in the mid-to-late 70s to promote the rationalisation and liberalisation of the financial system. For example, the removal of Interest on Deposit Regulations in 1976 and the rationalisation of reserve requirements and other balance sheet restrictions on Financial Institutions in 1979-80. Much of this work was put on hold, and indeed into reverse, with Muldoon's re-regulation of the economy from 1982. However, once the Lange/Douglas Labour government came to power in 1984, the policy reform process was back on the table - with steroids. Appointed as Deputy Governor in 1982, Roderick was well placed to be in the vanguard of the financial reforms, in particular leading the charge on the removal of interest rate regulations, the removal of exchange controls in December 1984 and the floating of the NZ dollar

in March 1985. Roderick was very persuasive with Officials and cabinet ministers of the day and, importantly, his policy ideas and commitment to the free market were closely aligned to those of Roger Douglas.

In 1986, at the request of David Lange and Roger Douglas, Roderick took on the major task of restructuring the Public Service as Chairman of the State Services Commission. His ability to see the big picture, to apply common principles of good governance, and simply to get things done, contributed to major reforms in the Public sector over the 1986-87 period. In particular, he contributed to the separation of commercial and public policy objectives, the clarification of accountabilities and the decentralisation of decision making with the creation of nine new SOEs in 1987. Roderick assisted with the locking-in of these Public sector reforms via the SOE Act (1986), the State Sector Act (1988) and the Public Finance Act (1989).

After a very active year at the State Services Commission, Roderick made his transition to the corporate sector; first as CEO of the Electricity Corporation from mid 1987 and then as CEO of Telecom in 1992. This was a period of major transition for both organizations with the Electricity Corporation transforming from a Government Department to a commercial SOE and Telecom taking the next move from SOE to publicly listed company. From an economics perspective, Roderick extended his expertise in institutional economics to Law and Economics and indeed further into the more technical areas of regulatory economics and network analysis. Increasingly, as he then moved from the executive suite to the boardroom in the late 1990s, Roderick would focus on the principles of good corporate governance and their interaction with regulatory frameworks. Throughout his many leadership roles in the corporate sector, Roderick has always used economic frameworks in getting to the heart of complex governance and commercial issues.

But of course you don't get to be a top corporate leader just by being a good economist. Roderick once told me years ago that you need three things to succeed in management: 1) Brains; 2) People skills; and 3) An ability to get things done. First I would say that I have found these criteria to be very accurate. Second, I think you will agree that Roderick meets all three criteria in abundance. The brains go without saying; the people skills are apparent from the loyalty that Roderick instils in the people around him and from his open and honest communication style. And Roderick's ability to get things done has been his hallmark throughout his career, from the financial reforms of the 1980s to the corporate restructurings of the 1990s.

Roderick continues to apply his considerable talents and now vast experience in a number of top boardroom roles. He chairs three of New Zealand's top companies: Telecom, ANZ National Bank and Fletcher Building. And he sits on two major Australian boards: ANZ Banking Group and Woolworths. Roderick also continues to contribute a considerable amount of his time to the

disadvantaged in society and to the Arts. He has had a long association with the IHC, including a period as President. Roderick and his wife Gillian remain joint IHC Patrons. Roderick and Gillian have contributed greatly to the Arts in New Zealand over many years, supporting a number of individual artists and a range of music and arts organisations, including Pataka Museum, the Dowse gallery, and the Mahara Gallery. They support the NZSO and the NZ International Festival of the Arts. Roderick currently chairs Te Papa and the City Gallery Wellington Foundation.

He also chairs the NZ Seed Fund, reflecting an interest in promoting scientific research in NZ, which he and Gillian have also personally supported through the Endowment Fund they created some years ago.

For the New Zealand Association of Economists, it is Roderick's contributions to economic policy and public sector reform in New Zealand that are most important and the basis for his recognition as a Distinguished Fellow of the Association. However, Roderick's much broader contribution to New Zealand makes him a particularly deserving recipient.

Grant Spencer
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