

NEWZTEL NEWS: RNZ "NINE TO NOON"

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(NTN F)

PRESENTER (KATHRYN RYAN): My feature guest this morning has just stepped down as chairman of New Zealand's biggest listed company, Telecom. He'll finish up at the end of the month. It's a company going through more than a few trials. The forced opening up by regulation of its broadband infrastructure to competitors, the controversy over the leaked cabinet paper that revealed that, a share price slump that mowed more than \$2 billion off its value, bad publicity surrounding comments by its chief executive about confusion being a marketing tool. It's not the happiest of times for Telecom. Roderick Deane was credited as its chief executive in the 1990s with reshaping the company and presiding over a vast increase in shareholder wealth. He's also giving up his chairmanship at ANZ Bank and Te Papa. It brings the curtain down or perhaps a little nearer to being down, on a long and colourful career holding some of the most senior corporate and public service positions in the country. As deputy governor of the Reserve Bank in the dying days of the Muldoon government it was Dr Deane who confronted Sir Robert who was refusing to devalue the New Zealand dollar, even after losing the election. As State Services Commission chairman he was in the thick of the restructuring of the public sector in the 1980s, earning the somewhat unfortunate nickname Dr Death from one unimpressed union source. Dr Roderick Deane joins me now, good morning, welcome to the programme.

DR RODERICK DEAN (RETIRING CHAIRMAN, TELECOM): Good morning, Kathryn. Thank you.

PRESENTER: If we could start with Telecom because obviously it's such a big issue at the moment. You've cited growing government regulation of the telecommunications and indeed the banking sectors as being behind your departure, but an alternative analysis might be that given investor pressure on Telecom right now, you've fallen on your sword, you've made the gesture that was needed to give the awful year... that was needed, given the awful year the company has had?

DEANE: Well, we started this secession process for my replacement back in 2004 when we brought Wayne Boyd and Rob McLeod onto our board, and several times we've talked about just when it would be appropriate for me to retire. I'd indicated to the board several times that I was happy to go when they were ready to name my successor, and it was really... the turning point came for me when the Government announced the regulatory package and I said to the board that I thought it would be better for the company and certainly better for me, to have a new chairperson, and so we went through that process quite quickly of deciding who should replace me.

PRESENTER: Were the baying hounds a factor?

DEANE: Not for me they weren't because in fact I didn't have any calls from any of the institutional shareholders. I called a number of them and they were relaxed about the matter. I indicated to them, as I'd indicated to the market generally, that I was planning to retire in the not too distant future in any event, so certainly none of them asked me to retire, but there's been a range of journalists of course who have speculated that they might have done so, and perhaps they did speak to the journalists. But the real issue is that I think that A, we need refreshment in light of the policy changes, I think that's good for the company. And B, it's definitely time for me to have a change and I'm just not comfortable with the detailed intrusiveness of the regulatory environment that we now face.

PRESENTER: How... let's look at that because how could the board and senior management of Telecom not have seen regulation coming? After the speech from the throne which alluded to it, you must have been the only people in this town who weren't expecting comprehensive unbundling of the local loop to be enforced?

DEANE: Well Kathryn, I don't expect you to come to our analysts' briefings or to read our website but in March we set out very clearly for analysts and for the public and put it up on our website the likely impact on our operating earnings and on the company of a range of regulatory scenarios and the regulations that were introduced were... or are about to be introduced, were amongst that set of

alternatives, and we put them all out there for people to look at. So it's a myth that we were unprepared.

PRESENTER: They are regulations at the upper end and we have Theresa Gattung, the CEO, reportedly saying that the government was, quote, "too smart to do anything stupid vis-à-vis regulation". That could only be an interpretation she was not expecting comprehensive unbundling.

DEANE: Well, perhaps she expected less than one or two of the rest of us. I mean the great irony is that Paul Baines and I who have decided to retire, were warning for quite some time that we thought that the regulations would be at the tough end of the spectrum and of course that's one of the reasons why we went public with the range of alternatives which included declines in earnings ranging from five percent to 25 percent over the next several years. We were quite explicit about that which some people have now conveniently forgotten.

PRESENTER: You say that Telecom can't be held to blame, that the Government is doing the regulating, but has the company made strategic errors, yes, that brought down the Government hand so hard and I'm thinking specifically, as a parliamentary observer at the time, there was a shift in mood, a hardening of mood following the advice given to the Government by Telecom that regulation would wipe 20 percent off its share value etcetera, and particularly after that

letter there was publicity surrounding that letter earlier in this year, the attitude hardened markedly?

DEANE: Yes, it did harden and that was the reality of it. On the other hand, Tele... or another fact which is also now forgotten sadly, is that the Government had decreed a target for broadband rollout and we in fact exceeded that total target substantially.

PRESENTER: Well you exceeded...

DEANE: We didn't meet the target that they had arbitrarily set with respect to wholesale rollout, that is for the rollout with respect to our competitors, but the dilemma for us of course was that there was a reluctance by competitors to take up that opportunity because they thought they'd be better off under regulation. Regulation begets delay by competitors because they in fact are waiting for the regulation to give them a favour. I mean essentially they're looking for a cross-subsidy from our shareholders. It's our job in the board and management to protect the interests of our shareholders and this very intrusive regulation of course is very damaging to our shareholders. And I mean I would also argue that companies like Telstra which is six times our size, Vodafone many times our size, are actually quite capable of looking after themselves and don't need cross-subsidies from us.

PRESENTER: There was nothing you could have done on the wholesale rollout issue which seemed to be the big issue, because it would force competition, bring down prices, there was nothing you could have conceded that might have staved off that heavy regulation?

DEANE: Well, if one tracked back one might find some things that we could have done better. I mean that's the nature of life, but we did try hard to meet that target. We realised how important it was and we didn't get there and so, you know, we've suffered the consequences.

PRESENTER: Did you take your lobbying too far to the extent that the Government lost confidence in what you were telling them?

DEANE: Well, that's an interesting question, isn't it. We certainly lobbied extensively but so did our competitors. They were lobbying very actively for more regulation. I mean essentially they regard us as the big player and even the larger companies amongst them are looking for more from us for a lot less. They'd really like to have free access to our network. I mean it's a bit like you build a new kitchen on your house and your neighbours are allowed to come in and use it whenever they like. I mean that's the analogy. Don't be surprised that we were protecting our kitchen, that was our job.

PRESENTER: Not surprised by it, only interested in the strategy and I think you've answered that. Is structural separation of this company into a network and retail arm now inevitable?

DEANE: Well, as Wayne Boyd has been saying over recent days and as Theresa has said, we're looking at how we might go about really meeting the needs of our wholesale customers as vigorously as we can, as competitively as we can, doing a good job for them. I think everybody has been open and upfront about that. We know the writing is on the wall with respect to that issue and so it will be looked at intensively over the coming months.

PRESENTER: And voluntarily rather than having it enforced?

DEANE: Well, that's for the board to decide, Kathryn.

PRESENTER: Will Theresa Gattung, whom you appointed to the chief executive's role, still be chief executive in a year's time?

DEANE: That's for the board to decide.

PRESENTER: Would you like to see her stay on?

DEANE: I don't think it's appropriate for me to comment. I mean Wayne Boyd has said that he's been very... you know, he feels very supportive of a good-quality management team and that's as much as I can say.

PRESENTER: And what do you make of the rumours that Graeme Hart may be contemplating a takeover bid?

DEANE: [laughter] Well, that would be a very interesting possibility.

PRESENTER: Is it a possibility, is it credible?

DEANE: Oh well, Graeme is a very credible character and has been a wonderful entrepreneur and does of course sit on large resources so it is an interesting issue.

PRESENTER: And is it journalists interviewing their typewriters again or is there more substance to it?

DEANE: I have no idea.

PRESENTER: When you were chief executive the company was certainly reshaped. It was made more efficient, the share value went up, toll charges

certainly came down in those early years, but what do you make of its performance in more recent years?

DEANE: Well, the market has become much more competitive and of course the technology changes which have been hugely exciting, have allowed other players not only to get into the market but have also allowed other techniques to come to pass. And so it has meant that some of our old revenue streams are declining very rapidly and the key for us is can we grow the new ones, and the new ones are particularly of course broadband and data and mobile. And we have been growing those very rapidly and so we've just been maintaining pretty much flat revenues, in some quarters we've had growing revenues, and we've had slowly growing operating earnings and we've been investing big time, I mean seven to eight hundred million dollars a year, second-largest investor after the Government in infrastructure in New Zealand... in our networks, including our new internet protocol network to facilitate voice over the internet, and also in broadband networks of course, and in mobile networks.

PRESENTER: Well, the Australian venture of course has performed poorly and the share price has fallen not only in the recent blip but a decline over the tenure of Ms Gattung's stewardship. In fact I've seen some industry analysts talk about Telecom as effectively being the under-performer of the big companies in that respect. Do you accept that?

DEANE: Well, I think if you're talking about Australia, Australia has certainly been a tough market and certainly tougher than we had anticipated it would be when we bought in at that time. And of course after we had acquired AAPT we had the tech crash which affected all telecommunications companies in the year 2000 and all of the companies had major declines in their share prices. We restructured our balance sheet, we restructured the company. We then had several years with AAPT where they had... they had cashflow-positive earnings, where we had strong operating earnings, exceeded the capital expenditure that we were making, and so it was coming right. And then just recently of course, Telstra put up its interconnection charges, \$50million, which has knocked back the operating earnings, so that's been a tough environment.

PRESENTER: And the share price decline in recent years?

DEANE: Well, the share price did decline sharply in 2000 after the tech crash, or along with the tech crash at that time, and then it's gone up and down over that period according to analysts' estimation and shareholders' estimation of course of our prospects, and we haven't been growing the earnings as strongly as we would really like. But on the other hand, if you compare our share price performance with other telecommunications companies around the world, it's been relatively favourable, but that's not great consolation to shareholders who might have other opportunities.

PRESENTER: Well, the other issue of course is image and, given the goal that your predecessor, Peter Shirtcliffe, gave you when you were first appointed chief executive, to create for the public a love affair with the company, you must concede it has a major image problem right now?

DEANE: I do concede that we need to do a lot of work to rebuild the image. It's been tough times over the last couple of months, of that there is no question, and I'm sure that that will be one of the highest priorities of Wayne Boyd and his colleagues.

PRESENTER: Well, what is the risk of it? Is this an industry where people will vote with their feet, where there is some kind of an emotional connection to the provider that's not just about dollars and cents?

DEANE: Oh well, how people feel about their provider and the quality of service is hugely important. Of course custom, you know, we have a very large customer base. The survey work with respect to our customers is much more favourable than the media image but the media image is damaging.

PRESENTER: How would you describe relations with the Government right now?

DEANE: I think over the last month or two, relations have been strained with the government but you know, traditionally people like myself have had

comfortable relationships with a range of ministers including the Prime Minister, and in my role as chairman of Te Papa for example, I had excellent relationships with the Prime Minister, she was wonderfully supportive. I thought... I think their arts policy is great, and so in that role I saw her on a number of occasions, on business matters I talked with her on a number of occasions. But I mean things have been more difficult lately in terms of the... that's for everybody to see, and so there is a need to rebuild those relationships back to a more comfortable level.

PRESENTER: You or the CEO had any meetings with the Prime Minister or senior ministers since the broadband announcement?

DEANE: Ah, no. Oh, the CEO has had some meetings but I have not.

PRESENTER: One gets the impression you are no fan of the Clark Government, you personally?

DEANE: Well, I think the Government has done a great job with respect to the overall stance on monetary policy, the overall stance on fiscal policy. That's created an environment where business has more certainty and that was a continuation of course of previous governments. I think there's been a real dilemma however, with respect to the amount of the regulatory intervention, and I'm not sure that people in government fully appreciate just how onerous those compliance arrangements have become, whether it is with respect to 30 months

in negotiation over Kyoto protocols with Fletcher Building which of course I chair, or whether it's the new Reserve Bank regulations over the ANZ National Bank which are costing us \$50million a year to bring our domestic systems back to New Zealand, or whether it's you know, the regulatory environment for Telecom. And I could quote lots of those sorts of problems and in fact recently I visited a range of Ministers to chat with them about that and to say that I think it's becoming really onerous and it will lead to a slower rate of economic growth for New Zealand as the regulations become more and more pervasive, as it did in Muldoon's day.

PRESENTER: How... yes, the link with Muldoon is interesting because on the one hand it almost seems to be a deliberate slight if you like, given his reputation for regulation in the economic times, but on the other hand it's hardly surprising when what followed was a liberalising Labour government and then nine years of National government, so it's stating the obvious, isn't it?

DEANE: Well, of course the liberalisation that we went through took us from where we'd been under Muldoon which was a really extreme version of regulations, I mean really Eastern European style, back to much more middle of the road. The idea that it was just, you know, a complete swing to a right wing philosophy is a bit of a myth. I mean at the end of the day the government is still a large player in the New Zealand economy.

PRESENTER: And so is the reference to the Muldoon era deliberate? You've by your own admission there called him an extreme... or an extreme regulatory... is it a deliberate slur, Dr Deane?

DEANE: [laughter] No, no, it's not a... no, no, there's no slur intended. I mean it's more that we are getting back into an extensiveness of regulation akin to those days. I have not seen that for over 20 years and I think that's going to be very inhibiting on the adaptability of the corporate world, and it's only business people who can really make that judgement call. I mean not very many of our ministers or our government officials, if any, have really worked in the corporate world or in business or have been successful entrepreneurs.

PRESENTER: Can you answer the question of why \$70,000 donations to each of the Labour and National parties' election war chests were declared in Telecom's report but not by the parties in their returns to the Electoral Commission?

DEANE: Well, I don't know why they didn't declare them, but we thought it was appropriate that we should advise our shareholders of that position, and the reason that we put them through a solicitors' trust account... which is what we normally do and which is what the other companies do and which is what the political parties are familiar with... was because we didn't want there to be any interpretation that we were trying to utilise the donations to curry favour in any way. On the other hand we thought we are a very large company, we should

give some support to the democratic process, and we did that in what we felt was an even-handed way.

PRESENTER: Surely the priority would transparency. Surely by putting it through...

DEANE: Well, we were transparent.

PRESENTER: Well you were. Subsequently...

DEANE: We were totally transparent.

PRESENTER: But at the time, because it went through those lawyers' trusts, it was not apparent and not declared and not made obvious, the source of those funds in their declarations.

DEANE: Well, that's a problem for the politicians, that's not an issue for Telecom. We could not have been more straight-forward about it and whenever anybody has asked me that question I've always just given them an answer.

PRESENTER: And did you take advice on how to provide the funding, in what way?

DEANE: Well, it's been a long tradition amongst a range of companies to do it through trust accounts and the reason for it is that people don't want it to be seen as overtly seeking favours.

PRESENTER: And that very factor is what makes people suspicious when it comes out after the fact?

DEANE: Well, if you'd asked me at the time I would have happily told you, Kathryn.

PRESENTER: [laughter] I wish I'd known.

DEANE: Well, I mean we've got no problem... we've all... you know, we've got no problem about being straight-forward about it.

PRESENTER: Well, what will you do this time? You can't say what they will next time but do you think in hindsight it might have been better just to be upfront about it?

DEANE: Well, I think we were upfront. We disclosed it in our annual report and whenever anybody has asked us a question about it, we've told them the facts.

PRESENTER: I'm talking to Roderick Deane who is the retiring chairman of Telecom. It's 24 past ten on National Radio. Well, it was a pretty meteoric rise to senior positions for you. A short track from university to the International Monetary Fund in Washington, then to the Reserve Bank as chief economist. For a free market man you did spend a considerable period of time in the public sector and I'm wondering if you're a bit like Don Brash, was there a road to Damascus-style conversion to free market economics for you at some point?

DEANE: No, not really. I mean I started to realise the importance of markets when I was a youngster and then a young economist. And then when I started working in government I guess it was the people around me in the Reserve Bank who realised that it was very difficult for government officials to regulate markets and to really know what they're doing and to really know what the final effects of that would be. So I didn't come to any particular belief that markets are perfect or... it was really about the fact that imperfect markets are more likely to be better than third-party remote judgement calls by government officials or government ministers, particularly if those people don't have any commercial experience.

PRESENTER: Well, you must have been a fish out of water at the time then?

DEANE: [laughter] I was for a while but then I gradually accumulated a wide range of friends and colleagues who came to a similar view...

PRESENTER: In other words...

DEANE: Stimulated of course by the Muldoon years.

PRESENTER: In other words you were influential in the changes that followed.
How influential?

DEANE: Oh, who knows. I certainly played a role at that time but so did a whole range of other people.

PRESENTER: You were deputy governor of the Reserve Bank under Muldoon.
What kind of challenge was that?

DEANE: Well, he was a fascinating character because he was larger than life in so many respects and he was wonderfully efficient in an administrative sense, and a very able manager.

PRESENTER: He did it all [laughter].

DEANE: I know, and he wasn't able...

PRESENTER: You don't get much more efficient than doing it all.

DEANE: Well, but he could cope with so much, but he was a hopeless economist and he had a hopeless understanding of the economy and he had no strategy to speak of, and he really believed that he was God-like in that he could control everything and all would be well. And of course if he controlled prices and wages and so on as he did for many years, then he'd end up with an explosion, a balloon effect with respect to the balance of payments deficit and the government's own deficit, and he never saw the fact that they were all interrelated. So I mean I found him interesting to work with and, despite the fact that he was so reluctant for me to become a governor of the Reserve Bank, and he was quite explicit with me about that because I had... you know, he said you know why you're not going to become governor and I said yes, and he said why, and I said because I tell you the time of day and he said that's right. And then he went out and said in public, you know, that I was too young or too theoretical or whatever, and then when he asked me to be deputy governor of the bank, again I suspect with some reluctance, he said to me I need somebody to manage the bank. He said I know you'll do that.

PRESENTER: So actually privately what you're saying is you had quite a good relationship with him?

DEANE: I did and because the... when I was deputy governor, the governor of the bank had a great reluctance to travel with him so I used to travel a lot with Muldoon and I actually got along reasonably well with him. I mean we were

never friends or whatever but he.. and interestingly, although I saw him be rude to a range of people, he was never rude or discourteous to me.

PRESENTER: You were travelling because of the reluctance of the governor, was a dislike of Muldoon?

DEANE: True.

PRESENTER: What exactly happened during the devaluation crisis surrounding the 1984 election?

DEANE: Well, we effectively had a run on the dollar. I mean people knew that he was reluctant to devalue and so when the election was announced... I still remember the Thursday evening and I got up late, it was in the middle of the night in fact because my daughter was awake and I got up to sit with her, and I listened to the radio and I heard that we were going to have an election. And I mean I was horrified because I knew it was a month away and we had of course, not only told Muldoon many times but had written to him saying look, if there's an event, a major event comes up, there's likely to be a balance of payments crisis. So I went into the bank the next morning and of course the screens were all blank and you know, it was clear there was going to be dilemmas with respect to the New Zealand dollar. We opened the market very late in the morning and by lunchtime we'd sold more foreign exchange than we'd sold in the previous

month. And I rang him up and he was at a lunch at the Auckland Harbour Board, and said... he said what are we going to do and I said we have to devalue or you know, it's going to cost the taxpayer a huge amount, and he said don't mention the word again, you know that you're not supposed to talk about it. And he said, give me some papers and I'll have a look at them over the weekend. And that's what we did and of course we did recommend devaluation for which we got scant thanks from him.

PRESENTER: Did you have to stare him down?

DEANE: Well, I would have happily tried to do that but he wasn't a person who you could stare down. I mean he was the minister of finance, he was the prime minister and we did as he decided.

PRESENTER: You flew to Auckland I understand, to meet the brief... to brief the incoming prime minister Lange. How significant was that meeting?

DEANE: I did not fly there. Spencer Russell...

PRESENTER: I beg your pardon.

DEANE: ...and Bernie Galvin flew there, and while they were flying there, Geoffrey Palmer had Henry Lang with him, the former secretary of the Treasury,

across in the parliamentary offices, and they called me up and said could I go and brief them, and I said that's not appropriate because the governor, my boss, is flying to Auckland right now, and Palmer said it's an instruction. So I went across to brief them and I showed them the material that we had prepared, ready to indicate to them, and he actually had... I didn't realise but he had Lange on an open line to Auckland at that point so Lange knew.

PRESENTER: And at what point did things change? What made Muldoon relent?

DEANE: Well, he finally realised that he'd been voted out of office, didn't he.

PRESENTER: Can you interpret for us how this whole thing happened? Was it just his complete inability to concede what had happened?

DEANE: I think in the last three years he'd become desperate to retain political power and he'd become altogether over-enamoured with his own ability to manage the economy and the fact that nobody else knew anything about how to manage the economy. And so he did that by a whole raft of controls and regulations and so some things just got totally out of control, and he just lost the plot but didn't realise that he'd done so, so it really was a case of power corrupting.

PRESENTER: How much did you know about the incoming government's reform agenda?

DEANE: Minimal. I'd met with Roger Douglas on one occasion at the request of the opposition. I met with two other people in his apartment on the Terrace and we sat on apple boxes, and I did that after Bernie Galvin had cleared that away with Muldoon. And we sat and listened and I was astonished at what Roger Douglas said and it was clear they were going to address a range of these controls and he had that in mind as a possibility, but that was only a week or two before the election, and we in any event had been spending the previous few years... partly in order to ease the frustration of working with Muldoon, we had been preparing papers that would have facilitated a lot of what in fact happened.

PRESENTER: So you effectively drafted their programme for them?

DEANE: No, I think they... that it would be fair to say that Douglas had the programme pretty much in mind and when we met immediately after the election with Lange and Palmer and Prebble and Caygill and Douglas, Lange sketched the programme then left us to it. He was busy of course, it was only a day or two after the election. Said that Roger would outline the programme. Roger outlined the programme and I wrote it down on a page-and-a-half. I went back and dictated it and it was about a dozen points, and that's what we did over the next year. We were ready to go.

PRESENTER: Yes, and I'm wondering... we were talking earlier about the extent of your influence on what was happening here and I'm wondering about the link-up of that influence in your earlier period in the Reserve Bank and the action programme that then rolled out?

DEANE: Well, we had written a lot of stuff around this sort of... these sorts of economic policy matters of course. We had an extensive publication programme, extensive research programme. We'd been much more upfront than any other government agency in going public. I gave lots of speeches but so did other people within the bank. We did have more autonomy than regular government agencies. Muldoon did reprimand me on one or two occasions for speaking more freely than he wished. And indeed on a couple of occasions he wrote individually to all of the members of the board of the bank to tell them to ask the governors of the bank to pull their heads in.

PRESENTER: Well then, once this operation was under way, you... and it was an operation really wasn't it... you were chairman of the State Services Commission and during a time of absolutely massive restructuring of the public sector you've been quoted as saying that you get considerable satisfaction out of delivering on a major restructuring, and I'm just wondering, just baldly like that, it almost looks like a cold assessment of a period which still leaves a bitter taste in many people's mouths, a lot of people losing their jobs?

DEANE: Well of course, a lot of... the number of people who applied for redundancy at that time vastly exceeded the number who were actually made redundant and that was because of the generous redundancy payouts and because people saw it as an opportunity to pursue some alternative career.

PRESENTER: I think that's a rosy glow of the general memories of the era.

DEANE: Well okay... well, that's your view. Yes, I mean at the end of the day they were tough times for a lot of people and the issue was, were they policies and strategies that New Zealand needed to pursue. In the previous 40 years our average rate of economic growth had been about one percent and now, since those reforms in the mid '80s through the early '90s, our average rate of economic growth has been more like 3.5 percent, so we've ended up with much stronger economic growth.

PRESENTER: Were mistakes made?

DEANE: Mistakes are always made.

PRESENTER: Which mistakes stand out to you?

DEANE: Well, most people would say we went too quickly. I would say we probably didn't go fast enough. I think with... when you're making changes, it's better for people if those changes are made quickly and they know where they stand and they can adapt to the new environment. However for a... you know, a government, a politically elected government, they went at a remarkable speed. And bear in mind that despite the adverse media treatment of a lot of those reforms, in the 1987 election Labour got re-elected with an increased majority.

PRESENTER: You mentioned your daughter earlier and of course you've had also a long involvement with the IHC and I imagine the spark for that was her own illness.

DEANE: Well, it wasn't really because when we first went to the IHC with Kristin who had Rhett's Syndrome, which is a degenerative neurological disorder of a quite rare kind, the IHC wasn't able to help us. So then we went off overseas to seek help and then when I came back I was approached because the IHC was in financial strife and I was asked if I would give them a helping hand, so it wasn't just Kristin. But of course I've always had an empathy with intellectually handicapped people and that empathy was greatly, you know, strengthened I suppose, because of Kristin's situation and I've had an association with the IHC ever since, and I was vice president and president for many years and we went through several crises and happily today, as a result of some of the things we've been able to do over the years, we're in much sturdier financial shape.

PRESENTER: It was very intensive care that she needed for most of her life. She died around ten years ago now?

DEANE: Yes she did. Yes, she died when she was 26, yes, and she needed... I mean she needed help with respect to everything that she did, but she stayed at home for the whole time. We took her round the world several times, we had a lot of fun with her. She was a fantastic person, she was an attractive young woman and you know, we gave her a wonderful range of experiences and she taught us a lot about what matters in life. She needed... she was bedridden for the last dozen years of her life and she had a lot of caregivers to help her, and they were amazing. And my wife of course was just incredible with her.

PRESENTER: I was going to say, such pressures can put great stress on relationships but you always speak so incredibly positively about your marriage. You credit your wife with just about everything, including getting you some jobs through her hospitality?

DEANE: [laughter] Oh that's... yes, well she'd feel awkward about that and would reprimand me for saying something like that. I mean she is just the most amazing person. She is hugely intelligent and has a great sense of humour and has such a wide array of interests and you know, a great affection for lots of

people, and she's been able to help lots of people in life and so she's been a great joy for me.

PRESENTER: You share a great love of the arts and of course you were chairman of Te Papa. I'm just wondering what it is about you that might surprise people?

DEANE: Probably that I'm just an ordinary person like everybody else, and that I enjoy opera and music and sport and walking my dogs and swimming and meeting with friends and having dinner with friends which is one of my most favourite activities.

PRESENTER: And you're... I'm wondering what's next for Dr Deane?

REPORTER: Well, I'm chairman of Fletcher Building which is the second-largest company in New Zealand and the fastest growing, and I've had a wonderful association with a great team there, and I mean I think the team I'm leaving at Telecom is a fantastic team and I'm really sorry to be departing in that sense. Not sorry in the sense of the regulatory stuff. I'm on the board of Woolworths in Australia, I chair the New Zealand Seed Fund which is doing really exciting things, taking scientific stuff out of the universities at Otago and Auckland, but I'll also do lots more private activities in the arts and with respect to helping young people with music and science and so on.

PRESENTER: And the curtain therefore is certainly not down, but I'm just wondering, you're not going to follow a precedent and pop up as the next leader of the National Party?

DEANE: No way.

PRESENTER: No interest in politics?

DEANE: No interest whatsoever.

PRESENTER: Dr Roderick Deane, it's been a pleasure talking to you, thanks very much.

DEANE: Okay.

ENDS <34:00>