

The Right Man for the Job

A conversation with Geoff Dangerfield



Geoff Dangerfield

Geoff Dangerfield, the ex-boss of the New Zealand Transport Agency and a leader lauded for his achievements, talks with Public Sector's ROSE NORTHCOTT about public private partnerships, the importance of organisations having a compelling vision and the benefits of doing a job you enjoy.

You graduated from Canterbury University in the mid-70s with a Master of Science in Resource Management. How did your career progress following that?

I started at the Ministry of Works and Development and then took a couple of years off and back-packed my way round the world. After I returned I spent a bit more time at MWD, then at the beginning of 1985 I went to work at Treasury. I joined on a year's secondment and spent the next 15 to 16 years there.

How was it working at Treasury during those years of change?

It was a period of great reform and there was a whole lot of interesting economic work underway. Each and every role I had there was really interesting and the issues and people were fascinating.

I got involved in the establishment of State Owned Enterprises. It extended me into new areas and taught me a whole lot of new skills. I got more involved in the business commercial end of things, and my career progressed from there. In the early 90s I also spent two years in the Department of Prime Minister & Cabinet as an adviser on fiscal and economic policy to the Bolger government.

You were appointed Chief Executive of the Ministry of Economic Development in 2001 with responsibility for some 800 staff. Tell us about that role.

My work at Treasury set me up to take on the MED role. A forerunner to the Ministry of Business, Innovation & Employment, at that time it was the largest policy shop across government and very diverse: everything from commercial law and infrastructure settings through to tourism and consumer affairs. Plus, it had a large business delivery role, overseeing the companies' office and the intellectual property office. It was a nice mixture of policy and operational. I was in that role for seven years at a time where the government of the day was putting real emphasis on more active

economic development. There was no dull moment!

In 2008 you were appointed to head a new Crown Entity, the NZ Transport Agency. What attracted you to the job and how did you go about merging two organisations with very different cultures?

My job was to create something new. The Government of the day was looking for a much more integrated approach to transport planning, investment and delivery. The challenge was to create a truly integrated transport agency and use all the levers to get much better transport outcomes in a more timely fashion.

My approach was to keep the best of what was already there. I thought at the time it would take four to five years to create something new and leave some of the old elements behind, and that proved true. While it's for others to judge, I think it was pretty successful.

It coincided with a huge increase of focus on transport investment and transport infrastructure delivery – though there is much more to NZTA than just infrastructure. We were merging organisations, and the pressure was on to deliver at the same time. It would have been much more difficult to make a merger like that work if there wasn't a compelling focus on heading towards the future. The context of organisational change shapes success hugely.

What were some of the other highlights of your time at NZTA?

The NZTA challenge was how to optimise a big investment portfolio. We were working with long timeframes and large amounts of money. Every year we were investing \$3 to \$3.5 billion of the national land transport fund in projects and services that extended over many years. I loved that. It was fantastic to get your head around how to get the best returns to New Zealand.

NZTA moved me from a core government department into a Crown Entity, working with a really good board drawn from the private sector and local government. It was very enjoyable working with people who had a whole lot of expertise to help make judgements about the right sort of business models we should be implementing.

The other part was how to bring a customer-focused culture to delivering a whole lot of services around how New Zealanders access and use transport – from drivers' licences to registering

their car every year. Making that regulatory environment customer focused was a fantastic challenge.

One of the things I'm most proud of is the relationship we built with local government. It's a critical relationship. In any suburban street, half of the resources are from NZTA and half are from local government. We reviewed and reformed the whole local government-NZTA funding environment to make that more rational and finely tuned to the needs of each local authority.

Under your tenure, the Government approved Transmission Gully, the first public private partnership for a state highway project involving private sector finance as well as delivery. Was it difficult to get that across the line?

NZTA and its predecessors have always been a highly outsourced business. All the roading projects it undertakes are delivered by the private sector. NZTA never had its own workforce in that respect. So we have traditionally taken a sort of PPP approach in transport, with strong partnerships with the private sector – but without a private financial component. The new challenge is where you have private sector financing. But in some respects it wasn't that difficult getting the Transmission Gully PPP across the line because the Government wanted more innovative infrastructure delivery and with only a certain amount of funds to go around it was about leveraging private sector finance and innovation.

The conversation with the Government was to bring the private financing option into the procurement basket, and to show that the Transmission Gully business case stacked up. It did and away we went.

Transmission Gully has got private sector finance from New Zealand and overseas and a consortium of delivery agencies. NZTA ran a competitive procurement process where we had two consortiums bidding to bring the best deal to the table. It took six or more months to bring that all together. It's a complex project and a complex agreement.

What are the benefits of a PPP?

With a PPP you get the project delivered, but the most important thing is to get good value. To get the PPP over the line, it must be better than delivering the project in the conventional way and you've got to be able to demonstrate that to the NZTA Board, to Treasury and to the Government.

Instead of going out with a specific design outcome statement, that PPP involves a much more outcome-based approach - we wanted a highway starting at Porirua and ending at Paekakariki, and wanted this design speed and wanted an absolutely state-of-the-art safety regime. Bring your best proposals to the table!

These sorts of PPPs work because the private finance at risk drives stronger innovation. It's about smart delivery, and the upside of that is those innovations get used in other projects so you get a net gain across the whole system.

What are the risks of a PPP?

The risks are making sure you've got the right set of arrangements for the project and the context. We've seen PPPs in other countries not go well because people haven't grappled with how

the risks are allocated between the public and private sectors. Making sure you've got the right business model is critical. The challenge is that you are entering into a long-term relationship with a 25-year payment period. You have to build capability inside the organisation and a set of systems to be able to manage that relationship for the long run.

When you stepped down as CE in late 2015, your Board Chair said you had harnessed the passion and skills of your team to establish NZTA as a top-performing organisation with an enviable record of achievement. What, in your view, is the essence of a good public sector leader?

Leadership is about creating a clear vision of what you are trying to achieve as an organisation, and getting people to understand their unique part in delivering that; being able to connect with them individually about making sense of the whole picture. At NZTA I spent as much time as I could out and about talking with staff about what we were doing and why. We were ambitious, but as I mentioned earlier, if you've got something compelling going on it's much easier to make a case for staff to be excited about.

Why did you decide to resign?

I felt the time was right to leave in two senses - one was the organisation was in good shape and ready for leadership renewal, and secondly the time was right for me. I'd done 15 years as a CE and I wanted to be able to do some other things in my life. I wanted to change gear and work in a way that would give me the flexibility to choose the pace and involvement.

I've got a number of company directorships and am also the Executive Chair of the New Zealand Festival and on the Vulnerable Children's Board. I'm doing quite a few things for various government agencies and I've got time to get into our new house and garden. To be honest, it's taken a wee while to get my head around what the change really means, but I'm loving it.

When I look back on my working life I've done things that I've enjoyed. If you are doing work you enjoy, it doesn't seem like work.

