



IoD Webinar Reflection

A WATCHFUL EYE: JOHN RYAN ON CHALLENGES IN PUBLIC SECTOR GOVERNANCE

12:30 pm — 1:30 pm, 5 September 2025

Here are some of the key issues of public sector governance that John raised along with his suggestions for addressing these challenges plus some reflections for the boardroom following by some tailored discussion and reflection questions and a further reading list and resources.

Five contextual challenges

Scale and complexity of the public sector

The public sector is one-third of the economy; councils are often the largest organisations in their area; even “small” agencies can have a big footprint.

Strategic tension between commercial returns and public good outcomes

Conflicting goals of commercial return *and* public value/services; short-term imperatives (e.g., dividends) versus long-term stewardship and reinvestment; often a lack of clarity on what success looks like.

Political overlay

Changes of council, government or minister can shift emphasis and direction overnight; short political cycles; reputational challenge for directors when politics changes.

Public accountability

Subject to OIA and Ombudsman rulings; Auditor-General oversight; expectations about good process, prudence and appropriateness of spending; “no de minimis” with public money; complaints and public concerns must penetrate to the board.

Many stakeholders to service

Ministers, councils, local boards; monitoring agencies (Treasury, departments, council monitors); Treaty partners; public reporting/consultation; select committees; media. Complex, sometimes tense relationships that still need to be managed well.

Four strategies to address these challenges

Clarity on strategic direction

What are they (Council/Minister) trying to achieve? What would acceptable performance look like (ROI, dividend policy, outcomes)? Be clear on how you'll balance social/public value with commercial returns.

Be clear on accountability processes

Seek clarity on information flows; how often and why you meet with the Minister/Council; what happens when issues arise; how you'll work with the monitoring ministry/agency.

Understand your stakeholder map and expectations

Identify who your stakeholders are (e.g., community boards, Treaty partners) and put processes in place to manage and support those relationships.

Integrity management

Know your key integrity risks and govern them explicitly and systemically at board level. Trust is about honesty and integrity.

Three discussion questions for the board

1. How are we defining “acceptable performance” (returns, dividends, outcomes) and balancing commercial and public value in a way that will endure through political change?
2. Are our accountability processes (information flows, owner/monitor relationships, issue escalation) clear, agreed and working in practice – not just on paper?
3. Do our integrity systems and stakeholder relationships give the board confidence on prudence, transparency and trust (including complaints reaching the board)?

Two self-reflection questions

1. Am I prepared for the scale/complexity, political overlay, and public accountability that “suck time” and require a big commitment?
2. Do I bring (or help the board access) the capability to navigate the commercial vs public good tension—and the discipline to govern integrity systemically?

One mentoring conversation starter

“When political pressure, short-term dividend asks and long-term stewardship collide, how do you keep the board at the governance level – clear on direction, accountability, stakeholder expectations and integrity – while enabling management to act?”

Further reading

- **Agility, values and purpose drive good public sector governance** — iod.org.nz/news/articles/agility-values-and-purpose-drive-good-public-sector-governance.
- **Public sector governance: Balancing purpose and pressure** — iod.org.nz/news/articles/public-sector-governance-balancing-purpose-and-pressure.
- **What public sector boards can teach emerging directors** — iod.org.nz/news/articles/what-public-sector-boards-can-teach-emerging-directors.
- **A seat at the water table** — iod.org.nz/news/articles/a-seat-at-the-water-table.
- **How to swim: Governance lessons for new water boards** — iod.org.nz/news/articles/how-to-swim-governance-lessons-for-new-water-boards.

Resources

- **An integrity framework for the public sector** – oag.parliament.nz/2022/integrity-framework/framework.htm
- **Conflict of interests practice guide** - iod.org.nz/resources-and-insights/guides-and-resources/conflicts-of-interest-practice-guide