

DRAFT FOR CONSULTATION

Local Government (Management of Local Authorities) Amendment Bill

Member's Bill

Explanatory note

General policy statement

The purpose of this Bill is to provide the mayor and elected councillors with the mandate to more effectively govern and control the activities of their local authority. It amends the Local Government Act 2002 to make the roles and responsibilities of the mayor, councillors, and the chief executive of local authorities clearer, to minimise the increasing tensions between councillors and senior management of a number of local authorities. These amendments are intended to align the governance and management of local authorities with those of the corporate and not-for-profit sectors.

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause and provides for this Bill to come into force on the day after Royal assent.

Clause 3 provides that the Bill amends the Local Government Act 2002.

Clause 4 inserts *new section 41B* into the Act, which provides that the governing body of the local authority must direct or supervise the chief executive's management of the local authority's activities, and that the governing body has all the powers necessary to do so.

Clause 5 amends section 42 of the Act to insert *new subsections (3A) and (3B)*. *New subsection (3A)* provides that the chief executive is subject to the direction and supervision of the governing body of the local authority. *New subsection (3B)* clarifies that a member of a local authority is not prevented from obtaining advice from persons other than the chief executive.

Stuart Smith

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Local Government (Management of Local Authorities) Amendment Act **2024**.

2 Commencement

This Act comes into force on the day after Royal assent.

3 Principal Act

This Act amends the Local Government Act 2002.

4 New section 41B inserted (Role of mayor and other members in management of local authority)

After section 41A, insert:

41B Role of mayor and other members in management of local authority

- (1) The activities of the local authority must be managed by the chief executive subject to the direction or supervision of the governing body of the local authority.
- (2) Except to the extent that this Act provides otherwise, the governing body of the local authority has all the powers necessary for directing and supervising the management of the activities of the local authority.

5 Section 42 amended (Chief executive)

In section 42, after subsection (3), insert:

- (3A) The chief executive, in the performance of responsibilities and exercise of powers under this Act (other than responsibilities or powers that relate to the employment of staff), is subject to the direction and supervision of the governing body of the local authority.
- (3B) Subsection (2)(b) does not prevent a member of a local authority from obtaining advice from any other person.