

# Reserve Powers



# Reserve Powers

- Chapter 4, Part 6 sets out “reserve powers” of the Minister relating to water authorities
- Notice of a public sector policy that is to apply to the authority (if satisfied this is in the public interest) (s.675)
- Written direction to the authority (if satisfied this is necessary in the public interest because of exceptional circumstances) (s.676)

# Reserve Powers

- Before giving the notice or direction the Minister must
  - Consult with the water authority
  - Ask the authority to advise whether, in its opinion, complying with the policy or direction would not be in its financial interest
- If the notice or direction is given:
  - It must be gazetted within 15 business days
  - The water authority must comply with it

# Suspected Insolvency

- A water authority must immediately give notice to the Minister if (s.678)
  - A reserve power is exercised
  - The authority suspects it will or may become insolvent
  - The authority believes the cause or a substantial cause of the insolvency would be compliance with the Minister's notice or direction

# Suspected Insolvency

- The notice must
  - State it is given under s.678
  - Outline the reasons for the authority's suspicions
- The Minister's notice or direction is suspended until the Minister makes a further decision
  - Continue the Minister's notice or direction
  - Revoke the Minister's notice or direction
  - Other directions can be given if the Minister's notice or direction is revoked