

Attachment C

Summary of Morrison Low reports undertaken for Otago Southland

Regional situation analysis (February 2021)

There is a risk around deliverability of the increased infrastructure programmes. The Otago and Southland Councils, like most New Zealand councils, have generally struggled to deliver their capital programmes each year. Yet, the forecast investment required in three waters for the eight councils will more than double from \$101M in 2020 to an average of \$230M per annum each year over the next ten years. There is a real risk that this is not able to be achieved.

Cross regional current state (March 2021)

There is a risk that even with funding available, the capacity to deliver programmes with such large scope of work does not exist [in the two regions]. While correctly identifying the need to increase capital investment, up to more than double the 2019 programme levels, there is legitimate concern about the capacity of the councils to deliver increased capital investment programmes, with four of the eight councils delivering only half or less of their 2020 capital works programmes. Moreover, those that were able to deliver the full value of their capital works programmes will still be required to uplift their total amount of delivery further still to meet planned investment requirements.

Situation analysis Ngāi Tahu Takiwā (May 2021); and

The combined three waters capital investment across the Takiwā has grown by 70% since the 2018 LTPs – from \$3 to \$5.1 billion. This signifies the step change being driven by three waters reform.

The Morrison Low estimate indicates the scale of the investment may be greater than that and could be as high as \$8.5 billion.