

# NTS Finance – Summary FY24 – Phase 1 and Upcoming FY24 Activity

## Financial Result for NTS to 31 Oct 2023

### FY24 YTD Result (as at end Oct-23) and Total Program Spend To Date

- We are currently tracking to the programme forecast. Details:
- The total program spend is \$59.58m as at end Oct-23 . This includes FY23 and YTD FY24
  - Spend from Jul-23 to end Oct-23 totals \$17.57m
    - Quarter 1 (Jul-23 to End Sep-23) of \$12.60m
    - Oct-23 of \$4.97m
  - Total FY23 as at end Jun-23 of \$42.01m

### Oct-23 Activity Summary (Refer also next slide)

- October activity is on track. PTA costs for the month were section 9(2)(b)(ii) (vs budget of section 9(2)(b)(ii)) and core programme costs for October were section 9(2)(b)(ii) (vs budget section 9(2)(b)(ii))
- The core Programme spend (NLTF) includes programme resources, the Programme's portion of the PTA's Transition costs (NLTF – FAR Rate at 51%), and other operating costs (e.g., travel, rent and other utilities for the ITF, etc)

### Phase 1 (Jul-23 to End Oct-24) Forecast

- Phase 1 – shows revised forecast as at end Oct-23 of section 9(2)(b)(ii) against an agreed budget of section 9(2)(b)(ii) (refer end Jun-23 Board Report). The increase of section 9(2)(b)(ii) reflects underspends and overspends YTD, plus future month forecasts, which include CR costs and other resource fluctuations. See slide on Phase 1 forecast for details.
- The revised section 9(2)(b)(ii) for Phase 1 is made up as follows:
  - NLTF estimates of section 9(2)(b)(ii) (i.e., a combination of Cubic cost, the NTS Programme and the NLTF Portion of the PTA's Transition costs at 51% FAR)
  - PTA's Portion for Transition of section 9(2)(b)(ii) (calculated at 49% FAR)
- The forecast includes the Oct-23 underspend of section 9(2)(b)(ii) while also ensuring any Cubic expenses not incurred during Oct-23, are budgeted for in future periods of Phase 1 as well as any change requests

### Revised Program Baseline (Refer Appendix 1 for detail)

- A review of the baseline estimates in September, post Phase 1 (ECan), has resulted in a reduction of funding required for the Design and Build
- The approved change requests with reconfiguration of the programme structure and expenditure fluctuations (both increases and decreases), will influence the overall unallocated amount.
- The end Oct-23 report shows a decrease of the previously communicated unallocated amount (i.e., the section 9(2)(b)(ii), by section 9(2)(b)(ii) at end Oct-23, to section 9(2)(b)(ii)
- The section 9(2)(b)(ii) can be attributed to; (1) additional security resources, (2) additional programme support resources, (3) Community Service Card CR. (refer Appendix 1)
- The total unallocated amount is now section 9(2)(b)(ii), after adjusting for approved changes and programme underspend.
- The Board's Contingency remains at section 9(2)(b)(ii) in the meantime.

# NTS Finance – Oct-23 Spend

Total Design & Build Phase 1 - Year To Date & Programme To Date (\$m)								
Funding	Budget	FY23	Design & Build Budget					
			Jul-23 Actuals	Aug-23 Actuals	Sep-23 Actuals	Oct-23 Budget	Oct-23 Actuals	Oct-23 Variance
<b>Design and Build</b>		\$42.01	section 9(2)(b)(ii)					
National Land & Transport Fund (NLTF)		\$42.01						
PTA's Portion (FAR Rate @ 49%)		-						
Ecan		-						
Auckland Transport		-						
Greater Wellington		-						
Regional Consortium		-						
<b>Contingency</b>		-	section 9(2)(b)(ii)					
Managed by Board (NLTF Funding)		-						

## Oct-23 Underspend – Totalling section 9(2)(b)(ii)

### • Core Programme (NLTF) section 9(2)(b)(ii) (overspend)

- **Governance, Legal, Strategy & Policy (\$0.18m overspend)** – Oct-23 forecast was due to some costs being incorrectly recorded and will be corrected in future months.
- **Customer and Change (section 9(2)(b)(ii) overspend)** – Oct-23 forecast reflects additional work being brought forward. This work was done earlier than expected and will not reoccur in future months.
- **Solution Delivery section 9(2)(b)(ii) underspend)** – minor underspends across ECan section 9(2)(b)(ii), Waka Kotahi Implementation section 9(2)(b)(ii), Auckland Transport section 9(2)(b)(ii) and Regional Consortiums section 9(2)(b)(ii) are the drivers. These are staff related cost for recruitment that will not be incurred in future months.

### • PTA's Portion for Transition (based on FAR Rate @ 49%) – Totalling section 9(2)(b)(ii) (underspend)

- Oct-23 expenditure for Greater Wellington, Regional Consortiums and Auckland Transport (i.e., Greater Wellington - section 9(2)(b)(ii) Regional Consortiums section 9(2)(b)(ii) and Auckland Transport section 9(2)(b)(ii)) has resulted in an overspend for Oct-23 only.
- In particular Greater Wellington's Transition costs is estimated at section 9(2)(b)(ii) (the 100% of the PTA's Transition costs). This is split between financial years as; section 9(2)(b)(ii) This has been included in our current forecast and application has also been made through the NLTF for the PTA's portion (the 49% of the section 9(2)(b)(ii)) of the Transition costs. The funding request is currently undergoing the approval process by Waka Kotahi's Chief Finance Officer.

**Note** - Underspend in previous months have not impacted on delivery. The Oct-23 variance to budget is mostly the impact of delivery sequencing.

# NTS Finance – Phase 1 Forecast (Ecan Go-Live)

Period	Core Programme Costs (NLTF)			PTA Costs			Programme - Phase 1 Ecan (Initial Forecast)	Monthly Revised Forecast Phase 1 Ecan (End Oct-23)	Surplus or Deficit	Classification
	Forecast	Spend	Variance	Forecast	Spend	Variance				
Jul-23										Jul-23 Spend
Aug-23										Aug-23 Spend
Sep-23										Sep-23 Spend
Oct-23										Oct-23 Spend
Nov-23										Nov-23 Forecast
Dec-23										Dec-23 Forecast
Jan-24										Jan-24 Forecast
Feb-24										Feb-24 Forecast
Mar-24										Mar-24 Forecast
Apr-24										Apr-24 Forecast
May-24										May-24 Forecast
Jun-24										Jun-24 Forecast
Jul-24										Jul-24 Forecast
Aug-24										Aug-24 Forecast
Sep-24										Sep-24 Forecast
Oct-24										Oct-24 Forecast

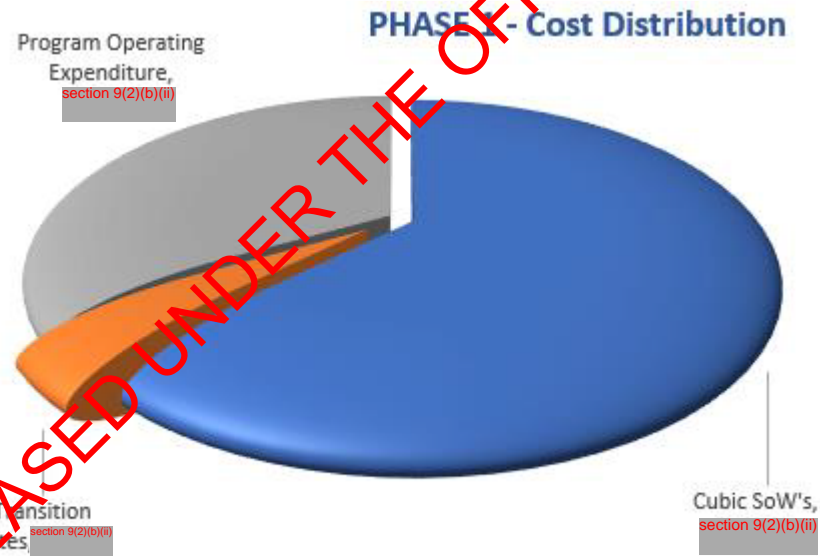
section 9(2)(b)(ii)

PHASE 1

## Explanation of Phase 1 - ECan

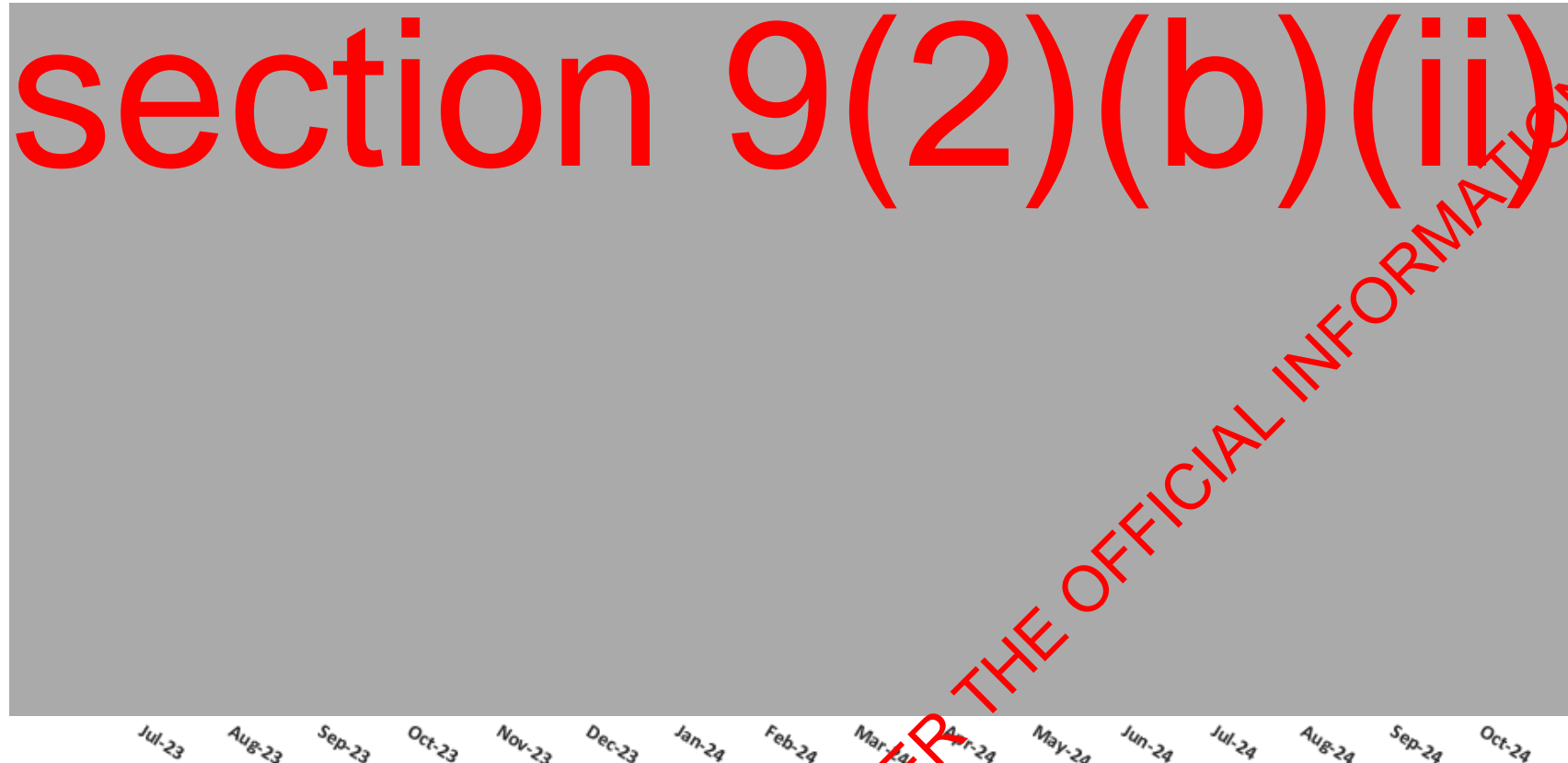
- Originally Phase 1 (that is centred on ECan Go-Live) was expected to end Aug-24. Although we are still in the process of confirming a revised delivery date for phase 1, we do not anticipate a substantially larger forecast than the current section 9(2)(b)(iii). Cubic payments are managed through a payment schedule, leaving only the programme monthly average spend of approximately section 9(2)(b) to consider.
- Appendix 3 provides a detailed reconciliation of how we are managing any cost pressures and/or previously unforeseen costs.
- The forecast (i.e., section 9(2)(b)(iii)) includes on-going work for Greater Wellington, Auckland and Regional Consortiums
- section 9(2)(b)(iii) of the section 9(2)(b)(ii) (or 63%) relates to Cubic contractual committed costs
- section 9(2)(b)(iii) of the section 9(2)(b)(ii) (or 4%) relates to PTA's Transition estimates
- section 9(2)(b)(iii) of the section 9(2)(b)(ii) (or 33%) relates to Programme Operating costs
- Noting that there will be overlap between Phase 1 and Phase 2 costs, as activities for other roll-outs will start in parallel to ECan delivery
- Although there have been an additional section 9(2)(b)(ii) in approved change requests, the forecast has not been impacted significantly because this is offset by previous month's underspends and the reconfiguration of workstreams and underlying projects (reported with end Sep-23 report). The underspends for previous months have been identified as:
  - Jul-23 - section 9(2)(b)(iii)
  - Aug-23 - section 9(2)(b)(iii)
  - Sep-23 - section 9(2)(b)(iii)

Expenditure	Forecast
Cubic SoW's	section 9(2)(b)(ii)
PTA's Transition Estimates	
Program Operating Expenditure	



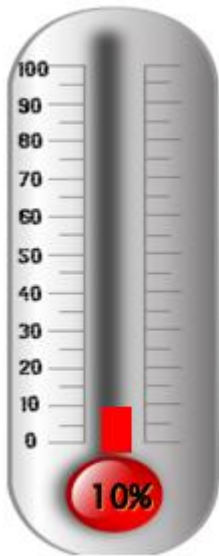
# NTS Finance – Phase 1: Forecast versus Actuals Design & Build

## PHASE 1 - Spend Comparison



### Management Approach

- The NTS team will monitor variations and continue to report on these at Governance Board. Fluctuations in the forecast are due to changes in resource onboarding, other operating expenditure timing and approved Change Requests.
- Variations (additional expenditure and/or surpluses due to underspends), will be added or subtracted to the unallocated amount e.g., this month the overspend of section 9(2)(b)(ii) (NLTF ONLY) was added to the forecast.
- Board Contingency (section 9(2)(b)(ii)) will only be used when the unallocated amount has been spent.



# Appendix 1: NTS Finance – Design, Build & On-Going Operating

Total Design & Build and On-Going Operating Funding Budget & Forecast (\$m)																
Funding	Budget	FY23	Design & Build Budget											Design & Build Forecast	Unallocated	
			Jul-23 Actuals	Aug-23 Actuals	Sep-23 Actuals	Oct-23 Budget	Oct-23 Actuals	Oct-23 Variance	Approved Phase1 Budget	Phase 1 Total Spend to Oct-23	Phase 1 Forecast (Nov-23 to Oct-24)	Phase 1 Variance Against Approved Budget	FY25 Forecast Nov-24 to Jun-25			FY26 Forecast
Design and Build			section 9(2)(b)(ii)													
National Land & Transport Fund (NLTF)		\$42.01														
PTA's Portion (FAR Rate @ 49%)		-														
Ecan		-														
Auckland Transport		-														
Greater Wellington		-														
Regional Consortium		-														
Contingency		-														
Managed by Board (NLTF Funding)		-														
On-Going Operating		-														
- PTA On-Going & SSO		-														
Total		\$1,338.10														
		\$42.01														

**Note:** PTA costs are presented at the 49% FAR rate. The balance of 51% is included in the NLTF funding line

### Design and Build Phase (FY23 to FY26)

- Current forecast has increased from section 9(2)(b)(ii) (reported at the end of Sep-23), to section 9(2)(b)(ii) at the end of Oct-23. The section 9(2)(b)(ii) increase is a result of additional resources and a small CR. Details:
  - Security – additional cost of section 9(2)(b)(ii) has been included. This work has now been separated from Waka Kotahi Implementation as a standalone ending in Dec-24
  - Programme Support – additional resource cost of section 9(2)(b)(ii) to manage and support the programme restructure and embed some fundamental assurance functions
  - Customer and Change – additional resource cost and consultancy fees to support the Waka Kotahi and PTA's marketing strategy of section 9(2)(b)(ii)
  - Community Service Card CR – additional section 9(2)(b)(ii) has been approved and now included
- Forecast PTA spend of section 9(2)(b)(ii) against budget of section 9(2)(b)(ii) – is more-or-less within prescribed budget, although increased by section 9(2)(b)(ii) Greater Wellington (although showing a minor overspend), is still firming up their transition costs. This will be a focus before embarking on Phase 2.
- The section 9(2)(b)(ii) contingency remains unallocated and managed by the Board.

The revised forecasted section 9(2)(b)(ii) NLTF Only, earmarked as unallocated will be used to manage any further unplanned activities or expenditures in the first instance, before drawing on Board Contingency. Changes within TTP, Security and Network will be managed from the unallocated amount

# Appendix 2: NTS Finance – FY24 Year-to-Date Run Rate & Average Spend

Monthly Spend vs Average vs Run Rate  
(Incl. Cubic Costs) (in \$m) - NLTF ONLY



**Programme Year-to-Date Spend (Including Cubic) (NLTF Only)**

- This shows the cumulative program costs (including Cubic) as a comparison against the previous financial year (i.e., FY23)
- The total spend including Cubic spend is section 9(2)(b)(ii)
- The section 9(2)(b)(ii) excludes PTA Transition costs of section 9(2)(b)(ii)

Monthly Spend vs Average vs Run Rate  
(Excl. Cubic Costs) (in \$m)- NLTF ONLY



**Programme Year-to-Date Spend (Excluding Cubic) (NLTF Only)**

- This shows the program costs (excluding Cubic) as a comparison against the previous financial year (i.e., FY23)
- The total spend excluding Cubic spend is section 9(2)(b)(ii)
- The section 9(2)(b)(ii) excludes PTA Transition costs of section 9(2)(b)(ii)



# Appendix 3: Design & Build Programme Unallocated Reconciliation

Total Design & Build - Unallocated Amount Movement (\$m)				
Funding	Unallocated as at Sep-23	Oct-23 Variance	Movement	
			Additional Spend	Spend Decreases
Total Design and Build Unallocated amount + Board Contingency				
Design and Build				
National Land & Transport Fund (NLTF)				
Surplus on revised Delivery Timelines (Refer slide 5 for detail)				
PTA's Portion (FAR Rate @ 49%)				
Ecan				
Auckland Transport				
Greater Wellington				
Regional Consortium				
Contingency				
Managed by Board (NLTF Funding)				

section 9(2)(b)(ii)

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Total Design & Build - Change Requests (\$m)			
Funding	Total Approved	Payments	Balance Outstanding
<b>Design and Build</b>			
section 9(2)(b)(ii)			
Payments - Sep-23			
Payments - Oct-23			
<b>Ecan Funding Gap</b>			
Payments - Sep-23			
Payments - Oct-23			
section 9(2)(b)(ii)			
Payments - Sep-23			
Payments - Oct-23			
section 9(2)(b)(ii)			
Payments - Sep-23			
Payments - Oct-23			
<b>Contingency</b>			
Managed by Board (NLTF Funding)			

## Unallocated Amount Movement – Phase 1 Build and Design

- National Land & Transport Fund (NLTF) section 9(2)(b)(ii) Oct-23 Movement
  - Additions
    - The inclusion of Community Service Card of section 9(2)(b)(ii)
    - Additional estimates for Security of section 9(2)(b)(ii)
    - Additional Programme costs (NLTF) for additional resources and consultants' fees section 9(2)(b)(ii)
  - Decreases
    - None
- PTA's Portion for Transition (based on FAR Rate @ 49%) section 9(2)(b)(ii) Movement
  - section 9(2)(b)(ii) additional Transition costs for Regional Consortiums, section 9(2)(b)(ii) additional Transition costs for Auckland, section 9(2)(b)(ii) for Ecan and section 9(2)(b)(ii) for Greater Wellington
- Board Contingency
  - Remains untouched
- Change Requests
  - A small payment of section 9(2)(b)(ii) was remitted for section 9(2)(b)(ii)

**Note** - the movement in the unallocated amount will be shown monthly to provide assurance that we are able to reconcile back to the initial amount provided at FY23 Year End and to show how we are managing rising cost pressures within the programme in the first instance, before drawing on Board Contingency