

NTS Programme Governance Board

27th October 2023

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13c. NTS Finance – Summary FY24 – Phase 1 and Upcoming FY24 Activity

Financial Result for NTS to 30 Sep 2023

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

- The total program spend is \$54.11m as at end Sep-23. This includes FY23 and YTD FY24
 - Total FY23 as at end Jun-23 of \$42.01m
 - Spend from Jul-23 to end Sep-23 totals \$12.10m
 - Jul-23 of \$2.73
 - Aug-23 of \$3.18
 - Sep-23 of \$6.19
- The Sep-23 increase in expenditure, forecasted in previous months, can be largely attributed to section 9(2)(b)(ii) and PTA section 9(2)(b)(ii) expenditure forecasted in previous periods.

Sep-23 Activity Summary (refer to next slide)

- Sep-23 forecasted at section 9(2)(b)(ii) – NLTF section 9(2)(b)(ii) PTA's Portion of Transition), shows actual financial activity of section 9(2)(b)(ii) (for Sep-23), resulting in an underspend of section 9(2)(b)(ii) (See explanation next slide.) The underspend is broken down as follows:
 - Core Programme (NLTF) section 9(2)(b)(ii) (underspend)
 - PTA's Portion for Transition (based on FAR Rate @ 49%) section 9(2)(b)(ii) (overspend). The overspend is partly due to late submissions of Greater Wellington Transition costs that amount to section 9(2)(b)(ii). Although shown as an overspend this has merely offset underspends for Jul-23 and Aug-23 and has now caught up.

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

- Phase 1 – shows revised forecast as at end Sep-23 of section 9(2)(b)(ii) against an agreed budget of section 9(2)(b)(ii) (refer end Jun-23 Board Report). The revised section 9(2)(b)(ii) for Phase 1 is made up as:
 - NLTF estimates of section 9(2)(b)(ii) (i.e., a combination of Cubic cost and the NTS Program)
 - PTA's Portion for Transition of section 9(2)(b)(ii)
- The forecast includes the Sep-23 underspend of section 9(2)(b)(ii) (NLTF only) while also ensuring any Cubic expenses not incurred during Sep-23, are budgeted for in future periods of Phase 1 as well as any change requests

Revised Program Baseline (Refer to design build and ongoing operating slide)

- A review of the baseline estimates, post Phase 1 (ECan), has resulted in an additional section 9(2)(b)(ii) to the unallocated funds being managed by the Program.
- This surplus will be included in the current unallocated amount, managed by the Program. As previously indicated to the Board, this will be used to absorb Approved Change Requests (before utilising Board level contingency) and unforeseen cost pressures as they arise.
- 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.
- Another baseline review will be carried out once the integrated plan has been finalised.

13c. NTS Finance – Sep-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 Budget	Sep-23 Actuals
Design and Build		\$42.01				
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)		-				

Sep-23 Underspend – Totalling

- Core Programme (NLTF) - \$
 - Transport Ticketing Payments (underspend) – due to several vacancies not filled, legal expenses budgeted for but not incurred yet, workshops and travel budget for but not incurred yet. Most of the underspend (e.g., Legal expenses, travel and workshops) will not be carried over into future months as the expense is not going to be incurred.
 - Solution Delivery (underspend) - Cubic invoices for , and a further of Cubic cost (ECan) is now expected in Oct-23 or Nov-23.
- PTA's Portion for Transition (based on FAR Rate @ 49%) – Totalling Overspend
 - Late submission of FY24 (i.e., Jul-24 and Aug-24) expenditure for Greater Wellington and Auckland Transport (i.e., Greater Wellington - and Auckland Transport -) has resulted in an overspend for Sep-23 only. This should even out over the coming months.

Note - Underspend during September has not impacted on delivery. The Sep-23 variance to budget is mostly the impact of delivery sequencing. The Cubic Sep-23 underspend will be incurred at a later stage and has been budgeted for accordingly.

13c. 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 Sep-23)	Surplus or Deficit	Classification
	Forecast	Spend	Variance	Forecast	Spend	Variance				
Jul-23	section 9(2)(b)(ii)						Jul-23	Spend		Jul-23 Spend
Aug-23							Aug-23	Spend		Aug-23 Spend
Sep-23							Sep-23	Spend		Sep-23 Spend
Oct-23							Oct-23	Forecast		Oct-23 Forecast
Nov-23							Nov-23	Forecast		Nov-23 Forecast
Dec-23							Dec-23	Forecast		Dec-23 Forecast
Jan-24							Jan-24	Forecast		Jan-24 Forecast
Feb-24							Feb-24	Forecast		Feb-24 Forecast
Mar-24							Mar-24	Forecast		Mar-24 Forecast
Apr-24							Apr-24	Forecast		Apr-24 Forecast
May-24							May-24	Forecast		May-24 Forecast
Jun-24							Jun-24	Forecast		Jun-24 Forecast
Jul-24							Jul-24	Forecast		Jul-24 Forecast
Aug-24							Aug-24	Forecast		Aug-24 Forecast
Sep-24							Sep-24	Forecast		Sep-24 Forecast
Oct-24							Oct-24	Forecast		Oct-24 Forecast

Explanation of Phase 1 - ECan

- Originally Phase 1 (that is centred on ECan Go-Live) was expected to end Aug-24. An additional 2 months were included in the forecast as a close out phase. This resulted in a forecast for phase 1 at section 9(2)(b)(ii). However, given the date changes advised by Cubic, we will undertake another forecast, once the plan is confirmed.
- 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)(ii)) includes on-going work for Greater Wellington, Auckland and Regional Consortiums
- section 9(2)(b)(ii) of the section 9(2)(b)(ii) (or 63%) relates to Cubic contractual committed costs
- section 9(2)(b)(ii) of the section 9(2)(b)(ii) (or 5%) relates to PTA's Transition estimates
- section 9(2)(b)(ii) 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

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

PHASE 1 - Cost Distribution



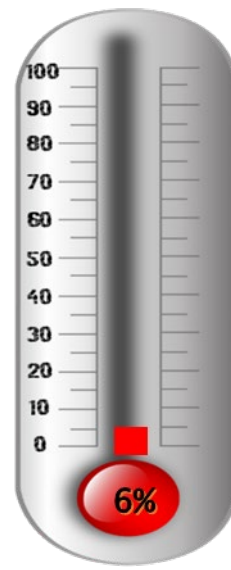
13c. NTS Finance – Phase 1: Forecast versus Actuals Design & Build

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 we added the underspend (NLTF Only).
- Board Contingency () will only be used when the unallocated amount has been spent.



13c. Appendix 1: NTS Finance – Design, Build & On-Going Operating

Total Design & Build and On-Going Operating Funding Budget & Forecast (\$m)

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 Budget	Sep-23 Actuals	Sep-23 Variance	Approved Phase1 Budget	Phase 1 Total Spend to Sep-23	Phase 1 Forecast (Oct-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)	\$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		-														
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

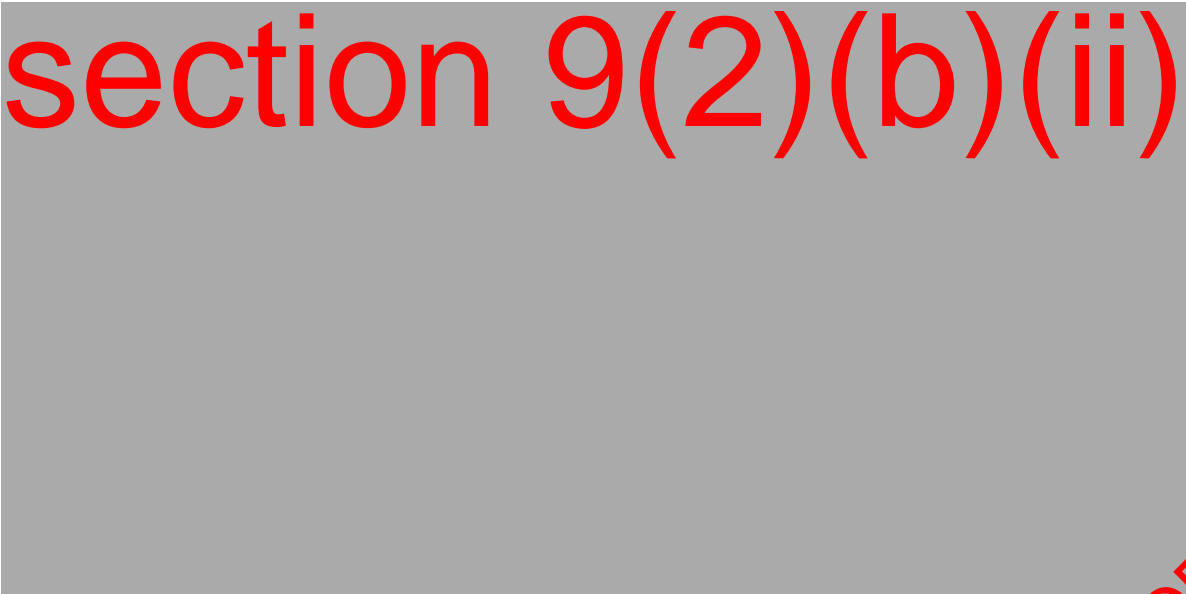
Design and Build Phase (FY23 to FY26)

- Current forecast has dropped considerably from the previous section 9(2)(b)(ii) reported at the end of Aug-23 to section 9(2)(b)(ii) at the end of Sep-23. This reduction of approximately section 9(2)(b)(ii) (apart from the Sep-23 underspend of section 9(2)(b)(ii) is a result of workstream lead's review of high-level timeframes and PMP's. This has led to more realistic end dates and forecasts for each project as detailed below:
 - Concessions ending in Dec-24 – resulting in section 9(2)(b)(ii) saving
 - Core Delivery ending in Apr-25 – resulting in section 9(2)(b)(ii) saving. The Elaboration & Design and Build and Implementation of the Waka Kotahi Back Office System Function should be completed with majority of the work ready for ECan “Go Live”. The additional 8 months is to ensure any additional requirements during Greater Wellington's Transition is catered for and embedded
 - Network ending in Dec-24 – resulting in section 9(2)(b)(ii) savings. There are still unknown factors as Network has been split, removing Security and making it a distinct work item which must still be costed appropriately. When confirmed, this will affect the unallocated amount.
 - Financial Services ending in Dec-24 – resulting in section 9(2)(b)(ii) savings. All financial processes including reports should be completed with ECan “Go Live”. The additional 4 months is to cater for any Change Requests that may surface
 - section 9(2)(b)(ii) ending in Aug-25 – resulting in section 9(2)(b)(ii) saving
 - Greater Wellington's revised ending in Nov-25 – resulting in section 9(2)(b)(ii) saving
 - Waka Kotahi Implementation has been rescope and the ending date has also been revised – resulting in section 9(2)(b)(ii) saving
 - Transport Ticketing Payments transition date has been aligned with the indicative PTA Go Live dates – resulting in section 9(2)(b)(ii) saving
 - PMO has revised its position to ensure transition into BAU occurs succinctly with TTP – resulting in section 9(2)(b)(ii) saving
 - Governance, Legal, Strategy & Policy has amended the estimated forecast for contingent workforce – resulting in section 9(2)(b)(ii) saving till end FY26
- Forecast PTA spend of section 9(2)(b)(ii) against budget of section 9(2)(b)(ii) – is within prescribed budget. 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

13c. 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



July August September October November December January February March April May June

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



July August September October November December January February March April May June

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)

13c. Appendix 3: Design & Build Programme Unallocated Reconciliation

Total Design & Build Phase 1 - Unallocated Amount Movement (\$m)					
Funding	Unallocated as at Aug-23	Sep-23 Variance	Movement		
			Additional Spend	Spend Decreases	Revised Unallocated
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 Phase 1 - Change Requests (\$m)			
Funding	Total Approved	Payments	Balance Outstanding
Contingency			
Managed by Board (NLTF Funding)			

Note: These are changes approved by Governance Board and have been included in the forecast.

Unallocated Amount Movement – Phase 1 Build and Design

- National Land & Transport Fund (NLTF) - Movement
 - Additions
 - Minor movement in staffing of
 - Decreases
 - of additional unallocated funding due to revised baseline of workstreams
- PTA's Portion for Transition (based on FAR Rate @ 49%) Movement
 - Minor movement caused by Jul-23 and Aug-23 expenditure submitted during Sep-23
- Board Contingency
 - Remains untouched
- Change Requests
 - There have been no invoices received against the approved Change Requests

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

