NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

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PROSPEROUS NAPIER COMMITTEE

Open Agenda

Meeting Date:	Thursday 6 June 2024
Time:	Following Napier People and Places Committee
Venue:	Large Exhibition Hall War Memorial Centre Marine Parade Napier
	Livestreamed via Council's Facebook page

Committee Members	**Chair:** Councillor Crown **Members:** Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Greig, Mawson, McGrath, Price, Simpson, Tareha and Taylor (Deputy Chair) Ngā Mānukanuka o te Iwi representatives – Evelyn Ratima
Officer Responsible	Deputy Chief Executive / Executive Director Corporate Services
Administration	Governance Team
	Next Prosperous Napier Committee Meeting **Thursday 18 July 2024**

2022-2025 - TERMS OF REFERENCE - PROSPEROUS NAPIER COMMITTEE

Chairperson	*Councillor Crown*
Deputy Chairperson	*Councillor Tayor*
Membership	*Mayor and Councillors (13)*
	Ngā Mānukanuka o te Iwi representatives (2)
Quorum	*8*
Meeting frequency	*At least 6 weekly (or as required)*
Officer Responsible	*Deputy Chief Executive / Executive Director Corporate Services*

Purpose

To provide governance oversight to the corporate business of the Council, monitor the Council's financial position and financial performance against the Long Term Plan and Annual Plan, and to guide and monitor Council's interests in any Council Controlled Organisations (CCOs), Council Organisations (COs) and subsidiaries.

Delegated Powers to Act

To exercise and perform Council's functions, powers and duties within its area of responsibility, excluding those matters reserved to Council by law or by resolution of Council, specifically including the following:

1. To monitor the overall financial position of Council and its monthly performance against the Annual Plan and Long Term Plan.
2. To adopt or amend policies or strategies related to the Committee's area of responsibility, provided the new or amended policy does not conflict with an existing policy or strategy.
3. To consider all matters relating to CCOs and COs, not reserved to Council, including to monitoring the overall performance of CCO's.
4. Provide governance to Council's property operations and consider related policy.
5. Consider applications for the sale of properties within the Leasehold Land Portfolio.
6. To resolve any other matters which fall outside the area of responsibility of all Standing Committees, but where the Mayor in consultation with the Chief Executive considers it desirable that the matter is considered by a Standing Committee in the first instance.

Power to Recommend

The Committee may recommend to Council and/or any standing committee as it deems appropriate.

The Committee may recommend to Council and/or the Chief Executive any changes to the funding or rating system for the City, any variation to budgets that are outside the delegated powers of officers and the approval of Statements of Intent for CCOs and COs each year.

To bring to the attention of Council and/or the Chief Executive any matters that the Committee believes are of relevance to the consideration of the financial performance or the delivery of strategic outcomes of Council.

The Committee must make a recommendation to Council or the Chief Executive if the decision considered appropriate is not consistent with, or is contrary to any policy (including the Annual Plan or Long Term Plan) established by the Council.

ORDER OF BUSINESS

Karakia

Apologies

Deputy Mayor Brosnan

Conflicts of interest

Public forum

Nil

Announcements by the Mayor

Announcements by the Chairperson including notification of minor matters not on the agenda

Note: re minor matters only - refer LGOIMA s46A(7A) and Standing Orders s9.13

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

Announcements by the management

Confirmation of minutes

That the Minutes of the Prosperous Napier Committee meeting held on Thursday, 2 May 2024 be taken as a true and accurate record of the meeting. 68

Agenda items

Minor matters not on the agenda – discussion (if any)

Recommendation to Exclude the Public

Nil

AGENDA ITEMS

1. TREASURY ACTIVITY AND FUNDING UPDATE

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1743050
Reporting Officer/s & Unit:	Garry Hrustinsky, Corporate Finance Manager

1.1 Purpose of Report

The purpose of this report is to update the Prosperous Napier Committee on Council's treasury activity.

Officer's Recommendation

The Prosperous Napier Committee:

a. **Receive** the report titled Treasury Activity and Funding Update dated 6 June 2024.

1.2 Background Summary

Investments

As at 20 May Council held $18m on term deposit at an average interest rate of 5.66%.

The following table reports the cash and cash equivalents on 20 May 2024:

20 May 2024	**$000**
Cash on call*	$9,389
Short term bank deposits	$18,000
Total cash and deposits	**$9,428**

**Includes $1.4m of retained funds.*

Debt

Council's current total external debt position as at 20 May is $20m. During April 2024 $10m was borrowed from the Local Government Funding Agency (LGFA) in two tranches at fixed interest rates. The details of Council's external debt are as follows:

Draw date	Amount	Interest rate	Maturity date
21/06/2023	$5m	5.61%	15/04/2026
21/06/2023	$5m	5.46%	15/05/2028
30/04/2024	$5m	5.73%	20/04/2029
30/04/2024	$5m	5.79%	15/05/2030

Council's debt portfolio is managed within macro limits set out in the Treasury Policy. It is recognised that from time to time Council may fall out of policy due to timing issues. The Treasury Policy allows for officers to take the necessary steps to move Council's funding profile back within policy in the event that a timing issue causes a breach in policy.

Year end external debt is forecast to be $67m (2023/24 projections)

Council's internal debt balance is $98.2m

Council is currently compliant with its Treasury Management Policy?

Council's current Long Term Plan (LTP) forecasts a closing debt position of $312m at the end of 2026/27. This calculation is based on the assumption that capital projects budgets will be completed.

The Reserve Bank of New Zealand's (RBNZ) Official Cash Rate (OCR) is at 5.5% at its last review on the 10th April 2024. Its next review is in the 22nd of May 2024.

In making its decision the RBNZ noted "*The New Zealand economy continues to evolve as anticipated by the Monetary Policy Committee. Current consumer price inflation remains above the Committee's 1 to 3 percent target range. A restrictive monetary policy stance remains necessary to further reduce capacity pressures and inflation.*

Globally, while there are differences across regions, economic growth remains below trend and is expected to remain subdued. However, most major central banks are cautious about easing monetary policy given the ongoing risk of persistent inflation."

No further rates rises are expected this financial year.

Debt to revenue ratio headroom

This is the key measure for Councils debt profile as it is the measure used by Council's major funders.

The closer Council gets to its limits the more likely it is that it will experience problems raising new debt. A Council with a credit rating would experience a decrease in cost of funds (lower credit rating and higher borrowing margins).

Council's Treasury Policy for net external debt as a percentage of income is set at 175%. As at 20 May Council's debt to income ratio was 14.4% (estimate). Council has substantial debt headroom (extra capacity to borrow) to respond to any future event.

Council is compliant with its debt to income ratio for the LTP. Officers are exploring the option around taking on a credit rating. This would unlock more competitive borrowing rates through the LGFA and could increase Council's debt limit to 280% of its revenue (providing more headroom to borrow). There is a cost to maintain a credit rating and requires council's financials to be externally audited each year. Once Council reaches approximately $100m of external borrowings the interest savings achieved from having a credit rating start to outweigh the audit cost.

1.3 Issues

Additional lending in the coming year is projected within the draft Three Year Plan.

1.4 Significance and Engagement

N/A

1.5 Implications

Financial

N/A

Social & Policy

N/A

Risk

N/A

1.6 Options

The options available to Council are as follows:

a. Receive the report titled Treasury Activity and Funding Update dated 06 June 2024
b. Amend the report titled Treasury Activity and Funding Update dated 06 June 2024.
c. Reject the report titled Treasury Activity and Funding Update dated 06 June 2024.

1.7 Development of Preferred Option

N/A

1.8 Attachments

Nil

2. NAPIER CITY COUNCIL GREENHOUSE GAS EMISSIONS - CLIMATE MITIGATION PLAN

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1763247
Reporting Officer/s & Unit:	Michelle Duncan, Carbon Emmisions Advisor

2.1 Purpose of Report

The purpose of this report is to provide information on Napier City Council's (NCC) verified greenhouse gas emissions inventory, and the next steps to develop emission reduction targets and plans to achieve these as part of NCC's wider climate change strategy.

Officer's Recommendation

The Prosperous Napier Committee:

a. **Receive** the report titled "Napier City Council Greenhouse Gas Emissions – Climate Mitigation Plan.

2.2 Background Summary

In 2016 Aotearoa New Zealand ratified the Paris Climate Accord along with 189 other countries committing to keep global temperatures to 1.5 degrees of warming above pre-industrial levels. In 2020 the Climate Change Response Act (2002) was updated to commit in legislation national emission reduction targets of:

- net zero greenhouse gas emissions by 2050
- 24-47% reduction in biogenic methane by 2050

Net zero means that greenhouse gases emitted to the atmosphere are in balance with amount of carbon absorbed out of the atmosphere by sequestration by trees.

In 2017 Napier City Council signed the Local Government Leaders Climate Change Declaration declaring an urgent need for responsive leadership and a holistic response to climate change.

In 2021, Napier City Council adopted a Climate Position Statement with one of the objectives to commit to an emissions reduction target in its next Long-Term Plan. The Statement also committed Napier City Council to:

- Lead urgent action to address local climate change risk
- Ensure climate solutions are equitable
- Support an evidential science-based approach
- Value mātauranga and te ao Māori in our approach
- Align with national direction and commitments
- Factor carbon footprints into its decision making

In 2023, Napier City Council adopted five strategic priorities to guide its decision making over the coming years. To operate as a financially sustainable council is a key underpinning of the Three-year plan (2024-27).

Under this strategic priority a comprehensive organisational greenhouse gas inventory was prepared based on 2023 data and in alignment with the ISO14064 standard. This has been independently verified by Opportune Ltd and forms Napier City Council's baseline for reporting purposes. This ensures Napier City Council understands the impact from council's own operations and the services it provides to the community.

Committing to measure its organisational greenhouse gas emissions is an important step to understand Council's impact; what gets measured gets managed. This starts with an acknowledgement that Napier City Council's organisation is built on activities that generate greenhouse gas emissions. Now that Napier City Council understands its impact, it can take responsibility to reduce those emissions over time, while balancing cost and the ability to deliver the quality services and projects that it's staff, elected members, community, and ratepayers expect.

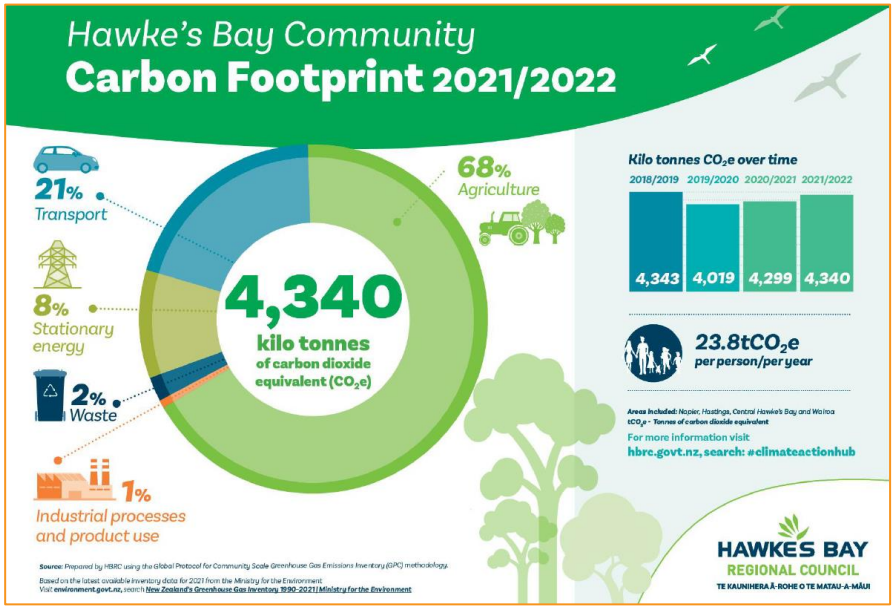
Napier City Council needs to lead by example, taking responsibility for its own emissions, before it can ask its community to embrace change and transition to lower carbon future themselves.

2.3 Issues

Greenhouse Gas Emission Profile: Hawkes Bay > Napier City > Napier City Council

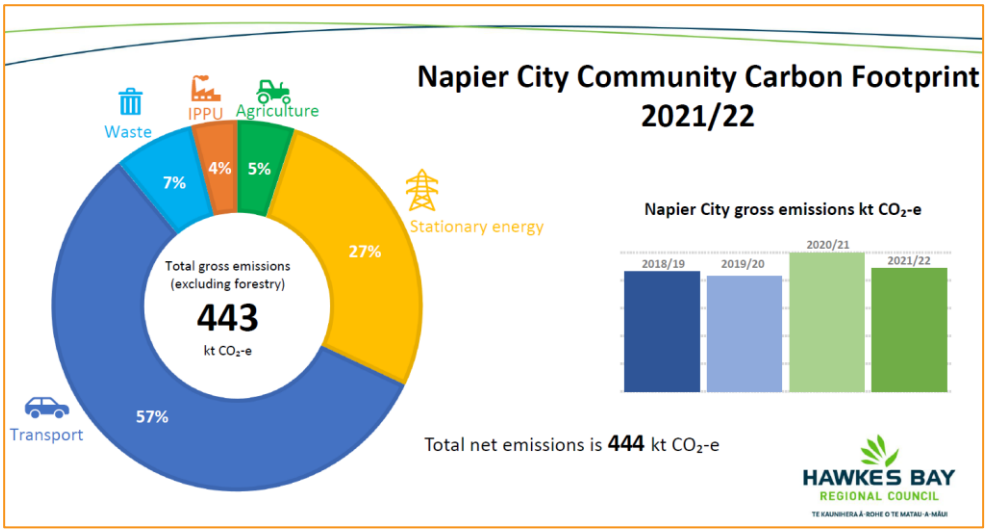
Hawkes Bay: Hawkes Bay Regional Council has calculated regional and community wide carbon footprints since 2019. The FY2022 gross emissions for the Hawkes Bay region are 4,340 kilo tonnes of CO_2e with agriculture, transport, and stationery energy (electricity and gas) the top three emission sources. **On a per capita basis this is 23.8 tonnes CO_2e, or the equivalent of eight return flights Auckland to London per person.**

A regional goal to be carbon neutral by 2050 has been adopted.

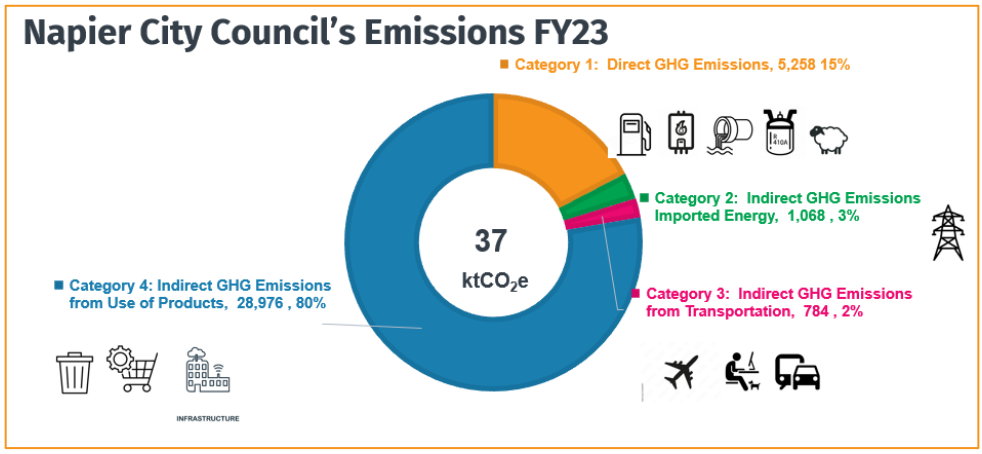


Napier City Community: Napier City's FY2022 gross **community** emissions were **443** kilo tonnes or 10% of the total region's emissions. On a per capita basis this is **6.5 tonnes of CO_2e, or the equivalent of two return flights Auckland to London.** The top three emission sources for Napier City are transport (57%), stationery energy (27%) and waste (7%). Fortunately, technology and consumer behaviour change solutions

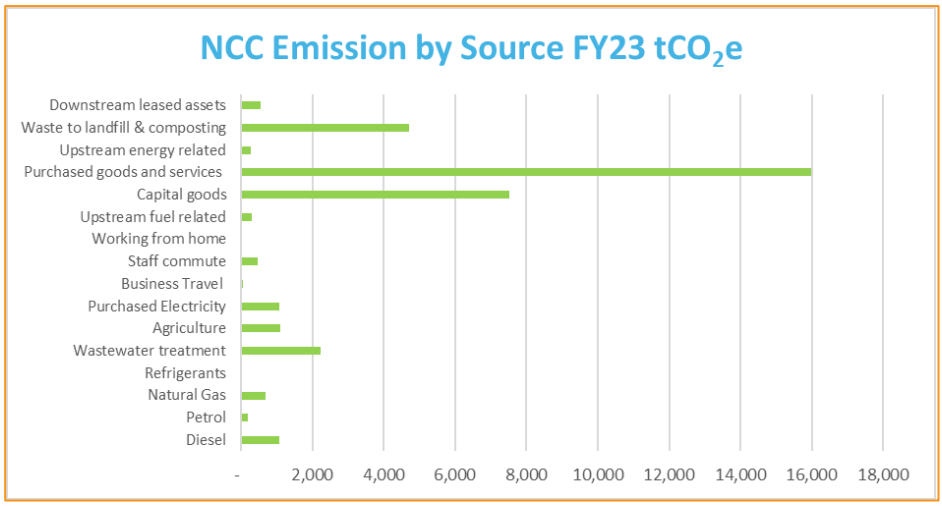
are available to address these emission sources.



Napier City Council: Napier City Council's FY23 organisational emissions were **37** kilo tonnes of CO_2e, or approximately 8% of the city-wide emissions. The top emission sources for NCC are purchased goods and services (44%), capital projects (20%), waste (13%), wastewater treatment (8%). The graph below shows the split of emissions between the ISO standard reporting categories.



The graph below is the same data presented by emission source rather than reporting category. Refer to Appendix 4 for explanation of emission reporting scopes and categories.



Climate Action Committee: In 2023 a joint council Climate Action Committee was established with representation from Napier, Hasting, Wairoa, Central Hawkes Bay and Hawkes Bay Regional Council's, supported by a technical advisory group of council staff. The six priorities developed by the group are: Biodiversity, Transport, Primary Industry, Waste, Urban, Freshwater. This committee has also committed to play its part to reduce regional emissions in line with national targets.

Climate Adaptation Plan: Napier City Council has also developed a draft Climate Adaptation Plan (refer Appendix 2). This should complement NCC's emission reduction[1] plans as outlined in this paper. Bringing these two strands together will form a robust climate change strategy for Napier City Council.

2.4 Significance and Engagement

N/A

2.5 Implications

Financial

There is financial impact of staff costs to measure and report NCC's GHG emissions inventory annually and continue development of NCC's emission reduction plan and targets as part of a wider NCC Climate Change strategy. External independent verification of the GHG inventory is recommended at a minimum every 3 years, at a cost of $10,000 per review.

Emission reduction opportunities that are low cost, delivering savings in line with the financially sustainable council priority or that can be delivered in partnership with government, other councils, or commercial partners, bringing wider benefits to the community will be prioritised.

Social & Policy

This work aligns NCC with national policy direction as set by the national emission reduction targets, budgets and national emission reduction plans. It is also aligned with central government's Carbon Neutral Government programme (CNGP), which requires public entities to measure and report emissions, set targets, and develop reduction plans. Noting that public sector entities are also required to purchase carbon offsets from 2025 to achieve carbon neutrality.

There are many other co-benefits that can be delivered by emission reduction programme, that will improve social outcomes for Napier's community. One example is improved health outcomes from promoting active and lower carbon transport options.

Napier City Council should also consider implementing an operational Zero Carbon policy and adding climate considerations to internal governance processes and council reports. This will ensure decision makers understand the greenhouse gas emission implications of their decisions.

Risk

Reducing emissions this decade is critical if we are to avoid locking in the most catastrophic impact. We need to rapidly phase out all fossil fuels – natural gas, diesel,

[1] **Climate change mitigation** means avoiding and **reducing emissions** of greenhouse gases into the atmosphere to prevent the planet from warming to more extreme temperatures. **Climate change adaptation** means altering our behaviour, systems, and—in some cases—ways of life to protect our families, our economies, and the environment in which we live from the impacts of climate change. The more we reduce emissions right now, the easier it will be to adapt to the changes we can no longer avoid.

petrol – and transition to renewable energy across all sectors of the economy. Council also needs to build infrastructure with lower embodied emissions, minimize waste to landfill, look for efficiencies with wastewater treatment, energy use and encourage nature-based solutions like tree planting and wetland restoration to sequester greenhouse gases.

There is reputational risk to Napier City Council in not understanding its own contribution to climate change from greenhouse gas emissions and not taking steps to reduce these. Council needs to walk the talk and get its own house in order before it can take a leadership position and encourage and support the community to transition to a low carbon and resilient future.

2.6 Options

The options available to Council are as follows:

a. Receive this report. Acknowledge and support the planned approach to develop emission reduction plans and recommend targets as part of NCC's wider climate change strategy, complementing NCC's Climate Adaptation plan.
b. Receive this report only.

2.7 Development of Preferred Option

Preparing a baseline greenhouse gas inventory and having this independently verified to ensure it is complete and accurate representation of council's emissions is the first step. Please refer to attachment 1.

Recommending a long-term emission reduction target is straight forward. The science is clear; we need to reduce emissions to net zero by 2050. This aligns with international, national and regional commitments. However, any credible long-term net zero target needs to be complemented by interim targets and a clear plan of action on how to meet those targets.

The process of measuring and reporting Napier City Council's organisational greenhouse gas inventory led to a thorough understanding of Napier City Council's and the wider community emission sources and identification of many potential reduction opportunities.

The next steps include engagement with the key directorates and teams to seek support for the identified emission reduction opportunities and understand any barriers to implementation. This will enable us to prioritise and phase emission reduction opportunities, highlight any significant issues or barriers, and assess whether interim emission reduction targets are achievable. This phase will also consider the capital programme as planned in the Three-year plan (2024-27) and beyond.

At the same time, we are developing relationships with other councils and potential partners (e.g EECA, Meridian Energy) with the aim of learning lessons from others further along on their emission reduction journey and linking into external funding opportunities to support this work.

We plan to report back to council with recommended emission reduction targets and a draft emissions reduction plan to achieve these targets at a future Prosperous Napier meeting.

2.8 Attachments

1 Verification Statement FY23 GHG Inventory (Doc Id 1763265) ⇩
2 Climate Adaptation Plan (Doc Id 1763266) ⇩
3 HBRC Community Carbon Footprint (Doc 1763267) ⇩
4 GHG Scopes Categories (Doc Id 1763347) ⇩

Independent Assurance Report on Napier City Council's Greenhouse Gas Emissions Inventory Report

To Napier City Council

We have undertaken a reasonable assurance engagement in relation to Category 1 and Category 2 emissions and limited assurance in relation to Category 3 to Category 6 emissions, for the Greenhouse Gas Emissions Inventory Report (the "Inventory Report") of Napier City Council for the year ended 30 June 2023.

The Inventory Report provides information about the greenhouse gas emissions ('GHG') of Napier City Council for the year ended 30 June 2023 and is based on historical information. This information is stated in accordance with the requirements of ISO 14064 – Part 1: 2018 *Specification for quantification and reporting of greenhouse gas emissions* (ISO 14064-1:2018) and the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard 2004 (GHG Protocol).*

Napier City Council's Responsibilities

Napier City Council is responsible for the preparation of the Inventory Report in accordance with ISO 14064-1:2018 and the GHG Protocol. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of an Inventory Report that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Reasonable assurance for Category 1 and 2 emissions

Our responsibility is to express whether, in our opinion the Category 1 and 2 emissions within the Inventory Report for the period 1 July 2022 to 30 June 2023 have been prepared, in all material respects in accordance with ISO 14064-1:2018 and the GHG Protocol.

Limited assurance for Category 3 to 6 emissions

Our responsibility is to form a conclusion whether, based on the procedures performed, anything has come to our attention that causes us to believe that the Category 3 to 6 emissions within the Inventory Report for the period 1 July 2022 to 30 June 2023 have not been prepared, in all material respects, in accordance with ISO14064-1:2018 and the GHG Protocol.

We conducted our engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3410*: Assurance Engagements on Greenhouse Gas Statements ('ISAE (NZ) 3410')*, issued by the New Zealand Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable and limited assurance about whether the Inventory Report is free from material misstatement.

Reasonable Assurance

A reasonable assurance engagement undertaken in accordance with ISAE (NZ) 3410 involves performing procedures to obtain evidence about the quantification of emissions and related information in the Inventory Report. The nature, timing and extent of procedures selected depend on the assurance practitioner's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Inventory Report. In making those risk

assessments, we will consider internal control relevant to Napier City Council's preparation of the Inventory Report. A reasonable assurance engagement also includes:

- Assessing the suitability in the circumstances of Napier City Council's use of ISO 14064-1:2018 and the GHG Protocol, as the basis for preparing the Inventory Report;
- Evaluating the appropriateness of quantification methods used, and the reasonableness of estimates made by Napier City Council; and
- Evaluating the overall presentation of the Inventory Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Limited Assurance

A limited assurance engagement undertaken in accordance with ISAE (NZ) 3410 involves assessing the suitability in the circumstances of Napier City Council's use of ISO 14064-1:2018 and the GHG Protocol as the basis for the preparation of the Category 3 to 6 emissions of the GHG Inventory, assessing the risks of material misstatement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Inventory Report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our engagement includes such procedures as we consider necessary in the circumstances, including, but not limited to:

- A review of adherence to the principles and requirements outlined in ISO 14064-1:2018 and the GHG Protocol, which includes a consideration of completeness;
- Obtaining an understanding of the process of compiling and validating information received from data owners for inclusion in the Inventory Report;
- Review of material quantitative data, including corroborative enquiry and examination of selected supported documentation and calculations;
- Comparing the Inventory Report to the reporting requirements of ISO 14064-1:2018 and the GHG Protocol; and
- Reviewing the contents of the Inventory Report against the findings of our work and, as necessary, providing recommendations for improvement.

Inherent Limitations

Non-financial information, such as that included in Napier City Council's Inventory Report, is subject to more inherent limitations than financial information, given both its nature and the methods used and assumptions applied in determining, calculating and sampling or estimating such information. Specifically, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1: *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm does not perform any other services for Napier City Council, however we do draw to your attention that we audit the Unique Emission Factor of the Omaranui Landfill which is owned by both Hastings District Council and Napier City Council. We engage directly with Hastings District Council for that engagement.

The firm applies Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance Engagements* issued by the New Zealand Auditing and Assurance Standards Board, and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Use of Report

Our assurance report is made solely to Napier City Council in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Napier City Council those matters we have been engaged to state in this assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Napier City Council for our work, for this assurance report, or for the conclusions we have reached.

Reasonable Assurance Opinion

In our opinion, the Category 1 and Scope 2 emissions disclosed within Napier City Council's Inventory Report for the year ended 30 June 2023 has been prepared, in all material respects, in accordance with the requirements of ISO 14064-1:2018 and the GHG Protocol.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Napier City Council's Category 3 to 6 emissions disclosed within the Inventory Report for the year ended 30 June 2023 is not prepared, in all material respects, in accordance with the requirements of ISO 14064-1:2018 and the GHG Protocol.

Napier City Council's GHG Inventory has been summarised in Appendix A for reference purposes.

Signature

Opportune

30 April 2024
Opportune Consulting Ltd
Qualified Auditor, CAANZ
New Zealand

Appendix A

The following table provides a summary of Napier City Council's GHG Inventory for year end 30 June 2023.

EMISSION SOURCE		FY2023
SCOPE 1 CATEGORY 1: DIRECT GHG EMISSIONS	**Category**	**t CO_2e**
Fuel Use in Mobile Combustion		
Diesel	1	1,054
Petrol	1	182
Fuel Use Stationery Combustion		
Natural Gas	1	680
Fugitive Gas		
Refrigerants	1	30
Biogenic emissions		
Wastewater treatment	1	2,225
Agriculture	1	1,088
Category 1: Direct GHG Emissions		***5,258***
SCOPE 2 CATEGORY 2: INDIRECT GHG EMISSIONS IMPORTED ENERGY		
Purchased Electricity	2	1,068
Category 2: Indirect GHG Emissions Imported Energy		***1,068***
Total Category 1 + 2		***6,326***
SCOPE 3 CATEGORY 3: INDIRECT GHG EMISSIONS TRANSPORTATION		
Category 3: Indirect GHG Emissions from Transportation		***784***
Business Travel	3	47
Staff commute	3	445
Working from home	3	4
Upstream fuel related	3	289
SCOPE 3 CATEGORY 4: INDIRECT GHG EMISSIONS FROM PRODUCTS USED		
Category 4: Indirect GHG Emissions from products and services used		***28,453***
Capital goods	4	7,505
Purchased goods and services	4	15,979
Upstream energy related	4	270
Waste to landfill & composting	4	4,700
SCOPE 3 CATEGORY 5: INDIRECT GHG EMISSIONS FROM USE OF PRODUCTS		
Category 5: Indirect GHG Emissions from use of products from organisation		***549***
Downstream leased assets	5	549
Total Category 3 + 4 +5		***29,786***
TOTAL GHG Emissions (all Categories) TONNES CO2e		**36,112**

NAPIER

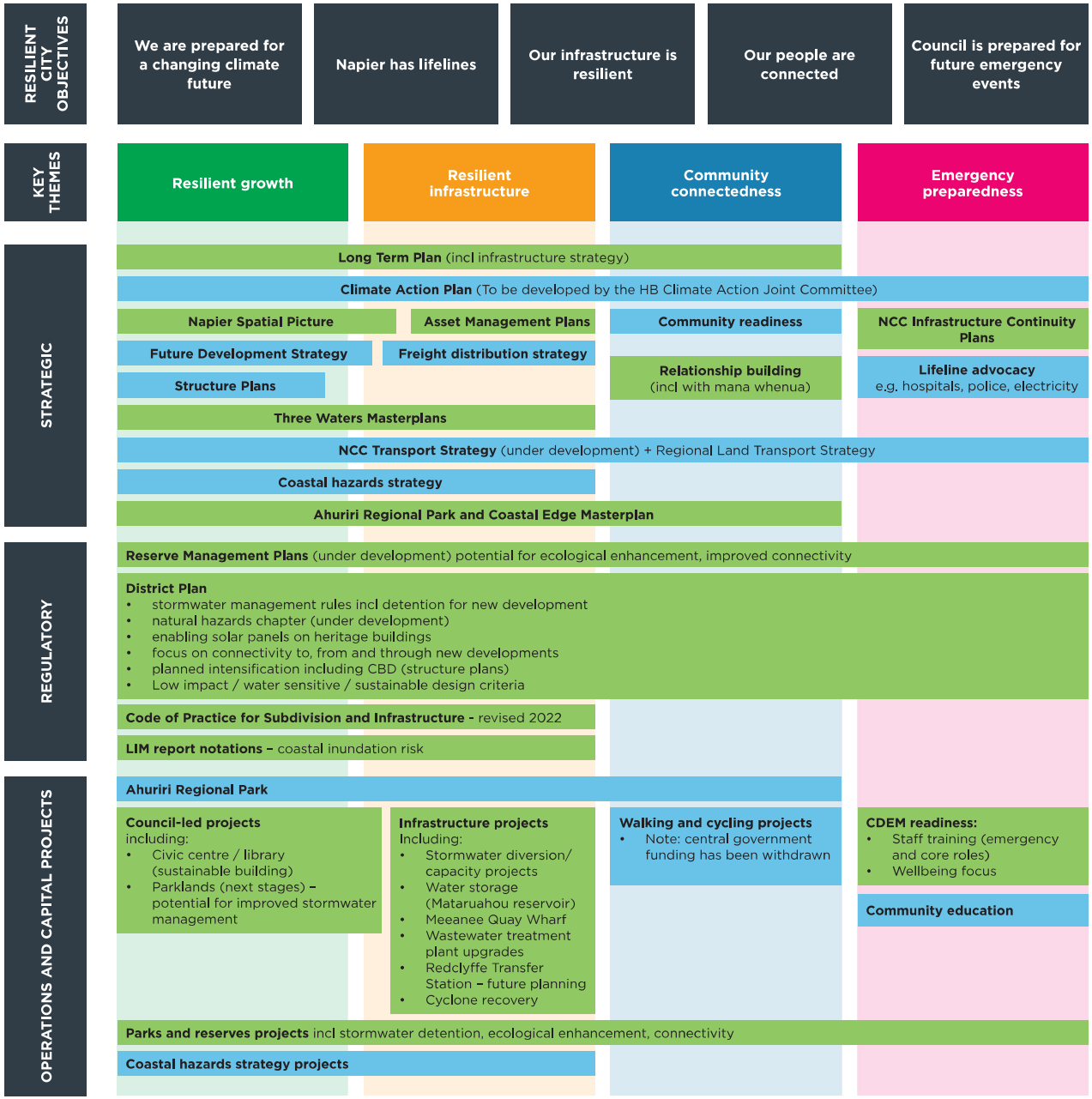
A climate change resilient city

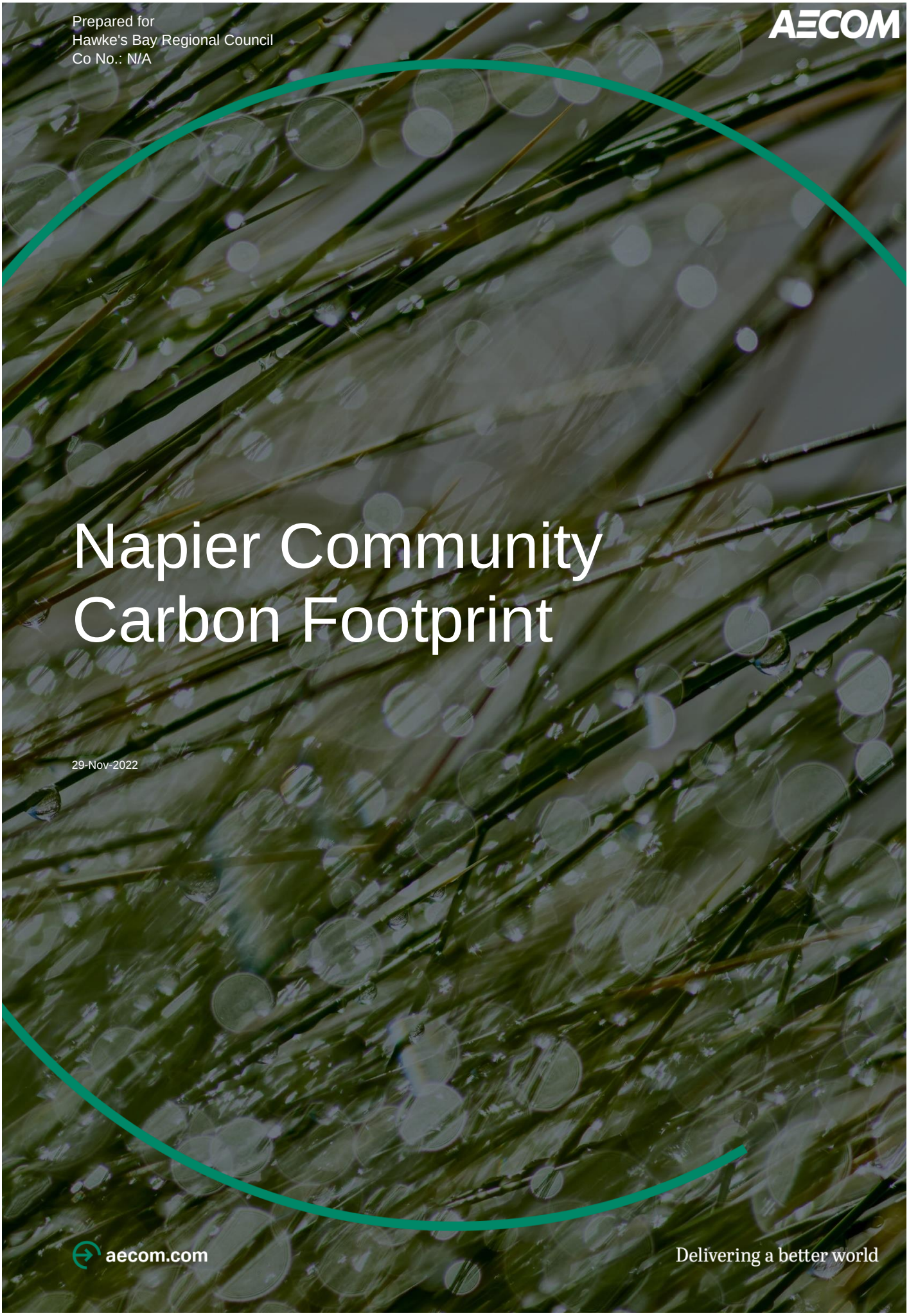
NCC CONTROL

NCC INFLUENCE

Potential gaps:

- monitoring / reporting / data
- understanding of community appetite for risk
- community awareness
- long term (100 year+) planning for critical infrastructure e.g. HB Airport
- ecological enhancement strategy and projects/ funding (HBRC core function?)




Prepared for
Hawke's Bay Regional Council
Co No.: N/A
AECOM
Napier Community Carbon Footprint
29-Nov-2022
aecom.com
Delivering a better world

Napier Community Carbon Footprint

Client: Hawke's Bay Regional Council

Co No.: N/A

Prepared by

AECOM New Zealand Limited
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29-Nov-2022

Job No.: 60671688

AECOM in Australia and New Zealand is certified to ISO9001, ISO14001 and ISO45001.

https://aecom.sharepoint.com/sites/HBRCCCFFY19-FY21/Shared Documents/General/4. Deliverables/221129 Final V3 Reports/HBRC_CommunityCarbonFootprint_2022_Napier_221129_FinalV3.docx
Revision 3 – 29-Nov-2022
Prepared for – Hawke's Bay Regional Council – Co No.: N/A

Quality Information

Document Napier Community Carbon Footprint

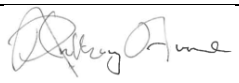
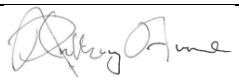
Ref 60671688

Date 29-Nov-2022

Prepared by Adam Swithinbank and Tanya Milnes

Reviewed by Anthony Hume

Revision History

Rev	Revision Date	Details	Authorised	
			Name/Position	Signature
1	27-Sep-2022	Final	Anthony Hume Team Leader - Sustainability	
2	13-Oct-2022	Final - includes updated infographics	Anthony Hume Team Leader - Sustainability	
3	29-Nov-2022	Final - includes updated infographic (Figure 1)	Anthony Hume Team Leader - Sustainability	

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Executive Summary

Greenhouse Gas (GHG) emissions for Napier City Territorial Area (that is covered by the Napier City Council) have been measured using the Global Protocol for Community Scale Greenhouse Gas Emissions Inventory (GPC) methodology. This approach includes emissions from Stationary Energy, Transport, Waste, Industrial Processes and Product Use (IPPU), Agriculture and Forestry sectors. This document reports greenhouse gas emissions produced in or resulting from activity or consumption within the geographic boundaries of the Napier City Territorial Area for the 2020/21 financial reporting year and examines greenhouse gas emissions produced from 2018/19 to 2020/21.

The Napier City Territorial Area is referred to hereafter as Napier for ease. Greenhouse gas emissions are generally reported in this document in units of Carbon Dioxide Equivalents (CO_2e) and are referred to as 'emissions'.

Major findings of the project include:

2020/21 Emissions Footprint

- In the 2020/21 reporting year (1st July 2020 to 30th June 2021), **total gross emissions** in Napier were 457,725 tCO_2e.
- **Transport** (e.g. emissions from road and air travel) is the largest emitting sector in Napier, representing 52% of total gross emissions, with petrol and diesel consumption accounting for 46% of gross emissions.
- **Stationary Energy** (e.g. consumption of electricity and natural gas) is the second highest emitting sector in the region, producing 33% of total gross emissions.
- **Waste** is the third highest emitting sector in the city, producing 6% of total gross emissions.
- Net **Forestry** emissions were 432 in 2020/21 as carbon sequestration (carbon captured and stored in plants or soil by forests) was less than emissions from forest harvesting (e.g., the release of carbon from roots and organic matter following harvesting). Net **Forestry** emissions are not included in total gross emissions.
- The **total net emissions** in Napier were 458,157 tCO_2e. The total net emissions include emissions and sequestration from forestry.

Changes in Emissions, 2018/19 to 2020/21

- Between 2018/19 and 2020/21, **total gross emissions** in Napier increased from 432,811 tCO_2e to 457,725 tCO_2e, an increase of 6% (24,914 tCO_2e).
- Over this time the population of the city increased by 3%, resulting in **per capita gross emissions** in Napier increasing by 3% between 2018/19 and 2020/21, from 6.7 to 6.9 tCO_2e per person per year.
- Emissions from **Stationary Energy** increased by 19% between 2018/19 and 2020/21 (24,274 tCO_2e), driven by a 43% increase in electricity consumption emissions (20,163 tCO_2e). This increase in electricity consumption emissions was due to a 2% increase in energy consumption (kWh) and a 41% increase in the emissions intensity of the national electricity grid (tCO_2e/kWh).
- Emissions from **Agriculture** decreased by 8%, between 2018/19 and 2020/21 (1,878 tCO_2e), due to a reduction in livestock numbers, particularly of sheep and non-dairy cattle.
- Emissions from **Transport**, **Waste** and **IPPU** between 2018/19 and 2020/21 remained relatively stable.
- **Forestry** emissions decreased by 453 tCO_2e (51%) between 2018/19 and 2020/21. Exotic forest harvesting and exotic forest sequestration both decreased during this time.

Figure 1: Napier 2020/21 Emissions Footprint

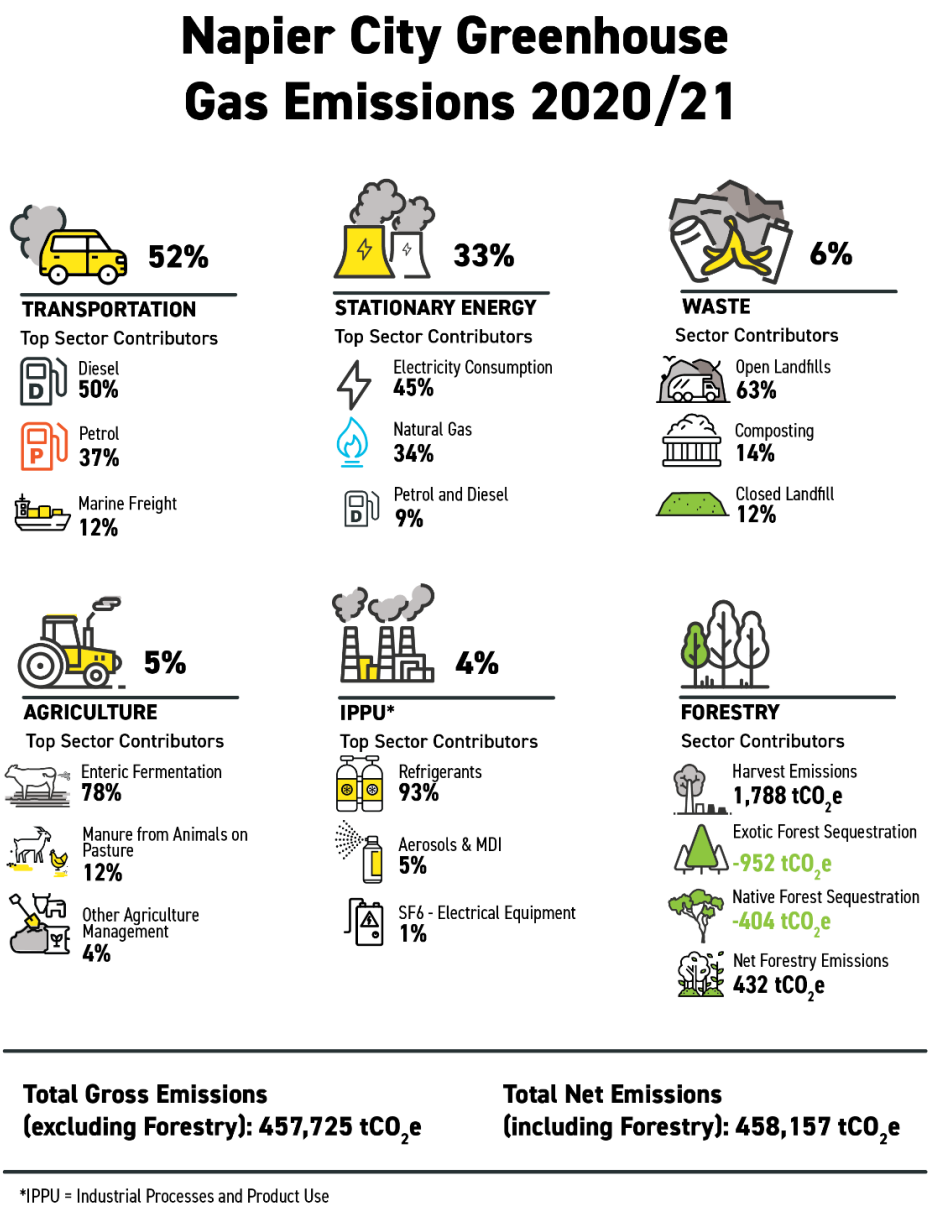
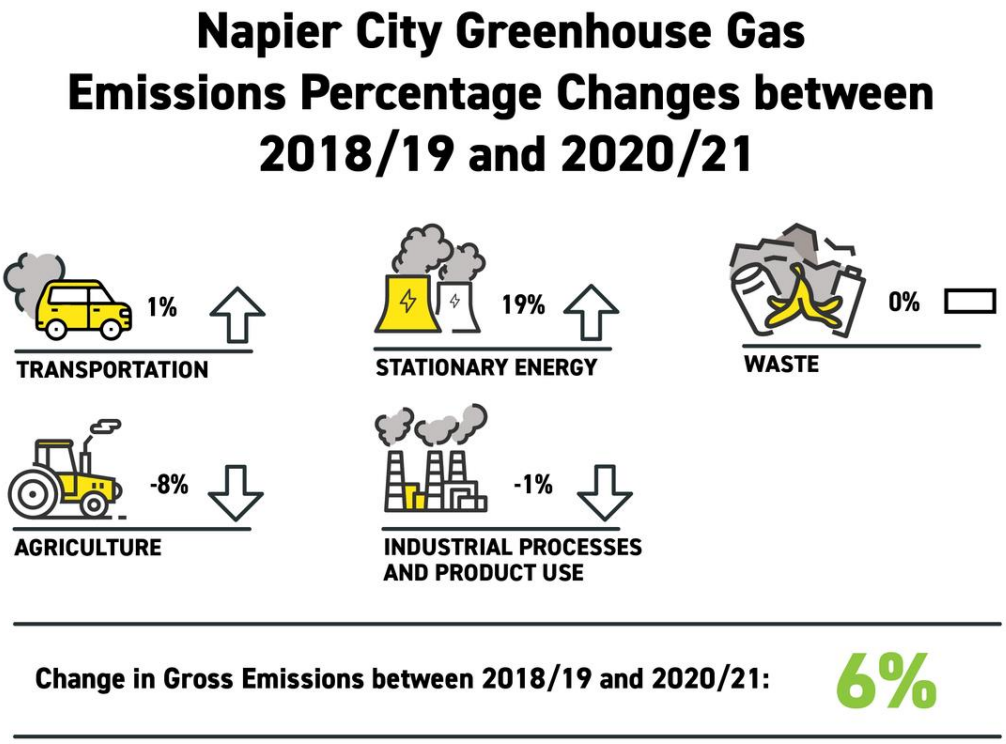


Figure 2: Change in Napier Emissions Footprint between 2018/19 and 2020/21



1.0 Introduction

AECOM New Zealand Limited (AECOM) was commissioned by the Hawke's Bay Regional Council to assist in the development of community-scale greenhouse gas (GHG) footprints for the Napier City Territorial Area for the 2018/19, 2019/20, and 2020/21 financial years. This is part of a wider study to develop community carbon footprints for each district within the Hawke's Bay region. Emissions are reported for the period from 1 July to 30 June for the respective years. The study boundary reported in the following pages incorporates the jurisdiction of the Napier City Council.

The Napier City Territorial Area is referred to hereafter as Napier for ease. Greenhouse gas emissions are generally reported in this document in units of Carbon Dioxide Equivalents (CO_2e) and are referred to as 'emissions'.

2.0 Approach and Limitations

The methodological approach used to calculate emissions follows the Global Protocol for Community Scale Greenhouse Gas Emissions Inventory v1.1 (GPC) published by the World Resources Institute (WRI) 2021. The GPC includes emissions from Stationary Energy, Transport, Waste, Industrial Processes and Product Use (IPPU), Agriculture, and Forestry activities within the city's boundary. The sector calculations for Agriculture, Forestry and Waste are based on Intergovernmental Panel on Climate Change (IPCC) workbooks and guidance for emissions measurement. The sector calculators also use methods consistent with GHG Protocol standards published by the WRI for emissions measurement when needed.

The same methodology has been used for other community scale GHG footprints around New Zealand, (e.g. Wellington, Auckland, Christchurch, Dunedin and the Waikato region) and internationally. The GPC methodology[1] represents international best practice for city and regional level GHG emissions reporting.

This emissions footprint assesses both direct and indirect emissions sources. Direct emissions are production-based and occur within the geographic area (Scope 1 in the GPC reporting framework). Indirect emissions are produced outside the geographic boundary (Scope 2 and 3) but are allocated to the location of consumption. An example of indirect emissions is those associated with the consumption of electricity, which is supplied by the national grid (Scope 2). All other indirect emissions such as cross-boundary travel (e.g. flights) and energy transportation and distribution losses fit into Scope 3.

All major assumptions made during data collection and analysis have been detailed within **Appendix A – Assumptions**. The following aspects are worth noting in reviewing the emissions footprint:

- Emissions are expressed on a carbon dioxide-equivalent basis (CO_2e) including climate change feedback using the 100-year Global Warming Potential (GWP) values[2]. Climate change feedbacks are the climate change impacts from GHGs that are increased as the climate changes. For example, once the Earth begins to warm, it triggers other processes on the surface and in the atmosphere. Current climate change feedback guidance is important to estimate the long-term impacts of GHGs.
- GPC reporting is predominately production-based (as opposed to consumption-based) but includes indirect emissions from energy consumption. Production-based emissions reporting is generally preferred by policy-makers due to robust established methodologies such as the GPC, which enables comparisons between different studies. Production-based approaches exclude globally produced emissions relating to consumption (e.g. embodied emissions relating to products produced elsewhere but consumed within the geographic area such as imported food products, cars, phones, clothes etc.).
- Total emissions are reported as both gross emissions (excluding Forestry) and net emissions (including Forestry).

[1] http://www.ghgprotocol.org/greenhouse-gas-protocol-accounting-reporting-standard-cities
[2] https://www.ipcc.ch/pdf/assessment-report/ar5/wg1/WG1AR5_Chapter08_FINAL.pdf (Table 8.7)

- Emissions for individual main greenhouse gases for each emissions source are provided in the supplementary spreadsheet information supplied with this report.
- Where location specific data were not accessible, information was calculated based on national or regional level data.
- Transport emissions:
  - Transport emissions associated with air travel, rail, and marine fuel were calculated by working out the emissions relating to each journey arriving or departing the area based on data provided by the relevant operators. Emissions for these sources are then split equally between the destination and origin. Emissions relating to a particular point source (e.g. an airport or port) are allocated to the expected users of that source, not just the area that it is located in. For example, in the Hawke's Bay Region, it is expected that all territorial authorities will use the Port of Napier for imported and exported goods, emissions from this source have been allocated to all territorial authorities in the region based on population. It is understood that freight imports moving through the Port of Napier do not exclusively serve the Hawke's Bay Region, and freight exports do not exclusively originate from the Hawke's Bay Region, this should be considered when examining these emissions.
  - All other transport emissions are calculated using the fuel sold in the area (e.g. petrol, diesel, LPG).
- Solid waste emissions:
  - Solid waste emissions from landfill are measured using the IPCC First Order Decay method that covers landfill activity between 1950 and the present day.
  - Emissions are calculated for waste produced within the geographic boundary, even if they are transported outside the boundary to be entered into landfill. Landfill waste for Napier is disposed at Omarunui Landfill, jointly owned by the Hastings District Council and Napier City Council. This landfill is located within the Hastings geographic boundary.
- Wastewater emissions:
  - Emissions have been calculated based on the local data provided, following IPCC 2019 guidelines. Where data is missing, IPCC and Ministry for the Environment (MfE) figures have been used. Wastewater emissions from both wastewater treatment plants and individual septic tanks have been calculated.
  - Wastewater emissions include those released directly from wastewater treatment, flaring of captured gas and from discharge onto land/water.
- Industrial Processes and Product Use (IPPU) emissions:
  - IPPU emissions are estimated based on data provided in the New Zealand Greenhouse Gas Emissions 1990-2019 report (MfE 2021). Emissions are estimated on a per capita basis applying a national average per person.
- Forestry emissions:
  - This emissions footprint accounts for forest carbon stock changes from afforestation, reforestation, deforestation, and forest management (i.e. it applies land-use accounting conventions under the United Nations Framework Convention on Climate Change rather than the Kyoto Protocol). It treats emissions from harvesting and deforestation as instantaneous rather than accounting for the longer-term emission flows associated with harvested wood products.
  - The emissions footprint considers regenerating (growing) forest areas only. Capture of carbon from the atmosphere is negligible for mature forests that have reached a steady state.

Overall sector data and results for the emissions footprint have been provided to Napier City Council in calculation table spreadsheets. All assumptions made during data collection and analysis have been detailed within **Appendix A – Assumptions**.

It is important to consider the level of uncertainty associated with the results, particularly given the different datasets used. Depending on data availability, national, regional, and local datasets are used across the different calculators. At the national level, New Zealand's Greenhouse Gas Inventory shows that for 2018 (the most recent national level inventory) an estimate of gross emissions uncertainty was +/- 9%, whereas a net emissions uncertainty estimate was +/- 12%. These levels of uncertainty should be considered when interpreting the results of this community carbon footprint (MfE, 2020).

StatsNZ Regional Footprint

Due to differences in emission factors and methodology used between the StatsNZ Regional Footprints and this community carbon footprint (based on the GPC requirements and available data), caution should be taken when making comparison of reported emissions. One example of this is where this footprint used updated emission factors for methane and nitrous oxide following guidance from the IPCC and in line with other district and regional level GHG inventories in New Zealand. This difference is especially relevant for the Agriculture sector.

3.0 Community Carbon Footprint for 2020/21

The paragraphs, figures and tables below outline Napier's greenhouse gas emissions, referred to as 'emissions' in this assessment. This includes Napier's total emissions, emissions from each sector, and major emissions sources within each sector. The focus of emissions reporting is on **gross** emissions.

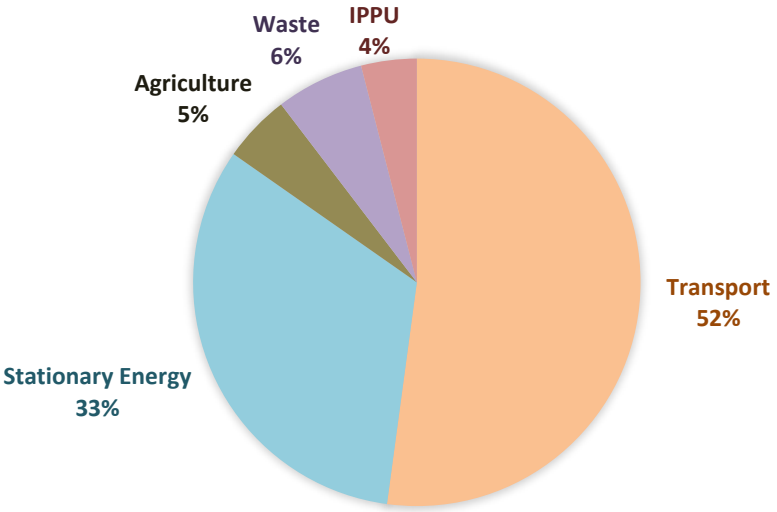
During the 2020/21 reporting period, Napier emitted **gross** 457,725 tCO_2e. Note that gross emissions do not account for Forestry. Transport and Stationary emissions are the largest contributors to total gross emissions for the city.

The population of Napier in 2020/21 was approximately 66,450 people, resulting in per capita gross emissions of 6.9 tCO_2e/person. Discussion of per capita emissions is limited to when it is useful for comparing emission figures against other territorial authorities. A breakdown of net emissions (i.e. including results from Forestry resources) is reported separately.

Table 1 Total net and gross emissions

Total emissions	tCO_2e
Total Net Emissions (including forestry)	458,157
Total Gross emissions (excluding forestry)	457,725

Figure 3: Napier City's total gross GHG emissions split by sector (tCO_2e).



During the 2020/21 reporting period, Napier emitted **net** 458,157 tCO_2e.

Net emissions differ from gross emissions because they include emissions related to forestry activity (harvesting emissions and sequestration) within an area. Forestry emissions are influenced by the cyclical nature of harvesting and planting regimes.

The community carbon footprint comprises emissions from six different sectors, summarised below:

3.1 Transport

The highest emitting sector in Napier, Transport, produced 238,626 tCO_2e in 2020/21 (52% of Napier's gross total emissions). Table 2 provides the total emissions, percentage of the total gross emissions, and percentage of the sector total for each sector/emission source.

Table 2 Transport energy emissions by emission source

Sector / Emissions Source	tCO_2e	% of Total Gross Emissions	% of Sector Total
Diesel	120,362	26.3%	50.4%
Petrol	87,710	19.2%	36.8%
Marine Freight	28,890	6.3%	12.1%
Jet Kerosene	969	0.2%	0.4%
LPG	569	0.1%	0.2%
Aviation Gas	100	<0.1%	<0.1%
Rail	26	<0.1%	<0.1%
Total	**238,626**	**52%**	**100%**

Most of Transport emissions can be attributed to diesel and petrol, which produced 120,362 tCO_2e and 87,710 respectively (collectively 87% of the sector's emissions and 46% of total gross emissions). Diesel and petrol transport emissions are broken down into on-road and off-road use. On-road transport consists of all standard transportation vehicles used on roads (including cars, trucks, buses, etc.). Off-road transport consists of all fuel used for the movement of machinery and vehicles off roads (including agricultural tractors and vehicles, forklifts, etc.). On-road transport produced 184,805 tCO_2e (77% of Transport emissions) and Off-road transport produced 23,836 tCO_2e (10% of Transport emissions). An extra breakdown of on-road emissions by vehicle type and class is provided separate to this report.

The next largest emission source for Napier is marine freight, which contributed to 12% of the sectors emissions and 6% of total gross emissions (28,890 tCO_2e). Marine freight emissions are the result of freight movements to and from the Port of Napier. Emissions from this source have been divided between all territorial authorities in the Hawke's Bay region based on relative population sizes. It is understood that the imports and exports through this port are not exclusively related to activities in the Hawke's Bay region, however, to ensure that these emissions are reflected in community carbon footprints as per the GPC requirements this approach is appropriate.

The remaining Transport emissions are attributed to air travel (jet kerosene and aviation gas), rail freight emissions, and LPG use for transport (e.g. forklifts).

3.2 Stationary Energy

Producing 149,151 tCO_2e in 2020/21, Stationary Energy was Napier's second highest emitting sector (33% of total gross emissions). Table 3 provides the total emissions, percentage of the total gross emissions, and percentage of the sector total for each sector/emission source.

Table 3 Stationary Energy emissions by emission source

Emissions Source	tCO_2e	% of Total Gross Emissions	% of Sector Total
Electricity Consumption	66,569	14.5%	44.6%
Natural Gas	51,095	11.2%	34.3%
Stationary Petrol & Diesel Use	13,426	2.9%	9.0%
Electricity Transmission & Distribution Losses	6,115	1.3%	4.1%
LPG	4,511	1.0%	3.0%
Natural Gas Transmission & Distribution Losses	4,130	0.9%	2.8%
Biofuel / Wood	2,004	0.4%	1.3%
Coal	1,259	0.3%	0.8%
Biogas	42	<0.1%	<0.1%
Total:	**149,151**	**33%**	**100%**

Electricity consumption was the cause of 45% of Stationary Energy emissions (66,569 tCO_2e), and 15% of Napier's total gross emissions (72,684 tCO_2e when including transmission and distribution losses related to the consumption). Natural gas consumption accounted for 34% of the Stationary Energy emissions (55,225 tCO_2e) when including transmission and distribution losses. The industrial sector is the primary consumer of electricity and natural gas in Napier.

Stationary petrol and diesel consumption generated 9% of Stationary Energy emissions (13,426 tCO_2e). Use of LPG, and the burning of coal, biofuels and biogas produced the remaining Stationary Energy emissions.

Stationary Energy demand can also be broken down by the sector in which it is consumed. Stationary Energy demand is reported for the following sectors: commercial; residential and industrial. However, emissions from petrol and diesel used for Stationary Energy are not able to be broken down by sector.

- Industrial Stationary Energy consumption accounts for 53% of Stationary Energy emissions (78,604 tCO_2e) and 17% of total gross emissions. Industrial Stationary Energy is energy used within all industrial settings (including agriculture, forestry and fishing, mining, food processing, textiles, chemicals, metals, mechanical/electrical equipment and building and construction activities).
- Residential Stationary Energy consumption accounts for 21% of Stationary Energy emissions (30,735 tCO_2e) and 7% of total gross emissions. Residential Stationary Energy is energy used in homes (e.g. for heating, lighting, and cooking).
- Commercial Stationary Energy consumption accounts for 18% of Stationary Energy emissions (26,334 tCO_2e) and 6% of total gross emissions. Commercial Stationary Energy is energy used in all non-residential and non-industrial settings (e.g. in retail, hospitality, education, and healthcare).
- The remaining 9% of Stationary Energy emissions (13,467 tCO_2e, 3% of gross emissions) were produced by diesel and petrol, and the burning of biogas, which were not allocated to the above categories. Stationary Energy uses of diesel and petrol include stationary generators and motors and for heating.

3.3 Waste

Waste originating in Napier (solid waste, wastewater and compost) produced 29,110 tCO_2e in 2020/21, which comprises 6% of Napier's total gross emissions. Table 4 provides the total emissions, percentage of the total gross emissions, and percentage of the sector total for each sector/emission source.

Table 4 Waste emissions by emission source

Sector / Emissions Source	tCO_2e	% of Total Gross Emissions	% of Sector Total
Waste in open landfill sites	18,334	4.0%	63.0%
Composting	4,095	0.9%	14.1%
Waste in closed landfill sites	3,552	0.8%	12.2%
Wastewater treatment plants	2,689	0.6%	9.2%
Individual septic tanks	440	0.1%	1.5%
Total:	**29,110**	**6%**	**100%**

Solid waste produced the bulk of waste emissions (21,885 tCO_2e in 2020/21), making up 75% of total Waste emissions. Solid waste emissions include emissions from open landfills and closed landfills. Open landfill sites produced 18,334 tCO_2e and emissions from closed landfill sites produced 3,552 tCO_2e in 2020/21. Both open and closed landfills emit landfill (methane) gas from the breakdown of organic materials disposed of in the landfill for many years after waste enters the landfill. However, annual emissions from closed landfill sites will decrease over time as no new waste enters these sites. Waste from Napier is sent to Omarunui Landfill which is located within the Hastings geographic boundary but these emissions are still included in Napier's footprint.

Composting is the second largest source of emissions in Napier, accounting for 14% of total waste emissions (4,095 tCO_2e in 2020/21). Waste diverted from landfill for composting in the Hawke's Bay Region includes horticultural, animal waste products, green waste, bark and sawdust.

Wastewater treatment (treatment plants and individual septic tanks) produced 3,130 tCO_2e making up 11% of total Waste emissions. More than half of households in Napier are connected to wastewater treatments plants, which produced total emissions of 2,689 tCO_2e. Households connected to individual septic tanks produced 440 tCO_2e in wastewater emissions. Due to the production of methane, septic tanks have a higher emissions intensity compared to the wastewater treatments plants in Napier.

Wastewater treatment tends to be a relatively small emission source compared to solid waste as advanced treatment of wastewater produces low emissions. In contrast, solid waste generates methane gas over many years as organic material enters landfill and emissions depend on the efficiency and scale of landfill gas capture.

3.4 Agriculture

Agriculture emitted 22,462 tCO_2e in 2020/21 (5% of Napier's gross emissions). Table 5 provides the total emissions, percentage of the total gross emissions, and percentage of the sector total for each sector/emissions source.

Agricultural emissions are the result of both livestock and crop farming. Enteric fermentation from livestock produced 78% of Napier's agricultural emissions (17,511 tCO_2e). Enteric fermentation GHG emissions are produced by methane (CH_4) released from the digestive process of ruminant animals (e.g. cattle and sheep). The second highest source of Agricultural emissions was produced from nitrous oxide (N_2O) released by unmanaged manure from grazing animals on pasture (2,604 tCO_2e or 12% of the agricultural sector's emissions).

Table 5 Agriculture emissions by emission source

Sector / Emissions Source	tCO_2e	% of Total Gross Emissions	% of Sector Total
Enteric fermentation	17,511	3.8%	78.0%
Manure from Grazing Animals	2,604	0.6%	11.6%
Other Agriculture Emissions	912	0.2%	4.1%
Atmospheric Deposition	709	0.2%	3.2%
Fertiliser used in Horticulture	454	0.1%	2.0%
Manure Management	222	<0.1%	1.0%
Agricultural Soils	49	<0.1%	0.2%
Total	**22,462**	**5%**	**100%**

Livestock were responsible for the majority of the Agriculture sector's GHG emissions (97%, or 21,920 tCO_2e) (Table 6). Sheep account for 57% of agricultural emissions and non-dairy cattle account for 40% of agricultural emissions in Napier.

Table 6 Agriculture emissions by emission source

Sector / Emissions Source	tCO_2e	% of Total Gross Emissions	% of Sector Total
Sheep	12,898	2.8%	57.4%
Non-dairy Cattle	8,951	2.0%	39.8%
Fertiliser for Horticulture	454	0.1%	2.0%
Fertiliser (other)	87	<0.1%	0.4%
Other Livestock	71	<0.1%	0.3%
Total	**2,462**	**5%**	**100%**

Fertilisers used for livestock and horticulture represent 2.4% of Agriculture emissions. An additional breakdown of emissions from fertiliser use in horticulture is included based on land-use information provided by HBRC. Fertiliser use in horticulture represented 2% of the sector emissions. The largest contributor to 'Fertiliser for Horticulture' in Napier was sweetcorn (249 tCO_2e, 55% of Fertiliser for Horticulture emissions). There is some potential for emissions double counting between the 'Fertiliser for Horticulture' and 'Fertiliser (other)' as these emissions have been calculated based on different datasets, where the 'Fertiliser (other)' category may also include some fertilisers used in horticulture. However, it is expected that the majority of the 'Fertiliser (other)' emissions are caused by fertiliser use for livestock land. Changes in soil carbon associated with horticulture have not been quantified due to absence of a defined appropriate method for assessing the carbon footprint associated with soil carbon change over time.

3.5 Industrial Processes and Product Use (IPPU)

IPPU in Napier produced 18,377 tCO_2e in 2020/21, contributing 4% to Napier's total gross emissions. This sector includes emissions associated with the consumption of GHGs for refrigerants, foam blowing, fire extinguishers, aerosols, metered dose inhalers and Sulphur Hexafluoride for electrical insulation and equipment production. IPPU emissions do not include energy use for industrial manufacturing, which is included in the relevant Stationary Energy sub-category (e.g. coal, electricity

and/or petrol and diesel). These emissions are based on nationally reported IPPU emissions and apportioned based on population due to the difficulty of allocating emissions to particular geographic locations. Addressing IPPU emissions is typically a national policy issue.

There are no known industrial processes (as defined in the GPC requirements) present in Napier (e.g. aluminium manufacture).

Table 7 provides the total emissions, percentage of the total gross emissions, and percentage of the sector total for each sector/emission source. The most significant contributor to IPPU emissions is the use of refrigerants which produced 93% of IPPU emissions (17,086 tCO_2e).

Table 7 Industrial processes and product use emissions by emission source

Sector / Emissions Source	tCO_2e	% of Total Gross Emissions	% of Sector Total
Refrigerants and air conditioning	17,086	3.7%	93.0%
Aerosols	957	0.2%	5.2%
SF6 - Electrical Equipment	187	<0.1%	1.0%
Foam Blowing	81	<0.1%	0.4%
SF6 - Other	37	<0.1%	0.2%
Fire extinguishers	29	<0.1%	0.2%
Total	**18,377**	**4.0%**	**100.0%**

3.6 Forestry

Planting of native forest (e.g. mānuka and kānuka) and exotic forest (e.g. pine), sequesters (captures) carbon from the atmosphere while the trees are growing to maturity. Harvesting of forest emits emissions via the release of carbon from organic matters and soils following harvesting. When sequestration by forests exceeds emissions from harvesting in a particular year, the extra quantity of carbon sequestered by forest reduces total gross emissions for that year. Conversely when emissions from harvesting exceed the amount of carbon sequestered by native and exotic forests, then total gross emissions will increase.

Sequestration in 2020/21 was 1,356 tCO_2e (which was mostly from exotic forestry) while harvesting emissions were 1,788 tCO_2e. This meant that Forestry in Napier was a net positive source of emissions in 2020/21 (rather than a negative source of emissions, where sequestration exceeds harvesting). Total Forestry emissions in 2020/21 were 432 tCO_2e. It is noted that harvesting of exotic forest can be cyclical in nature where some years will have higher sequestration and some years will have higher harvesting emissions determined by age of forests, commercial operators, and the global market.

Table 8 Forestry emissions by emission source (including sequestration)

Sector / Emissions Source	tCO_2e
Total harvest emissions	1,788
Native forest sequestration	-404
Exotic forest sequestration	-952
Total	**432**

3.7 Total Gross Emissions by Greenhouse Gas

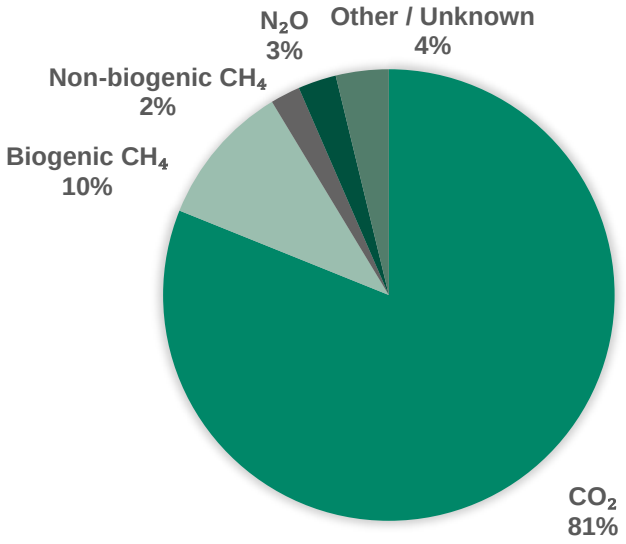
Each greenhouse gas has a different level of impact on climate change, this is accounted for when converting quantities of each gas into units of carbon dioxide equivalent (CO_2e).

Table 9: Napier's total gross emissions, by greenhouse gas

Greenhouse Gas	Tonnes	Tonnes of CO_2e
Carbon Dioxide (CO_2)	371,206	371,206
Biogenic Methane (CH_4)	1,379	46,881
Non-biogenic Methane (CH_4)	287	9,761
Nitrous Oxide (N_2O)	42	12,543
Other / Unknown Gas (in CO_2e)	17,334	17,334
Total	**390,248**	**457,725**

Figure 4 illustrates Napier's total gross emissions by greenhouse gas in units of carbon dioxide equivalents (CO_2e).

Figure 4: Napier's total gross emissions, by greenhouse gas (in tCO_2e)



By far the largest source of emissions in tonnes is carbon dioxide (CO_2) at 371,206 tonnes. Due to the greater global warming impact of methane, methane represents 0.4% of the total tonnage of GHG emissions from Napier but represents 12% of CO_2e. Nitrous oxide represents <0.1% of the total tonnage of GHG emissions from Napier but represents 3% of CO_2e.

3.8 Biogenic emissions

Biogenic carbon dioxide and methane emissions are stated in Table 10 and Table 11, respectively.

Biogenic CO_2 emissions are those that result from the combustion of biomass materials that store and sequester CO_2, including materials used to make biofuels (e.g. trees, crops, vegetable oils, or animal fats). Biogenic CO_2 emissions from plants and animals are excluded from gross and net emissions as they are part of the natural carbon cycle.

Table 10: Biogenic CO_2 in Napier (Excluded from gross emissions)

Biogenic Carbon Dioxide (CO_2) (Excluded from gross emissions)		
Biofuel	65,637	t CO_2
Landfill Gas	6,455	t CO_2
Total Biogenic CO_2	**72,092**	**t CO_2**

Biogenic CH_4 emissions (e.g., produced by farmed cattle via enteric fermentation) are included in gross emissions due to their relatively large impact on global warming relative to biogenic CO_2. Biogenic methane represents 0.4% of the gross total tonnage of GHG emissions in Napier but represents 10% of total gross GHG emissions when expressed in CO_2e. This is caused by the higher global warming impact of methane per tonne, compared to carbon dioxide. The total tonnage of each GHG and the contribution of each GHG to total gross emissions when expressed in CO_2e is shown in Table 9.

The importance of biogenic CH_4 is highlighted in NZ's Climate Change Response (Zero Carbon) Amendment Act. The Act includes specific targets to reduce biogenic CH_4 by between 24% and 47% below 2017 levels by 2050, and by 10% below 2017 levels by 2030. More information on the Act is available here: https://www.mfe.govt.nz/climate-change/zero-carbon-amendment-act.

Table 11: Biogenic Methane in Napier (Included in gross emissions)

Biogenic Methane (CH_4) (Included in gross emissions)		
Landfill Gas	644	t CH4
Enteric fermentation	515	t CH4
Wastewater Treatment	91	t CH4
Composting (Green Waste)	70	t CH4
Biofuel	53	t CH4
Manure Management	7	t CH4
Total Biogenic CH_4	**1,379**	**t CH4**

3.9 Territorial Authorities in the Hawke's Bay Region

The Hawke's Bay regional area contains several territorial authorities. Hastings District, Napier City, Central Hawkes Bay District, and Wairoa District are all exclusively within the boundaries of the Hawke's Bay region. Additionally, areas of Taupō District and Rangitīkei District are also part of the Hawke's Bay region. We estimate that 0.1% of Taupō's population and 12% of Taupō's area, and 0.3% of Rangitīkei's population and 14% of Rangitīkei's area are within the Hawke's Bay region.

Figure 5 shows the Hawke's Bay's total gross emissions divided by territorial authority. Figure 6 shows total gross emissions for the territorial authorities in the Hawke's Bay Region, split by sector. Both figures only include the emissions produced within the Hawke's Bay region for Taupō and Rangitīkei.

Hastings is the highest emitting territorial authority in the region, representing 43% of the Hawke's Bay's total gross emissions. Hastings' emissions inventory is predominantly agriculture-related emissions with the next largest emitting territorial authorities; Central Hawke's Bay and Wairoa, also containing significant agricultural emissions. Of the four territorial authorities entirely within the Hawke's Bay region, Napier has the lowest total gross emissions, with emissions mostly from Transport and Stationary Energy. The areas of Taupō and Rangitīkei contribute to 2% of the Hawke's Bay region's total gross emissions, almost entirely from Agriculture.

Figure 5 Hawke's Bay's total gross emissions divided by territorial authority (tCO_2e). *Taupō and Rangitīkei totals only include emissions produced in the Hawke's Bay region.

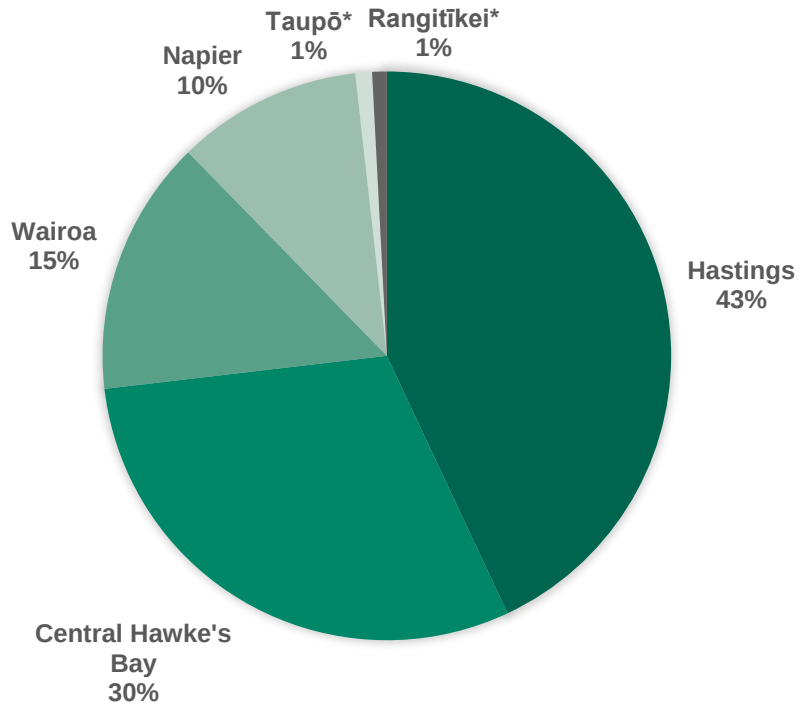
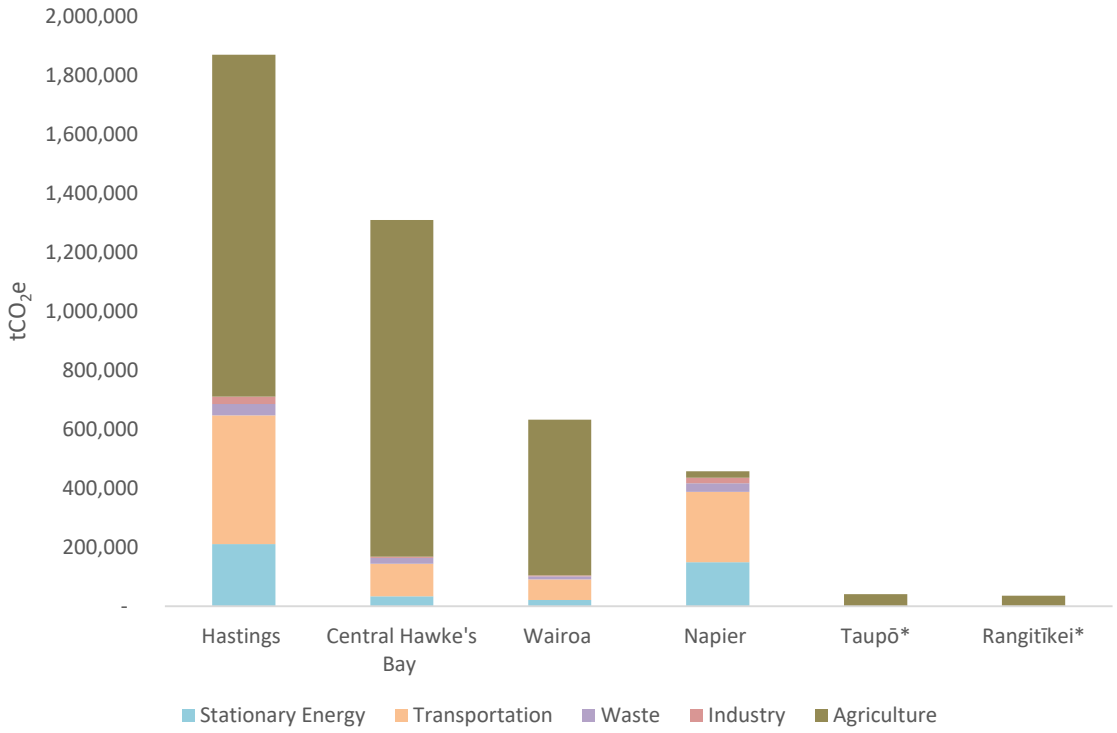


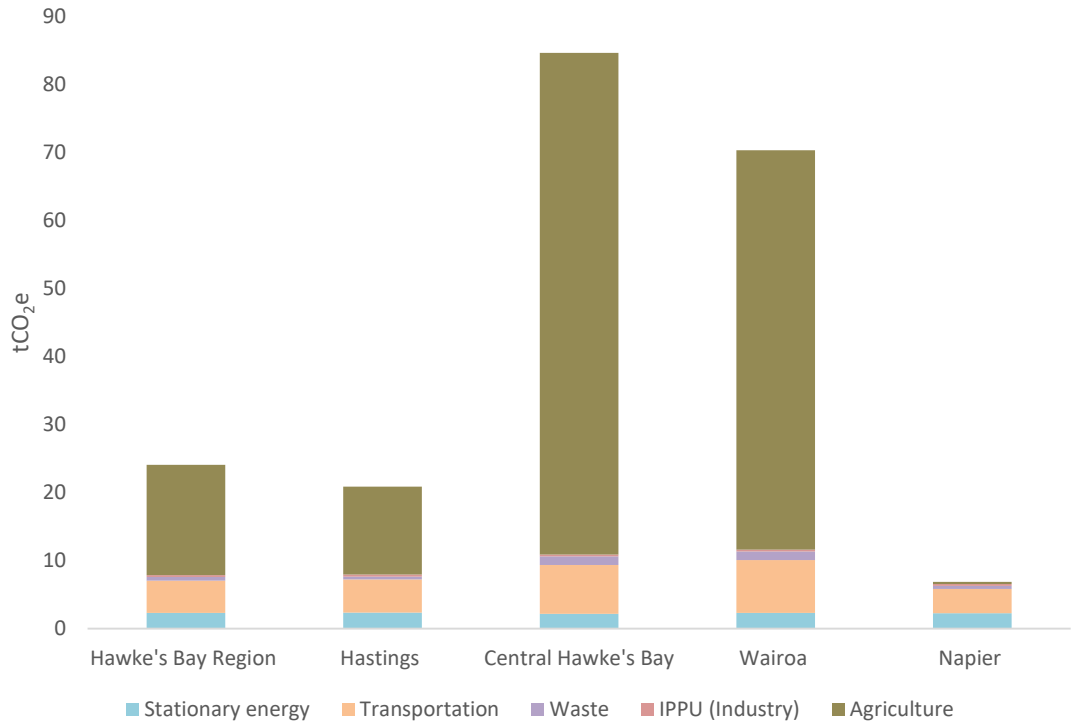
Figure 6 Total gross emissions by territorial authority in the Hawke's Bay region (tCO_2e). *Taupō and Rangitīkei totals only include emissions produced in the Hawke's Bay region.



When comparing emissions inventories from different areas, a per capita figure can be useful because it provides a common reference point to understand the difference in emissions. Figure 7 shows emissions per capita for the region and territorial authorities within the region. Taupō and Rangitīkei are excluded from this figure due to the tiny population and large agriculture within the small area in the Hawke's Bay creating very large per capita emissions (this is not the case for the entire Taupō or Rangitīkei district).

The Hawke's Bay region has a 24.1 tCO_2e/per capita figure for total gross emissions which is higher than the national value of 15.7 tCO_2e/per capita. Napier has the lowest per capita total emissions at 6.9 tCO_2e/per capita. Central Hawke's Bay and Wairoa have the largest per capita total gross emissions at 84.6 tCO_2e/per capita and 70.3 tCO_2e/per capita respectively, both due to high Agriculture emissions in the district. Hastings has the third highest per capita emissions at 20.9 tCO_2e/per capita, similar to that of the region. Notably, Napier's per capita emissions for Transport, Stationary Energy and Waste are the lowest of the four districts entirely within the Hawke's Bay region.

Figure 7 Total gross emissions per capita for the region and territorial authorities within the region (tCO_2e). *Taupō and Rangitīkei areas not included



4.0 Emissions change from 2018/19 to 2020/21

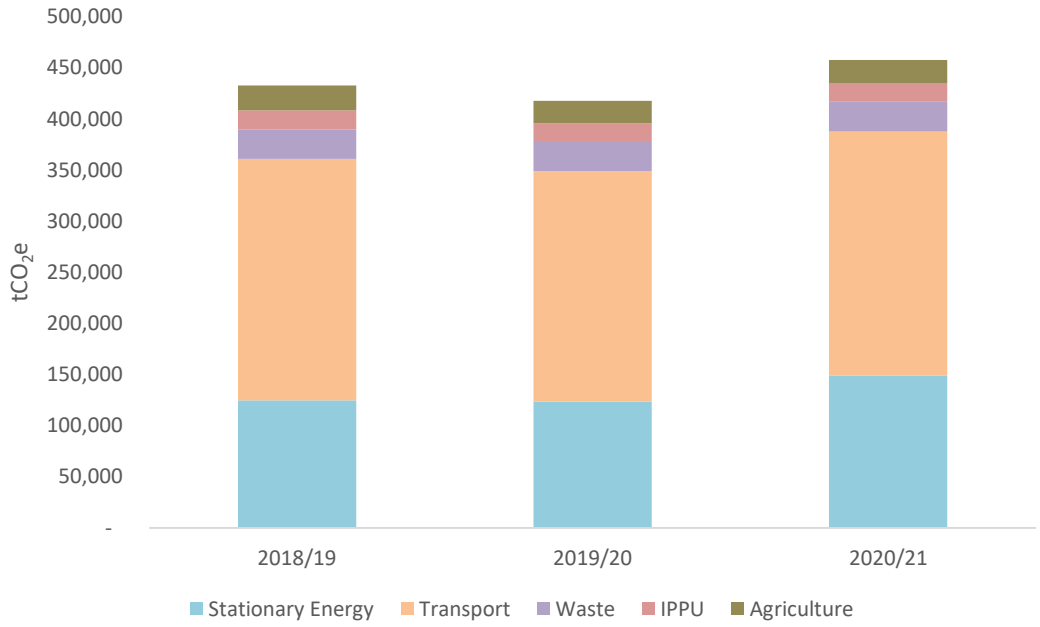
Alongside calculating Napier's emissions footprint for 2020/21, we have calculated Napier's emissions footprint for 2018/19 and 2019/20. This section displays the results of the 2018/19, 2019/20, and 2020/21 emissions footprints with a focus on gross emissions and documents the change in emissions from 2018/19 to 2020/21.

An analysis of the impact of the COVID-19 pandemic on Napier's emissions is found in Section 6.0. This section is cautious in examining the interpretation of changes, due to the footprint only assessing one financial year (2018/19) prior to the COVID-19 pandemic disruptions.

Table 12 Change in Napier's Total Gross and Net emissions from 2018/19 to 2020/21

	2018/19 (tCO_2e)	2019/20 (tCO_2e)	2020/21 (tCO_2e)	% Change (2018/19 to 2020/21)
Total Net Emissions (including forestry)	433,696	418,384	458,157	6%
Total Gross Emissions (excluding forestry)	432,811	417,678	457,725	6%

Figure 8 Change in Napier's total gross emissions from 2018/19 to 2020/21

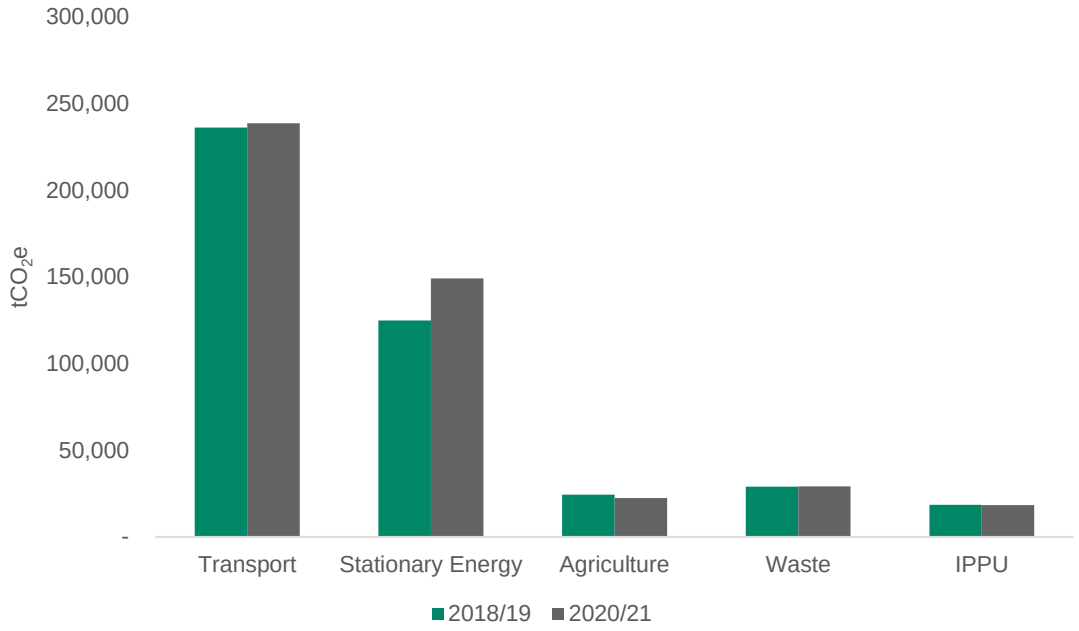


Annual total gross emissions increased by 6% from 432,811 tCO_2/e in 2018/19 to 457,725 tCO_2e in 2020/21. Annual total net emissions in Napier increased by 6% from 433,696 in 2018/19 to 458,157 tCO_2e. The increase in both total gross and total net emissions was driven by an increase in Stationary Energy primarily related to the increase in the emissions intensity of the national electricity grid (tCO_2e/kWh).

The population of Napier grew by 3% between 2018/19 and 2020/21. This resulted in a 3% increase in per capita emissions between 2018/19 and 2020/21, from 6.7 to 6.9 tCO_2e per person per year. A discussion of the decoupling of gross emissions from population growth and GDP is found in Section 5.0.

The sections below outline the change in emissions between 2018/19 and 2020/21 for each sector and emissions source, highlighting the changes that have had the largest impact on total gross emissions.

Figure 9 Emissions for each sector of Napier's gross emissions footprint for 2018/19 and 2020/21



4.1 Transport

Table 13 Change in Napier's Transport emissions from 2018/19 to 2020/21

Sector / Emissions Source	2018/19 (tCO_2e)	2019/20 (tCO_2e)	2020/21 (tCO_2e)	% Change (2018/19 to 2020/21)
Diesel	109,832	107,575	120,362	10%
Petrol	87,790	82,157	87,710	-0.1%
Marine Freight	33,786	33,576	28,890	-14%
Rail	2,599	42	26	-99%
Jet Kerosene	1,423	1,220	969	-32%
LPG	544	547	569	5%
Aviation Gas	82	97	100	22%
Total:	**236,054**	**225,213**	**238,626**	**1%**

Transport emissions increased by 1% between 2018/19 and 2020/21 (2,572 tCO_2e). This was driven by a 5% increase in on-road fuel emissions (8,462 tCO_2e).

It is noted that the impact of the COVID-19 pandemic can be seen in Transport emissions where emissions decreased by 5% between 2018/19 and 2019/20 due to reductions in road, marine freight, air transport fuel use. Aviation emissions continued to reduce in the 2020/21 reporting year, reflective of ongoing COVID-19 impacts to the industry.

4.2 Stationary Energy

Table 14 Change in Napier's Stationary Energy emissions from 2018/19 to 2020/21

Sector / Emissions Source	2018/19 (tCO_2e)	2019/20 (tCO_2e)	2020/21 (tCO_2e)	% Change (2018/19 to 2020/21)
Natural Gas	49,575	47,629	51,095	3%
Electricity Consumption	46,407	47,322	66,569	43%
Stationary Petrol & Diesel Use	12,307	12,027	13,426	9%
LPG	4,308	4,337	4,511	5%
Electricity Transmission and Distribution Losses	4,052	4,148	6,115	51%
Natural Gas Transmission and Distribution Losses	4,007	3,850	4,130	3%
Coal	2,164	2,367	1,259	-42%
Biofuel / Wood	2,016	2,009	2,004	-1%
Biogas (landfill)	40	41	42	4%
Total:	**124,877**	**123,729**	**149,151**	**19%**

Emissions from Stationary Energy increased by 19% between 2018/19 and 2020/21 (24,274 tCO_2e). This was driven by a 43% increase in electricity consumption emissions (20,163 tCO_2e). The increase in electricity consumption emissions was due to a 2% increase in energy consumption (kWh) and a 41% increase in the emissions intensity of the national electricity grid (tCO_2e/kWh). The emissions intensity of the national grid has increased in recent years due to the increased use of fossil fuels during years with low hydro electricity generation. Emissions from industrial energy use is the largest driver in the increase in stationary emissions (9,875 tCO_2e).

4.3 Waste

Table 15 Change in Napier's Waste emissions from 2018/19 to 2020/21

Sector / Emissions Source	2018/19 (tCO_2e)	2019/20 (tCO_2e)	2020/21 (tCO_2e)	% Change (2018/19 to 2020/21)
Open Landfill	17,679	17,941	18,334	4%
Composting	4,095	4,095	4,095	*NA*
Closed Landfill	3,943	3,741	3,552	-10%
Wastewater treatment plants	2,856	2,354	2,689	-6%
Individual septic tanks	429	435	440	3%
Total	**29,001**	**28,566**	**29,110**	**0.4%**

Total Waste emissions remained relatively unchanged between 2018/19 and 2020/21.

Total solid waste in landfill emissions changed by just 0.4% (264 tCO_2e). Emissions from waste in open landfills increased as the volume of waste entering the landfill increased up until 2020, and waste recently deposited in landfill reaches peak emissions per year (this is after approximately two years in landfill). Emissions from closed landfills decreased due to no extra waste being added, the existing waste in landfill releases fewer emissions over time. Due to data only being available for one singular year, no change in composting emissions is recorded.

Total wastewater emissions decreased by 5% (155 tCO_2e), this is due to a slight decrease in emissions from centralised wastewater treatment (167 tCO_2e).

4.4 Agriculture

Table 16 Change in Napier's Agriculture emissions from 2018/19 to 2020/21

Sector / Emissions Source	2018/19 (tCO_2e)	2019/20 (tCO_2e)	2020/21 (tCO_2e)	% Change (2018/19 to 2020/21)
Enteric Fermentation	18,978	16,905	17,511	-8%
Manure from Grazing Animals	2,830	2,514	2,604	-8%
Other Agriculture Emissions	999	887	912	-9%
Atmospheric Deposition	772	686	709	-8%
Fertiliser used in Horticulture	454	454	454	0%
Manure Management	241	214	222	-8%
Agricultural Soils	64	56	49	-24%
Total	**24,339**	**21,716**	**22,462**	**-8%**

The Agriculture sector's emissions decreased by 8% between 2018/19 and 2020/21 (1,878 tCO_2e). This decrease is driven by a reduction in total livestock numbers, especially of sheep and non-dairy cattle (see Table 17).

Emissions related to sheep decreased by 1,348 tCO_2e due to a reduction in the number of sheep (2,459 sheep). Emissions related to non-dairy cattle decreased by 503 tCO_2e due to a reduction in the number of non-dairy cattle (254 cattle).

Table 17 Change in Napier livestock numbers from 2018/19 to 2020/21

	Number of animals (2018/19)	Number of animals (2020/21)	Change in number of animals (2018/19 to 2020/21)
Sheep	25,990	23,531	-2,459
Non-dairy Cattle	3,744	3,490	-254
Other livestock	87	86	-1
Total livestock	**29,821**	**27,107**	**-2,714**

Table 18 Change in Napier's livestock-associated Agriculture emissions from 2018/19 to 2020/21

	2018/19 emissions (tCO_2e)	2020/21 emissions (tCO_2e)	% Change in emissions (2018/19 to 2020/21)
Sheep	14,246	12,898	-9%
Non-dairy Cattle	9,454	8,951	-5%
Other livestock	70	71	1%
Total livestock	**23,770**	**21,920**	**-8%**

4.5 Industrial Processes and Product Use (IPPU)

Table 19 Change in Napier's IPPU emissions from 2018/19 to 2020/21

Sector / Emissions Source	2018/19 (tCO_2e)	2019/20 (tCO_2e)	2020/21 (tCO_2e)	% Change (2018/19 to 2020/21)
Refrigerants and air conditioning	17,148	17,121	17,086	-0.4%
Aerosols	1,079	1,002	957	-11%
SF6 - Electrical Equipment	170	183	187	10%
Foam Blowing	75	81	81	7%
SF6 - Other	36.9	36.8	36.7	-1%
Fire extinguishers	30	30	29	-1%
Total	**18,540**	**18,453**	**18,377**	**-1%**

IPPU emissions decreased between 2018/19 and 2020/21, by 1% (162 tCO_2e). The decrease in IPPU emissions is mainly caused by a decrease in aerosols. Note that national level data is used for this sector and is portioned out using a population approach; exact emissions for the city are unknown.

4.6 Forestry

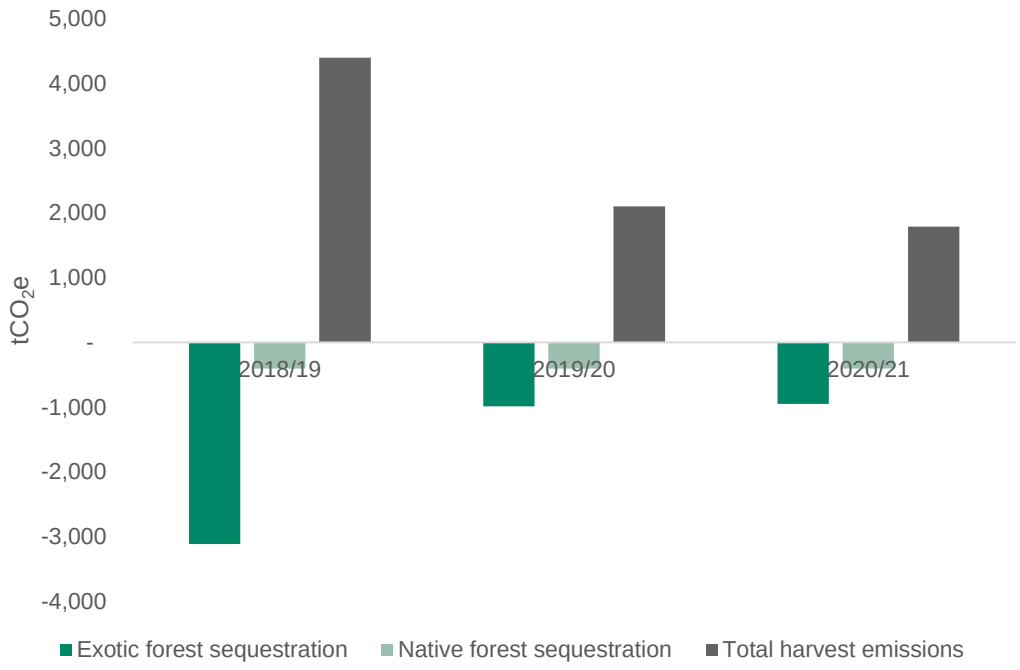
Table 20 Change in Napier's Forestry emissions from 2018/19 to 2020/21

Sector / Emissions Source	2018/19 (tCO_2e)	2019/20 (tCO_2e)	2020/21 (tCO_2e)	% Change (2018/19 to 2020/21)
Total harvest emissions	4,401	2,099	1,788	-59%
Native forest sequestration	-404	-404	-404	0%
Exotic forest sequestration	-3,112	-990	-952	-69%
Total	**885**	**705**	**432**	**-51%**

Forestry emissions decreased by 453 tCO_2e (51%) between 2018/19 and 2020/21. This decrease was driven by a decrease in total harvest emissions (2,613 tCO_2e) as less exotic forest is harvested. During this time, sequestration also decreased due to a reduction in the extent of exotic forest.

Forestry emissions are influenced by the cyclical nature of harvesting and planting regimes where some years will have higher sequestration and some years will have higher harvesting emissions. This is dependent on age of forests and the demand for lumber and timber. This decrease in Napier harvesting emissions during this period is reflective a decrease in forestry harvesting across the region. Improved and updated data sources may impact the estimation of emissions from this source in the future. Sequestration by native forest remained relatively unchanged during this time.

Figure 10 Forestry sequestration and harvesting emissions from 2018/19 to 2020/21



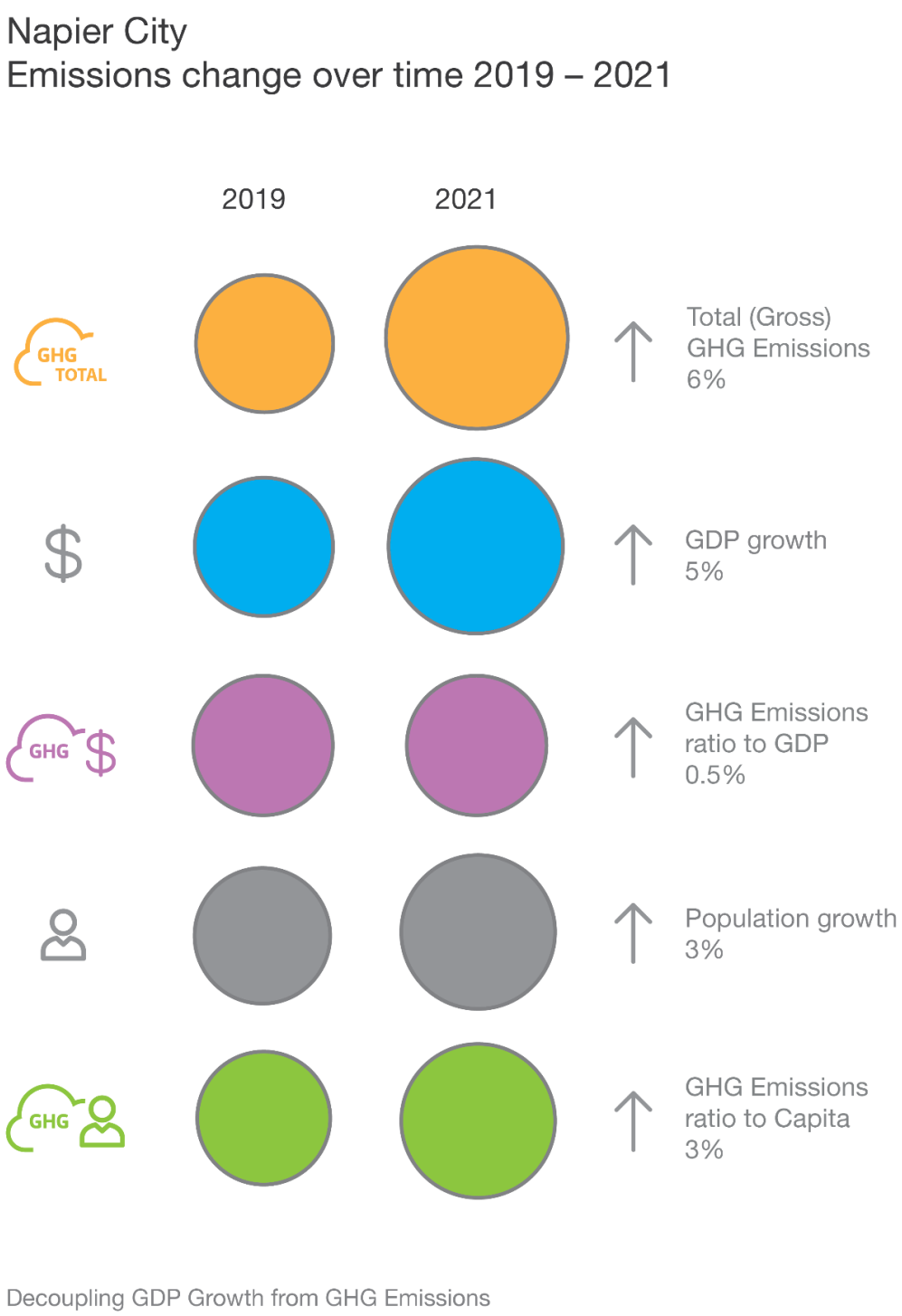
5.0 Decoupling of GHG emissions from population growth and GDP

Figure 11 shows the changes in gross emissions when compared to changes in other metrics of interest between 2018/19 and 2020/21. For example, total gross emissions have increased by 6%, whilst population in Napier has increased by 3%, resulting in a 3% increase in total gross emissions per capita. Similarly, Gross Domestic Product (GDP) in Napier has increased by 5%, resulting in a 0.5% increase in the GHG emissions ratio to GDP.

When emissions grow less rapidly than GDP (a measure of income) this process is known as decoupling. The term decoupling is an expression of the desire to mitigate emissions without harming economic wellbeing. A full discussion of decoupling of emissions is beyond the scope of this project. However, the changes in emissions and GDP illustrated in Figure 11 and discussed above, suggest at a high-level decoupling has occurred between 2018/19 and 2020/21.

The exact drivers for the decoupling of emissions from GDP are difficult to pinpoint. New policies, for restructuring the way to meet demand for energy, food, transportation and housing will all contribute. In this case, both direct local actions (e.g. landfill gas reductions) and indirect national trends (e.g. changes to emissions from electricity generation) will have contributed to trends noted.

Figure 11 Change in total gross emissions compared to other metrics of interest



6.0 Impact of the COVID-19 pandemic on GHG Emissions

COVID-19 impacted New Zealand and the entire world during 2020 and 2021; causing widespread government-imposed restrictions on businesses and individuals and huge shifts in behaviours and economic markets. Restrictions in New Zealand relating to COVID-19 began in mid-March 2020 with many personal and business restrictions continuing past the end of 2019/20 and throughout 2020/21.[3]

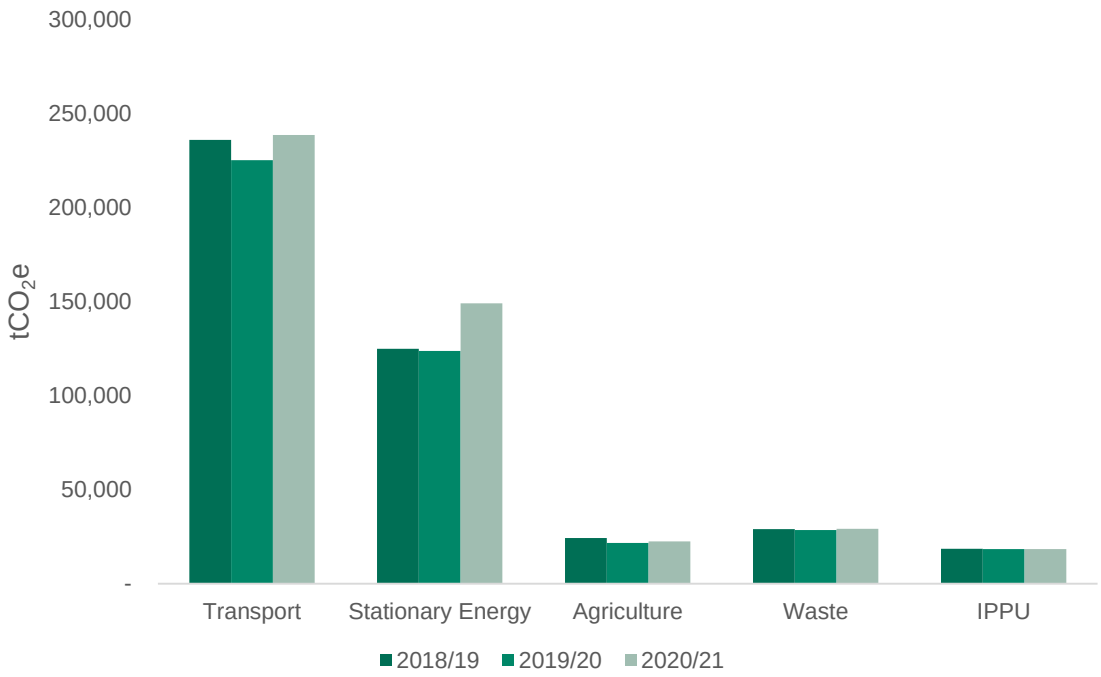
Globally, carbon dioxide emissions from fossil fuels (the largest contributor to greenhouse gas emissions) in 2020 decreased by 7% compared to 2019[4]. Emissions from the transportation sector account for the largest share of this decrease. Surface transport, e.g. car journeys, fell by approximately half at the peak of COVID-19 restrictions in April 2020 (when restrictions were at their maximum, particularly across Europe and the U.S. Globally, emissions recovered to near 2019 levels and are expected to continue to increase.

In New Zealand, national daily carbon dioxide emissions are estimated to have fallen by up to 41% during the level 4 lockdown in April 2020[5]. National gross emissions decreased by 3% from 2018/19 to 2019/20, which was largely driven by a decrease in fuel use in road transport due to COVID-19 pandemic restrictions, a decrease in fuel use in manufacturing industries and construction due to COVID-19 restrictions, and a decrease in fuel use from domestic aviation also due to COVID-19 restrictions.

Total gross emissions in Napier decreased by 15,132 tCO_2e (3%) between 2018/19 and 2019/20. Total gross emissions then increased by 40,047 tCO_2e (10%) between 2019/20 and 2020/21.

The impact on emissions in different sectors varied. Notably, Transport emissions reduced by 5% between 2018/19 and 2019/20, driven by reduced road and air transport fuel use. Despite changes in Stationary Energy, Agriculture, Waste, and IPPU emissions, these sectors are not judged to have been significantly affected by the COVID-19.

Figure 12 Napier emissions per sector for 2018/19, 2019/20, and 2020/21 (tCO_2e)



[3] https://covid19.govt.nz/alert-system/history-of-the-covid-19-alert-system/
[4] Pierre Friedlingstein et al. - Global Carbon Budget 2020 (2020)
[5] Corinne Le Quere et al. – Temporary Reduction in Daily Global CO_2 Emissions During the COVID-19 Forced Confinement

7.0 Closing Statement

Napier GHG emissions footprint provides information for decision-making and action by the council, Napier stakeholders, and the wider community. We encourage the council to use the results of this study to update current climate actions plans and set emission reduction targets.

The emissions footprint developed for Napier covers emissions produced in the Stationary Energy, Transport, Waste, IPPU, Agriculture, and Forestry sectors using the GPC reporting framework. Sector-level data allows Napier to target and work with the sectors that contribute the most emissions to the footprint.

Understanding of the extensive and long-lasting effects of climate change is improving all the time. It is recommended that this emissions footprint be updated regularly (every two or three years) to inform ongoing positive decision making to address climate change issues.

The accuracy of any emissions footprint is limited by the availability, quality, and applicability of data. Areas where data could be improved for future footprints include forestry (forest cover and harvesting), agriculture (especially livestock numbers), wastewater, and on and off-road transport fuel use.

8.0 Limitations

Where this Report indicates that information has been provided to AECOM by third parties, AECOM has made no independent verification of this information except as expressly stated in the Report. AECOM assumes no liability for any inaccuracies in or omissions to that information. This Report was prepared between **June 2022 and September 2022** and is based on the information reviewed at the time of preparation. AECOM disclaims responsibility for any changes that may have occurred after this time. This Report should be read in full. No responsibility is accepted for use of any part of this report in any other context or for any other purpose or by third parties. This Report does not purport to give legal advice.

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Appendix A

Assumptions and Data Sources

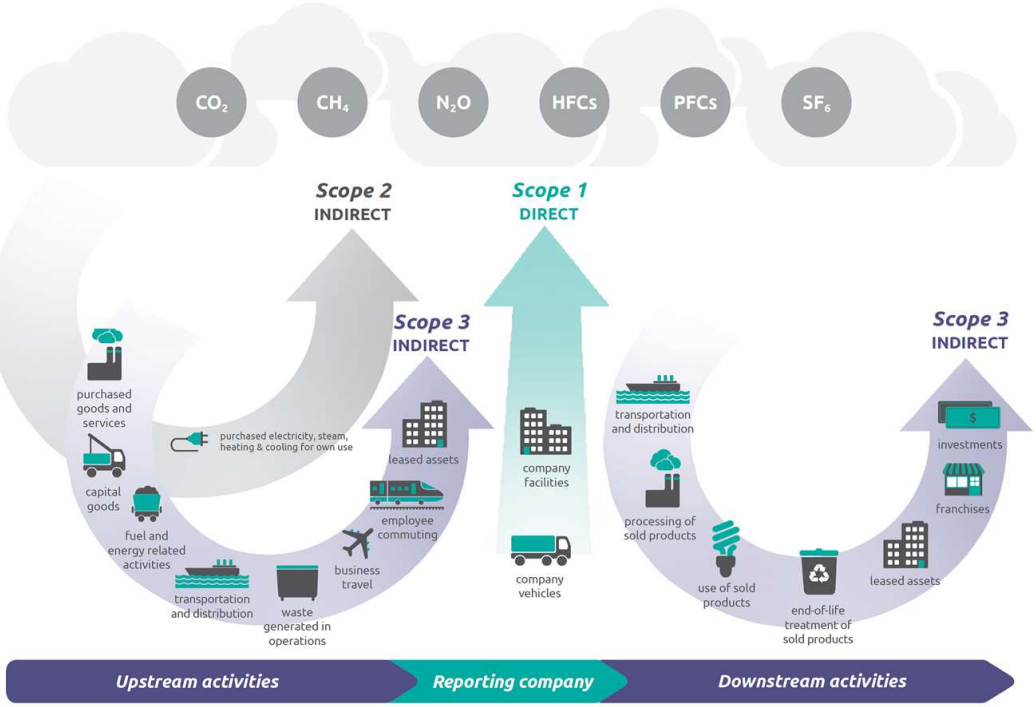
Sector / Category	Assumption and Data Sources
General	
Geographical Boundary	LGNZ local council mapping boundaries have been applied. The emissions footprint for the Hawke's Bay Region covers the entirety of the Hawke's Bay Region (this excludes some of the Rangitikei and Taupō territorial authorities). Emissions footprints for each territorial authority covers the entirety of the territorial authority area.
Population	Population figures are provided by StatsNZ. Financial year populations have been used, these are based on the average population from the two calendar years (e.g. the average of 2018 and 2019 calendar year populations for FY19). The population of Taupo and Rangitikei Districts within the Hawke's Bay geographical boundary has been calculated.
Transport Emissions	
Petrol and Diesel:	Petrol and diesel sales data provided by Napier City Council for Napier, Central Hawkes Bay and Hastings. Combined sales data for Gisborne and Wairoa provided by Gisborne District Council and allocated to a region based on Waka Kotahi emissions data. Sales have been divided between territorial authorities based on the number of kilometres travelled by vehicles on roads (VKT) in each territorial authority. VKT data provided by Waka Kotahi. The division into transport and stationary energy end use (and within transport into on-road and off-road) has been calculated using fuel end use data provided by the Energy Efficiency and Conservation Authority (EECA) from the 2019 database. Biofuel sales information provided directly by the supplier.
Rail Diesel	Emissions from fuel use have been calculated and provided by Kiwi Rail. The following assumptions were made: - Net Weight is product weight only and excludes container tare (the weight of an empty container) - The Net Tonne-Kilometres (NTK) measurement has been used. NTK is the sum of the tonnes carried multiplied by the distance travelled. - National fuel consumption rates have been used to derive litres of fuel for distance. - Type of locomotive engine used, and jurisdiction topography, have not been incorporated in the calculations. The trans-boundary routes were determined, and the number of stops taken along the way derived. The total amount of litres of diesel consumed per route was then split between the departure district, arrival district and any district the freight stopped at along the way. If the freight travelled through but did not stop within a district, no emissions were allocated. This data is subject to commercial confidentiality.
Jet Kerosene (Scheduled Flights) Aviation Gas (General Aviation)	Calculated from information provided by Hawke's Bay Airport. Aviation fuel and jet kerosene fuel volumes were provided and emissions have been calculated using these volumes. Emissions have been divided between territorial authorities based the relative population of each territorial authority.

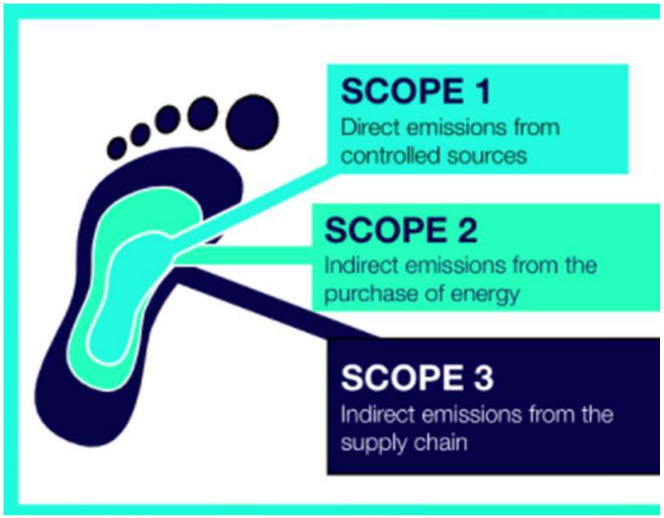
Marine Freight	Shipping schedules have been provided by the Port of Napier. Emissions have been calculated based on ship weight and distance from the origin/destination to Napier. This figure does not include fishing vessels, or vessels with destination to be confirmed. Emissions from freight and international shipping are allocated equally between the origin and destination area emissions footprints. It is expected that imports and exports travelling through the Port of Napier service the entire Hawke's Bay Region. Emissions relating to freight and international shipping emissions have been divided between all Hawke's Bay territorial authorities based on population size.
Marine Fuel (Local)	Non-freight marine fuel use has not been included in this study. Fuel use by Port of Napier-controlled vessels has not been included due to a lack of available information. Most private marine vessels use fuel purchased at vehicle fuel stations. Petrol and diesel used in private marine vessels is included in off-road transportation.
LPG Consumption	North Island LPG sales data (tonnes) has been provided by the LPG Association. 'Auto' and 'Forklift' sales represent transport uses of LPG. Sales have been divided between territorial authorities on a per capita basis.
Stationary Energy Emissions	
Electricity Demand	Electricity demand has been calculated using grid exit point (GXP) data from the EMI website (www.emi.ea.govt.nz). Reconciled demand has been used as per EMI's confirmation. The territorial authorities serviced by each GXP have been confirmed by the respective electricity suppliers. The breakdown into sectors (Residential, Commercial, and Industrial) is based on NZ average consumption per sector as per Ministry for the Environment (MfE) data.
Electricity Generation	Electricity generation has been calculated using data from the EMI website (www.emi.ea.govt.nz). Small electricity generation has not been included in this data (e.g. domestic solar generation). This figure only includes electricity that is connected to the national electricity grid, direct users of electricity are not included.
Coal Consumption	National coal consumption data has been provided by MBIE. Regional industrial coal data has been provided by EECA. National residential and commercial coal consumption has been divided between territorial authorities on a per capita basis. Regional industrial coal consumption has been divided between territorial authorities on a per capita basis.
Coal Production and Fugitive Emissions	Not Calculated: There are no active coal mines within the region.
Biofuel Consumption	National biofuel consumption data has been provided by the Ministry for Business, Innovation and Employment (MBIE). Biofuel consumption has been divided between territorial authorities on a per capita basis. Biofuel emissions are broken down into Biogenic emissions (CO_2) and Non-Biogenic emissions (CH_4 and N_2O)

LPG Consumption	North Island LPG sales data (tonnes) has been provided by the LPG Association. 'Auto' and 'Forklift' sales represent transport uses of LPG. All other sales represent stationary energy uses of LPG. Sales have been divided between territorial authorities on a per capita basis. The breakdown into sectors (Residential, Commercial, and Industrial) is based on NZ average consumption per sector as per MfE data.
Natural Gas Consumption	Natural gas consumption data has been provided by FirstGas. Territorial Authorities supplied by gas from each Point of Connection (POC) have been confirmed by FirstGas. Natural gas consumption has been split into residential, commercial, and industrial consumption based on information provided by PowerCo and national statistics from MBIE. Some POCs supply gas to particular industrial users exclusively, these have been taken into account.
Oil and Gas Fugitive Emissions	Not Calculated: There are no gas or oil processing plants within the region.
Agricultural Emissions	
General	Territorial authority livestock numbers and fertiliser data taken from the Agricultural Census (StatsNZ). The last territorial authority census was in 2017. Regional agricultural data from StatsNZ (2021) has been used to estimate the change in livestock and fertiliser use since 2017. Territorial authority land-use data provided by HBRC covering horticulture land-use.
Solid Waste Emissions	
Waste in Landfill	Landfill waste volume and end location information has been provided by the respective council departments. Where information is not available, waste volumes have been estimated based on historical national data on a per capita basis. Emissions are allocated to territorial authorities based on where the waste was produced, even if the waste is disposed in landfill outside the territorial authority.
Wastewater Emissions	
Wastewater Volume and Treatment Systems	Information on treated wastewater, and treatment plants has been provided by the respective council departments. Where information is not available, reasonable assumptions have been made and the WaterNZ database has been consulted. The population connected to septic tank systems have been estimated by the respective council departments. Where the population covered by Wastewater treatment plants and septic tanks does not account for the entire population, the remaining population is assigned to septic tanks. Emissions are allocated to territorial authorities based on where the wastewater was produced, even if the wastewater is treated outside the territorial authority.
Industrial Emissions	
Industrial processes	It is assumed that there are no significant non-energy related emissions of greenhouse gasses from industrial processes in the Region (e.g. aluminium manufacture).
Industrial Product Use	National data covering industrial product use (e.g. fire extinguishers, refrigerants) has been provided by the MfE. Emissions have been allocated to territorial authorities on a per capita basis.

Forestry Emissions	
Exotic Forestry Harvested	Harvested forestry, and forest cover information for each territorial authority has been derived from Landcare Research data. It has been assumed that only 70% of the tree is removed as roundwood and that the above ground tree makes up approximately 74% of the total carbon stored.
Exotic Forest	Exotic forest land area for each territorial authority has been provided by Landcare Research.
Emission Factors	
General	All emission factors have detailed source information in the calculation tables within which they are used. Where possible, the most up to date, NZ-specific EFs have been applied. AR5 Global Warming Potential (GWP) figures for greenhouse gases have been used accounting for climate change feedbacks.

Carbon footprint 101 – GHG Scopes





NAPIER CITY COUNCIL
Te Kaunihera o Ahuriri

ble 2: Emissions by scope, category and source[†]

copes used in he GHG Protocol	ISO Inventory Category	ISO sub-category (Annex B)	GHG Protocol
	Direct GHG emissions	Stationary combustion Mobile combustion Process Fugitive Land use, land use change, and forestry (LULUCF)	Stationary combustion Mobile combustion Process Fugitive Land use, land use change, and forestry (LULUCF)
	Direct GHG removals	Process Land use, land use change, and forestry (LULUCF)	Process Land use, land use change, and forestry (LULUCF)
	Indirect GHG emissions from imported energy	Electricity Energy	Electricity Energy
	Indirect GHG emissions from transportation	Upstream transport and distribution for goods Downstream transport and distribution for goods Client and visitor transport Business travel	4. Upstream transportation and distribution 9. Downstream transportation and distribution 7. Employee commuting 6. Business travel 3. Fuel- and energy-related activities
	Indirect GHG emissions from products used by the organisation	Purchased goods Capital goods Waste disposal (liquid and solid) Equipment leased by reporting organisation Services not described above	1. Purchased goods and services 2. Capital goods 5. Waste generated in operations 8. Upstream leased assets 1. Purchased goods and services
	Indirect GHG emissions associated with use of products from the organisation	Use stage of product Downstream leased assets End-of-life stage of product	11. Use of sold product 13. Downstream leased assets

ISO14064 Categories vs GHG Protocol Scopes

NAPIER CITY COUNCIL
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3. QUARTERLY REPORT

Type of Report:	Legal and Operational
Legal Reference:	Local Government Act 2002
Document ID:	1759347
Reporting Officer/s & Unit:	Talia Foster, Financial Controller Caroline Thomson, Chief Financial Officer

3.1 Purpose of Report

To consider the Quarterly Report for the three months ended 31 March 2024.

Officer's Recommendation

The Prosperous Napier Committee:

a. **Receive** the Quarterly Report (Doc Id 1762074) for the three months ended 31 March 2024.

3.2 Background Summary

The Quarterly Report summarises the Council's progress in the third quarter of 2023/24 towards fulfilling the intentions outlined in the Annual Plan. Quarterly performance is assessed against income, total operating expenditure, and capital expenditure.

This is intended to be the final Quarterly Report in this format. For the final quarter of each year we complete an Annual Report and therefore do not prepare a Q4 report. For Q1 in 2024/25 there will be an updated format, with the intention of providing more relevant and timely information in an easier to read format.

3.3 Issues

N/A

3.4 Significance and Engagement

N/A

3.5 Implications

Financial

The year-to-date net operating shortfall of $9.9m is $18.2m favourable to the budgeted deficit of $28.1m. This favourable variance is attributable to a combination of factors as outlined below:

Revenue

- Subsidies and grants are $2.1m above budget due to government grants related to cyclone recovery, DIA three waters funding, and Better Off Funding.
- Financial Contributions are $1.8m above budget due to higher-than-expected development across the city.

- Other Revenue is $4.9m above budget due to a legal settlement, an insurance receipt and sales in Parklands Residential Development being above the average budgeted sale price.

Expenditure

- Employee benefit expense is below the revised budget by $3.6m due to vacancies across Council. However, this expense is above the Annual Plan budget due to additional resources which have been approved by management since the Annual Plan was adopted. For revenue generating business units, this will be offset by additional revenue.
- Depreciation expense is below budget by $1.4m due to the reduced level of asset capitalisation from the previous year.
- Finance costs are $1.1m less than budgeted, attributed to lower borrowing than anticipated, primarily stemming from the timing of capital expenditures.
- Offsetting these positive variances, other operating expenses are $1.8m above budget. This is due to unbudgeted roading maintenance due to Cyclone Gabrielle and November 2020 flood recovery works, and other Cyclone Gabrielle recovery expenditure.

The year-to-date capital expenditure is $34.2m compared to the Annual Plan budget of $75.9m. The revised budget of $99.7m includes budgets carried forward from the previous year. We are forecasting to achieve $53.1m by 30 June.

Social & Policy

N/A

Risk

N/A

3.6 Development of Preferred Option

Receive the quarterly report for the three months ended 31 March 2024.

3.7 Attachments

1 Q3 Quarterly Report (Doc Id 1762074) (Under separate cover 1)

4. CATEGORY 3 VOLUNTARY BUY-OUT - TIMEFRAME FOR PROGRAMME COMPLETION

Type of Report:	Procedural
Legal Reference:	Enter Legal Reference
Document ID:	1762174
Reporting Officer/s & Unit:	Anne Bradbury, Manager Community Strategies Kathryn Hunt, Recovery Programme Coordinator

4.1 Purpose of Report

a) To provide an update on the progress of the Category 3 Voluntary Buy Out Programme and to seek endorsement to apply a deadline for engagement in the Programme.

b) This report discusses the timeframe for Programme Completion and the proposed closure of the Voluntary Buy Out Office in December 2024.

c) This requires property owners to engage in good faith with the Voluntary Buy Out Office before 31 August 2024 so offers can be constructed by September 2024. Property owners have three months to consider their offers and the Programme will be mostly complete by the end of the year.

d) Support will still be provided for property owners in complex situations that are willing to engage prior to 31 August if required once the Voluntary Buy Out Programme is substantively completed.

Officer's Recommendation

The Prosperous Napier Committee:

a. **Approve** that the Voluntary Buy Out Programme be substantively concluded effective 31 December 2024.

b. **Approve** that the Voluntary Buy Out Policy cease to be operative once the last owner who has engaged in good faith in the Voluntary Buy Out Programme prior to 31 August 2024 has been supported through to settlement or chooses to opt out of the process.

c. **Direct** the Chief Executive to make provision to support owners who have engaged in the Voluntary Buy Out Programme in good faith prior to 31 August 2004 to conclude the Voluntary Buy Out Programme after 31 December 2024, if this support is still required.

d. **Note** the Chief Executive will make thorough efforts to encourage owners who have not yet engaged in the Voluntary Buy Out Programme, or who have stalled for some reason, to make final decisions on whether they would like to engage or re-engage in the Voluntary Buy Out Programme by 31 August 2024.

e. **Note** that if property owners are unwilling to engage, or re-engage, with the Voluntary Buy Out Programme in good faith by 31 August 2024 (i.e. by accepting an initial meeting with the Voluntary Buy Out Office and agreeing to be supported through the valuation stage so

offers can be constructed by 30 September 2024) the Voluntary Buy Out Progamme will be closed to these owners.

4.2 Background Summary

1. The Voluntary Buyout Office (VBO) officially opened its doors on 24 October 2023. Over the last seven months it has been both implementing and closely monitoring the implementation of the Voluntary Buyout Programme (the Programme) against the Voluntary Buyout Policy's (the Policy) objectives.
2. Significant progress has been made with the Programme. There are 166 Category 3 properties eligible for a voluntary buyout across the Napier City Council (NCC) and Hastings District Council area, 14 of these properties are in NCC. The Programme runs across four stages – initial meetings, valuations, offer, settlement.

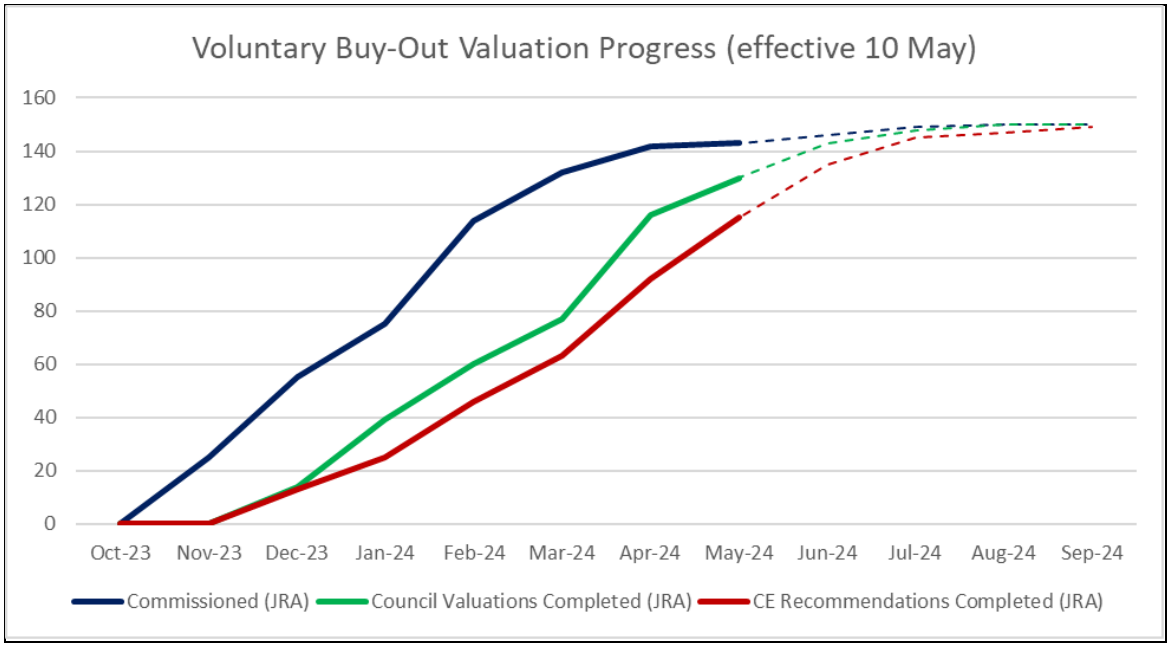
3. The table below captures the key data at each stage of the process as at 15 May 2024.

	Total Currently Eligible Category 3 Properties	Meetings complete	Valuations Pending	Valuations Complete	Offers Underway	Offers Approved	Settlements Completed
NCC	14	12	2	10	7	3	3
Total	166	154	28	117	56	59	42
Total	100%	93%	17%	70%	34%	36%	25%

4. Key points to note:
   - 154 initial meetings have been completed so far (93%).
   - 56 offers are underway and 59 offers have been approved. This means 115 property owner's have offers in front of them (69%).
   - 42 properties have settled (25%).
   - 8 owners representing 9 properties (7 HDC and 2 NCC) have not started the process at this point. A further 6 owners have stalled in the process for several reasons. Together this represents around 8% of the owners.

1.3 Completing the Voluntary Buyout Programme

5. Latest forecasts indicate that most owners will have received an offer by mid-September. The complex cases will take longer.



6. The Policy provides for an offer to be:

   "*open for three months after the Owner receives the offer, and agreements to an extension of time will not be unreasonably withheld where in the Council's reasonable opinion, substantive progress is being made towards an agreement".*

7. The Programme will be mostly complete by the end of the year as this will allow owners three months to consider offers received in September. For owners who have not yet engaged or have stalled, it is recommended that they be encouraged to make final decisions on whether they would like to be supported through the process by 31 August 2024. The VBO and NCC Connectors would do this through a formal letter, phone calls and email as appropriate. This would allow four weeks for valuations to take place and offers to be constructed by September 2024. If these owners did not engage in good faith by accepting an initial meeting with the VBO or agreeing to be supported through to the valuation stage before 31 August 2024, the process would be closed to them.
8. The VBO would close and cease to have a physical presence in December 2024. Provision would still be made to continue to support owners who have engaged in the process in good faith and who are working closely through complex situations for example continuing insurance difficulties, probate and whether to choose between the Council-led process or Kaupapa Māori Pathway beyond December 2024 if necessary.

4.4 Issues

9. The views of each owner about their willingness to proceed are well known to the VBO and NCC Connectors therefore the recommendations have not been the subject of community or specific owner engagement. The Connectors have been engaging one-on-one with owners over a seven-month period. Owners who have chosen not to engage in the process or have stalled, have been contacted multiple times by the Connectors to check if there has been any change to their position.
10. The key reasons for owners deciding not to engage in the process at this point or for stalling include:
    - Reluctant to engage further, want to keep living on land.
    - Waiting on insurance settlement (the VBO has invited owners in this situation to engage prior to settling insurance).

Only one owner engaging when there is more than one owner for the property (VBO unable to proceed at this point).

- Concerns about being able to continue to run businesses.

11. The two NCC property owners that have not had their initial meeting are engaging with our Connectors. Both properties are complex cases and NCC Connectors are helping them work through their issues so they will be able to join the process when they can. Support will still be available to these property owners after the Programme is closed if needed.

4.5 Significance and Engagement

N/A

4.6 Implications

Financial

12. Council has approved a budget of $5 million for costs associated with the Category 3 Voluntary Buy Out Programme. These costs include:
    - 50% of costs to acquire eligible Category 3 properties or provide Relocation Grants.
    - NCC share of transaction costs for our 14 properties – acquisition and valuation services plus the direct salary costs of VBO staff.
    - 20% of the running costs of the VBO office (HDC cover the remaining 80%).
    - 100% of costs relating to demolition, site remediation and disposal.
13. Latest financial forecasts indicate that the full cost of the VBO Programme will come in around $3.9 million which is under our $5 million cap.
14. The costs relating to Property Purchases/Relocation Grants, associated transaction costs, and demolition and disposal are directly related to the number of properties supported through the process. The financial forecasts capture these costs for all eligible owners. This paper does not focus on these costs as this is not a driver for consideration of the timeframe for programme completion. These costs will be covered if owners would like to be supported through the voluntary buy-out process and engage in good faith, so they can be supported while Council people and process support is available.
15. This paper focuses on the costs associated with Council staff (permanent and fixed term) and running the VBO. The table below summarises these costs for the following periods:
    - costs to date (to April 2024).
    - the June 23/24 Financial Year (FY).
    - the June 24/25 FY if the VBO substantively closed at the end of 2024.
    - the June 24/25 FY if the VBO closed at the end of June 2025.

Costs	Costs to date (to April 2024)	June FY 23/24	June FY 24/25 Scenario 1 – close VBO end of 2024	June FY 24/25 Scenario 2 – close VBO end of June 2025
VBO staff costs				
Staff costs	$337,763	$424,617	$260,563	$521,125
Total (less 50% Crown claim on eligible costs)	$196,610	$247,961	$154,051	$308,101

NCC share of VBO staff costs	39,322	49,590	30,810	61,620
Office running costs				
Lease + carpark	$33,123	$44,540	$35,148	$68,046
Laundry	$175	$395	$660	$1,320
Building maintenance	$129	$500	$250	$250
Electricity	$1,980	$2,640	$1,980	$3,960
Cleaning	$3,516	$4,923	$4,220	$8,440
Total	$38,923	$52,998	$42,258	$82,016
NCC share of VBO staff costs	$7,785	$10,600	$8,452	$16,403
Total cost to Council	**$227,749**	**$300,959**	**$196,309**	**$390,117**

16. There would be a notional cost saving of around $38,761 to the Programme if the VBO substantively closed at the end of 2024 compared with a closure at the end of June 2025. This is made up of notional cost saving of around $154,050 in relation to staff costs and $39,758 in relation to VBO operating costs.
17. Napier City Council will continue to pay operational costs and overheads to Hastings District Council while we still have properties in the Programme.

Social & Policy

18. Engagement with the property owners has been undertaken by the VBO and the Connectors. No further engagement or consultation is required as the views of each owner that have not engaged in the process or have stalled are known to the VBO. These owners have been contacted multiple times by the Connectors to check if there has been any change to their position.

Risk

There are financial risks to continue to keep the VBO open and risks related to certainty for staff. These risks are discussed in the paper.

4.7 Options

19. The options available to Council are as follows:
    a. <u>Substantively conclude the Voluntary Buy Out Programme at the end of 2024 (preferred option)</u>

    <u>Advantages</u>

    - Provides those owners who have not yet engaged in the process, or who have stalled for a variety of reasons, a clear timeframe to consider whether they would like to engage, or resume engagement in the process.
    - Provides certainty for Council on the operational costs supporting the Programme.
    - Provides certainty for staff working to support the Programme.

    <u>Disadvantages</u>

- For a small number of owners this may feel as though Council is place undue pressure on them to engage.

b. Do not signal an end to the Voluntary Buy Out Programme

Advantages

- Will not be perceived as placing undue pressure on reluctant owners to engage or progress with the process

Disadvantages

- Does not provide those property owners who have not yet engaged in the process, or who have stalled for a variety of reasons, a clear timeframe to consider whether they would like to engage, or resume engagement, in the process.
- Is more expensive for Council and the ratepayers and does not provide certainty for Council on the operational costs supporting the Programme.
- Does not provide certainty for staff working to support the Programme.

c. Conclude the Voluntary Buy Out Programme at the end of June 2025

Advantages

- Will be less likely to be perceived as placing undue pressure on reluctant owners to engage or progress with the process.

Disadvantages

- Is more expensive for Council and the ratepayers.
- Will be holding the Voluntary Buy Out Office open for a small number of property owners that have not been engaging with the process.

4.8 Development of Preferred Option

20. Officers recommend Option a as the preferred option. This option would provide certainty to the property owners and staff. This option is also less expensive for Council.

4.3 Attachments

Nil

5. HAWKE'S BAY AIRPORT LIMITED - STATEMENT OF INTENT FEEDBACK

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	1765082
Reporting Officer/s & Unit:	Jessica Ellerm, Deputy Chief Executive / Executive Director Corporate Services

5.1 Purpose of Report

To update the committee with feedback provided to Hawke's Bay Airport Limited Draft 2024/2025 Statement of Intent.

Officer's Recommendation

The Prosperous Napier Committee:

a. **Note** and receive the report titled Hawke's Bay Airport Limited – Statement of Intent Feedback

5.2 Background Summary

On 14 March 2024 the Hawke's Bay Airport Limited (HBAL) Board Chair Wendie Harvey and Chief Financial Officer Rochelle Ham presented the half year report and the Draft 2024/2025 Statement of Intent.

The Hawke's Bay Airport Limited (HBAL) is a Council Controlled Organisation (CCO). It is a company incorporated under the Companies Act and is owned by the Crown, Hastings District Council and Napier City Council (NCC). NCC has a 26% shareholding.

The Local Government Act 2002 requires Council Controlled Organisations (CCO) to submit a Statement of Intent to their shareholders for consideration.

The Draft Statement of Intent presented by HBAL satisfies all the requirements as set out in Schedule 8 of the Local Government Act, and clearly sets out the nature and scope of the HBAL activities and performance targets.

5.3 Feedback provided on the SOI

NCC and Hastings District Council have jointly provided feedback on the draft Statement of Intent. The feedback is summarised below for this committee's information and discussion.

The letter to HBAL:

- Stated that we strongly supported the proposed dividend policy, being 40% payment of Nett Profit After Tax, and expect that HBAL will both engage with NCC along with its other shareholders to discuss the dividend policy before it is finalised. It also hopes

that HBAL will balance debt repayment with distribution of profit to shareholders to ensure both financial stability and shareholder satisfaction.

- Noted our support of the airport's initiatives around alternative revenue generation. However, with particular respect to the Solar Farm, we expect to be engaged in this process and receive an updated business plan. The business plan must provide clear justification for whether the project should proceed or not.
- Acknowledge that the company currently has high levels of debt and requires significant capital investment over the next three years. This will necessitate appropriate risk management throughout this period.
- Look forward to further HBAL engagement with NCC particularly in regards to the progress of its strategic projects, and look forward to further discussion and confirmation of the dividend policy.

5.4 Significance and Engagement

N/A

5.5 Implications

Financial

Key point being that HBAL expects to be back in a dividend returning position from FY25. NCC has not forecast any investment income from HBAL, any dividend received would be additional income to that forecast in the FY24-FY27 plan.

Social & Policy

N/A

Risk

N/A

5.6 Attachments

1 HB Airport - Draft Statement of Intent (Doc ID 1741570) (Under separate cover 1)

PROSPEROUS NAPIER COMMITTEE
Open Minutes

Meeting Date:	Thursday 2 May 2024
Time:	9.30am – 9.40am
Venue	Large Exhibition Hall War Memorial Centre Marine Parade Napier
	Livestreamed via Council's Facebook page

Present	**Chair:** Councillor Crown **Members:** Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Chrystal, Greig, Mawson, McGrath, Simpson, and Taylor (Deputy Chair) Ngā Mānukanuka o te Iwi representatives – Joe Tareha
In Attendance	Chief Executive (Louise Miller) Acting Executive Director Corporate Services (Caroline Thomson) Executive Director Community Services (Thunes Cloete) Corporate Finance Manager (Garry Hrustinsky) Manager Strategy and Transformation (Stephanie Murphy)
Administration	Governance Advisors (Carolyn Hunt and Jemma McDade)

PROSPEROUS NAPIER COMMITTEE – Open Minutes

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Order of Business **Page No.**

ORDER OF BUSINESS

Karakia

The meeting opened with the Council karakia.

Apologies

Councillors Mawson / Chrystal

That the apologies for absence from Evelyn Ratima (Ngā Mānukanuka o te Iwi representative), Councillors Browne, Price and Tareha be accepted.

Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

Nil

Announcements by the Chairperson

Nil

Announcements by the management

Nil

Confirmation of minutes

Councillors Greig / Taylor

That the Minutes of the Prosperous Napier Committee meeting held on 28 March 2024 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. TREASURY ACTIVITY AND FUNDING UPDATE

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	1743049
Reporting Officer/s & Unit:	Garry Hrustinsky, Corporate Finance Manager

1.1 Purpose of Report

The purpose of this report is to update the Prosperous Napier Committee on Council's treasury activity.

At the meeting

The Corporate Finance Manager, Mr Hrustinsky spoke to the report advising that since the report was written there were currently no term deposits and an additional $10m was borrowed making the total borrowed $20m.

COMMITTEE RESOLUTION

Deputy Mayor Brosnan / Councillor Taylor

The Prosperous Napier Committee:

a. **Receive** the report titled Treasury Activity and Funding Update dated 02 May 2024.

Carried

2. INVESTMENT PROPERTY PORTFOLIO POLICY (LEASEHOLD) REVIEW

Type of Report:	Operational
Legal Reference:	Local Government Act 2002
Document ID:	1747371

Reporting Officer/s & Unit: Garry Hrustinsky, Corporate Finance Manager

2.1 Purpose of Report

In addition to the requirement to review this policy at least every 3 years, the main purpose of this report is to review the Investment Property Portfolio Policy with consideration to proposed changes to Napier City Council's (NCCs) investment strategy.

At the meeting

The Corporate Finance Manager, Mr Hrustinsky spoke to the report and advised that legal advice had been sought from Willis Legal, Council's lawyer in relation to leaseholder occupancy rights in the event a property sells to a third party, as directed at the 8 February 2024 meeting.

Mr Hrustinsky summarised the key changes made to the Policy, in consultation with Willis Legal, including the removal of a reference to an outdated report and allowing for management and/or ownership of leasehold land by a Council Controlled Trading Organisation (CCTO).

COMMITTEE RESOLUTION	Councillors Crown / Mawson
	The Prosperous Napier Committee: a. **Approve** the amended Investment Property Portfolio Policy (Leasehold) (Doc Id 1752036).
	Carried

Minor matters

There were no minor matters to discuss.

The meeting closed with a karakia at 9.41am

Approved and adopted as a true and accurate record of the meeting.

Chairperson .....

Date of approval .....