

Contents

	Page No
Preface	
A Message from the Mayor	1
A Message from the Chief Executive	3
City Vision	4
He Mihi	5
Palmerston North in a Nutshell	6
Population	6
Area and Location	6
Economy	6
Education	7
Recreation, Culture and Leisure Activities	7
Events	7
Governance	8
Role of Council	8
Council Representation	9
Elections	9
Committe Structure	9
Palmerston North City Council Organisational Structure	12
Key Achievements for 2005/06	13
Sustainability...Culture...Community Service	14
Employment	15
Equal Employment Opportunities	15
Capability Development	16
Maori Participation in Council Decision Making	17
Iwi Participation	17
Maori Community Participation	18
NZ International Financial Reporting Standards	19
Introduction	19
Early Adoption by Council	19
Preparation for NZ IFRS Conversion	19
Impacts of Adopting NZ IFRS	20
Reclassifications	21
Summary of Financial Impact of NZ IFRS on Council	22
NZ IFRS Impact on CCOs	22
Grants Paid to the Community	23
Financial Overview	25
Revenue	25
Expenditure	26
Capital Expenditure	27
Equity	28
Asset Base	28
Debt and Interest Ratios	29
Cash	30

Section 2 – Outcome Statements

Introduction	31
What are the Outcomes?	31
How are Outcomes Achieved?	31
How are Outcomes Measured?	31
What is Provided in the Outcomes Section?	32
A Growing Economy	33
Outcome Description	33
Year in Review	33
City Marketing	34
Economic Development	36
Events and Festivals	38
A Liveable Urban Environment	41
Outcome Description	41
Year in Review	42
Emergency Planning	44
Regulatory	46
Urban Design	49
A Strong & Caring Community	51
Outcome Description	51
Year in Review	51
Cemeteries	53
Community Development	54
Community Housing	56
An Active Community	58
Outcome Description	58
Year in Review	59
Aquatic Facilities	61
Arena Manawatu	63
Arts & Cultural Activities	64
Library Services	66
Performing Arts Facilities	69
Recreation Activities	71
Recreation Facilities	73
Te Manawa	76
A Well Managed Physical Environment	77
Outcome Description	77
Year in Review	78
Roading and Parking	79
Stormwater	84
Waste Management	87
Wastewater	90
Water	93
An Effective & Responsible Council	97
Outcome Description	97
Year in Review	97
Citizen Participation and Public Service	99
Customer Service and Public Information	102
Investments	104
Organisational Development	108
Strategic Planning	111

Section 3 – Financial Statements

Audit Report	115
Statement of Accounting Policies	117
Reporting Entity	117
Measurement Base	117
Specific Accounting Policies	117
Statement of Financial Performance	118
Statement of Financial Position	120
Statement of Cash Flows	125
Statement of Compliance and Responsibility	126
Statement of Financial Performance	127
Statement of Movements in Equity	128
Statement of Financial Position	129
Statement of Cash Flow	130
Notes to the Financial Statements	132
Note 1: Summary of Revenue and Cost of Operations by Outcome	132
Note 2: Rates - Council	134
Note 3: Other Revenue	135
Note 4: Cost of Operations	135
Note 5: Income Tax	136
Note 6: Cash & Short Term Deposits	137
Note 7: Accounts Receivable	137
Note 8: Prepayments and Accruals	138
Note 9: Investments & Advances	138
Note 10: Other Non-Current Assets	139
Note 11: Property, Plant and Equipment	140
Note 12: Payables & Deposits	142
Note 13: Term Liabilities	142
Note 14: Ratepayers' Equity	143
Note 15: Revaluation Reserves	144
Note 16: Council Created Reserves	145
Note 17: Minority Interest	145
Note 18: Deferred Tax Liability	145
Note 19: Comparative Information	146
Note 20: Post Balance Date Events	146
Note 21: Reconciliation of operating surplus after taxation with net cashflow from operating activities	146
Note 22: Remuneration of Chief Executive Officer	147
Note 23: Severance	147
Note 24: Contingencies & Commitments	147
Note 25: Financial Instruments	148
Note 26: Related Party Transactions	149
Note 27: Landfill Aftercare Provisions	151
Note 28: Segmental Reporting	151
Note 29: Employee Entitlements	152
Note 30: Capital Expenditure Performance	152
Note 31: Variations from 2005/06 Annual Plan	153

Section 4 – Council Controlled Organisations

Introduction	155
Palmerston North Airport Limited	156
Arena Manawatu	157
Caccia Birch	158
Globe Theatre	159
Regent Theatre	160
Te Manawa	161

Appendices

Directory

163

Glossary of Terms

165