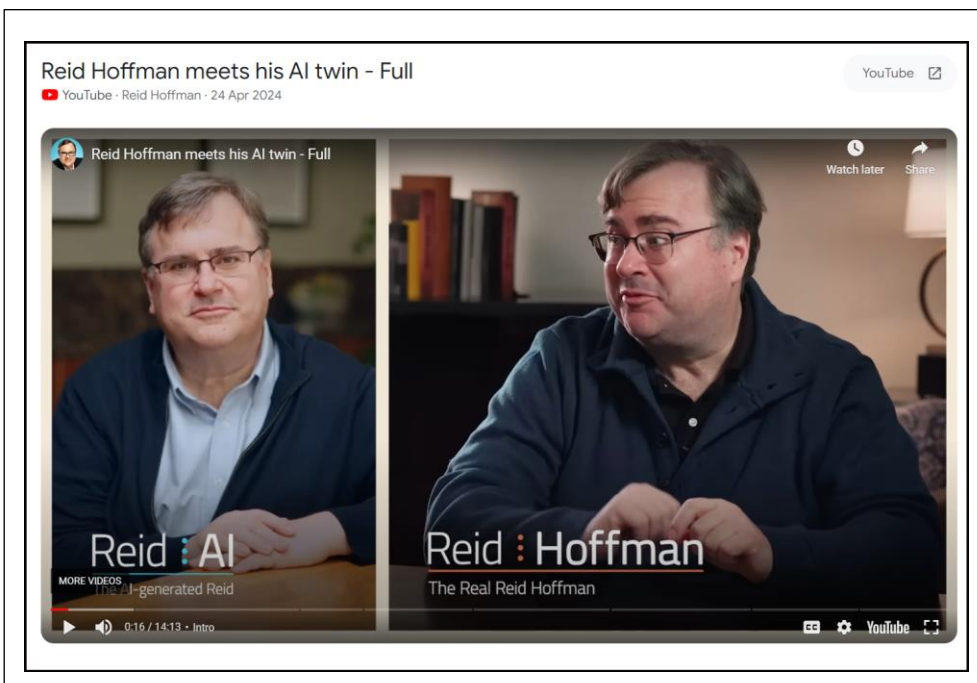


CHAIRMAN'S REPORT

FINANCE AND PERFORMANCE 26 JUNE 2024

Good morning, everyone, this week I have been in Hamilton and the B+LNZ Farmers Council Conference. Two highlights were presentations from Tim Deane who after many years marketing for Fonterra purchased the Norsewear factory – he sees a future for wool and notes robots can knit a wool jersey in just one hour.

Also Sir Ian Taylor spoke to us – he sees every challenge as an opportunity. He talked about AI and that the genie is out of the bottle and moving fast.



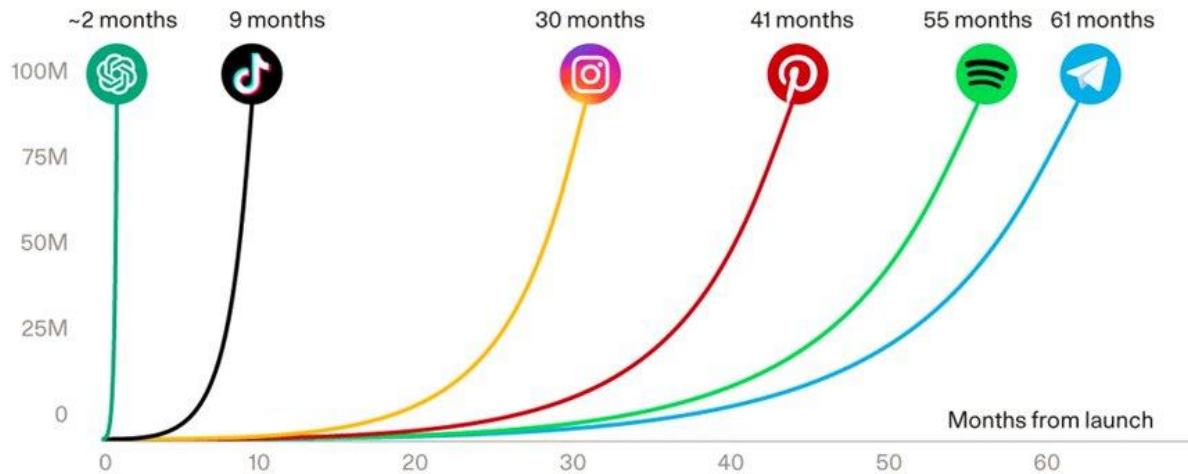
He showed a video of the Founder of LinkedIn, Reid Hoffman interviewing his AI self!

<https://www.youtube.com/watch?v=rgD2gmwCS10>

The AI can answer depending on the language and needs of the viewer ie changes for a dyslectic person and then even answered in Klingon (Star Trek). What could this mean for teaching?

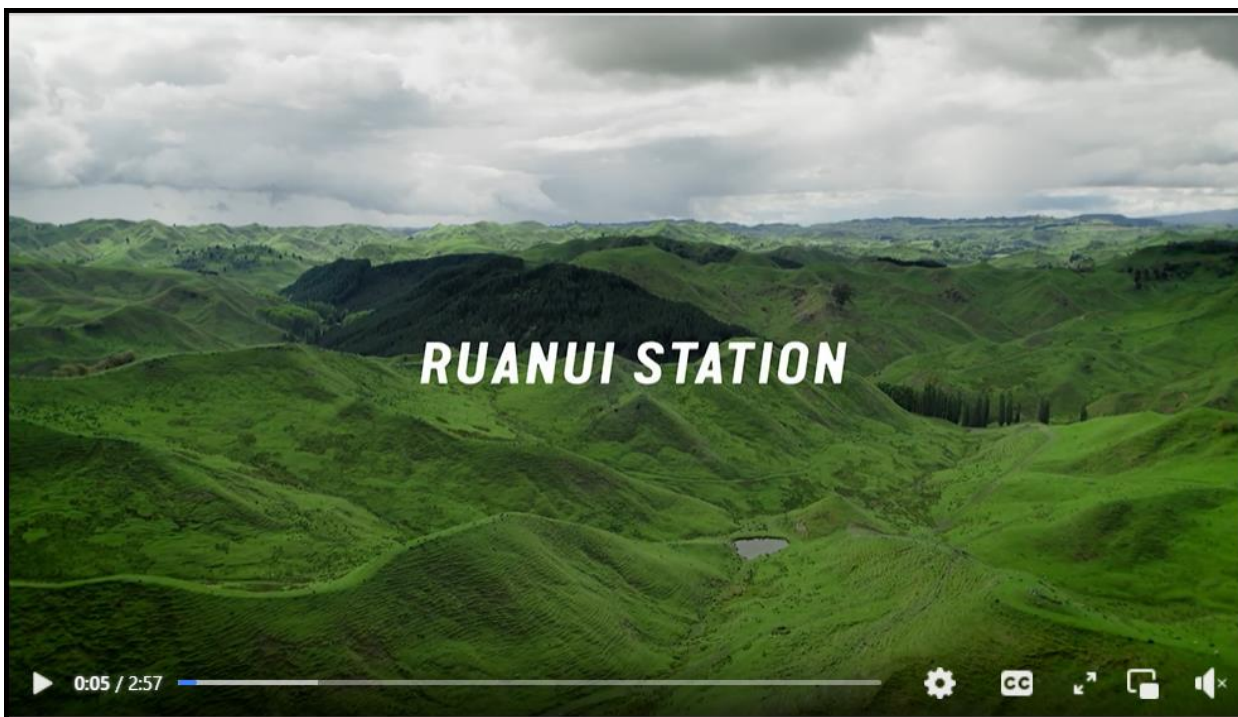
We are in a sprint here. Chat GPT reached 100 million users in just 42 days.

Path to 100 Million Users (stylized)



Last week I also attended the Boma E Tipu 2024 Conference in Palmerston North. There another outstanding speaker was Greg Smith, CE Bremworth, talking about their decision to only manufacture wool carpets. They now offer 10-year contracts to farmers. His presentation showcased Ruanui Station, Andrew and Meridith Carpenter just as Country Calander showcased Sam Duncan & Sarah Stephens on Otairi last week. Our Rangitikei farmers are recognized and respected New Zealand wide and in fact

globally. <https://www.facebook.com/share/v/5yL7RwvPdkP2wusD/?mibextid=w8EBqM>



Yet times are tough, sheep and beef incomes are forecasted to be 50% lower this year. Over the past 3 years input costs have risen 32%. I acknowledge farmers are under significant financial pressure and there is a knock-on effect in our rural townships.

At the recent Risk and Assurance meeting we discussed the risks facing our District.

#1 was considered 'Affordability of our rates'. This impacts the survivability of our key industries including Agriculture.

I would like to acknowledge how hard staff have worked to be able to sign off our Long-Term Plan today; one of only a few Councils that have been able to do this before the end of the financial year, I believe. This is despite having to reconfigure NZTA allocations, after their recent change in policy meaning in the vicinity of \$10 million is now not in our LTP for emergency roading.

These changes in addition to working with Audit has been a huge effort.

Finally, I'd also like to acknowledge the CE has recently accepted the resignation of our GM – Corporate Services, Dave Toombs, who is off to live in a remote island paradise but remains at the helm here until September.