

# A Valuable Community Asset

Trust House Limited was established, for the most part, as a direct result of a Coopers and Lybrand report that was commissioned by the New Zealand Licensing Trust Association (NZLTA) in 1987 on the future of Licensing Trusts. There was much social change in New Zealand in the eighties. Many Licensing Trust monopolies were being challenged by their local communities who wanted to introduce free and open markets for liquor sales. As recent history highlighted this not only enabled significant competition to enter what were their exclusive and heavily-controlled markets but created much social harm. Are we now paying the price for the significant social changes of eighties New Zealand?

The major recommendations from the report were:

- *Trusts should build their marketing on close community links.*
- *Trusts' social objectives should consistently support moderation and social responsibility in liquor sales.*
- *Trusts must better account to their publics.*
- *Trusts must look to regional management to improve their commercial returns.*
- *Trusts must build a clear image and – 'articulate their case far better than they have done in the past'.*

After intense debate, in 1989 the majority of Licensing Trusts in the lower North Island formed the management company we call Trust House Community Enterprise. This company was set up to manage the assets of the various Licensing Trusts with aims that included;

- Better management and economic performance.
- High standards of service.
- Efficiencies through economies of scale.
- Enhancement of the Licensing Trust Concept.

The founding Trusts were Masterton, Flaxmere, Rimutaka and Wellington South. By 1992 they had been joined by Porirua, Johnsonville, Wainuiomata, and Otumoetai. All Trusts were managed by Trust House Limited with offices based in Masterton.

This was a time of great success for Trust House with the financial performance of many once-at-risk Licensing Trusts dramatically improving.

One would have thought that the various Licensing Trust boards would have been ecstatic; however, by 1994 the majority of Wellington Trusts (Wellington South, Porirua, Johnsonville and Wainuiomata) withdrew and formed Capital Trusts. I believe much hubris had set in within their various Boards of Trustees and they did not find it palatable that they were being successfully governed from little old Masterton! I find it staggering that within a very short time frame Wellington South, Johnsonville and Wainuiomata went out of existence and the once powerful Porirua Licensing Trust is now a mere shadow of its former self. These communities have lost powerful assets.

Trust House Limited to this day continues to operate successfully and in 1997 moved from its management company foundations to become the owner and operator of all assets that were once owned by the Masterton Licensing Trust with Flaxmere selling its assets in later years. Masterton Licensing Trust is the majority shareholder of the organisation and supplies four trustees to the Trust House board. The Trust House board is made up of six members - four from MLT and two independent directors. The board appoints the Chief Executive and provides all of the governance functions for the organisation. Trust House also manages the assets of the Rimutaka Licensing Trust on behalf of its Board of Trustees.

Last year Trust House grant donations were in excess of \$2.5 million. This is the amount that went back to its owner - our communities; we are a valuable community asset and the envy of many New Zealand regions. *Is the community aware of what Trust House provides, or is it a case of not understanding its true value until maybe one day it is no longer there?*

When communities work together for their well-being and a under common purpose much can and will be achieved. My message to our communities is that the more you support Trust House businesses and brands the more we can give back to you. We are working hard to improve how we serve our customers as surely we all benefit from the support we can give this community owned asset?

[allan@trusthouse.co.nz](mailto:allan@trusthouse.co.nz).