



WAITAKERE LICENSING TRUST

President's Report 2017

I am always very positive each year about The Trusts' achievements because we have been on a journey and, in terms of results, every year has been better than the last. But we were not growing just for the sake of it. We had set ourselves some ambitious goals about better returns to the community – better "Giving Back". So, this year I am truly excited that we have reached the first destination on that journey and created a huge payback for the community in the form of the Million Dollar Mission.

It has been the most fantastic social initiative. And it's only a start. We are also set up to repeat that next year and to slowly build to a whole new level in the following years after that.

The Million Dollar Mission is exactly what The Trusts are really all about. Yes, we sell liquor and hospitality and this Annual Report is a story of success on every business performance front. But it is important to constantly keep in front of us the fact that the point of the business performance is to benefit our community and to help keep alive that special spirit that makes the west such a special place.

As most of you know, I am passionate about West Auckland because there is a very distinct community with excellent values that sets us apart. Historically, there has been a "Waitakere Way" of doing things in which we look after each other and pool our combined strength to create remarkable and enviable assets, services and achievements.

That distinct character was in danger of being diluted and eroded with the creation of the Super City and the loss of our own council to promote those values. The Trusts understand clearly, however, that they exist as an expression of those values. Unlike a business just set up to make profit for private shareholders, The Trusts were created, and are retained by the public, to be an integral part of what makes the west so different and so good.

Therefore, following amalgamation we deliberately set out to be a leader in a number of fields, including helping to keep the distinct character and values of West Auckland alive and growing as a benevolent influence, which requires us to remain relevant to the modern world by adapting to meet the quality expectations of the community we exist to serve.

That is why I took so much joy from our first Million Dollar Mission. As you know we have had to spend some years building up our businesses and profits before we reached this point but now that we have, it is truly exciting to see what it can do and where it can lead to.

Watching the entries roll in and the votes mounting up, seeing the community getting in behind the needs of others, went to the very soul of what we're about – being a force for good in the community. It gave me a sense of just how powerful Million Dollar Mission can be, to bring out the best in the west and once again, unlock the power of that fantastic "Waitakere Way" (or whatever we will call it in the future) that has served us so well for a century and a half.

Taken overall this report tells a story of progress and success and as usual in success stories, there is a triangle of effectiveness: in our case it is staff, Board and Elected Members.

I want to sincerely thank our CEO, Simon Wickham and our brilliant team. You are truly inspirational in both your outstanding skills and your energy and commitment. Thank you also, Brian Corban and the commercial board. And equally to Ross Clow and the Elected Members at Portage. Simon and team, you are transforming our operation into the world-class business we asked you to build and you promised us it would be. Brian and the Board, you have provided the unswerving support and wisdom that was essential to giving the staff the room and the support to take the risks necessary to bring this transformation about. To my fellow Elected Members, thank you for having the courage and tenacity to keep faith in the process of transformation process, to embrace and support growth and new directions.

The work that we have done between us has made it true, once again, that if you want the best, come out west.

During the year there has been growth in many places across the board and even where there are reductions in income and/or profit, they are shown for what they are, the costs of transition; a retreat from unprofitability in order to invest in producing better performances in the future and in making better performances sustainable.

Inevitably, our society is changing around us and some of our products no longer meet what today's evolving market demands. Different generations are now a major influence. West Auckland is growing and becoming more diverse. Tastes are changing and expectations are rising and this will go on being the case for many years to come. We have acknowledged that, analysed what the future is likely to demand from us and we are adapting to get ahead of the curve.

Therefore, we fully support making the adjustments necessary to remain relevant and even to anticipate and lead opinion. As this report details, direct competition is increasing with perhaps the best example in the Waitakere Trust's area, being the impact of the NorthWest Mall. While competition expands the market within a growing population, it also sends a clear signal that some of our previous venues are no longer appropriate to the market we need to be serving if we want to be here for the long term. Origins was a case in point.

We support the divestment of those venues that no longer serve our best interests. It is good business to let them go in order to seek fresh opportunities. We also support the investment in transformation of venues that do have a future with us. The refurbishment of The Hangar and West Auckland's first 'Good Home' concept bar are great examples.

These decisions help us to continue the upward trajectory we've been on for a number of years during which we have hit all of the many targets we have set ourselves, in order to meet the standards as a national leader in retail and hospitality.

Inevitably, however, continued growth to enable us to constantly increase our Giving Back does potentially produce conflicts with our ethical values. As this report says, we are up for the fight in our traditional markets but one thing we cannot do, is grow our market share at the expense of social responsibility. Accordingly, we applaud the diversification into a long-term investment strategy. This is an entirely new profit centre for us in an activity which has no social impacts and very few, if any, limits on its potential growth and which, over time is going to further increase the surpluses we have for "Giving Back". And that is the same thing as increasing the good we can do in our community.

And on that subject of ethical behaviour, "Giving Back" has many faces and I want to sincerely congratulate our front-line staff who have yet again maintained our perfect record in not selling alcohol to minors. In most other territories, Police "stings" are conducted across a variety of operators and outlets. In West Auckland, The Trusts face the lion's share of these checks; we welcome them, and maintaining our perfect record in those circumstances is something we are very proud of.

A handwritten signature in black ink that reads "L. Cooper". The signature is written in a cursive, flowing style.

Linda Cooper JP
President
17 July 2017