

A group of five young adults are gathered at a rustic wooden picnic table in a lush, green outdoor setting. Two people are standing and talking, while three others are seated at the table, looking at a laptop. A blue backpack is on a bench to the right. In the background, there is a wooden building with large windows and a covered deck, surrounded by trees and a hillside.

YHA Australia Integrated Report

2023



Acknowledgement of Country

YHA Australia acknowledges the Traditional Custodians of Country throughout Australia. We pay our respects to the Elders, past and present, and the extended Aboriginal and Torres Strait Islander communities. We recognise their custodianship of the land, sea and water for over 60,000 years.



Contents



Who we are

Chair and CEO Welcome Letter	4
About us	5
Our purpose	6
Our mission	7
YHA brand map	8
YHA locations	9
Our timeline	10
Modern history	11



Performance

Financial	24
Travellers	29
Team	35
Environment	41
Community & connections	46
Reputation	50



2023 overview

Key achievements	13
2023 in numbers	14
Reporting framework	15



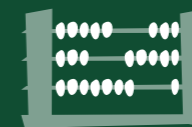
Governance

Governance directory	55
The Board	56
Board benchmark report	58
Board activities	59
Executive Leadership Team	61
Organisational chart	62
Risk management	63



Strategy

Our business	18
YHA strategy	19
Our journey	20
The future of YHA	21



Financial Report

Summary of Financial Statements	67
Directors' declaration	70
Auditor's report	71

Cover image: YHA Grampians Eco

Who we are

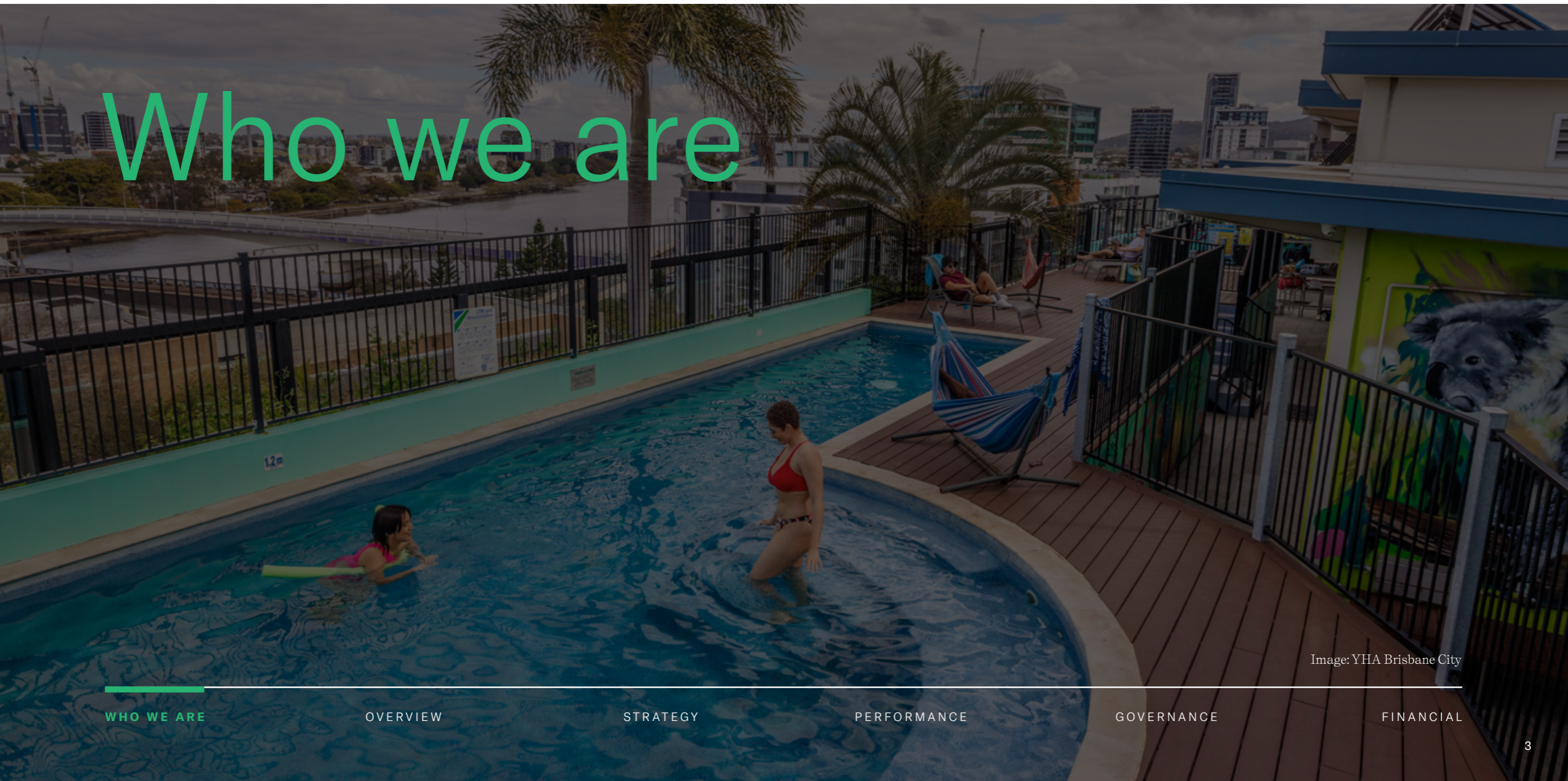


Image: YHA Brisbane City



Chair & CEO Welcome Letter



As we reflect on 2023, we are both feeling immense pride in our achievements, as well as optimism for the future of YHA Australia. We are excited to present our second Integrated Report, which highlights both our financial and non-financial accomplishments for the year.

As you read through the report, you'll see that the common thread is our people. Our team. Our guests. Our Members. Our community. It is our people who have driven our growth this year, and who have continued to guide us towards our purpose of creating an open and accommodating world where life flourishes.

At the start of the year, as in many businesses around Australia, we experienced a labour shortage that put pressure on our organisation. Resourcing team members to work in our properties proved to be a challenge, but as the year progressed we were able to retain and employ engaged and passionate team members to deliver outstanding guest experiences.

Throughout 2023, we continued to build on the transformational foundations laid in the previous two years, and we saw a strong return of the low-cost accommodation market. Demand for YHA accommodation exceeded pre-pandemic levels, and we were delighted to welcome guests from 176 countries for key events such as World Pride in Sydney, the FIFA Women's World Cup and other exciting events around the country.

This allowed us to not only grow our revenue and open new revenue streams to support YHA's financial sustainability, but also to ensure our sustainability more broadly. Throughout the year, we consistently worked on our six value creation capitals aligned to our purpose and mission, which led to meaningful outcomes across the organisation. We partnered with purpose-aligned organisations to create shared value, and we strove to deepen connections in each community and local economy in which we operate.

With our team and guests working together, we were able to collectively undertake projects to protect the environment for

future travellers. We are particularly aware of our impact on climate change, and are taking action to reduce our carbon emissions. We launched our decarbonisation roadmap in 2023, with our commitment to becoming carbon neutral for Scopes 1 & 2 by 2030.

When it comes to the environment, no one sets a greater example of how to care for our land, sea and water than First Nations people, who have been its custodians for more than 60,000 years. We are proud to have completed the initial phase of our reconciliation journey through our Reflect Reconciliation Action Plan (RAP), and look forward to launching our Innovate RAP in 2024.

Importantly, we also put plans in place to ensure no young people miss out on the opportunity to have their lives transformed through travel. We have taken positive steps to launch our charity Travel to Learn, which is planned for early 2024. The Board has provided unwavering support for the organisation and has dedicated a significant amount of personal time to its governance and guidance.

As this report shows, building a successful and sustainable organisation doesn't just happen on a balance sheet - it is the people who make it happen. By working together towards our purpose, we are truly building a stronger and more resilient YHA for the future.

Regards,

Tracey Powell
Chair
YHA Australia

Paul McGrath
CEO
YHA Australia



*An inclusive world community sharing their experiences of life, travel and cuisine—the kindness of YHA!!
When sharing and community is valued, it is reflected in the staff, the service, the premises and the guests.
With happy, friendly and helpful staff you cannot go wrong – That’s the Cairns YHA community! Mille Grazie!!*

YHA CAIRNS CENTRAL (CRISTINA)



About us

YHA Australia provides unique and sustainable accommodation across Australia, connecting our guests to opportunities, experiences and a community of global travellers.

We own, operate and partner with a diverse range of properties across Australia, offering private and co-living accommodation with amenities like on-site pools, coworking spaces and open-air rooftops.

We don't believe in one-size-fits-all. From thriving city destinations to off-the-beaten-path locations, there's something for everyone – whether you live here or are just visiting.

For over 80 years, we have been a membership-based, for-purpose organisation that has encouraged inclusion and diversity by welcoming travellers from all walks of life and working to make travel more accessible for all.

More than just a place to stay, our properties are also places to connect, share and learn – because we know the true value of a trip is not measured in frequent flyer miles, but in authentic, lived experiences and the stories you can share.



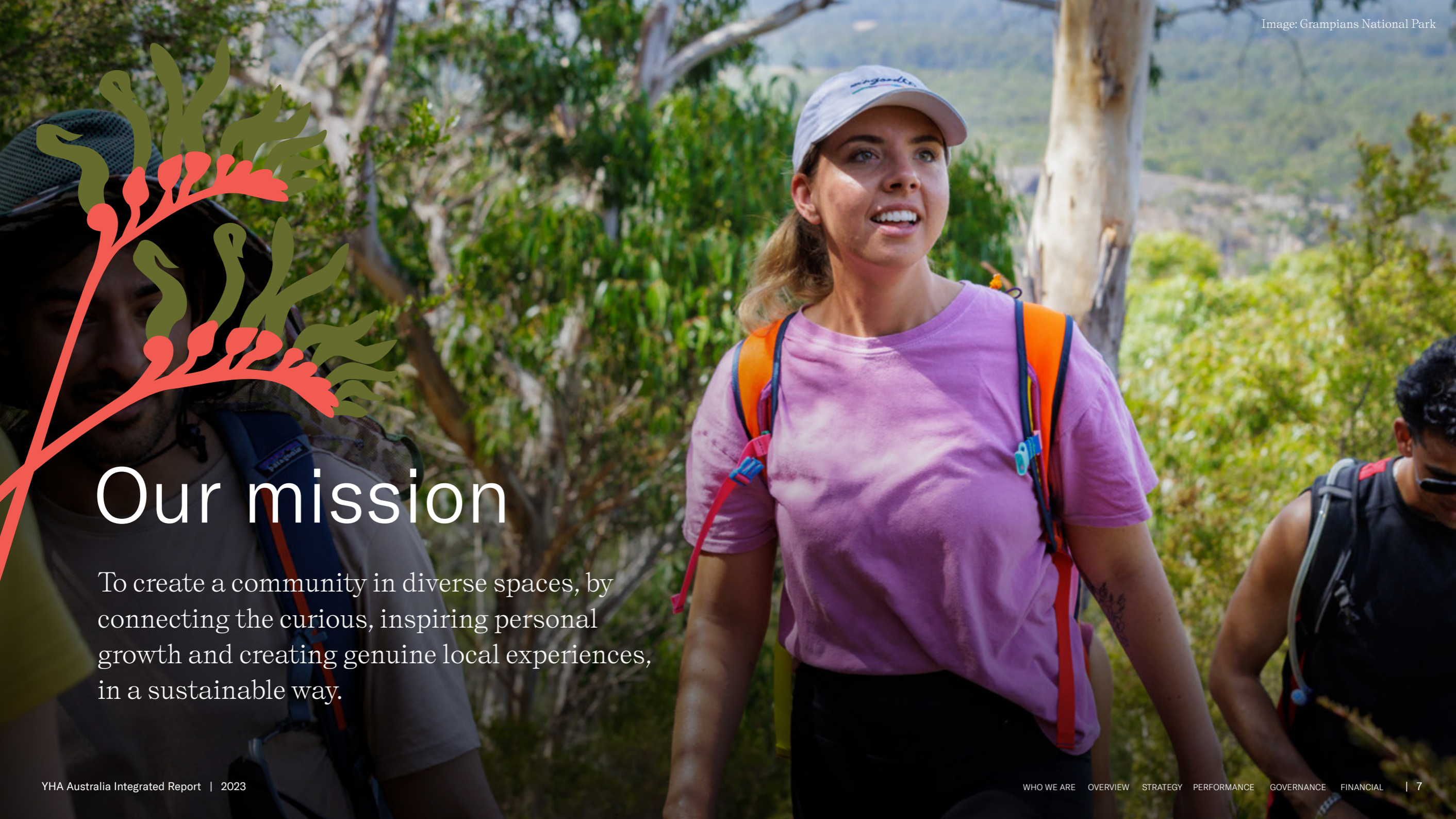
Hostelling International

YHA Australia is a proud member of the Hostelling International (HI) network – a UK-based charity bringing together over 3,000 youth hostels in 77 countries.

Our purpose

We exist to create an open and accommodating world where life flourishes.






Our mission

To create a community in diverse spaces, by connecting the curious, inspiring personal growth and creating genuine local experiences, in a sustainable way.

YHA brand map

Accommodation



Flagship
Railway Square (in development)

Gateway

Sydney Harbour	Hobart Central
Sydney Central	Brisbane City
Adelaide Central	Fremantle Prison
Melbourne Central	

Tourist

Alice Springs	Cairns
Noosa	Byron Bay
Coolangatta	Cape Byron
Blue Mountains	Newcastle Beach

ASSOCIATES

Port Macquarie
Broome
Darwin
1770
Hervey Bay
Stradbroke Island
Phillip Island
Dunsborough
Noosa Everglades
Port Fairy

Cafes



trails cafe

Trails Cafe


Sydney Harbour
Brisbane City



trails cafe and bar

Trails Cafe & Bar


Melbourne Central
Adelaide Central (coming soon)
Sydney Central (coming soon)



little trails

Little Trails

Cairns Central
Pittwater Eco
Port Elliot (coming soon)
Apollo Bay (coming soon)
Thredbo (coming soon)



Eco

Apollo Bay	Thredbo
Pittwater	Port Elliot
Grampians	

Bars

EACH TO HAVE UNIQUE BRANDING

Public

Sydney Central (Schirrmö's Bar)
Hobart Central (coming soon)

UNDER SINGLE UNIFIED BRAND

Rooftop Bar

Brisbane City
Sydney Harbour

Other

y.hive

Y-Hive

Blue Mountains
Brisbane City
Byron Bay (coming soon)

y.jobs

Y-Jobs

Online, in collaboration with WorkinAUS

YHA locations

- ★ Owned – Operated
- ▲ Owned – MSA*
- Associate
- Affiliate
- ☕ Bar/cafe locations

*MSA – Managed Services Agreement



Our timeline

Over 80 years of
supporting curious
travellers



The origin of youth hostels

In 1909, Richard Schirrmann, a teacher in Germany, takes a class of city children hiking in the countryside. After getting caught in a rainstorm, they spend the night in a school which is closed for the summer. This sparks an idea about providing affordable shelter for young people wanting to travel and explore the countryside, and ultimately leads to the birth of the concept of youth hostels. The concept became the foundation for the International Youth Hostel Federation, which was established in 1932.



YHA in Australia

The first Australian youth hostel is opened at Warrandyte, Victoria in 1939. By 1947, YHA Australia has been formed (representing the individual state associations) and has joined the International Youth Hostel Federation, known in present day as Hostelling International.

Modern history

At its peak, membership income was the most significant portion of YHA's revenue. With the introduction of competition in Australia and the rise of internet bookings, membership sales declined. The Simple Affordable Membership model provided membership to all guests on check-in of their first YHA stay, ensuring that our guests would continue to have a voice in the governance of the organisation.



2007

YHA NT and YHA NSW merge to form YHA Ltd, starting a 10-year process to merge all the state associations and the national body into one streamlined, efficient operating entity. The process is completed in 2017, when YHA WA members vote to join YHA Ltd.



2009

The first bar operated by YHA Australia opens at Melbourne Central.



2018

First AGM of Merged National Entity



2022

YHA develops its first Reconciliation Action Plan, debuts dedicated co-working spaces, launches Y-Jobs and renovates first tranche of rooms at YHA Sydney Harbour.

2000

YHA Grampians Eco opens and is the first eco hostel in Australia, designed using sustainability-first principles.



2009

YHA Sydney Harbour and YHA Brisbane City open as YHA's two largest sustainable properties.



2010

YHA launches a Sustainable Hostels Fund, governed by the YHA Board, to fund projects that reduce the carbon emissions of its properties. YHA guests can donate to the fund and YHA matches their donation dollar for dollar. The fund soon delivers solar photovoltaics, solar hot water and energy-efficient lighting around the country.



2020-21

The global pandemic and border closures see the YHA network shrink and employee numbers reduce significantly. YHA takes the opportunity to re-imagine the business and unveils a fresh, new look and a renewed commitment to purpose.



2023

Publication of YHA's first Integrated Report and adoption of its first decarbonisation strategy.



Overview



Image: YHA Thredbo

Key achievements

in 2023

Launched breakfast offering at YHA Sydney Harbour, and began network rollout

January

YHA commences partnership with the Observership Program

January

YHA joins the Tourism Reconciliation Industry Networking Group

March

Publication of our first Integrated Report

April

Y-Hive at YHA Brisbane City opens

May

Private room upgrades at YHA Sydney Central completed

June

Private room upgrades at YHA Sydney Harbour and YHA Brisbane City completed

August

YHA Noosa Everglades joins the network

August

Relaunch of the Sustainable Properties Fund and adoption of YHA wildlife guidelines

September

Launch of improved safety reporting system

October

Adoption of YHA's first decarbonisation strategy

November

ESG Governance Committee established

November

Rooftop bar opens at YHA Sydney Harbour

November

Y-Jobs relaunched on new platform

November

Partnership with Trek Bikes to provide quality bike hire at YHA Byron Bay and YHA Thredbo

December



2023 in numbers

Accommodation	20 ▼ Owned properties	9 ▼ Franchise properties (Associate)	10 ▼ Affiliated properties	
	2,541 ▲ Guests nightly	927,522 ▲ Overnight stays		
Financial	\$185,525,000 ▲ Value of properties	\$55,593,237 ▲ Revenue excluding asset sales	\$13,505,602 ▲ EBITDA excluding asset sales	
Travellers & Reputation	282,916 ▲ Members	156,712 ▲ Guests	176 ▲ Countries	
	1,386 ▲ Groups (122,792 overnights)	5,168 ▲ The Big Dig Education Centre visitors	33 ▲ Cultural activities	
	83.08 "Very Good" ▲ Trust You overall score	46.52 ▲ Net Promoter Score		
Environment	11kg of CO2e re-calculated 2022 carbon emission per guest per night	10,542 ▲ Regenerative activity attendance	27% ▲ Waste diverted from landfill	
Team	80.66% Employee engagement score	56% Female	44% Male	0% Non-binary/prefer not to say

Reporting framework

Our second Integrated Report represents an evolution from a standard annual financial report to a framework that incorporates our initiatives and progress towards our purpose – to create an open and accommodating world where life flourishes.

This report uses the International Financial Reporting Standards (IFRS) Foundation's Integrated Reporting Framework to communicate YHA Australia's performance during the year ending 31 December 2023. The YHA Board acknowledges responsibility for the integrity of this report and endorses that the contents herein are conveyed in accordance with the IFRS Foundation's Integrated Reporting Framework.

The financial statements included in this report have been independently audited by Pitcher Partners, and full 2023 financial reporting can be found on our website. All other contents of this report are based on YHA's own records and have not been officially reviewed by a third party.



*Loved the bright, lively atmosphere. People were friendly and respectful.
There were folks of all ages staying and were all nice to each other.*

YHA APOLLO BAY ECO (SANDEEP)



That place is so cozy and adorable! I felt like visiting my family. Atmosphere was amazing, it was raining outside and people would gather around fireplace, puzzling some puzzles, cooking food and talking about their adventures. Staff was super kind and not only helped with advice, but also engaged in talks. Superb.

YHA BLUE MOUNTAINS (ELINA)



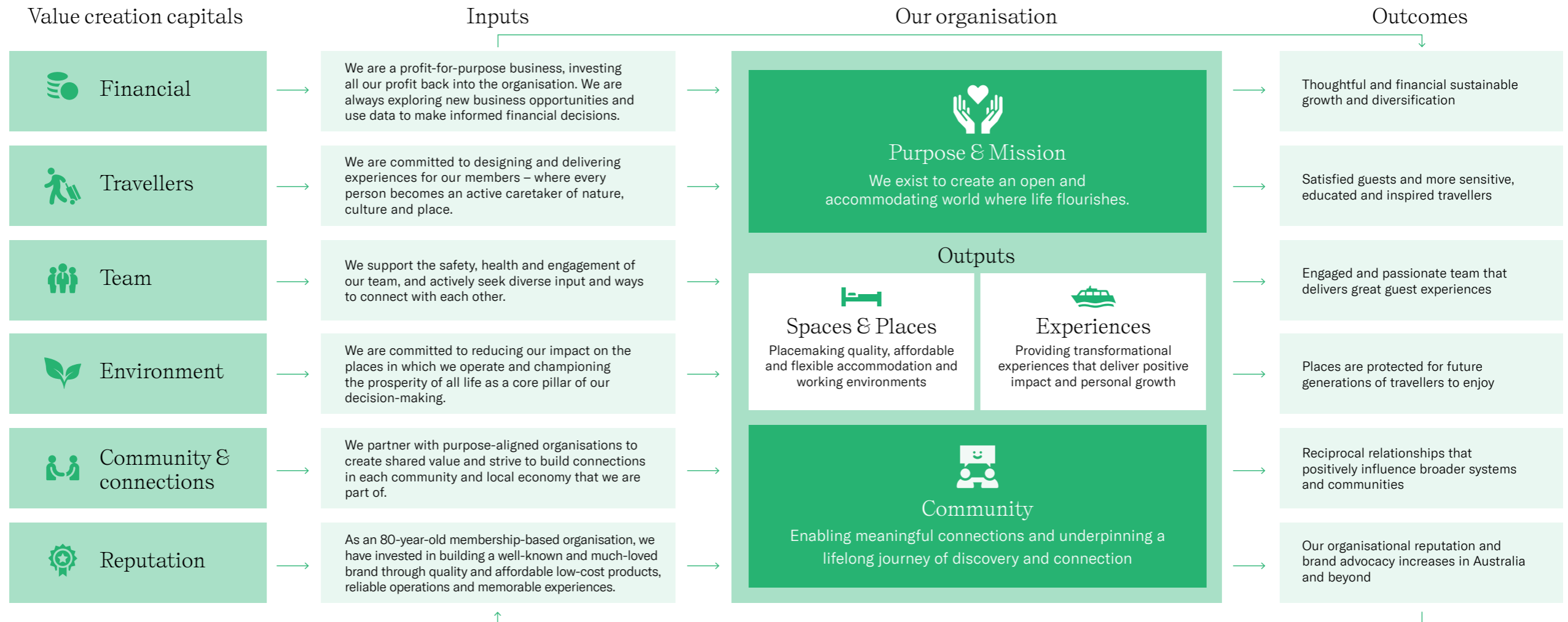
Strategy



Image: YHA Adelaide Central

Our business

This integrated operating model underpins the interconnectivity of all aspects of our organisation, ensuring that we create value for all our stakeholders.



YHA strategy 2023

This year, we delivered on five key interconnected areas of focus:



Growth

Goal – To grow our four primary market segments via direct channels to achieve our accommodation income target of \$40M, with food and beverage representing \$6M income.

Approach – Building greater awareness in primary markets, focusing on direct channels and repeat member business. Develop food and beverage income streams and products to diversify income.

Financial	
Travellers	
Team	
Reputation	



Property Investment

Goal – To position YHA for a long-term competitive advantage through significant investment including the upgrade of our properties in 2023, prioritising key gateway locations.

Approach – Renovating our private ensuite rooms using a standardised kit of parts and systematically rolling out across our properties.

We are reimagining our spaces to support new income streams.

Travellers	
Community and connections	
Reputation	
Environment	



People & Culture

Goal – To continue to evolve and develop our established team living the YHA values, with a clear understanding of our service promise and the skills, attitudes and resources required to deliver.

Approach – Resetting expectations and rebuilding foundations for an engaged, permanent and stable workforce, and investing in their current and future capabilities.

Travellers	
Team	
Community and connections	
Reputation	



Process & Systems

Goal – To review, enhance and standardise all of our key organisational processes and systems, and prioritising them based on the needs of our guests and team members.

Approach – Resetting expectations for service quality standards and investing in customer- and team-focused technology.

Financial	
Travellers	
Team	
Reputation	



Purpose-driven

Goal – To provide every guest with the opportunity to experience the purpose-driven nature of YHA.

Approach – Delivering consistent, high-quality local experiences to all guests, and understanding their impact on our business via data, taking an all-of-organisation, disciplined and realistic approach.

Travellers	
Team	
Community and connections	
Reputation	
Environment	

Our journey

Since 2020, YHA has been on a journey of transformation. Our first phase was bringing financial stability to the organisation during the pandemic. In 2022, we recentred our focus on growth, new revenue streams and investing in purpose-led activities. In 2023, we concentrated on improving the quality of our core product by reinvesting in our properties, recruitment and training. As we move towards 2030, we will accelerate towards a diversified business model with multiple revenue streams, serving a broad range of customers and delivering significant positive social and environmental outcomes.

Business sustainability

2020 – 2030

- Financial sustainability
- Right-sizing the business
- Leveraging new technology
- Evolving brand positioning

Profit for purpose

2022 – 2030

- Regenerative experiences
- Growth & new revenue streams
- Property investment
- People, capability & standards
- Positive impact on local communities and environment
- Environmental, Social & Governance (ESG) framework

Diversification

2024 – 2030

- New businesses
- Scalable
- New customer segments
- Delivering & amplifying our impact

The future of YHA

YHA has long been a beacon for travellers from all around the world. Over the years, we've successfully created communities and connected people through their shared love for travel. The future, however, is in strengthening these communities, deepening these connections and providing more comprehensive options for our guests. We want to offer more than just a place to stay; we want to provide a home away from home. Our goal is to create a welcoming environment where guests can meet other like-minded individuals, share experiences and make lifelong memories.

We're committed to diversifying our range of products and services, increasing our interaction with travellers, and providing additional value to our members. We aim to create flexible co-living environments that offer guests transformative experiences and foster a strong sense of community. We want our guests to feel like they are part of something special – part of a movement built on exploring the world and forming lasting connections.

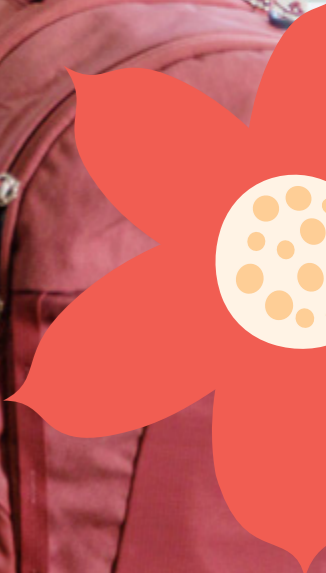
At YHA, we believe that travel is not just about the destination but also the journey. We are passionate about cultivating environments that encourage personal growth and discovery. We aim to provide spaces and places that inspire our guests to break out of their comfort zones, try new things and embrace new cultures. We want to help our guests become the best version of themselves and create a better world through travel.

We're excited about the future, and we can't wait to welcome you to our YHA family.



This hostel feels like a fancy hotel! Staff are so friendly, patient and helpful. It has a wonderful cafe and large kitchen and dining area. As an extra plus, the rooftop patio offers views of the opera house and bridge. Folks of all ages stay here, so we were very comfortable.

YHA SYDNEY HARBOUR (DOT)





Paradise. Did not want to leave. My favourite hostel in Australia so far, the social areas were great, the pool was perfect and the staff were exceptionally nice. Place has a really homely feel to it. We were also lucky enough to get a room with en-suite (4 bed) which was exceptional.

YHA BYRON BAY (STEFAN)



Our performance

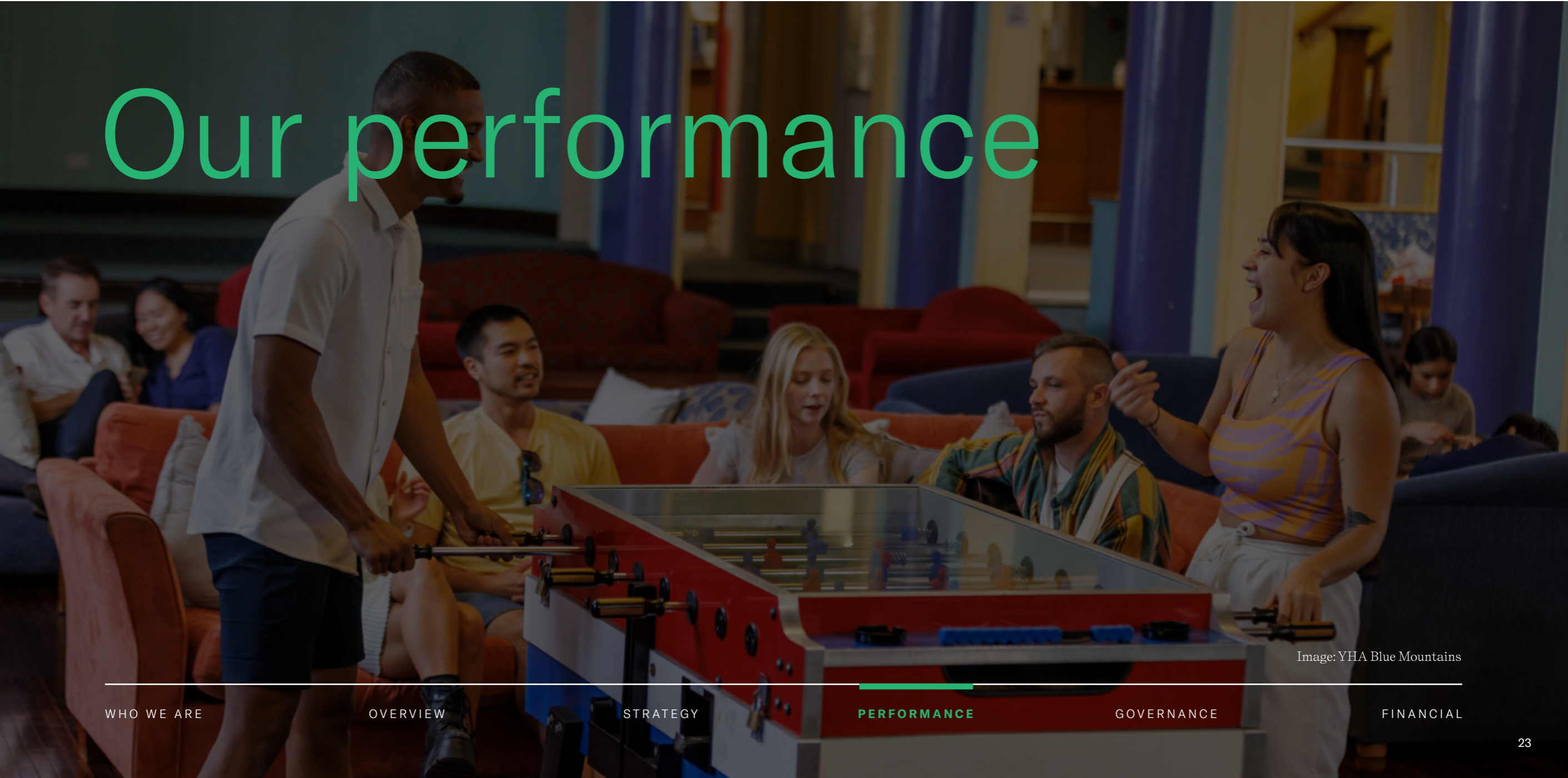


Image: YHA Blue Mountains



Financial

YHA welcomed a quicker than expected recovery across the business in 2023, with customer revenue growing 41% year-on-year to \$53.5M. This facilitated a surplus of \$1.978M and enabled us to invest heavily into our properties, putting us in a strong position heading into the new year.

Growth and development

Having successfully weathered the storm of the pandemic years, this year saw a significant emphasis on improving, upgrading and diversifying our product offerings. With the aim of achieving revenue targets of \$40M in accommodation and \$6M in food and beverage, our top priorities for 2023 were expanding our market reach and solidifying our presence in several new markets.

Some of the strategies we put in place to work towards this goal included:

- Implementing a value proposition pricing structure to increase direct bookings
- Simplifying and standardising our pricing structure across our online travel agent (OTA) platforms
- Identifying and integrating market segments into the budgeting process to allow for more targeted marketing
- Undertaking extensive refurbishments of spaces and amenities in several of our major properties, 102 private rooms across YHA Sydney Central and YHA Brisbane City, including a new premium private room option for guests to book
- Identifying food and beverage opportunities across our owned and operated properties, leading to the development of a Food and Beverage Strategy
- Launching Trails Cafe as our signature cafe sub-brand
- Committing to enhancing our member proposition through the development of a YHA membership app in 2024

Breaking ground at Railway Square

YHA is developing a property in the Tech Central precinct at Railway Square in Sydney, in partnership with Atlassian and property developer Dexus. The building is expected to be completed in late 2026. Construction commenced with the basement slabs poured and the core rising to become visible on-site. The new property will be located in the lower 5 floors of the tower, floating above the restored heritage-listed Parcel Building that housed the original YHA Railway Square. An exciting evolution of the YHA brand, facilities will include a bar, dining area, coffee shop, co-working spaces and premium private, flexible and co-living rooms.



Accommodation

Demand for YHA accommodation continued to exceed pre-pandemic levels throughout 2023, with an overflow of international travellers whose visas were delayed due to border closures arriving in the first half of the year.

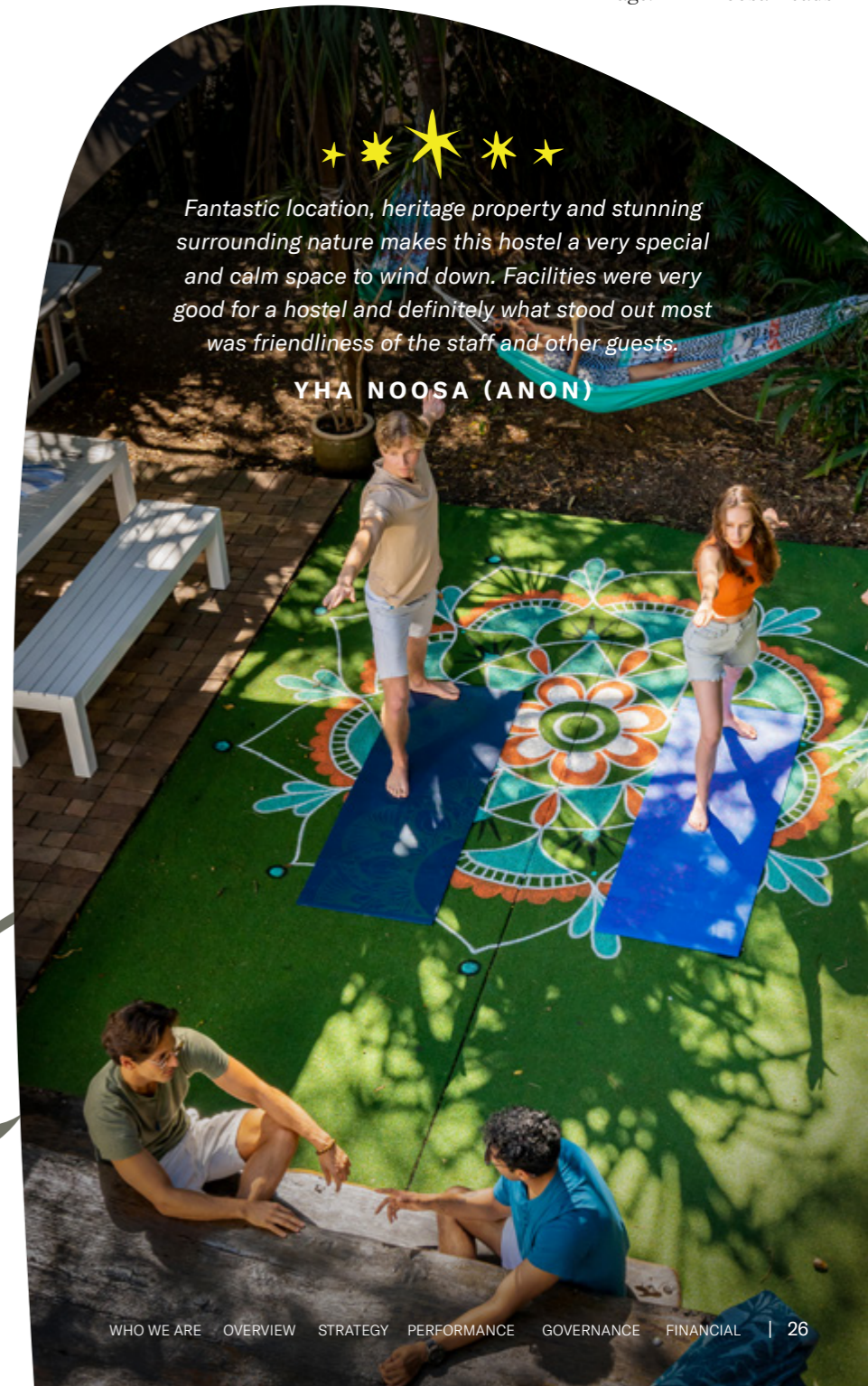
Major events in Quarter 1 such as World Pride in Sydney and a significant number of international artists touring Australian cities further contributed to localised spikes in demand.

Across Quarter 2 and Quarter 3, YHA completed private room refurbishments at our major properties in Sydney and Brisbane, delivering a new premium product for guests and driving increased yield and rate into the second half of the year. This was complemented in July and August by the FIFA Women’s World Cup, which helped offset seasonal downturns at properties in host cities during the winter months.

Sydney experienced a period of high demand in Quarter 4, and YHAs outside of major cities saw increased guest numbers from international and domestic markets as the weather warmed up. However, competitive pressure and the normalisation of travellers in-market proved challenging for some locations.

During 2023, upgrades to our continental breakfast offering and an accompanying pricing strategy were rolled out across the network, further enhancing the customer experience and solidifying revenue as part of a broader Food and Beverage Strategy. In addition, certain properties were repositioned to better align their pricing with the perceived and actual product they offer, in many cases resulting in positive revenue outcomes.

While continuing to finalise refurbishment plans, we also realigned products and room types in several properties to better reflect the demands of our guests and more effectively communicate room inclusions and the product offering as a whole. This will be an ongoing focus for 2024 and beyond.



Fantastic location, heritage property and stunning surrounding nature makes this hostel a very special and calm space to wind down. Facilities were very good for a hostel and definitely what stood out most was friendliness of the staff and other guests.

YHA NOOSA (ANON)

Property investment

In 2023, YHA continued its focus on property improvements and capital investment. The year commenced with the Board's endorsement of a 5-year Property Portfolio Development Strategy, providing detailed, high-level direction for property development and investment in 2023 and beyond.

This strategy was created with the following objectives:

- Improve the quality of YHA's properties to provide a better experience for our guests
- Maximise the return on our current property assets, while developing the overall value of our portfolio
- Increase revenue and profitability while remaining competitive in the rapidly evolving affordable accommodation market
- Provide a solid foundation for future growth, and continue to explore additional opportunities in co-living, long-term and multipurpose accommodation, in line with longer-term strategic direction

The immediate focus for YHA was upgrading the overall quality of properties across the network, with particular attention paid to our key 'gateway' properties in major cities.

Utilising an external agency to develop designs for new-look property spaces, YHA introduced a standardised private room concept in 2022, featuring bespoke bedheads, integrated joinery, upgraded beds and a refreshed, modern design palette. Following prototyping and the incorporation of guest feedback, a broader rollout of these upgraded private rooms commenced in 2023, with 102 rooms refurbished across YHA Sydney Central, YHA Sydney Harbour and YHA Brisbane City.

YHA also progressed with the design of the new 450-bed Railway Square property in Sydney, part of the Tech Central redevelopment scheduled to launch in late 2026.

The \$6.5 million capital works program in 2023 also included:

- Major bathroom refurbishments at YHA Cape Byron, YHA Coolangatta, YHA Hobart Central and YHA Alice Springs
- Implementation of a new heating, ventilation and air conditioning (HVAC) system at YHA Thredbo
- Refurbishment of the level 1 common area at YHA Sydney Central, featuring new flooring, decorating and furniture to facilitate in-house group catering and continental breakfast service
- An extensive RFID door lock upgrade program, utilising Assa Abloy's Vostio Access Management System to install 1000 new door locks across 19 properties, providing consistency, an improved user experience and future-proofed security
- Substantial CCTV upgrades across multiple sites
- Replacement of roofing and gutters at YHA Newcastle Beach
- Restoration of the heritage facade at YHA Melbourne Central
- Installation of a new AV system at The Big Dig Archaeology Education Centre and rooftop terrace at YHA Sydney Harbour



The update has vastly improved our experience. Code for room entry, new furnishings and booths, cafe menu, plus ease of checkin.

YHA SYDNEY HARBOUR (ROS)



Food and beverage

In 2022, the Board approved a strategic direction for the widespread overhaul of YHA's food and beverage offerings across the network. The purpose of these changes would be to markedly improve the guest experience, enhance the in-property atmosphere, and help generate new revenue streams to complement our established accommodation business.

Core strategies were developed by the newly appointed National Food & Beverage Manager in 2023. These included elevating the quality of existing products (such as established in-house bars and cafes, and in-house continental breakfasts), standardising procurement through values-aligned suppliers, and introducing new food and beverage opportunities to better meet the needs of our travellers.

Food safety was also identified as a key area of focus, and 2023 saw the continued implementation of critical training and certification, as well as the development of a National Food Safety Plan, a collaboration between our culinary team and leaders to further reduce risk across the business.

Significant food and beverage developments in 2023 included:

- The acquisition of requisite liquor licences for YHA Adelaide Central and the YHA Sydney Harbour rooftop
- The opening of the YHA Sydney Harbour rooftop as a pop-up bar, with plans for a permanent, purpose-built bar in early 2024
- The incorporation of the Check-in Cafe at YHA Brisbane City under the Trails Cafe label, as well as the recruitment of a permanent chef to manage group catering

- Further development of the continental breakfast offering throughout the network, completing the rollout to our major properties, as well as improving quality and establishing an appropriate and consistent pricing strategy
- The establishment of partnerships with suppliers whose values in terms of purpose, governance, sustainability, community and provenance align with our own. These included Market Lane Coffee, White Whale Coffee Roasters, Fish River Roasters, Archie Rose Distilling Co. and Coopers Brewery
- The development of a National Food Safety Plan, as well as formal food safety supervisor training for 60+ key food service team members nationally, provided by the Australian Institute of Food Safety
- Internal infrastructure improvements to transition outsourced catering to in-house at properties such as YHA Sydney Harbour and YHA Brisbane City
- Continuing to identify new tools and programs to support our food and beverage operations



Spent a super five days in one of the deluxe en-suite double rooms... Location is excellent, staff were super friendly, and having a cafe/bar on site is good too. Overall a great end to seven weeks in Australia!

**YHA MELBOURNE CENTRAL
(DELLA)**



Travellers

We're constantly inspired by our community of travellers, and looking out for new ways to meet their needs and enhance their experience with us. This year saw a renewed focus on safety and the introduction of new products for our guests, including new food and beverage offerings, bike hire, travel desks and a refreshed jobs board.

Improving the guest experience

At YHA, we want to make every step of our guests' stay with us as smooth and painless as possible. From signing up to membership and booking their stay, all the way through to the day they check out, we want our guests to be able to seamlessly access everything they need to enjoy their trip to the fullest.

This year, we've put a lot of thought into improving our guests' experience. Here are some of the initiatives we implemented in 2023:

Membership Strategy

With the mission of putting our members first, we created a Membership Strategy to improve and expand upon how we deliver benefits to and communicate with our members.

Improved reservations experience

In 2023, seven more YHA properties had their in-bound reservation enquiries moved to the capable hands of our dedicated Central Reservations team. This Sydney-based call centre now handles reservations for all owned and operated YHAs, with staffing increased to meet the additional demand.

Premium bike hire

In partnership with Trek Bikes, we introduced a fleet of brand new bikes for affordable hire at both of our Byron Bay properties, with more to follow at YHA Thredbo in early 2024.

TREK

Improving the guest experience cont.

y-jobs by yha

Y-Jobs relaunch

Y-Jobs is our very own jobs site for travellers and working holiday makers in Australia. In 2023, we relaunched Y-Jobs in conjunction with WorkinAUS, ensuring the long-term sustainability of the platform and helping more of our travellers find work on their adventures.

New lifestyle spaces

A new Y-Hive coworking space and wellness space were opened at YHA Brisbane City, with more expected to roll out at other YHA properties in 2024.



Safety first

While guest safety has been a crucial area of focus for YHA before, during and post-pandemic, a new Safety and Compliance Coordinator was brought on board in 2023 to meet the expanding needs of the organisation and increased activity in the food and beverage space.

Improving the guest experience cont.



Proud certified properties

In 2023, all 20 of our owned and operated properties across the country completed Booking.com's Travel Proud program and became certified LGBTQIA+ friendly properties.

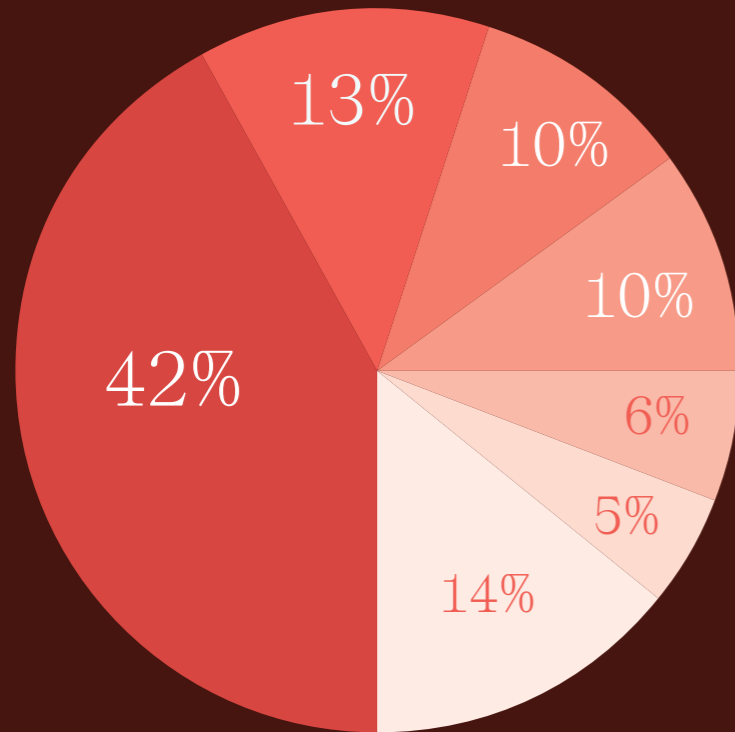
Food and beverage upgrades

Sweeping improvements to food and beverage offerings have been underway across the YHA network. Among other upgrades, YHA Sydney Harbour opened a new licensed pop-up bar (with a permanent bar to follow in 2024), YHA Brisbane City's cafe was refreshed under the Trails Cafe label, and continental breakfasts were improved and expanded to more properties around the country.

New in-house travel desks

In partnership with Travello, we opened dedicated travel desks in YHA Byron Bay, YHA Brisbane City and YHA Sydney Central to better connect our travellers with memorable experiences.

Traveller demographics

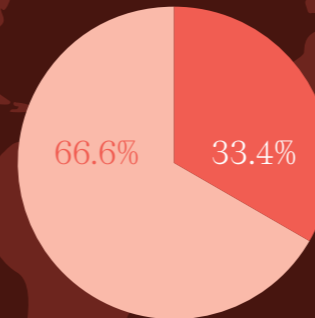


TRAVELLER TYPES

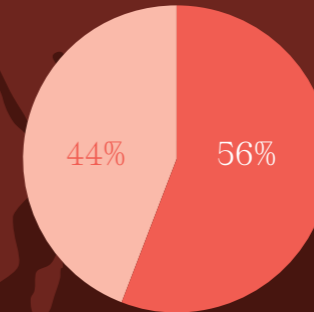
(Self-classified)

- Working holiday maker
- Experience seeker
- Family traveller
- School student
- Digital nomad
- Organised group
- Other

TRAVELLERS FROM
176
COUNTRIES



- Australia
- International



- First-time guest
- Repeat guest



Clean, bright, happy little hostel with a great atmosphere and chill vibes. Right near the airport and a beach or two. Rooms: Very clean

YHA COOLANGATTA (HAYLEY)



Team

At YHA, our focus on people is not just about being seen to be doing the right thing. We value our people as people, put their wellbeing first, and remain committed to supporting them through the good and the not-so-good times.

Our values



Work together

We open doors for each other as well as for our guests.

Great teamwork builds a safe and constructive environment where all can thrive



Give our best

We bring our best selves every day we come to work.

Striving to be the best you can be and developing your skills and knowledge is positive for everyone



Put our guests first

We know great hosts make great holidays.

Embedding best practices and delivering the ultimate guest experience is how we create advocates for the YHA brand



Have fun

We celebrate and enjoy being together.

Enjoying our time together provides a great environment for everyone at YHA



Think differently

We see problems as opportunities.

Encouraging innovative approaches leads to new and better outcomes

Our people

YHA's team are the living, breathing embodiment of the values that set us apart from other accommodation providers. They're travellers, just like our members and guests, and know that a friendly smile, a local tip or a long conversation about past adventures can transform a good stay into a great one.

We take great care in picking the right people, and supporting them to flourish in their roles. We believe that to deliver the highest quality service to our guests, our team members need to be happy, healthy, and fully equipped with the skills, attitudes and resources to succeed.

Here are some of the ways we worked to support and develop our people in 2023:



Balancing our workforce

This year, YHA has successfully moved away from a predominantly casual workforce to a more balanced workforce composition, equivalent to one-third full-time, one-third part-time and one-third casual. This is already improving the average longevity of employment at YHA, offering favourable job security and benefits to a greater number of our people, while continuing to offer excellent conditions for casual team members.



Face-to-face training

After years of Covid-19 restrictions and disruptions, face-to-face staff training has returned at all of YHA's owned and operated properties, with a focus on investing in and supporting our people's development. We've worked to establish minimum training standards for all operational roles, clearly defining the skills and capabilities required and creating standardised training plans.

2023 has seen an emphasis on LGBTQIA+ awareness and Workplace Health & Safety training, as well as upskilling our property leaders to be able to meet the training needs of their team moving forward.



Employee mental health

This year, YHA introduced a new Employee Assistance Program to better support the psychological wellbeing of our people. We also trained all of our leaders in Mental Health First Aid, and mental health has continued to grow as an area of focus within the organisation as a matter of employee safety.

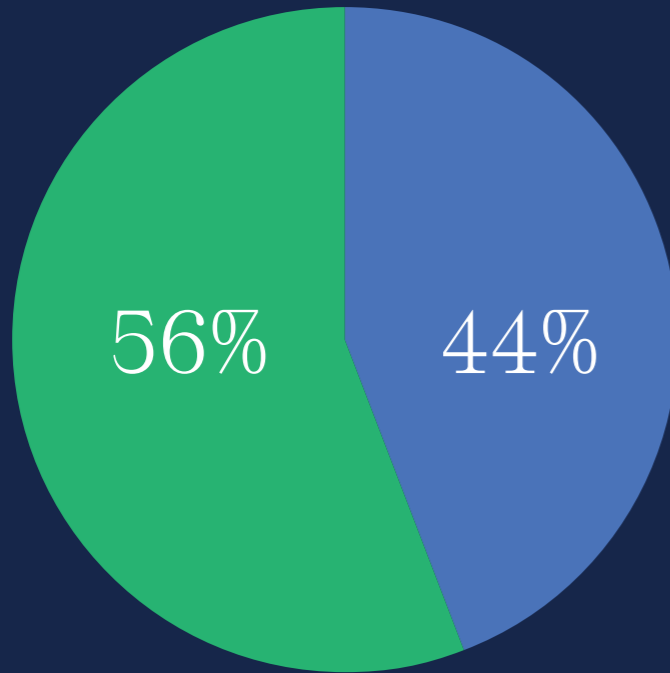


Improving recruitment processes

YHA implemented a new applicant tracking system (ATS), JobAdder, in September 2023, providing the organisation with better control over the recruitment process. JobAdder delivers a more streamlined way to recruit talent, ensuring hiring managers are better able to track applications as part of the onboarding process.

Team data: Gender

GENDER COMPOSITION



■ Female 56%
 ■ Male 44%
 ■ Non-binary/prefer not to say 0%

SUPPORT OFFICE



■ Female - 52%
 ■ Male - 48%
 ■ Non-binary/prefer not to say - 0%

OPERATIONS (PROPERTY TEAM)



■ Female - 58%
 ■ Male - 42%
 ■ Non-binary/prefer not to say - 0%

PROPERTY LEADERSHIP TEAM



■ Female - 46%
 ■ Male - 54%
 ■ Non-binary/prefer not to say - 0%

GENDER PAY GAPS

Median total remuneration gender pay gap:

1.8%

4.2%

ACCOMMODATION INDUSTRY

Source: Australian Workplace Gender Equality Agency (<https://www.wgea.gov.au/data-statistics/data-explorer>)

Gender pay gap commitments

YHA maintains a policy for equal opportunity which targets gender pay gap equality. The policy seeks to remove gender biases, implements pay scale transparency, and applies transparent performance assessment processes.

Action on gender pay gaps

YHA has also undertaken a payroll analysis, addressing any bias in performance pay, identifying cause/s of pay gaps, and reporting all pay equity metrics to the CEO and Board of Directors.

Team spotlight



Stuart Briggs
Financial Controller

Joined YHA 1995

Starting at YHA as an Accounts Clerk, Stuart filled a number of roles in the finance team before attaining the role of Financial Controller in 2010. Stuart also holds a position on YHA's Executive Leadership Team, and over the years has overseen the rollout of several major technical systems and been integral to a number of key working groups and projects.

Stuart has enjoyed the ongoing change throughout his time at YHA, and is proud of his contribution to these transitions and the skills he has picked up along the way. Stuart's favourite place to travel is the South Pacific for its natural beauty, slow pace and friendly people – a reminder of how we can complicate life unnecessarily.



Jeanen Bergado
Housekeeping Supervisor

Joined YHA 2018

Less than a week after handing her CV to the manager of YHA Cairns Central, Jeanen was already working – quickly learning how crucial her role of housekeeper is at YHA. Now a Housekeeping Supervisor, she runs a tight ship with her team, making the property as welcoming as possible for guests and sharing her knowledge with new team members through the Train the Trainer program.

Jeanen enjoys working at YHA for its friendly atmosphere and the opportunity to meet people from all over the world. Her favourite place to travel is the UK (where her husband is from), and she enjoys visiting its different regions, which are so different from her home country.



Kylie McInerney
Property Manager

Joined YHA 2013

After originally joining YHA as a receptionist, Kylie worked her way up to the role of Property Manager at YHA Blue Mountains before moving to take the helm at YHA Sydney Central, one of our busiest properties.

Kylie has a passion for helping underprivileged groups and has been a driving force behind a number of charity ventures both within and outside of YHA. Kylie loves to travel and explore new places but has a soft spot for the South Pacific and its slower pace of life – especially Vanuatu, where she recently organised a sizeable donation of school supplies for local kids. Kylie is also a snow bunny and enjoys skiing most years with her extended family.



Kim Lim
Payroll Manager

Joined YHA 1988

Kim joined YHA in 1988 as an Accounts Payable Clerk, transitioning over to payroll and eventually settling into her current role of Payroll Manager. Known for her wicked sense of humour, Kim considers her YHA colleagues as part of her extended family and enjoys working with them to solve problems and improve processes.

Kim is a keen traveller and a particular fan of cruising. Her passion for life on the ocean comes from the relaxed style of travel it offers – a great way for families to travel together, providing something for everyone to do onboard and at every port. The million-dollar views from the deck of the ship don't hurt either!

Team engagement

It's important for us to check in with our people regularly to ensure what we're doing is working well for everyone across the business. From the two pulse surveys that were conducted in 2023, we found:





Environment

YHA continues to work to reduce our impact on the environments in which we operate and to engage with our local communities. This year, in partnership with EarthCheck, we developed our roadmap to net zero and enlarged the funding for our Sustainable Properties Fund.



Our decarbonisation journey

YHA aspires to reach net zero Scope 1 and 2 emissions and zero waste by 2030, with the ambition of achieving net zero Scope 1, 2 and 3 before 2050. In May 2023, we commissioned EarthCheck to assist with preparing a decarbonisation strategy for the organisation.

EarthCheck validated the collected Scope 1, 2 and 3 emission data for owned and managed properties, establishing a new baseline against which to measure change, and helping YHA identify gaps and potential future actions.

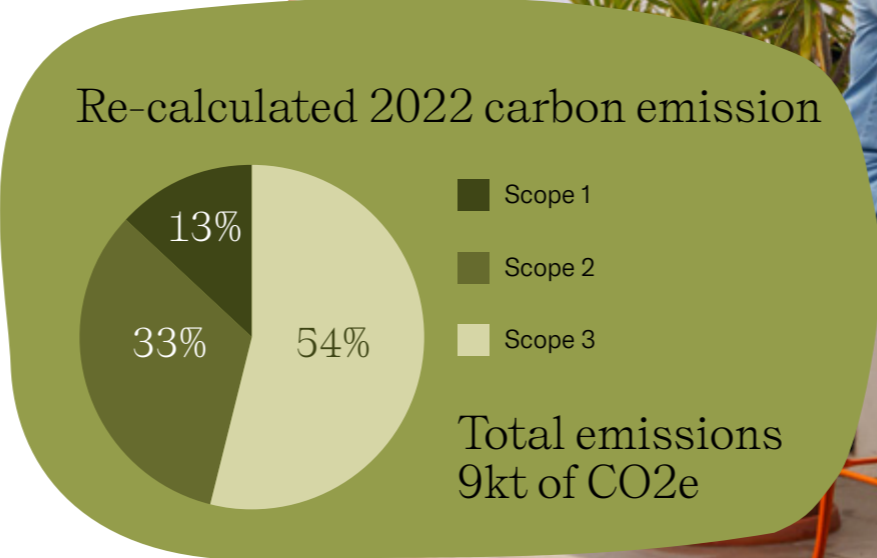
They helped us identify decarbonisation opportunities for our owned and managed properties based on industry best practice and then created a whole-company decarbonisation roadmap with actions, timelines and milestones, including assessed risk and suggested mitigation strategies.

EarthCheck also reviewed our 2022 baseline carbon calculations and provided recommendations for refining some emissions factors and methodologies. This resulted in a change to the results reported last year, decreasing the Scope 1 and 2 figures and increasing Scope 3.

A decarbonisation working group of key personnel was also established to progress the decarbonisation plan.

Great YHA hostel with the best location in Sydney (in my opinion), with a rooftop view of the Harbour Bridge and opera house - wow! I traveled solo and it was easy to meet other travelers thanks to the social events, e.g. YHA trivia night. The room was nice and clean, the bed comfy, and the lounge was really nice to hang out in. I chose this hostel for its location, and it lived up to my expectations! Would recommend.

YHA SYDNEY HARBOUR (AURORA)



New sustainability initiatives

Sustainable Properties Fund

The Sustainable Hostels Fund was established in 2010 to reduce the carbon emissions and improve the energy efficiency of YHA buildings. Since its inception, it has been funded entirely by small donations from guests, matched dollar for dollar by YHA.

While these generous donations enabled YHA to deliver a handful of projects each year, work on our decarbonisation strategy highlighted the vast amount of plant and equipment upgrades needed to meet our goals for 2030 and beyond, particularly in regards to on-site renewable energy generation.

As a result, the Sustainable Hostels Fund was combined with our Small Hostels Development Fund* and relaunched with an improved funding model as the Sustainable Properties Fund.

While guests can still contribute to the Sustainable Properties Fund through optional donations at the time of booking, YHA has pledged to transfer membership fees and bank interest to the fund to provide it with a guaranteed source of income, enabling it to finance many more sustainability projects each year.

This new consistent funding model also allows the Sustainable Properties Fund to form part of our annual budgeting process, allowing it to meet the remit of the Small Hostels Development Fund by financing upgrades, improvements and maintenance at our smaller regional properties.

*Before being rolled into the Sustainable Properties Fund, the Small Hostels Development Fund pooled the proceeds from small property sales and certain member bequests for the purpose of upgrading other small properties that were otherwise economically unsustainable to maintain. These smaller properties, often in regional areas and located near national parks, are an important way for YHA to support regional communities and connect our guests to nature.

Ongoing sustainability initiatives

Many of our properties were adapted from their original purpose when they were converted into hostels, and we have been working for many years to upgrade their sustainability features, as well as incorporating best practice into any new builds.

One of our main focuses this year has been recycling – in 2023, we recycled 305 mattresses through Soft Landing and 412kg of textiles through Upparel.



Photovoltaic electricity generation



Solar hot water



Waste reduction



Water reduction



YESS team

In 2023, we formed the YHA Environment and Social Sustainability (YESS) team. YHA team members with a passion for sustainability were invited to join, with representatives from reception, housekeeping, maintenance, property management and the support office holding their first meeting in December.

The YESS team will focus on a different area of environmental or social sustainability each quarter. Its first focus area, water, led the team to examine our messaging to guests about water conservation, evaluate how we manage and report water leaks, and start a program to increase the frequency of meter reads to better track usage. The team meets monthly by video conference.

No Worries

In the latter part of the year, YHA conducted a global 'enter and win' campaign, No Worries, promoting sustainable travel to Australia. The competition attracted nearly 17,000 entrants from all over the globe to tell us how they plan to travel more sustainably in the future.

Partnering with Tourism and Events Queensland, Tourism South Australia and World Nomads, and with carbon offsetting by Greenfleet, we sent our lucky winner from Canada on a life-changing 14-day itinerary, jam-packed with environmentally and culturally responsible adventures.



Wildlife guidelines

In 2023 we worked with World Animal Protection to create a set of wildlife guidelines for implementation across the YHA brand and network. These guidelines underline our commitment to responsible and sustainable wildlife tourism, striving to promote conservation and safeguard wildlife from harm, while still enabling us to offer unforgettable and meaningful experiences for travellers to learn about the natural world.

Amazing hostel in a beautiful location. Facilities are clean and modern as everything has been recently developed. Loads of kangaroos come through the site and the sunrise and birdsong is fantastic. Not a party hostel, very much a laid back vibe, so perfect for a couple of nights to recuperate. Free shuttle into Noosa Heads is a bonus!

YHA NOOSA EVERGLADES (JESSICA)





Community & connections

In tandem with our global community of travellers, our partnerships with like-minded groups and organisations enable us to deepen our community connections and better work towards our purpose.

First Nations-focused partnerships

YHA remains committed to contributing to reconciliation through our Reconciliation Action Plan (RAP). Our reconciliation journey so far has fostered better cross-cultural understanding and communication across our business, and is empowering us to enact positive change both within our teams and in our properties.

Having delivered most of the outcomes of our Reflect RAP, in 2024 we will seek endorsement of our Innovate RAP from Reconciliation Australia to build on the progress we have made so far. You can read about some of the highlights of our work towards our RAP below:



Reconciliation Australia

Reconciliation Australia is the lead body for reconciliation in Australia, and plays a key role in facilitating relationships, respect and trust between the wider Australian community and Aboriginal and Torres Strait Islander peoples. Since 2006, they have helped organisations take meaningful action to advance reconciliation through their Reconciliation Action Plan program.



Tourism Reconciliation Industry Networking Group (Tourism RING)

Since late 2022, YHA has been a member of the newly formed Tourism Reconciliation Industry Networking Group. Made up of tourism operators who have endorsed Reconciliation Action Plans, the group works together to share best practice on reconciliation and promote Aboriginal and Torres Strait Islander culture to customers.



In-property experiences

An ongoing focus of our RAP is sharing Aboriginal and Torres Strait Islander cultures with our team and guests by engaging First Nations operators to deliver programs in our properties. This is an opportunity for our guests and team to participate, learn more and celebrate our country's unique Aboriginal and Torres Strait Islander cultures. This year, we facilitated 33 of these programs at YHAs across our network.



Artist in Residence

In 2023, YHA hosted two Indigenous artists for residencies at our properties – Wiradjuri man Darren Charlwood at YHA Blue Mountains in March, and Dunghutti Biripi woman Wanita Lowe at YHA Byron Bay in November. Engaged through Boomalli Aboriginal Artists Co-operative, each artist shared their art practice and ran workshops across several days with YHA guests.



Sustainability partnerships

SUSTAINABLE DESTINATION PARTNERSHIP

Sustainable Destination Partnership

The Sustainable Destination Partnership is a collaboration of hotels, hostels, serviced apartments, cultural institutions, entertainment venues and industry influencers, working together to make Sydney a sustainable destination. YHA has been a member of the partnership since its inception in 2018, when it was formed by the City of Sydney as one of many initiatives to help deliver its vision for a green, global and connected city.



World Animal Protection

World Animal Protection is a global animal welfare organisation that has been campaigning for more than 50 years to end animal cruelty and suffering. In 2023, we worked with World Animal Protection to develop [wildlife guidelines](#), outlining the types of wildlife experiences YHA does and doesn't promote.



EarthCheck

To create our decarbonisation strategy, YHA worked closely with EarthCheck, the world's leading certification, consulting and advisory group for sustainable tourism organisations. The work completed this year will underpin all future work we conduct around carbon emissions and has provided important benchmarks to measure against.



Pittwater Eco Adventures

YHA Pittwater Eco operates in tandem with Pittwater Eco Adventures – a profit-for-purpose eco-tourism company run by the property's co-managers. Their mission is to preserve wild places through tours, workshops, retreats and multi-day experiences.



Ecotourism Australia

Ecotourism Australia is a non-government, not-for-profit organisation that supports ecotourism through its globally-recognised ECO Certification program. Two of YHA's properties currently hold ECO Certified status, with plans in place for more in the future.

Supporting sustainability programs with discounted accommodation:



Under Down Under Tours

Under Down Under Tours have been educating and inspiring guests by connecting them to nature in lutruwita/ Tasmania on their Advanced Eco Certified small group journeys since 1996. Their guests stay at YHA Hobart Central on various tours.



Untamed Escapes

Untamed Escapes connects travellers with adventure, culture, wildlife, wellness and epicurean experiences in nature, while also giving travellers opportunities to 'give back' on their trips. Guests of Untamed Escapes stay at YHA Adelaide Central and YHA Alice Springs.



Oceans 2 Earth

Oceans 2 Earth is an agent who offers volunteering and adventure travel experiences with an emphasis on environmental and animal causes. Volunteers in the Marine Conservation Program at the Great Barrier Reef stay at YHA Cairns Central.

Education partnerships



Sydney Learning Adventures

The Big Dig Archaeology Education Centre at YHA Sydney Harbour returned to normal operations in mid-2023. Run by our partner Sydney Learning Adventures, this year's programs offered a unique educational experience focusing on the archaeology and history of the site for 5,169 primary and high school students.



ICOMOS (International Council on Monuments and Sites)

YHA Australia was a Strategic Partner of the ICOMOS 21st General Assembly and Scientific Symposium, a city-wide conference held in Sydney to promote the recognition, protection and management of cultural and natural heritage. YHA Sydney Harbour hosted several events including meetings held by the Getty Research Institute and International Scientific Committee on Archaeological Heritage Management, as well as a colourful Indian diaspora event on the rooftop. ICOMOS partnered with EarthCheck with the aim of making the conference carbon neutral.

Supporting education programs through discounted accommodation:



The Urban Challenge

The Urban Challenge provides real-world programs for school-aged children who embark on a fast-paced, unfolding adventure through Sydney with a teacher and Urban Challenge guide. Participants complete a range of fun and engaging activities while staying at our two Sydney properties.



International House

International House is one of Australia's most highly-regarded providers of English language and career-focused vocational education. They source accommodation from around the country, with students staying at YHA properties in Sydney, Melbourne, Byron Bay and Adelaide.





Reputation

In operation for over 80 years, YHA has proudly built a business and a brand that is known and trusted by travellers from all over the world. By investing in everything from brand awareness and guest experience to network growth and cyber resilience, we work hard to maintain this reputation and continue our strong legacy.

Building our reputation



Finished rebrand rollout across the network

In mid-2022, YHA digitally debuted a contemporary new look to better reflect the modern traveller. In 2023, we completed the rollout of our rebrand across our properties by updating our external signage around the network.



Improved guest experience through customer reviews

Our network of properties uses TrustYou software to effectively facilitate efficient and accurate guest reviews and responses. By utilising this data to identify and improve our in-property experience and customer service, we were able to increase traveller satisfaction from 81.62 in 2022 to 83.08 in 2023.



Added a new Associate property to our network

In October, we welcomed YHA Noosa Everglades (Kangarooms) to the YHA network. Located a short drive north of Noosa in the Great Sandy National Park, it features a range of accommodation options, including cabins, safari tents and glamping tents, as well as an on-site bar, bistro and micro brewery.








Strengthened our cyber resilience

Investment in our cyber capability remains a top priority to protect our people, data and reputation. YHA introduced a new Cyber Resilience Strategy in 2023 to elevate our approach beyond traditional cyber security, not only to prevent incidents, but also to focus on our readiness to withstand and recover from them.

Increased brand awareness and sentiment

Brand awareness is a crucial component of managing our reputation. In 2023, we undertook a number of brand awareness initiatives to showcase our refreshed brand to new markets and international audiences. These included:

-  Launching a TikTok channel (@yhaaustralia) to better reach Gen Z travellers
-  Hosting social media training across the properties, training 35 team members to create and share content and amplify awareness of the on-property experience
-  Focusing on storytelling through PR campaigns aimed at diverse market segments
-  Running a global 'enter and win' competition targeted at our primary overseas markets
-  Conducting market research to validate that the rebrand positively changed traveller perceptions of the YHA brand and experience

How our travellers see the YHA Australia brand:

Top word associations



Source: Optional on-property WiFi survey



Cosy sleep. Handy to Chinatown, bars, restaurants. Right outside Tram station. Cool city views. Convenient continental breaky in the morning. Perfect accommodation for me and the kids for our city excursion.

YHA SYDNEY CENTRAL (JODIE)



Perfect location with free bikes and scooters (unexpected that at all). A great place for travellers who wanna stay for short time to discover Newcastle. Most attractions and public transports are within minutes of walk from the yha. The common area is amazing as it is filled with many things like books shelves, billiard tables and more to enjoy. Simply worths staying than any other hotel in Newcastle.

YHA NEWCASTLE BEACH (AMIN)

Governance



Image: YHA Port Elliot

Governance directory at 31 December 2023

Patron

The Governor-General of the Commonwealth of Australia, His Excellency General the Honourable David Hurley AC DSC (retd)

President

James Tomkins OAM

Vice Presidents

- Leonie Clark
- Rob McGuirk
- Matthew McNeil
- Dr Tasha Prabhakar
- Cameron Quinten
- Jim Whitehead
- Alex Zilkens
- Michael McPhail

Honorary Life Members

- | | | |
|---------------|----------------|---------------|
| Ms E Lyle OAM | Mr J Bowles | Mr R Ousley |
| Mr W King | Mr J Whitehead | Mr J Hamilton |
| Mr T Blunden | Mr K Grey | Ms C Davis |
| Mr J Cras | Ms G Grey | |
| Mr B Hansford | Mr I Newson | |
| Mr D Wardle | Mr A Schmidt | |
| Mr H Andrew | Ms W Bell | |

The Board

In 2023, the Board was made up of eight Directors. Each Director typically serves a three-year term before deciding whether to nominate again (subject to term limits), with up to a third of the Board potentially changing each year. All Directors have travelled extensively within Australia and overseas and the composition of the Board embraces diversity of skills, experience and gender.

Due to an overseas opportunity, Alison McDonagh stepped down from the Board in April 2023.

Craig Berger was appointed to the Board in May 2023.



Tracey Powell
Chair

Joined January 2014

Tracey is an experienced non-executive director, a graduate of the AICD and has a depth of senior global corporate experience and qualifications in business management, marketing and HR. A professional NED, Founder and Managing Director of consulting firm MADhouse Group Pty Ltd, she provides strategic advisory services to NFP, government and private sector organisations across a range of industries. Previously Chair of YHA SA, Tracey has been a Director at YHA since 2009, and is passionate about helping YHA to deliver its mission and make a positive impact on people, planet and place for another 80 years.



Bronwyn Dallow
Vice Chair

Joined April 2017

Bronwyn is an experienced non-executive director and committee chair. Bronwyn brings extensive experience in hospitality/tourism, membership organisations, not-for-profit and commercial services in senior executive roles, with AICD governance training and a Master of International Management. Bronwyn believes she can make a significant contribution to addressing the challenges of a membership-based organisation staying relevant to young people in a fast-changing, technology-connected global market.



Simon Spicer
Chair A&R

Joined September 2018

An experienced non-executive director, and AICD graduate, with significant international senior executive experience, Simon brings a broad financial, commercial and strategic perspective to the YHA Board. He also has specific expertise across property, business and digital transformation, governance and risk management, including in for-purpose membership organisations, such as YHA.



Tammy Marshall
Chair NR&HR

Joined June 2019

Tammy is an experienced non-executive director who currently serves on the boards of YHA Australia and Railbookers Group. She has built a career in travel and tourism across a diverse number of sectors, including group travel, hospitality, tour operations, transport and cruising. Tammy also has a strong connection with the start-up community, acting as an advisor to start-ups and is the Australian ambassador for World Innovations Forum. She also founded The B Hive – a business consultancy specialising in travel and tourism that helps businesses transform, grow and innovate.

The Board



David Young
Chair ESG

Joined January 2022

David has extensive global experience in the hospitality and travel industries across operations, commercial, loyalty, F&B and sustainability roles in the Pacific and Europe. Currently Director of ESG for Accor Pacific hotels, he is responsible for leading the sustainability strategies of more than 400 hotels in the region. He is a Chartered Accountant, AICD graduate, Chair of the YHA ESG Committee and a Board Member of Out For Australia and the Golden Stave Foundation.



Jennifer Tang

Joined January 2022

Jennifer is an experienced company director and senior legal executive with global corporate experience and qualifications in law and marketing. Her capabilities include corporate governance, risk management and strong analytical skills developed from more than 25 years' experience in investing, property financing, private equity, private credit, funds management, and mergers and acquisitions. She has worked across the world in diverse industries including property and hotels, telecommunications, healthcare and technology.



Craig Berger

Joined May 2023

Craig first joined YHA in 1998, and his ability to connect curious, diverse travellers remains unique to the organisation and important to foster. His long tenured senior management experience within financial services is complemented by board experience with large corporates, profit for purpose and charity organisations. He brings strong skillsets in investments, strategy, commercial, distribution, compliance and proven experience developing and driving successful global international business partnerships to the YHA Board. He is committed to supporting the long-term growth and sustainability of the YHA movement for others to experience and enjoy.



Reid Johnson

Joined October 2022

Reid graduated from the AICD in 2016 and has worked on boards since 2017. His career in technology spans over 30 years, and his experience ranges from hands-on application development, IT project management of significant transformation programs and several years of ICT executive leadership. His executive experience includes IT service delivery, strategy development and execution, business development, commercial management and corporate governance.

Observership Program

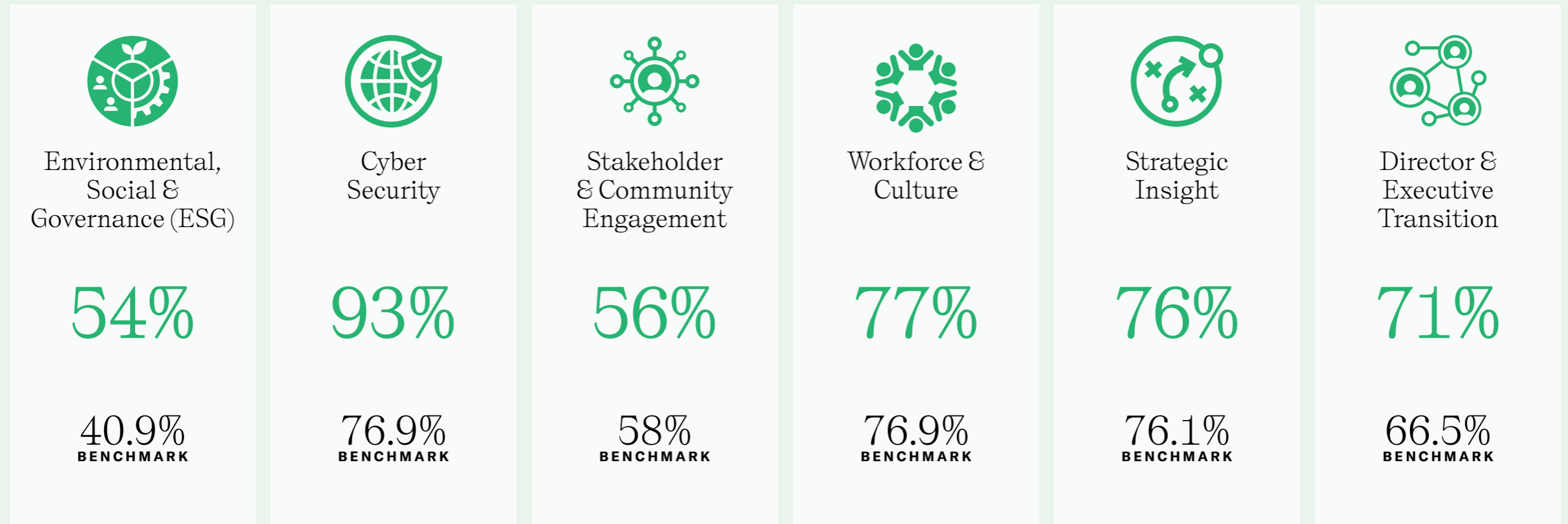
YHA partnered with the Observership Program to place a younger executive as a Board Observer for 12 months, enabling them to gain practical experience with how executive boards and board committees are governed. The program was a success, with **Varun Nair** joining us for Board activities from January 2023. The intention is to continue with a new Observer every 12 months.



Board benchmark report:

Governance risks

This year, the Board participated in a benchmarking exercise in partnership with GovernWith to assess the organisation's scores against the top six contemporary governance risks for 2023. The figures below are benchmarked against the aggregate scores of 1000+ individual directors, with the percentage measuring the YHA Board's overall level of assurance that a particular risk area is being addressed.



Board activities

The Board of Directors is YHA's governing body and is made up of ordinary adult or Life Members. The primary focus of the Board is the long-term health and prosperity of YHA, which is achieved by:

- Setting strategic direction;
- Overseeing that development of the network;
- Ensuring that appropriate risk management and people management systems are in place;
- Enshrining YHA's mission and core values in all aspects of the organisation's activities

The Board approves and delegates the implementation of strategic objectives, plans and budgets to the CEO, who is appointed by, and accountable to, the Board. The CEO is responsible for the day-to-day management of the business, subject to policies and procedures determined by the Board, and is supported by an experienced leadership team.

Committees and working groups

The Board has three governance committees and two project working groups to assist with its duties and responsibilities. Each committee has a charter, and the working groups have terms of reference outlining their role and composition. They all provide regular reports to the Board. They include:

- **Audit & Risk Committee**
Assists the Board in fulfilling its responsibilities regarding financial reporting, risk management, legal compliance, and ensuring the external auditor's independence.
- **Nominations, Remuneration & Human Resources (HR) Committee**
Responsible for the nomination of Directors, human resources and remuneration strategies, policies and practices.
- **Election Committee**
Responsible for managing the recruitment and onboarding of Directors, ensuring that candidates add to the diverse, skills-based composition of the board.
- **Environmental, Social & Governance (ESG) Committee**
The ESG Committee was formed in 2023 to increase oversight with respect to ESG and broader sustainability issues. The Committee met for the first time in November and will assist the Board in fulfilling its reporting and strategic responsibilities regarding the ESG strategies, policies and practices of the company.

- **Strategy & Innovation Working Group**
Putting innovation at the forefront of YHA's strategy and engaging the organisation in bold thinking as the organisation reimagines itself and transitions to a new future.
- **YHA Railway Square Development Working Group**
Reviews the Railway Square redevelopment, provides advisory oversight, aligns with the project brief and guiding principles, and acts as a project team consultation group.

Directors' remuneration

Remuneration for Directors is fixed at an aggregate amount of \$150,000 annually. A policy governs the distribution of the remuneration pool among the Directors, and the reimbursement of direct expenses to attend meetings.

Meetings

- The Board of Directors met seven times in 2023, a mix of in-person and virtually.
- The Audit & Risk Committee met five times, the Nominations & Remuneration Committee met five times, the Election Committee met one time and the ESG Committee held its inaugural meeting.
- The Strategy & Innovation Working Group held three meetings and the YHA Railway Square Development Working Group met three times throughout the year.

Board activities cont.

YHA Travel to Learn Foundation

In 2019, YHA set the wheels in motion to establish a charity, with the objective of helping disadvantaged youth overcome the financial, social or logistical barriers to travel. While the COVID-19 pandemic put those plans on hold for several years, the organisation's recent strong performance and a renewed focus on purpose saw us resume work on the project in 2023.

In November this year, the YHA Board voted to proceed with the development of the YHA Travel to Learn Foundation. The Foundation, of which YHA is the sole member, has a board composed of the YHA Board of Directors. Seed funding has been provided through a \$100,000 subscription by YHA Ltd.

The YHA Travel to Learn Foundation's mission is to empower disadvantaged young people, providing them with access to travel across Australia for the purpose of education, employment, social enterprise or personal development.

Our goal is to eliminate the significant financial, social or logistical barriers many of these young people face when accessing these opportunities, and to invest in helping them develop into socially aware, culturally literate and environmentally conscious changemakers in their communities.

YHA Travel to Learn launches in 2024.

Executive Leadership Team

The Executive Leadership Team (ELT), led by CEO Paul McGrath, is responsible for delivering the strategy set by the Board of Directors and in doing this, ensuring that we are staying true to our purpose and values.

The ELT are professionals with specialised expertise and experience and a broad understanding of operational matters to ensure that the business is supported to deliver the best possible guest experience.

Paul McGrath
Chief Executive Officer

Naomi Myers
Head of People & Culture

Mark Hussien
Head of Operations

Stephen Lynch
Chief Financial Officer and Company Secretary

Helen Vine
Head of Sustainability & Procurement

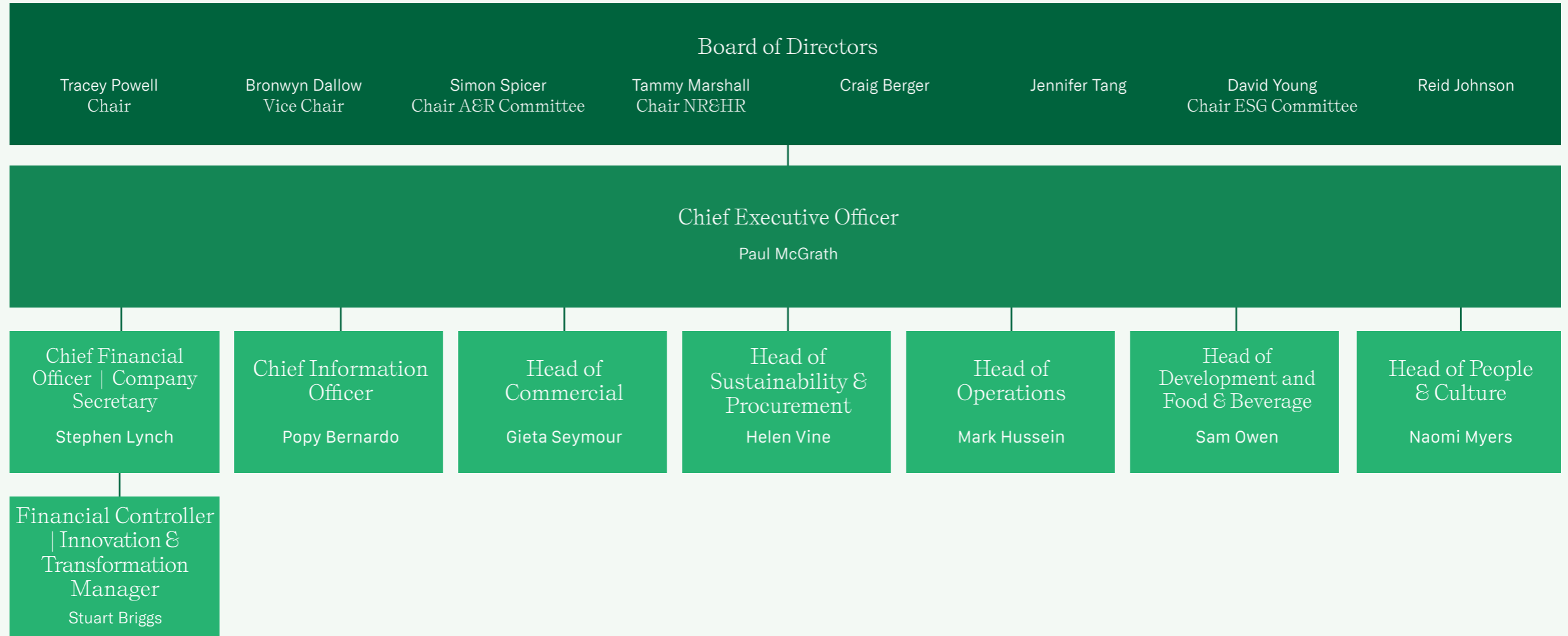
Popy Bernardo
Chief Information Officer

Gieta Seymour
Head of Commercial

Sam Owen
Head of Property and Food & Beverage

Stuart Briggs
Financial Controller / Innovation & Transformation Manager

Organisational chart



Risk management

In 2023, a Risk Management Team was formed to support the CEO in risk management activities, supported by a new resource in safety and compliance management. This team meets monthly, in addition to the WHS Consultative Group, to ensure all risks are being assessed, managed and mitigated appropriately.

We've identified the following risks as significant to our ability to operate:

Guest incidents

YHA operates a large network of accommodation and incidents such as guest injury, emergencies, unauthorised visitors or illegal conduct can have health, safety, legal and reputational ramifications.

How we mitigate this risk:

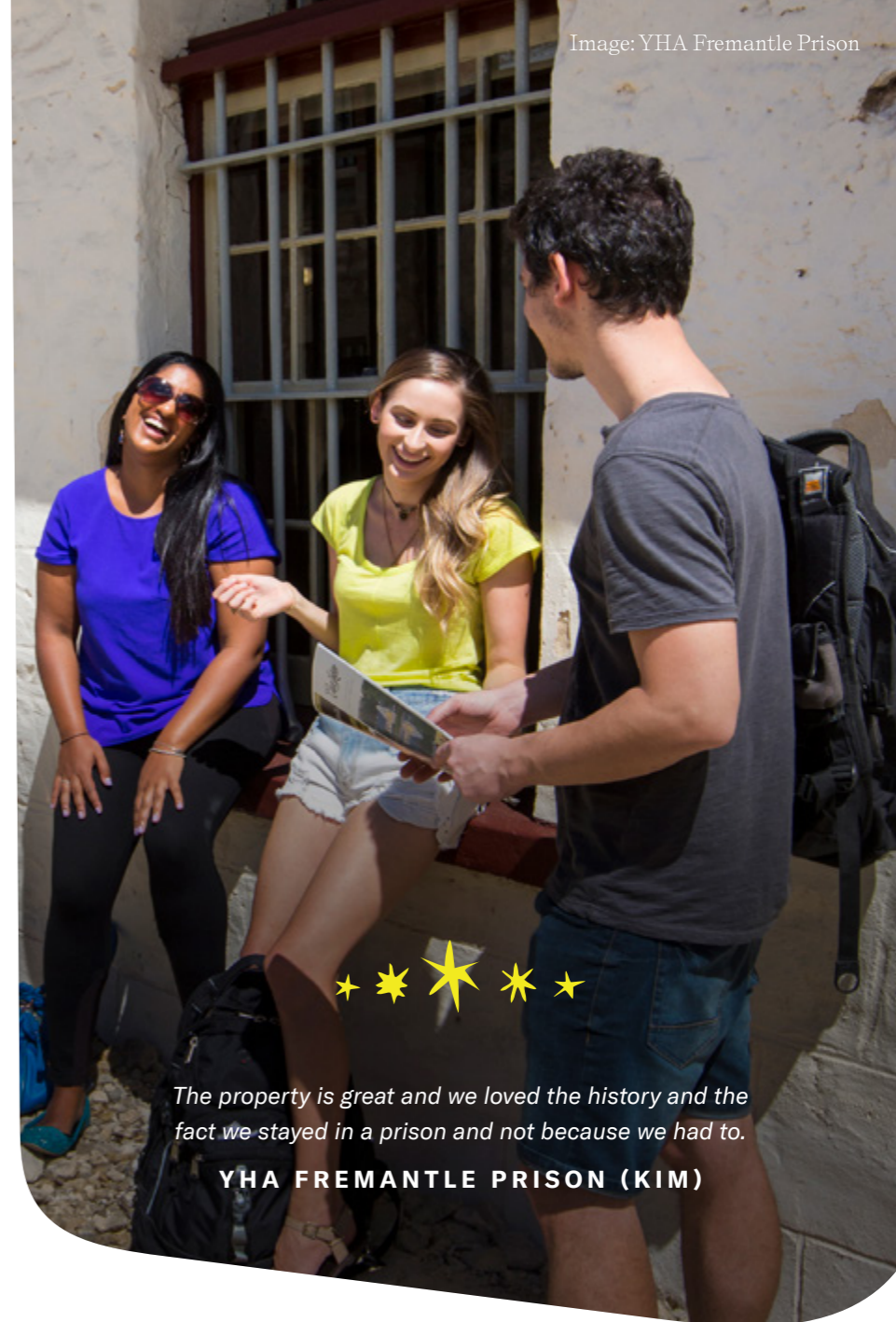
- Discrimination and Harassment policy
- Child Safety policy
- Guest Code of Conduct
- Incident reporting and management
- Public liability insurance
- Procedure, safety, emergency and behavioural training
- Isolation floors and bathrooms for at-risk groups (such as children)
- DNA (Do Not Accommodate) Register for guests who breach Guest Code of Conduct

Staff incidents

YHA has staff across the country in a variety of roles and working conditions. Staff incidents may include injury, unethical conduct, illness including Covid-19, discrimination or harassment, and can have health, safety, legal and reputational ramifications.

How we mitigate this risk:

- Inclusion and Equity policy
- Discrimination and Harassment policy
- Work Health and Safety policy
- Employee Code of Conduct
- Online safety and compliance training
- Recording and analysis of safety incidents
- Continual improvement of processes and training, including updating equipment, personal protective equipment (PPE) and signage



The property is great and we loved the history and the fact we stayed in a prison and not because we had to.

YHA FREMANTLE PRISON (KIM)

Climate change

Climate change increases the likelihood of business disruption due to extreme weather like floods, excessive rain and bushfires, as well as impacting energy costs and affecting traveller behaviour.

How we mitigate this risk:

- Working to minimise the environmental impact of all new property developments and renovations
- Upgrading our existing properties with sustainability-focused features including solar panels, solar hot water, waste reduction initiatives, and water and energy conservation measures
- Training staff and regularly reviewing emergency plans in flood, bushfire and cyclone-prone areas
- Working with organisations that provide regenerative activities like tree planting and bushcare to help educate our guests and allow them to offset their carbon footprint

Extended regional conflicts

As evidenced by recent conflicts overseas, there is a tangible risk to the tourism industry during periods of geopolitical instability. These conflicts can impact people's desire and ability to travel, increase costs and disrupt airline operations.

How we mitigate this risk:

- Prioritising financial stability in the face of business disruption
- Adopting an agile, adaptive approach to safeguard business sustainability
- Continuing to promote domestic travel to Australian customers through upgrading our properties and investing in customer solutions to meet their needs

Cyber and data breaches

Despite best efforts in cyber security, incidents can and do still occur in today's dynamic digital landscape. Compromised cyber security may result in data breaches, theft of sensitive information, loss of revenue, reputation damage and heavy privacy penalties.

How we mitigate this risk:

- Introducing a new Cyber Resilience Strategy in 2023
- Adhering to Australian Signals Directorate (ASD) Essential Eight best practice security mitigation strategies including external assessment to validate security controls
- Aligning to Australian Institute of Company Directors (AICD) Cyber Security Governance Principles
- Undertaking a large-scale cyber crisis simulation with EY to assess our preparedness and response capabilities, and gain insights into our strengths and areas for improvement
- Engaging in the redevelopment of our crisis management plan and business continuity plan to ensure that we are well-prepared to navigate the complexities of a major incident
- Conducting a thorough review of our data minimisation practices and data retention obligations to ensure that we not only limit the amount of data we collect but also diligently manage the data we retain in accordance with the General Data Protection Regulation's (GDPR's) 'right to be forgotten' provision
- Continuing to conduct monthly simulated phishing exercises to reinforce our cyber awareness training with team members
- Introducing a new series of cyber awareness training content for team members



Location and short walk to the beach. Friendly staff, great kitchen, and chillaxing areas. And a cool, laid-back vibe. This hostel is like a serene sanctuary in a great area of Byron Bay. I would highly recommend it.

**YHA CAPE BYRON
(LIGHTWARRIOR)**





From the moment we arrived, our reception with Phyllis was warm, welcoming and full of joy! Thank you for having us! The Hobart YHA team is a welcoming family. Everyone was kind, happy, and considerate of each other. We had our privacy and a great sleep, and we also always shared and learnt about our diversity - coming across people of all different ages, stages and countries who were happy to have a chat, share cooking and travel tips. The cleaning team was brilliant and we were wished a happy day of adventures every morning and a welcome back on our return. It was a lovely stay and shows how great YHA is. Thanks!

YHA HOBART CENTRAL (SUMMER)

Financial Report

Summarised consolidated financial statements

Image: YHA Sydney Central

Summary of Financial Statements

The summarised consolidated financial statements are included in the following pages. These comprise a summarised consolidated statement of profit or loss and other comprehensive income, summarised consolidated statement of financial position, summarised consolidated statement of cash flows and the Directors' declaration. These have been derived from the audited financial statements of YHA Ltd.

Summarised consolidated
statement of profit or loss and other
comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 \$	2022 \$
Revenue		
Revenue from contracts with customers and other revenue	53,528,768	37,973,682
Interest revenue	2,064,469	868,767
Other income	-	38,678,520
	55,593,237	77,520,969
Expenses		
Employee benefits expense	(21,666,790)	(16,028,677)
Depreciation & amortisation expense	(4,534,098)	(4,949,369)
Finance costs	(6,993,255)	(7,098,932)
Other expenses	(20,420,845)	(16,187,283)
	(53,614,988)	(44,264,261)
Surplus before income tax	1,978,249	33,256,708
Income tax (expense)	-	-
Surplus after income tax	1,978,249	33,256,708
Other comprehensive income	-	-
Total comprehensive income	1,978,249	33,256,708

Note: 2022 'Other income' includes income from the Railway Square YHA leasehold property, which was disposed of in exchange for deferred cash consideration and obligations to deliver back to YHA a yet-to-be-developed property ("YHA Railway Square development") within a new office tower constructed over the Railway Square Parcel Building.

Summarised consolidated statement of financial position

AS AT 31 DECEMBER 2023

	2023 \$	2022 \$
Assets		
Current assets		
Cash and cash equivalents	14,299,390	14,062,000
Trade and other receivables	263,597	220,124
Financial assets	1,276,446	1,221,842
Inventories	49,478	75,592
Other current assets	1,146,319	926,763
Total Current Assets	17,035,230	16,506,321

Non-current assets		
Financial assets	33,530,331	33,483,978
Property, plant and equipment	108,801,388	106,251,780
Lease assets	2,126,408	2,345,800
Intangible assets	1,788,703	1,801,482
Total Non-current Assets	146,246,830	143,883,040
TOTAL ASSETS	163,282,060	160,389,361

	2023 \$	2022 \$
Liabilities		
Current liabilities		
Trade and other payables	5,220,417	3,954,499
Lease liabilities	89,962	234,641
Borrowings	-	512,471
Provisions	1,279,411	1,485,543
Contract liabilities	2,690,560	2,513,459
Total Current Liabilities	9,280,350	8,700,613

Non-current liabilities		
Trade and other payables	20,349	20,349
Lease liabilities	2,259,933	2,351,722
Borrowings	90,837,248	90,457,663
Provisions	113,218	66,301
Total non-current liabilities	93,230,748	92,896,035
Total liabilities	102,511,098	101,596,648
NET ASSETS	60,770,962	58,792,713

Equity		
Accumulated surplus	57,013,253	55,035,004
Revaluation reserve	3,757,709	3,757,709
TOTAL EQUITY	60,770,962	58,792,713

Summarised consolidated statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2023

Basis of preparation

The summarised statements of profit or loss and other comprehensive income and the summarised statements of financial position (together, 'summarised financial statements') have been prepared to assist YHA Ltd with their integrated reporting. The summarised financial information does not and cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of YHA Ltd as the full financial reports. A full description of the accounting policies adopted by YHA Ltd may be found in the respective entity's full financial reports. The summarised financial information is presented in Australian dollars.

	2023 \$	2022 \$
Cash flows from operating activities		
Receipts from members and customers	59,028,636	41,627,152
Receipts from government subsidies	-	599,000
Payments to employees	(21,826,005)	(15,947,420)
Payments to suppliers	(24,666,559)	(19,106,858)
Interest received	547,512	111,920
Finance costs paid	(6,613,670)	(6,716,164)
Net cash provided by operating activities	6,469,914	567,630
Cash flows from investing activities		
Purchase of plant, equipment & software	(6,273,357)	(3,392,057)
Receipt of financial asset	1,221,842	591,178
Development of property	(626,228)	(528,571)
Receipt of interest from financial assets	194,158	116,822
Proceeds from sale of property, plant & equipment	-	10,950,000
Net cash (used in) / provided by investing activities	(5,483,585)	7,737,372
Cash flows from financing activities		
Proceeds from borrowings	-	3,000,000
(Repayment) of borrowings	(512,471)	(5,025,416)
Payments for the principal portion of lease liabilities	(236,468)	(761,388)
Net cash (used in) financing activities	(748,939)	(2,786,804)
Net increase in cash and cash equivalents	237,390	5,518,198
Cash and cash equivalents at the beginning of the year	14,062,000	8,543,802
Cash and cash equivalents at the end of the year	14,299,390	14,062,000



Fantastic eco friendly accommodation. Great location. Helpful host. Comfortable bed in double room, close to shared bathroom. Eco friendly sustainability principles underpin this treasure.

YHA GRAMPIANS ECO (ANON)

Directors' declaration

In the opinion of the Directors of YHA Ltd:

1. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
2. The summarised consolidated financial statements have been derived from and is consistent with the full audited financial report for the financial period ended 31 December 2023;
3. The full audited financial report and notes, thereto are in accordance with the Corporations Act 2001, and:
 - a. Comply with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. Give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial year ended on that date.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors.

Tracey Powell

Chair
YHA Australia

Auditor's report



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Sydney NSW 2001
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e. sydneypartners@pitcher.com.au

Independent Auditor's Report To the Members of YHA Limited ABN 94 008 387 791

Report on the Audit of the Summarised Financial Report

Opinion

In our opinion the summarised consolidated financial statements are consistent, in all material respects, with the audited financial report of YHA Limited, in accordance with the basis of preparation described in the summarised consolidated financial statements.

What we have audited

The summarised consolidated financial statements are derived from the audited financial report of YHA Limited for the year ended 31 December 2023. The summarised consolidated financial statements comprises:

- the summarised consolidated statement of financial position as at 31 December 2023
- the summarised consolidated statement of comprehensive income for the year then ended
- the summarised consolidated statement of cash flows for the year then ended
- the directors' declaration.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to the basis of preparation of the summarised financial statements, which describes the basis of accounting. The summarised financial statements have been prepared for inclusion in the YHA Limited 2023 Integrated Report. As a result, the summarised consolidated financial statements may not be suitable for another purpose. Our report is intended solely for YHA Limited and its members and should not be distributed to or used by parties other than YHA Limited and its members. Our opinion is not modified in respect of this matter.

Summarised Consolidated Financial Statements

The summarised consolidated financial statements do not contain all the disclosures required by Australian Accounting Standards applied in preparation of the audited financial report of YHA Limited. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report of YHA Limited and the auditor's report thereon. The summarised financial statements and the audited financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial report.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Independent Auditor's Report To the Members of YHA Limited ABN 94 008 387 791



The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial report in our report dated 24 February 2024.

Responsibilities of Management for the Summarised Consolidated Financial Statements

Management is responsible for the preparation of the summarised consolidated financial statements in accordance with the basis of preparation of the summarised consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion whether the summarised financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

Melissa Alexander
Partner

24 February 2024

Pitcher Partners
Partner
Sydney

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ABN 17 795 780 962.
Pitcher Partners Sydney.



Absolutely loved my stay here, the hostel staff Chloe and Silvia were amazing, very helpful and knowledgeable on the area and activities. The hostel is situated near the heart of the village and a stones throw away from the chairlifts, shops and pubs. It has fantastic cooking facilities, plenty of utensils and a large seating/dining area with a gas fireplace to keep you warm on those colder alpine nights. Never needed for anything. Will definitely stay again, 10/10.

YHA THREDBO (ELLIOT)

Yha™

always exploring

11 Rawson Place, Sydney NSW

T (02) 9261 1111 F (02) 9261 1969



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