

A photograph of three young people (two women and one man) sitting at a wooden table outdoors, smiling and taking a selfie with a red smartphone. The man on the left is wearing a white long-sleeved shirt and blue headphones. The woman in the middle is wearing a blue top and has a red bandana in her hair. The woman on the right is wearing a blue and white striped top and a straw hat. A silver water bottle is on the table in front of them. The background shows green foliage and a blurred crowd of people.

YHA Australia Integrated Report

2022



Acknowledgement of Country

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



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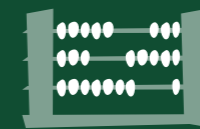
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Who we are



Too good. The best hostel I've ever stayed. More like a hotel. The facilities they provided were top notch. My roommates were from different parts of the world, but we got together really well. The highlight is the rooftop with a million-dollar view. Highly recommended.

YHA SYDNEY HARBOUR (AYESHA)



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 44 properties across Australia, offering private and co-living accommodation with amenities like on-site pools, co-working spaces and open-air rooftops.

We don't believe in one-size-fits-all – and 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.

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.



Our portfolio

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.



44

properties owned &/or operated



41

destinations across 7 states and territories



70

bookable experiences on yha.com.au

y·hive

1

Y-Hive coworking space

y·jobs

1

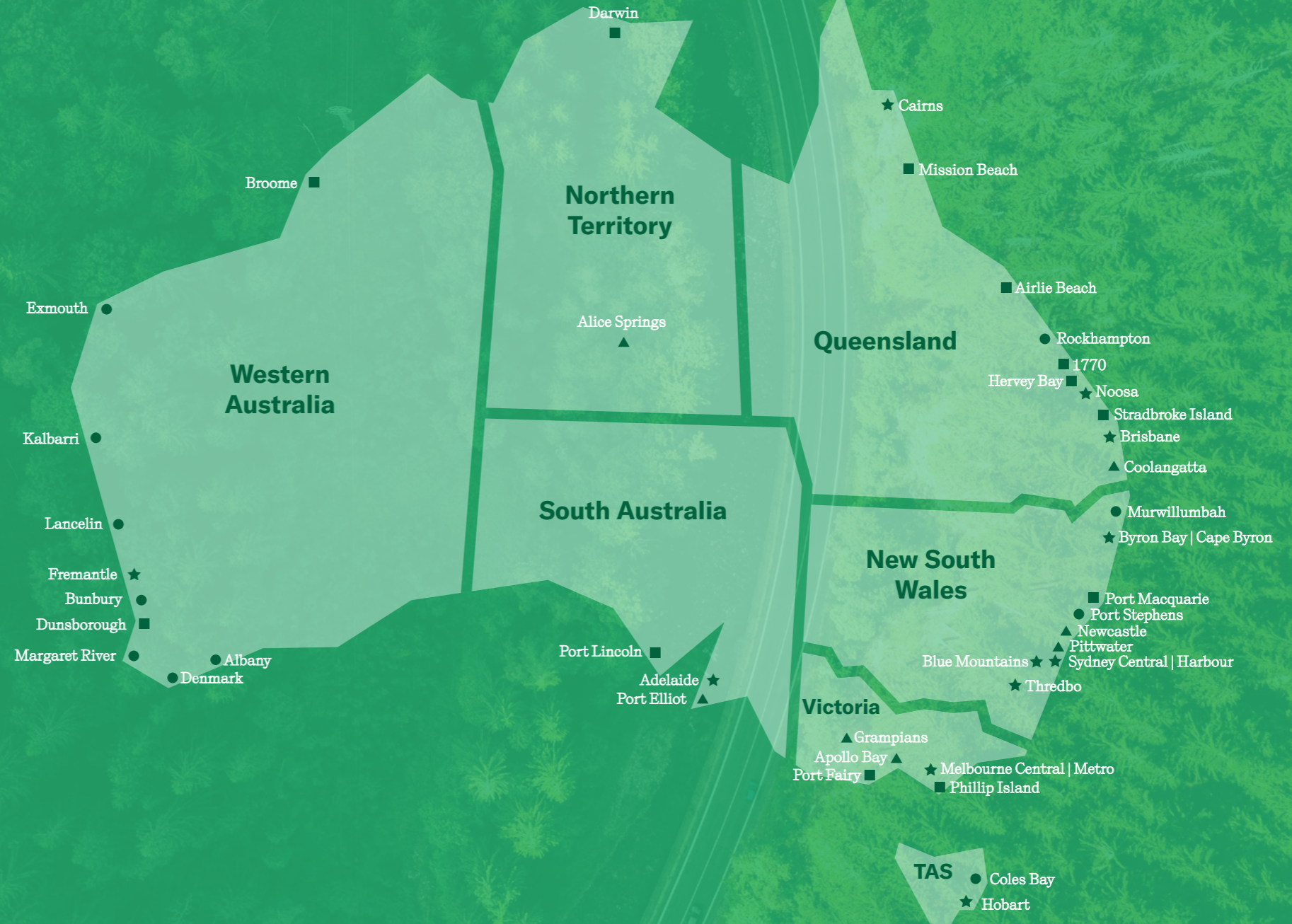
Y-Jobs jobs notice board



3

bars on-site or adjacent

YHA locations



- ★ Owned
- ▲ MSA
- Affiliate
- Associate

Our timeline

83 years of
supporting curious
travellers



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.



1932

The International Youth Hostels Federation is established (now known as Hostelling International).



1943

YHA NSW is established and the first purpose-built property is opened at Little Marley, NSW.



1948

YHA SA is established.



1951

YHA WA is established.

1912

The first permanent hostel opens in Altena Castle, Germany.



1939

The first Australian YHA is opened at Warrandyte, VIC, and YHA VIC is established.



1947

YHA Australia is formed (representing the state associations) and joins the International Youth Hostels Federation (present day Hostelling International).



1950

YHA TAS is established.



In the early days, YHA properties were run, maintained and in many instances built by volunteers. Guests were expected to assist with the cleaning of the hostel and volunteer “wardens” managed the hostel in exchange for accommodation. The move to paid hostel management was the first step towards a professionally run organisation.

Today, the YHA Ltd board, while still YHA members and elected by the members of YHA, consists of a smaller number of representatives who are selected for their skills and experience.



1962

YHA QLD is established.



1968

The first purpose-built 40 bed city hostel opens in Canberra.



1987

YHA NSW becomes an incorporated association with governance moving from a 26-person state council to a 12-person Board of Directors, signifying an increasing professionalism in how the organisation is run.



1996

YHA Sydney Central opens at a cost of \$15 million and becomes the largest hostel in the Southern Hemisphere at 550 beds. This is the financial springboard for YHA NSW to invest in properties at Sydney Harbour, Railway Square, Byron Bay, Coffs Harbour and Canberra, with many existing properties also receiving upgrades.

1952

YHA has its first salaried resident manager and first paid office employee.



1967

Ebena Isles gifts YHA her property, which is now YHA Pittwater Eco.



1976

YHA NT is established.



1988

For the first time, YHA Australia hosts more international guests than domestic guests.



2000

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



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 Melbourne Central opens.



2017

Simple Affordable Membership launches.



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

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.



2018

At the 2018 AGM, YHA members vote to remunerate the board in recognition of the significant contribution they make in time and expertise.



2022

YHA debuts its first coworking space at YHA Blue Mountains, the tourism jobs board Y-Jobs, and breaks ground on a new property in the Atlassian Tech Central building.



Overview

WHO WE ARE

OVERVIEW

STRATEGY

PERFORMANCE

GOVERNANCE

FINANCIAL



Letter from the Chair

Travel has many benefits – it facilitates new experiences, presents different perspectives, and enables connections you just can't get sitting at home. The past two years have been the most challenging in the 80-plus year history of YHA Australia due to the impact of the Covid-19 pandemic and the inability of many of us to travel.

At the end of 2021, YHA refinanced – which provided working capital until 2025 and the necessary development capital to reinvest into our properties, ensuring we remain competitive as travel rebounds. Over the past 12 months, we have developed a strong partnership with our financial syndicate and our financial performance and collective confidence has improved as the market for travel has begun to return.

As you may have noticed, YHA also introduced a brand refresh in mid 2022. This reinvigoration of our much-loved heritage brand included a fresh logo and brand identity, a review of our purpose and mission and the development of a new brand positioning – *Always Exploring*. This evolution of the brand ensures a more current appeal, better resonance with our youth market and a better positioning for future offerings.

One of the proudest moments in 2022 was the launch of our Reconciliation Action Plan in February. It was the first step for YHA in developing meaningful connections and engagement with Aboriginal and Torres Strait Islanders communities and businesses. We have also committed our support to the Uluru Statement from the Heart, and we've taken a keen interest in the development of the Voice to Parliament.

Another highlight was the launch of our Regenerative Tourism Strategy, solidifying our commitment to operating sustainably and adopting a broader Environmental, Social and Governance (ESG) framework. The results of early work on this strategy can be found in this Integrated Report – the first of its kind for YHA.

As travel slowly returned, our confidence, optimism and performance grew as well, along with a renewed commitment to providing quality accommodation, curating meaningful experiences, and fostering community in our spaces.

I would like to thank the YHA leadership team and the entire YHA staff for their hard work and dedication in 2022. I would also like to thank my fellow Directors, YHA Vice Presidents, and all members and guests for their support over this year. It has been a very challenging year, but one in which we have seen travel, and all of the benefits that it brings, return.

Regards,

Tracey Powell
Chair
YHA Australia

At the start of 2022, we held high hopes for the return of international travel, and were optimistic that our business would begin to show early signs of recovery. While we aimed to recover the losses suffered during the global pandemic, the first quarter proved challenging due to the slow return of travellers following Australia's borders reopening. However, by the end of April, we were pleased to see a strong return of guests and increased occupancy in our properties, which lasted through the rest of the year.

Having finalised the refinancing of YHA, we are now able to reinvest in our properties and products, and provide a better experience for our members and guests. We are grateful to our financial syndicate for their commitment and support of YHA.

This year, we also revealed our new brand positioning and visual identity – a significant moment in our 80-plus year history. This change also provided YHA with a fresh platform to relaunch the organisation following the pandemic.

Our biggest challenge this year was staffing, and we were forced to transition to a more casual workforce in order to recalibrate post pandemic. Without a steady roster of staff, it was difficult to maintain the quality and service standards we expect, but despite our staffing issues, I was very pleased to see that we maintained a good employee engagement score of 75.4%. Looking to 2023, we are retaining many of the cleaning and hygiene practices implemented during the pandemic period to ensuring the quality of our accommodation offering continues to improve.

YHA is committed to operating in a sustainable and responsible way, and I'm proud to say that in 2022, we launched several initiatives to support this pledge. Notably, we launched our Reconciliation Action Plan – starting with our Reflect RAP. It has been gratifying to see how our team has taken this opportunity to understand more about First Nations peoples and

have started to share this knowledge with our guests through Aboriginal cultural events on our properties.

Aligning with Hostelling International's commitment to the United Nations Sustainable Development Goals (SDGs), we have renewed our own commitment to running a sustainable and responsible organisation. This year we launched a Regenerative Tourism Strategy, completed our first carbon footprint exercise and proactively engaged with a number of values-aligned organisations who will be able to help us work towards these goals.

We have undergone significant changes within the organisation over the last two years and this could not have been accomplished without the dedicated commitment and personal sacrifices of all our staff members. I would also like to thank the Board for their ongoing support and for guiding YHA through the pandemic. We would not have been able to evolve YHA into a more thoughtful, more innovative and more future-oriented organisation without everyone's hard work. I would also like to take this opportunity to thank every member of the YHA team.

Early indications of 2023 business appear to be more positive, with strong early bookings. However, we do anticipate higher inflation, a continued softening of the global economy and an increase in the cost of air travel. Thankfully, we are now in a much better position to manage these impacts going forward.

Regards,



Paul McGrath
CEO
YHA Australia



Letter from the CEO

Key achievements in 2022

Launched the YHA Reflect RAP

February 2022

Launched Y-Jobs, a tourism & hospitality jobs board

March 2022

Created first regenerative tourism strategy

March 2022

Unveiled the YHA brand refresh

June 2022

Financial close on the Tech Central development

June 2022

Piloted self-check-in system at YHA Sydney Harbour

July 2022

Announced new Sydney Tech Central accommodation in the Atlassian building

August 2022

Declared support for the Uluru Statement

August 2022

Hosted first Artist in Residence at YHA Sydney Harbour

September 2022

Opened Schirrho's Bar in Sydney

October 2022

Launched first Y-Hive coworking space in the Blue Mountains

November 2022

Completed major renovation (Level 1) and room upgrade at YHA Sydney Harbour

December 2022



2022 in numbers

Accommodation	21	12	11
	Owned properties	Franchise properties (Associate)	Affiliated properties
	2,318	846,231	
	Guests nightly	Overnight stays	
Financial	\$181,650,000	\$37,973,682	\$6,626,489
	Value of properties	Revenue excluding asset sales	EBITDA excluding asset sales
Travellers & Reputation	230,645	142,113	159
	Members	Guests	Countries
	899	4,959	15
	Groups (77,984 overnights)	The Big DIG Education Centre visitors	Cultural activities
	81.62 “Very Good”	44.34	
	Trust You overall score	Net Promoter Score	
Environment	19kg of CO2	530	26%
	Carbon emission per guest per night	Regenerative activity attendance	Waste diverted from landfill
Team	75.4%	55%	45%
	Employee engagement score	Female	Male

Reporting framework

2022 Integrated Report

Our first Integrated Report represents an evolution from our standard annual financial report to a framework that incorporates our initiatives and performance 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 2022. The YHA Board acknowledges responsibility for the integrity of this report and endorse that the contents herein are conveyed in accordance with the IFRS Foundation's IR Framework.

The financial statements included in this report have been independently audited by Pitcher Partners, and full 2022 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.



Haven't stayed in a youth hostel for 30 years and would highly recommend the experience. Excellent facilities with friendly and helpful staff. Appreciated social activities and would happily stay again.

YHA BLUE MOUNTAINS (SUSANNA)



My favourite YHA I've stayed at so far. Tara and BJ are lovely and I felt a sense of the community in Halls Gap. The rooms and the common areas are outstanding and the place feels very homely. Affordable accommodation, great for hikers.

YHA GRAMPIANS ECO (DARCY)

Strategy

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 2022

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



Growth

As a profit-for-purpose organisation, we have a responsibility to continue to build a financially sustainable business by seeking growth and diversification opportunities through new revenue streams and increasing our customer acquisition.

Financial	
Travellers	
Team	
Reputation	



Investment

During the pandemic, YHA was unable to continue investing heavily in our network. In 2022, a new property development and compliance program was rolled out. Notably, we renovated our flagship property, YHA Sydney Harbour.

Travellers	
Community and connection	
Reputation	
Environment	



Brand equity

We spent the pandemic reimagining what YHA could be. We realised that by evolving our brand, we could more effectively serve our current members while attracting new customers. Through extensive research and data mining, we were able to redefine our positioning and refresh our brand look and feel.

Travellers	
Team	
Community and connection	
Reputation	



Productivity

With the travel market recovering, our low-cost business model and careful control of expenditures allowed YHA to regain financial sustainability. By introducing new technology platforms, we've now established an ongoing capacity to optimise processes and lower costs across the business.

Financial	
Team	



Purpose-driven

As part of our Reconciliation Action Plan (RAP), we have started to support programs that promote Indigenous cultural awareness, enabling our members and guests to engage in experiences that foster connection, education, and personal growth during their travels. In addition, we have launched our Regenerative Tourism Strategy; an evolution of our sustainability ethos to a more regenerative approach.

Travellers	
Team	
Community and connection	
Reputation	
Environment	

Strategic focus

& priorities

STRATEGIC FOCUS	Growth Revenue recovery New revenue streams	Investment Asset & capital management	Brand equity Organisational repositioning Reputation	Productivity Leverage low-cost model and systems	Purpose-driven Making an impact
STRATEGIC PRIORITIES	Customer acquisition Customer experience Associates & affiliates Innovation	Portfolio upgrade & development Asset sales & management	Awareness Rebranding Work, Health & Safety	Optimise technology Control costs Supporting our people Lean development	Sustainability plan Reconciliation Action Plan (RAP) Diversity, acceptance & equality Travel to Learn
KEY AREAS OF ACTIVITY	Covid-safe operations Recovery plan Customer segmentation Guest & member experience Associates & affiliates Innovation sprints	Compliance Property upgrades Portfolio development Asset management	Brand activation Embedding brand Reputation management	Embedding & optimising Cost & cash management Team management Lean development	Regenerative tourism Enacting RAP Sense of belonging Travel to Learn
MEASUREMENT	Revenue Cost of acquisition Revenue Per Available Bed (REVPAB) Incremental revenue	Reinvest profit % Return Return on Investment (ROI)	Customer sentiment & reputation Brand value	Full-time employee hours Employee engagement	Strategy development execution

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 have re-centred our focus on growth, new revenue streams and investing in purpose-led activities. 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

Up to this point, YHA has been very successful in building community and connecting people through experiences and their passion for travel. Building on this, our future goal is to expand our accommodation offering to provide not only a place to sleep while travelling, but also a longer term, more holistic option – positioning us as *Your Home Away* for our guests.

To achieve this, we will diversify our range of products and services, increasing traveller touchpoints and providing additional value to our members and guests.

This more integrated community-centric experience will be provided through:

- Placemaking – creating quality, affordable and flexible co-living environments for longer term stays
- Providing transformational experiences that deliver positive impact for our guests, the environment and communities
- Focusing on underpinning a life-long journey of discovery and personal growth for all members and guests



☆☆☆☆
My accommodation was GREAT. A very spacious room, super comfy bed & bedding, an awesome shower & water pressure. The staff were really lovely & helpful. The other amenities, especially the huge kitchen, provided everything I needed. I met so many nice people, all sharing stories of their adventures. I'm so happy I chose to stay there.

YHA CAIRNS CENTRAL (KRISTINA)



Loved it. Such a vibe. Great people, perfect spot in Byron, super chill. Loved it!

YHA BYRON BAY (ALISON)

Our performance



Financial

Despite the significant challenges posed by lockdowns and slow growth after borders reopening, our 2022 revenue recovered to \$37M. Our learnings from Covid-19 and the improvement in financial results give us good cause for optimism in 2023.

Accommodation

This year, we saw guest overnights begin to return to pre-pandemic levels. Our locations in Adelaide, Fremantle and Hobart exceeded all previous performance, which showed that domestic travellers were confident to travel again.

Following the easing of border restrictions in March, guest overnights rebounded faster than anticipated. This was primarily driven by groups with deferred bookings from 2020-2021. International travellers as a whole also returned to Australia in force from the third quarter onwards. As a result, property operations had to pivot from a lean roster model designed for long stays, back to pre-pandemic staffing levels. Despite the challenges, we were able to adapt, ensuring a seamless transition to meet the needs of our travellers.

During 2022 in the context of inflationary pressure and resulting increasing average overnight rates across the industry, we leveraged dynamic pricing methods to achieve the best possible revenue outcomes from the re-emerging market.

From building operational efficiencies to focusing on our travellers and zeroing in on data, we've ensured our future success. At the same time, we've done so in a way as to make sure growth does not come at the expense of delivering on our social and sustainability commitments; rather, our future is interdependent with pursuing our purpose.



Australia Awaits

In June 2022, we launched an international 'enter and win' campaign called *Australia Awaits* to re-engage our global audience and give one lucky winner and a friend the trip of a lifetime in Australia. Camplify, World Nomads, SeaLink, Under Down Under and Passions of Paradise joined the campaign as prize and promotion partners, helping reinvigorate our travel industry relationships.

Food and beverage

One of YHA's main areas of focus for 2022 was improving our food and beverage offerings. Although we have a well-established network and reputation for a quality product, we have mainly relied on a single revenue stream, and have taken a risk-averse approach to new food and beverage offerings.

To address this, in April 2022, the YHA Board approved a strategy to invest in food and beverage offerings across the network. This comprehensive plan involves increasing the number of licensed venues, standardising procurement processes, transitioning from third-party contractors to an in-house operation, and ensuring that each property has food and beverage options. This strategy will result in improved guest experience, enhanced property atmosphere, and increased revenue.

Significant food and beverage developments included:

- Piloting and rolling out Square point-of-sale across all food and beverage venues
- Completing a full refurbishment and rebrand of the basement bar below YHA Sydney Central and relaunching operations as Schirrho's Bar
- Designing and constructing a new integrated cafe and reception at YHA Sydney Harbour and launching a new menu
- Submitting an application to extend the operating hours and noise conditions for the YHA Sydney Harbour rooftop and applying for a liquor licence
- Launching an in-house beverage offering at YHA Cairns Central
- Relaunching food and beverage operations at YHA Melbourne Central and YHA Brisbane City following Covid-19 closures
- Establishing a standardised continental breakfast offering at YHA Sydney Harbour, YHA Brisbane City and YHA Melbourne Central, with all other operated properties to follow in early 2023



Property investment

In 2022, YHA also focused on property investment and improving the overall standards across the network. We invested significantly in YHA Sydney Harbour, our flagship property, where we fully refurbished the reception, café and common areas, as well as upgraded 21 private rooms. The project also included the introduction of 'self check-in' terminals, an overhaul of the existing food and beverage offering, and contemporary new dining, lounge and work spaces.

As part of the YHA Sydney Harbour room upgrade, we worked alongside a leading Sydney based architectural firm to develop a standardised private room kit of parts that could be rolled out throughout the network. The design includes bespoke bedheads, integrated robe and desk units, flexible furniture and contemporary design pallets. The upgrades have allowed us to increase private room rates at the property, and dramatically improve guest experience. The same room upgrades are planned for YHA Brisbane City and YHA Sydney Central in 2023.

Other significant property developments this year included:

- Bathroom refurbishments at YHA Cape Byron
- Installation of split system air conditioning in all rooms at YHA Cape Byron
- Full bathroom refurbishments at YHA Apollo Bay
- Full roof replacement at YHA Coolangatta
- Recladding the roof at YHA Sydney Harbour



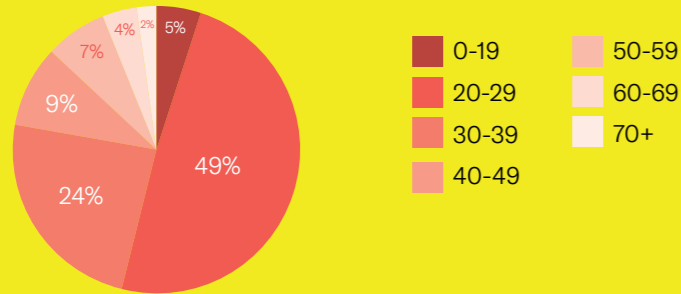


Travellers

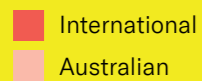
YHA always has been and always will be the launchpad for a community of curious and socially conscious travellers on their journeys of exploration, learning and self-discovery. Our travellers inspire us to explore new products, services and platforms to support them and their evolving needs.

Traveller demographics

In 2022, the majority of our guests, 49%, were aged between 20-29 years old, stretching beyond our traditional mid-20s backpacker market. A further 24% of our guests were aged between 30-39 years, demonstrating that the passion for and ability to travel is staying stronger for longer.



With borders open once again we welcomed back 54% of our guests from international destinations.



The best hostel ever. I always use YHA when I travel. They are the best hostels ever. They are clean, staff is always friendly and there's a good vibe.

YHA ADELAIDE CENTRAL (SILVIA)

Tourism South Australia 10 Pound Pom campaign

YHA was the accommodation partner of the South Australia Tourism Commission's *Ten Pound Pom* campaign that brought 200 British and Irish Working Holiday visa holders to South Australia on a £10 airline ticket with Qatar Airlines. Participants stayed at YHA Adelaide Central for three or six nights as part of the campaign.

How we supported our travellers

Delivered new experiences

Due to Covid-19 travel restrictions, connecting our guests with meaningful and memorable local experiences posed significant challenges as operators ceased to trade or changed their offerings. Despite this, we were still able to connect our travellers to more than 60 locally owned and operated experiences by:

- Partnering with ExperienceOz to deliver a self-service booking platform and provide guests a greater range of experiences to choose from
- Offering more than 70 experiences directly on yha.com.au, ranging from multi-day eco tours to adventure activities, with more than 30% of these focused on Indigenous tourism
- Seeking in-house activities that align with YHA's purpose, including connecting our guests with local Aboriginal and Torres Strait Islander history and culture at YHA Byron Bay and YHA Cairns Central, and offering bush regeneration at YHA Pittwater Eco

Launched Y-Jobs tourism jobs board

In anticipation of the return of the Working Holiday Maker, we launched Y-Jobs in early 2022. Y-Jobs is an online jobs board that gives YHA a new way to connect our guests to employment opportunities all around Australia.

The jobs posted on Y-Jobs are curated and monitored by YHA staff to ensure the opportunities are carefully tailored to the needs of Working Holiday Makers and the site has seen constant month-on-month growth as their numbers have increased.

Y-Jobs was also conceived to support the tourism industry in the wake of Covid-19, and offers free job listings to tourism and hospitality organisations.

Working Holiday Makers

We saw a sharp increase in Working Holiday Makers from August 2022, with numbers doubling in September, again in October, and remaining high through to end of the year. In 2022, this segment represented 29% of YHA's guests.

YHA continues to work with organisations such as the Tourism & Transport Forum as well as Tourism Australia and State Based Tourism Associations to encourage policies that support young

international travellers to take working holidays in Australia.

With visa applications and approvals reaching an all-time low during the pandemic, it became evident what a vital part of the Australian tourism economy these travellers represent – both as workers in the hospitality industry and as consumers of Australian travel experiences.

Launched Y-Hive coworking spaces

November 2022 saw the first of our Y-Hive coworking spaces open at YHA Blue Mountains, with YHA Brisbane City and YHA Byron Bay spaces following in early 2023.

These spaces and products cater for people combining travel with work and lifestyle. Y-Hive aims to promote connection between locals, remote workers, digital nomads, and travellers in a way that no other accommodation network in Australia has done before.





Tourism & Events Queensland *Working Holidayer* campaign

In June 2022, YHA joined the Tourism and Events Queensland *Working Holidayer* campaign alongside Greyhound and Backpacker Deals to enable Working Holiday Makers to work, stay and play in Queensland with a 30-day bus pass and discounted YHA accommodation and activities vouchers.



Team

At YHA we are known for our accommodation, but what makes a YHA experience great is our people. Everyone at YHA is passionate about travel and is committed to providing our guests the best experiences, both in our properties and from behind the scenes at our Support Office.



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

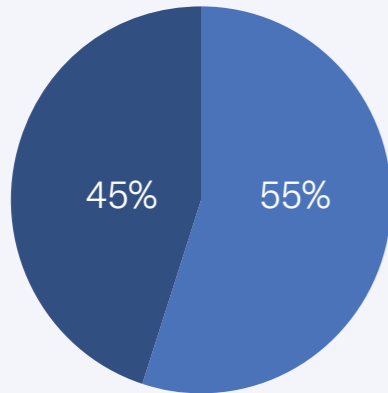


Think differently

We see problems as opportunities.

Encouraging innovative approaches leads to new and better outcomes

Gender split



- Female 55%
- Male 45%
- Non-binary/prefer not to say 0%

TEAM SPOTLIGHTS



James Oliver

Property Manager, YHA Sydney Harbour

Joined YHA 2022

James joined YHA in April 2022 and with more than 10 years' experience running similar properties in New Zealand and Brisbane. James is the Property Manager at YHA Sydney Harbour and in this role, has enjoyed enormous success in leading one of YHA's most profitable properties.

James' favourite place to travel in Australia is Noosa because of the beautiful beaches, trendy bars and great people.



Jaydene Currey

Safety and Compliance Manager

Joined YHA 2022

Jaydene joined YHA as a casual receptionist at YHA Brisbane City during the pandemic. Her excellent customer service and operations skills from her background in the retail industry were soon noticed, and as a result she soon moved into the role of YHA's Safety and Compliance Manager.

Jaydene's favourite place to travel in Australia is the Mackay region because of its wildlife and landscapes including beaches with crystal clear waters, lush rainforests, rolling hills and large areas of protected conservation lands and marine parks.



Mini Bennett

Housekeeping Supervisor

Joined YHA 2017

Mini started with YHA as a part-time housekeeper at YHA Brisbane City, a departure from her role in the medical administration industry. She soon took on a supervisor role in which she has been thriving ever since. She loves the vibe of working in a YHA, and enjoys being part of a new industry and the YHA team. Mini is originally from the Philippines and enjoys a trip back to visit family and friends every year.

Mini's favourite place to travel in Australia is Sydney because she loves the iconic landmarks and the amazing views of the Harbour, Opera House and Bridge.

Workforce recovery

As the industry continues to return to pre-pandemic levels, YHA has seen significant hiring of new staff. Though many of these have been casual employees, YHA is now actively seeking to return to hiring permanent staff with a longer-term commitment to the company and a desire for a career in the accommodation sector. As a result, we can continue to foster a workforce who are more engaged, stable and aligned in their passion for delivering great travel experiences.



TEAM MILESTONE



Helen Vine

Head of Sustainability and Procurement

34 years with YHA

Helen is a keen traveller with a passion for the environment and all things adventure. Helen joined YHA in 1988 as a receptionist after a lengthy overseas trip and has worked or spent time at most of YHA's properties. She has played a key role in a number of important chapters in the organisation's history and today serves as Head of Sustainability and Procurement, where she is responsible for our Regenerative Tourism Strategy and Reconciliation Action Plan as part of her role. Over her 34-year career with us, Helen has become part of the fabric of YHA and has taken on the role of unofficial historian.

Employee engagement

At YHA, we are committed to listening our people and what's important to them. Every six months, we ask our team how they are feeling, what they need and how we can improve their work experience.

From the two pulse surveys that were conducted in 2022, we found:

Learning & Development

64.77%

of the YHA team agree that "I am given new opportunities to learn and develop my skills".

Diversity & Inclusion

84.58%

of the YHA team agree that "Diverse types of people are able to work well together within our organisation".

Teamwork

86.28%

of YHA team agree that "My colleagues of my team willingly share their knowledge and experience with those who need it".

Engagement Score trend

ENGAGEMENT SCORE

75.4%

74.66% 77.32%
2021 2019

RESPONSE RATE

61%

71% 81%
2021 2019

Note: No engagement survey/pulse conducted in 2020 due to the Covid-19 pandemic.

We focused on supporting our people and developing our culture through these five initiatives:



1. Developing our workforce

Due to low occupancy and limited available work hours brought on by the pandemic, it was necessary to ask some of our team to consider swapping to casual employment.

As a result, 60% of our workforce were employed casually during the peak of Covid-19.

With the recovery of the tourism industry, YHA is committed to returning to a more permanent workforce, and in doing so, helping to develop our peoples' skills to ensure they are able to provide the level of service and customer experience that our guests expect.



2. Onboarding & benefits through Flare HR

In 2022 we introduced Flare HR as an onboarding system for new staff, which offers a host of other benefits and discounts to our people – ranging from retail discounts, to movie tickets, to car leasing.



3. Offering flexible & remote work

Since Covid-19, we have allowed our support staff to work from flexibly from home, and we have since expanded our policy to facilitate our team working from anywhere in the world. This has allowed employees to visit overseas family while continuing to work.



4. Staying safe during Covid-19

During the pandemic, we actively encouraged our team to engage with the Employee Access Program and provided opportunities for mental health awareness training. We continue to encourage our people to maintain up-to-date vaccinations and prioritise their health and well-being.



5. Training through YHA Academy

The introduction of YHA Academy has allowed compliance and safety training to be tailored to every team member at YHA according to their role. Property Managers have become accountable for ensuring that their teams complete their training within the first month of employment, and since rolling it out in mid-2022, we have achieved a completion rate of 85%.



Environment

YHA was founded on a desire to support the exploration of our planet with minimal ecological impact. Not only have we led the way for over a decade in embracing sustainable travel through our sustainability program; we also aim to be leaders in regenerative travel for the future.

A new regenerative approach

YHA has undergone a fundamental shift in thinking. We don't only want to maintain the status quo in the communities and environments in which we operate – we want to contribute to replenishing and regenerating them to be better than we found them. This has led to the development of a Regenerative Tourism Strategy in 2022.

The intentions of our regenerative tourism framework include:

- Creating change through inspiring experiences
- Following a path to a carbon positive future
- Becoming a valued community partner
- Establishing purposeful procurement
- Embedding regenerative practice across our business

Our carbon footprint

As a first step toward a more regenerative future, we engaged Edge Impact to assist with calculating our carbon emissions. We did a trial run in 2022 to attempt to calculate emissions for 2019, the last full year of trading before the pandemic. This exercise highlighted gaps in our data collection which we worked to improve during 2022. YHA worked with Edge to calculate carbon emissions for 2022 for Scope 1, 2 and 3. Total emissions for the year were 16,050 tonnes of CO₂-e with an intensity of 19.3kg CO₂-e per guest overnight. 25% of Scope 3 emissions (indirect) were from capital expenditure, notably building works and HVAC services. Elements of these works will improve the energy and water efficiency of our buildings which will help with driving down future emissions.

Team commuting survey

One of the challenges we found when doing the trial carbon footprint exercise for 2019 was that we had no data on employee commuting. While industry averages could be used, we decided to survey our team to find out how people travelled to work and then used this data for our 2022 footprint. In the same survey we asked our work from home team members to tell us about their workspace so that work from home emissions could be included in the calculation.

About the Sustainable Hostels Fund

When travellers book a stay with YHA on yha.com.au, they can opt-in to make a \$1 AUD donation to our Sustainable Hostels Fund. The Fund is governed by Board Policy and many of the solar hot water and photovoltaic installations were funded up to 50% by our guests, with the most recent being the installation of solar hot water at YHA Coolangatta.



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.



Photovoltaic electricity generation

YHA Sydney Harbour, YHA Sydney Central, YHA Byron Bay and YHA Alice Springs rely on solar panels on their rooftops to generate electricity and we have been exploring opportunities to utilise photovoltaic technology at other properties across our network.



Solar hot water

This year, solar hot water was installed at YHA Coolangatta. Solar hot water systems can also be found at YHA Adelaide Central, YHA Brisbane City, YHA Byron Bay, YHA Cairns Central, YHA Grampians Eco, YHA Pittwater Eco and YHA Sydney Harbour.



Waste reduction

Waste was identified in the carbon footprint exercise as a major contributor to Scope 3 emissions. In 2022, we conducted waste audits, investigating ways to improve the data we have on waste streams. With this data in place, we plan improve our processes to further reduce waste to landfill.



Water reduction

Tank water is used for toilet flushing and/or watering gardens at YHA Brisbane City, YHA Bryon Bay, YHA Cairns Central, YHA Grampians Eco, YHA Melbourne Metro, and YHA Sydney Harbour. YHA Pittwater Eco, located in the Ku-Ring-Gai Chase National Park relies on tank water for its potable water supply (water quality is tested by an independent laboratory monthly to ensure it is drinkable). The large water tanks at Pittwater also supply the Rural Fire Service if required for bush firefighting.

Eliminating the sale of bottled water

In 2014, we stopped selling bottled water in our operated properties, installing water fountains for guest use and making refillable water bottles available for purchase instead. As a result, we have removed an estimated 40,000 plastic water bottles from circulation each year, saving 80kg of non-recyclable waste and 240kg of CO2 emissions annually.

PROPERTY FEATURE

Bush regeneration and rewilding at YHA Pittwater Eco

YHA Pittwater Eco Property Managers, Katie Brooks and Bergia Kalmar are passionate about regenerating the natural environment and restoring the damage caused by people. At YHA Pittwater Eco, they provide kayak hire free of charge for guests who volunteer to help with bush regeneration projects. The bushland around the property has many invasive species that threaten the health and habitats of native flora and volunteers are trained in identifying the non-native plants and how to safely remove them.



A YHA with a difference in the most stunning location. The location as the only operating hotel on the peninsula is amazing. Great value for money. The managers Katie and Bergia were so welcoming and helpful, giving advice on walks and bringing up coffee in the morning :) I felt so at home here. The kitchen is large and well-supplied, and the lounge area is really cozy with a huge fireplace. I did some fantastic walks around the national park from the YHA and I highly recommend the ferry from Palm Beach to the top of the peninsula too.

YHA PITTWATER ECO (KATY)

Hostelling International Quality & Sustainability

For over a decade, many YHA Australia properties have been 'HI Quality' certified following a rigorous audit and assessment process by Hostelling International. YHA Sydney Harbour and YHA Brisbane City are currently 'HI Quality & Sustainability' certified, having successfully met the criteria of HI's Sustainability Assessment. Hostelling International Quality & Sustainability is officially 'Recognised' by the Global Sustainable Tourism Council.





Community & connections

We take a long-term partnership approach, working with like-minded people and organisations that prioritise environmental, cultural and social issues to create shared value and reciprocal relationships.

First Nations-focused partnerships



Reconciliation Australia

YHA embarked on our Reconciliation Action Plan journey with the launch of the Reflect RAP in February 2022. The focus of the Reflect RAP is to identify the gaps in YHA's policies and increase awareness and understanding across the organisation of First Nations culture. 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.

Tourism Reconciliation Industry Network Group (Tourism RING)

YHA joined the Tourism Reconciliation Industry Network Group when it formed in late 2022. This is a group of tourism operators that have endorsed Reconciliation Action Plans. The group works together to share best practice on reconciliation and promoting Aboriginal and Torres Strait Islander culture to customers.



Boomalli Aboriginal Artists Co-operative

Rubyrose Bancroft, the young and talented Bundjalung artist from Northern New South Wales, stayed at YHA Sydney Harbour for five days in August, participating in YHA's inaugural Artist in Residence program to share the creative and cultural experience of developing her artwork with our guests. Rubyrose was introduced to YHA through the Boomalli Aboriginal Artists Co-operative, an art space in Leichhardt, NSW which is an Aboriginal-owned gallery dedicated to supporting over 60 NSW-based artist members.



PROPERTY FEATURE

Monthly Indigenous events at YHA Cairns Central

YHA Cairns Central Property Manager, Sam Eastham reached out to local Indigenous organisation AppOriginee to develop an evening of immersive cultural experiences. These monthly free events teach guests about local Yidinji culture, language, Dreamtime stories and traditional dance.



Sustainability

partnerships

SUSTAINABLE DESTINATION PARTNERSHIP

Sydney Sustainable Destination Partnership

Sydney 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. The partnership was formed by the City of Sydney as one of many city initiatives to help deliver the City of Sydney's vision for a green, global and connected city.



Tech Central Sustainability group

YHA is redeveloping the site of YHA Railway Square in Sydney in partnership with Dexus and Atlassian, and will open a 137-room property in the first 5 floors of the Atlassian Tower in 2026. The property is part of the Tech Central technology hub stretching from Surry Hills to Ultimo, Camperdown and Eveleigh around Sydney's Central Station. The Tech Central Sustainability group is a collection of key precinct stakeholders working together to share ideas and implement initiatives to enhance sustainability that are otherwise not possible when acting in isolation.



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 offering tours, workshops, retreats and multi-day experiences.



Oceans2Earth

Oceans2Earth 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.



Marine Discoveries

Marine Discoveries is an environmental consultancy with a focus on research and training. They have a work placement program with attendees staying at YHA Cairns Central.

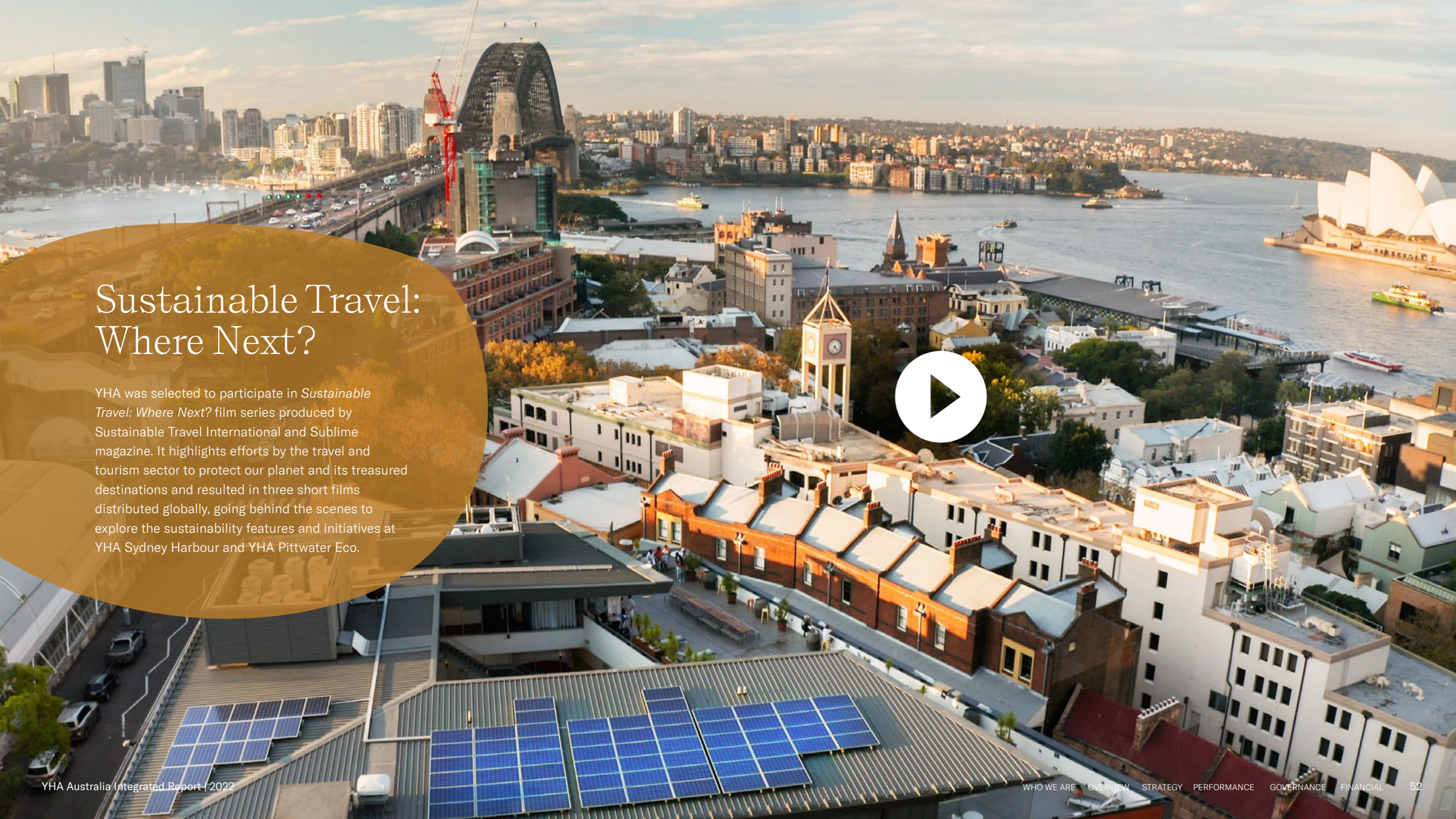


No Limit Adventure

No Limit Adventures partners with Cairns Dive Company to run marine conservation programs, and participants stay with us at YHA Cairns Central.

Supporting sustainability programs with discounted accommodation:





Sustainable Travel: Where Next?

YHA was selected to participate in *Sustainable Travel: Where Next?* film series produced by Sustainable Travel International and Sublime magazine. It highlights efforts by the travel and tourism sector to protect our planet and its treasured destinations and resulted in three short films distributed globally, going behind the scenes to explore the sustainability features and initiatives at YHA Sydney Harbour and YHA Pittwater Eco.



Education partnerships



Sydney Learning Adventures

The Big Dig Archaeology Education Centre at YHA Sydney Harbour returned to normal operations from the middle of the year. Run by our partners, Sydney Learning Adventures, the 2022 programs offered unique, experiential education programs focusing on the archaeology and history of the site for 4,959 primary and high school students.

Supporting sustainability programs with 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.



EcoTreasures

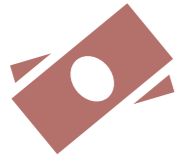
Eco Treasures provide expert guides to experience and explore Sydney's nature on land and sea. They are a registered activity provider by the Duke of Edinburgh's International Award Australia and program participants stay with us at our Sydney Central and Sydney Harbour properties.

International Travel Programs

2022 saw the return of structured international travel programs supporting students in the development of their English language skills through immersive experiences. Education First (Indonesia), the Australian Educational Centre (South Korea), and the Danske Studie Centre (Denmark) hosted students at our Brisbane, Sydney, Alice Springs and Byron Bay properties.



Other community initiatives



Promoting more accessible travel through State Travel vouchers

YHA participated in the NSW 'Stay and Rediscover' program, NSW Seniors Card and the SA Great State Voucher program in 2022, enabling vouchers to be redeemed for YHA accommodation.



Supporting LGBTQIA+ travel through Proud certified properties

We encouraged our properties nationwide to complete Booking.com's Travel Proud program and become certified LGBTQIA+ friendly properties. So far, 13 properties in seven states and territories have completed the program.



Assisting in flood relief with emergency accommodation

YHA was proud to assist during the Byron Bay and Ballina floods in March 2022 by partnering with Resilience NSW to provide short-term emergency accommodation at YHA Byron Bay and YHA Cape Byron.





Reputation

With an 80-plus year history and a large network extending across the country, YHA Australia is a well-known and trusted brand. In 2022, we rolled out new review capabilities and a fresh brand update, allowing us to build on that trust and evolve for the modern traveller.

Rolled out TrustYou

We introduced TrustYou software to manage and report on guest feedback, enabling properties to effectively facilitate efficient and accurate guest reviews and responses, and utilise this data to identify and provide constant improvement to our in-property experience and customer service.

TRUSTYOU

2022 SCORE

81.62

based on 24,848 reviews



Launched brand refresh

During the pandemic, we took the opportunity to explore what the future of YHA looks like, and how we could evolve our brand and innovate on our offerings for our members and guests.

As a first step in this evolution, in mid-2022 we debuted a new look to better reflect the modern traveller and showcase the authentic connections and experiences that our spaces enable.

This refresh introduced a contemporary new logo (with a nod to the hut and tree of logos past), a vibrant colour palette and a focus on storytelling through our brand imagery – all working to help highlight more of our stories, reflect our diversity and connect with our community.

While our look may have changed, our values and our purpose haven't – we're still the welcoming, inclusive accommodation provider that travellers have loved and trusted for decades.





Great hostel experience. I was impressed by this hostel; it was clean, beds were comfy and the facilities were great. As a lone traveler, I felt safe and secure. The rooftop bar and pool are a nice touch and a great way to mix with people. You had families, solo travellers and group travellers. This hostel has a great community vibe. Would highly recommend it for women especially travelling on their own terms.

YHA BRISBANE CITY (CAROLYN)

Governance

Governance directory

at 31 December 2022

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 McQuirk
Matthew McNeil
Dr Tasha Prabhakar
Cameron Quinten
Jim Whitehead
Alex Zilkens

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 2022, the Board was made up of eight Directors. Each Director typical 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 term limits, Brigita Beznak and Matthew McNeil stepped down from the Board in April 2022. Towards year-end, a call for nominations took place to rejuvenate the Board, encouraging suitably qualified nominees to apply for a position on the Board by appointment. As a result, a new Director, Reid Johnson, was appointed to the Board from 22 October 2022.



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 & HR. A professional NED, Founder & 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 brings considerable experience in hospitality/tourism, membership organisations, not-for-profits and commercial services in senior executive roles, with AICD governance training and a Master of International Management. She 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

Simon is a Chartered Accountant, a graduate of the AICD and has worked in senior executive roles in three continents across a range of industries over the last 35 years. In addition to his broad, commercial, financial and strategic experience, he also has specific expertise in property, business, digital transformation and governance, including for not-for-profit, membership-based organisations.



Tammy Marshall
Chair NR&HR

Joined June 2019

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

The Board



Alison McDonagh

Joined April 2020

Alison first joined YHA in 1993 upon completing a Commerce, Hospitality and Marketing degree, and a few years later she became YHA NSW's Operations Manager. Over the 10 years she worked for YHA both as Operations Manager and Development Manager, she was responsible for the development of many YHAs including Railway Square, Coffs Harbour and Sydney Harbour. Her skills in operations, hospitality, marketing and property development help YHA to continue to thrive within its competitive environment.



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 over 25 years' experience in investing, property financing, private equity, private credit, funds management and mergers & acquisitions. She has worked across the world in diverse industries including property and hotels, telecommunications, healthcare and technology.



David Young

Joined January 2022

David's career has revolved around the aviation and hospitality industries in Australia, NZ, the UK and Asia. He has spent time in operational roles with Ansett, Air New Zealand and Qantas. More recently he led the commercial team at Qantas Loyalty and later as Executive Manager, Sustainability for Qantas Group. A Chartered Accountant, he is also a GAICD. His Board experience includes roles with Bobby Goldsmith Foundation, Golden Stave Foundation and oneworld Sustainability Group.

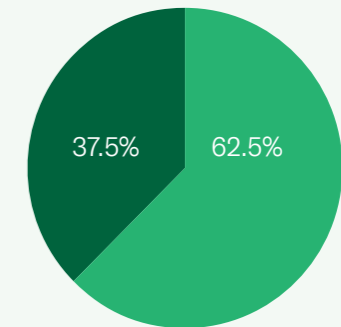


Reid Johnson

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.

Gender split



Female
62.5%

Male
37.5%

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 evaluation and onboarding of new Directors, ensuring that candidates add to the diverse, skills-based composition of the board

Strategy Innovation Working Group

Responsible for 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 amongst the Directors, and the reimbursement of direct expenses to attend meetings.

Meetings

- The Board of Directors met 13 times between January and December 2022, mainly virtually.
- In addition, the Audit & Risk Committee met seven times, the Nominations and Remuneration Committee met six times, and the Election Committee met three times.
- The Strategy & Innovation Working Group held ten meetings and the YHA Railway Square Development Working Group met three times throughout the year.

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 our 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 Hussein
Head of Operations

Stephen Lynch
Chief Financial Officer

Helen Vine
Head of Sustainability & Procurement

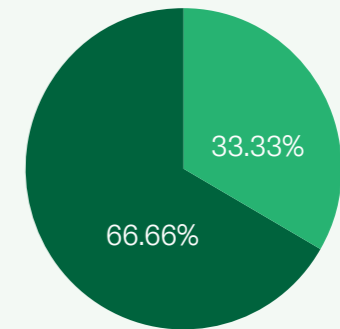
Popy Bernardo
Chief Information Officer

Gieta Seymour
Head of Commercial

Sam Owen
Head of Property and Food & Beverage

Stuart Briggs
Financial Controller / Innovation & Transformation Manager

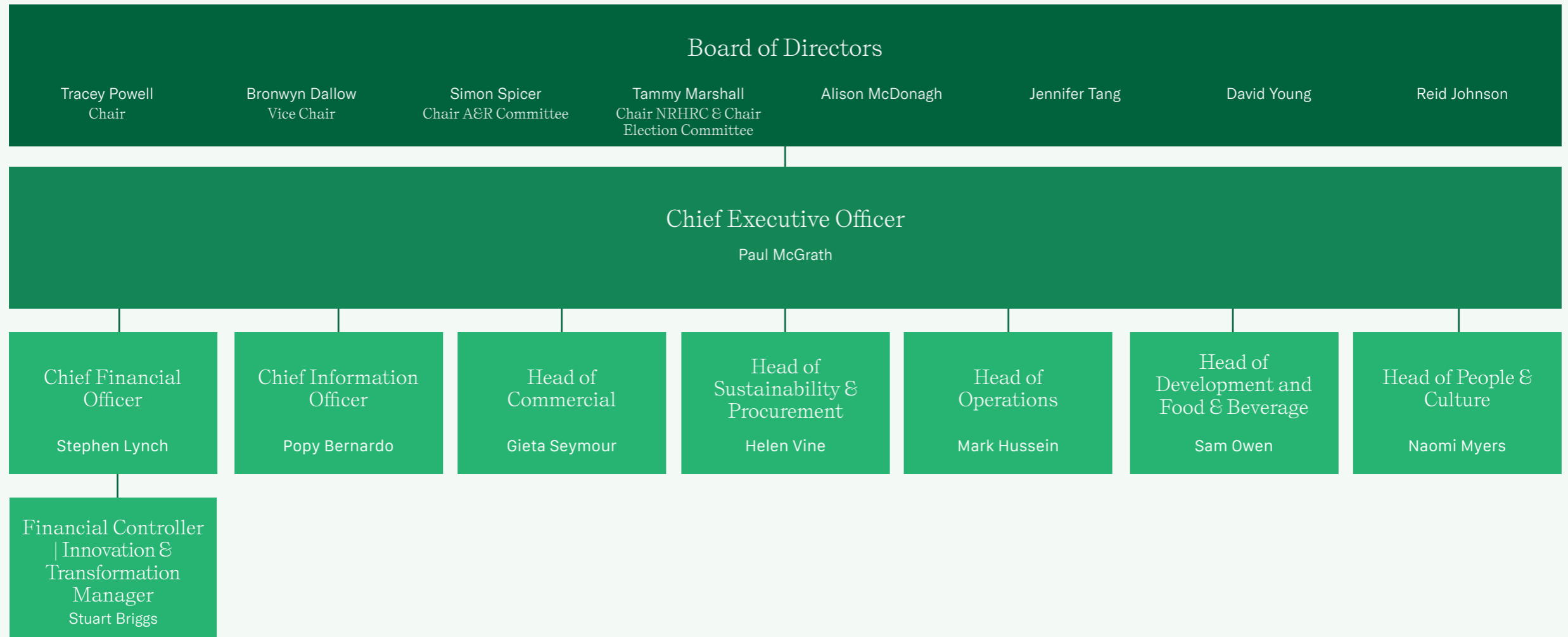
Gender split



Female
33.33%

Male
66.66%

Organisational chart



Risk management

Risk management is an essential component of YHA's governance framework and supports the achievement of our strategic goals and objectives. Effective risk management ensures more successful outcomes, while also protecting the reputation and sustainability of the business.

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 & 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



Beautiful stay. Absolutely loved staying here. Gorgeous environment, staff and facilities...home away from home with spectacular views and everything you need as a single, group or family stay. Also walking distance to everything. Loved it. Will definitely be back.

YHA PORT ELLIOT (HEATHER)



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

Global pandemics

As demonstrated by Covid-19, global pandemics pose a tangible risk to the tourism industry by impacting the health and safety of staff and guests, and restricting people's ability and desire to travel.

How we mitigate this risk:

- Prioritising financial stability in the face of business disruption
- Adopting an agile, adaptive approach to safeguard business sustainability
- Offering staff flexible working arrangements including working from home where possible
- Implementing health and safety measures and policies for staff and guests on our premises

Cyber & data

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:

- Establishing alignment to the Essential 8 framework, a widely recognised set of mitigation strategies for cybersecurity
- Introducing automated third-party risk monitoring of vendors and partners, ensuring that any potential risks are identified and addressed in a timely manner
- Upgrading our email security to improve protection against advanced phishing and other types of email-based attacks
- Implementing mandatory cybersecurity awareness and training programs for all staff





Very convenient, clean, friendly staff. 1st time I've been in any backpacker alone, I found it a very safe experience, clean, very central, well organised, will definitely be using YHA again.

YHA SYDNEY CENTRAL (MARGARET)



Financial

Summarised consolidated financial statements

Summary of Financial Statements

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

Summarised consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 \$	2021 \$
Revenue		
Revenue from contracts with customers and other revenue	37,973,682	18,881,716
Interest revenue	868,767	-
Other income	38,678,520	807,687
	77,520,969	19,689,403
Expenses		
Employee benefits expense	(16,028,677)	(12,087,653)
Depreciation & amortisation expense	(4,949,369)	(5,967,928)
Impairment expense	-	(355,000)
Finance costs	(7,098,932)	(879,804)
Other expenses	(16,187,283)	(10,929,450)
	(44,264,261)	(30,219,835)
Surplus / (deficit) before income tax	33,256,708	(10,530,432)
Income tax (expense)	-	-
Surplus / (deficit) after income tax	33,256,708	(10,530,432)
Other comprehensive income	-	-
Total Comprehensive Income	33,256,708	(10,530,432)

Summarised consolidated statement of financial position

AS AT 31 DECEMBER 2022

	2022 \$	2021 \$
Assets		
Current assets		
Cash and cash equivalents	14,062,000	8,543,802
Trade and other receivables	220,124	807,775
Financial assets	1,221,842	-
Inventories	75,592	62,976
Other current assets	926,763	806,184
Non-current assets classified as held for sale	-	6,457,932
Total Current Assets	16,506,321	16,678,669
Non-current assets		
Financial assets	33,483,978	-
Property, plant and equipment	106,251,780	106,577,083
Lease assets	2,345,800	3,123,798
Intangible assets	1,801,482	1,867,486
Total Non-current Assets	143,883,040	111,568,367
TOTAL ASSETS	160,389,361	128,247,036

	2022 \$	2021 \$
Liabilities		
Current liabilities		
Trade and other payables	3,954,499	2,626,635
Lease liabilities	234,641	761,388
Borrowings	512,471	473,713
Trade and other payables	1,485,543	1,366,728
Contract liabilities	2,513,459	2,632,927
Total Current Liabilities	8,700,613	7,861,391
Non-current liabilities		
Trade and other payables	20,349	20,349
Lease liabilities	2,351,722	2,586,363
Borrowings	90,457,663	92,139,069
Provisions	66,301	103,859
Total non-current liabilities	92,896,035	94,849,640
Total liabilities	101,596,648	102,711,031
Net assets	58,792,713	25,536,005
Equity		
Accumulated surplus	55,035,004	21,778,296
Revaluation reserve	3,757,709	3,757,709
Total equity	58,792,713	25,536,005

Summarised consolidated statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

	2022 \$	2021 \$
Cash flows from operating activities		
Receipts from members and customers	41,627,152	18,906,498
Receipts from government subsidies	599,000	1,914,514
Payments to employees	(15,947,420)	(12,562,197)
Payments to suppliers	(19,106,858)	(11,983,126)
Interest received	111,920	-
Finance costs paid	(6,716,164)	(1,831,582)
Net cash provided by operating activities	567,630	(5,555,893)
Cash flows from investing activities		
Purchase of plant, equipment & software	(3,392,057)	(566,365)
Receipt of financial asset	591,178	-
Development of property	(528,571)	(397,252)
Receipt of interest from financial assets	116,822	-
Proceeds from sale of property, plant & equipment	10,950,000	13,498,492
Net cash provided by investing activities	7,737,372	12,534,875
Cash flows from financing activities		
Proceeds from borrowings	3,000,000	92,139,069
(Repayment) of borrowings	(5,025,416)	(91,404,097)
Payments for the principal portion of lease liabilities	(761,388)	(1,017,144)
Net cash (used in) / provided by financing activities	(2,786,804)	(282,172)
Net increase in cash and cash equivalents	5,518,198	6,696,810
Cash and cash equivalents at the beginning of the year	8,543,802	1,846,992
Cash and cash equivalents at the end of the year	14,062,000	8,543,802
Non-cash financing and investing activities		



Director's 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 2022;
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 2022 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

Director

18 February 2023

Auditor's Report



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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 2022. The summarised consolidated financial statements comprises:

- the summarised consolidated statement of financial position as at 31 December 2022
- 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 2022 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.

The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial report in our report dated 18 February 2023.

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



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

18 February 2023

Pitcher Partners
Sydney

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