



YHA Ltd

75th Annual General Meeting

Minutes

13 April 2019

The Big Dig Archaeology & Education Centre, Sydney Harbour YHA
110 Cumberland St, Sydney

Opening & Notice of the Meeting

The meeting began at 11.05 am with the Chair, Euan Prentice, welcoming everyone to the meeting and acknowledging the traditional owners and custodians of the land, the Gadigal people of the Eora Nation, and paying respects to their elders both past and present.

The Chair reported to the meeting the sad news of the passing of several long-standing members, including generous donors, Frederick Swindley, David Gould, and Cyril Maitland Ash Brown of Western Australia (whose bequest of \$135,000 was used to refurbish the historic Perth City YHA), as well as Tessa Beneke OAM, who was involved with YHA from the early 1950s, and volunteered on the YHA Board in South Australia for many years from the 1970s, and was a true pioneer.

The Chair introduced YHA's Vice Presidents who were present (Hugh Andrew, Ray Temperley, David Wardle, Edna Lyle, Bruce Hart and Greg Mortimer). The Chair then introduced the Directors, the staff, and two visitors - Mark Ebrey, a Director of YHA NZ and, Rod Shanley, from Pitcher Partners - the company's auditor.

Attendance and Apologies

Forty members were registered on an attendance sheet at the entrance to the meeting room. Also in attendance were nine staff and five visitors. Apologies were received from ten members. Two proxies had been received by the closing date in advance of the meeting.

Order of Agenda

Item 3 on the notice of meeting (declaration of the results for the Directors election) to be considered before Item 2 (appointment of Vice Presidents).

Minutes of the 74th Annual General Meeting held in Sydney on 14 April 2018

The Chair referred the meeting to the minutes of the previous AGM which had been made available online and which were also distributed at the meeting. There were no questions raised concerning the minutes.

1.0 YHA Ltd Annual Report 2018

Each year YHA Ltd produces an Annual Report which is made available online at yha.com.au and email/mailed to those members requesting it. YHA also produces a more comprehensive document, the Year in Review, which incorporates the Annual Report, and which had been distributed at the door. It was noted that there is no requirement under the Corporations Act for the Annual Report to be received or adopted by members – it is provided for members' information and scrutiny only.

A PowerPoint presentation of the highlights of the 12-month period from 1 January to 31 December 2018 was presented by the Chair, Euan Prentice, Directors Leonie Clark (Chair of the Audit & Risk Committee), Tracey Powell (Chair of the Nominations & Remuneration Committee) and the CEO, Julian Ledger.



Highlights

The highlights for the year included:

- Recording of 1.63 million overnight stays in the network of 71 hostels;
- The opening of an extension at Byron Bay YHA;
- Renovation of the Perth City YHA thanks to a generous bequest;
- YHA winning several awards at the Adventure Tourism Awards 2018, including Noosa YHA winning 'Best Accommodation in Australia';
- The first full year of the new 'Simple Affordable Membership' model, which had resulted in growth of the number of members to 260,558;
- The first full year of the merged national entity;
- The election of Director and former Chair of YHA Ltd, Rob McGuirk as President of Hostelling International (HI) - congratulations were extended.

Finance

The Chair of the Audit & Risk Committee reported that on a turnover of \$45.8 million (\$44.2 million the previous year), after one-off adjustments, an operating deficit was recorded of \$2.35 million. Earnings Before Interest, Taxation, Depreciation & Amortisation (EBITDA) was \$7.25 million (up from \$7.05 million the previous year). The growth was assisted by the expansion at Byron Bay YHA, the acquisition the year prior of Cape Byron YHA, and the addition of WA hostels following a merger. Independent asset valuations of 28 properties totalled \$240 million. Due to the sale and leaseback of Melbourne Metro YHA, there had been a decrease in bank borrowings from \$96 million in 2017 to \$88 million in 2018.

It was noted that the result included depreciation of \$5.7 million (\$5.4 million in 2017) and that after one-off items, the operating deficit was \$0.8 million. The Interest Cover Ratio (ICR) was above 2, and the target was above 3, while the Loan-to-Valuation ratio had decreased below the target of 40% which was an improvement. Risk management was a key area of focus, and as the organisation had matured, so had processes for identifying, tracking and managing risks.

Governance

The Chair of the Nominations & Remuneration Committee reported that this AGM marked the end of a transition to a new Board structure. In line with the YHA Ltd Constitution, there would now be up to six elected Directors, and up to three appointed ones. It was noted that the Board needs to be skills-based, and also diverse – by age, gender and geographic location. Remuneration for Directors had been introduced following a vote by members at the 2018 AGM, which was appropriate for the national scale of the organisation, and would assist with recruiting and retaining a skills-based Board. Succession planning was an area of focus for the Board.

YHA Australia was an active participant in the governance and funding of Hostelling International, and a delegation had participated in the HI Conference held in Iceland in 2018. Speakers there had stressed the need for 'youthful cities', and it was noted that YHA must engage with young people and have a 'youthful mindset'. The UN Sustainable Development Goals had also been highlighted, with a particular focus on diversity and gender equity; it was noted that for YHA as an organisation it was important to have diversity and inclusion at both the staff and Board level.

One member had requested that consideration was given to rotating the AGM annually to different cities (which had been trialled previously in Brisbane), however for continuity purposes, and to ensure that a quorum was achieved, it would continue for the foreseeable future to be held in Sydney. Relevant information from the AGM was posted on www.yha.com.au and distributed to interested members, and innovations in technology in this area were being monitored and assessed.

Achievements & Outlook

The CEO outlined other achievements, innovations and awards during the year. YHA's guests in Australia came from all around the world, with 68% being international travellers. There was growth in the number of groups accommodated. Partnerships with tourism and student bodies were important, as was positive media coverage. A strategic focus was active engagement with members, including via digital means. There were over two million visitors to www.yha.com.au each year and a new app had been launched



that was proving popular. Sustainability, safety of guests and staff, privacy of members' information, and cyber-security were key areas of focus.

There was acknowledgment of the high quality of the YHA hostels in the network, and the advantages of booking direct to save money, rather than via Online Travel Agents. There was acknowledgement of YHA's Head of Marketing, Janet McGarry, who had been named an 'Industry Legend' at the Adventure Tourism Awards in 2018.

YHA had land-banked a well-located plot of land in Surfers Paradise YHA for a future hostel development and was actively seeking an alternative hostel in Melbourne's CBD to replace the Melbourne Metro YHA within the next few years. There is a proposal to develop the Central Station precinct in Sydney into a 'tech hub' with extensive redevelopment likely in the area where Railway Square YHA is located.

The Working Holiday Maker scheme was being expanded to more countries (over 40 could avail of the reciprocal scheme), and for some nationalities the eligible age had been increased to 35 (commencing with Canada and Ireland). Tourism Australia was launching a new campaign targeting these travellers.

Questions & feedback from members

The Chair invited questions and comments from the floor which included the following:

- It was clarified that the Directors of YHA Ltd are also ex-officio Directors of Youth Hostels Association of Queensland, YHA Victoria Limited and YHA WA Pty Ltd (property-holding entities);
- The leasehold site of the former Garie Beach YHA (which burnt down) had been returned to the National Parks & Wildlife Service.
- Commentary provided regarding the impact of world events on YHA's business the majority of which was international. The propensity of young people to travel had proven resilient.
- Communication with members was largely by digital means. The 2018 edition of the YHA Accommodation Guide had been the last to be produced. YHA produced a map brochure which had been expanded to include information from the Guide.
- The importance of sustainability issues was stressed, including macro projects (such as investing in solar energy initiatives, reducing electricity consumption and water usage) and micro ones (such as not selling bottled water in hostel vending machines, and running environmental activities and education programs at hostels).
- Thanks were extended to YHA's front line staff in the hostels who offered a high standard of customer service.

2.0 To declare the results for the two Board of Directors vacancies by election

The CEO in his capacity as Company Secretary, and Returning Officer reported that the YHA Ltd Constitution provides for the election of two Directors each year, for a three-year term. A Call for Nominations was sent to members in November 2018 to stand for the vacancies.

In accordance with the Constitution and By-law 1, which governs Directors' nomination and election, three candidates had been approved as nominees for Board membership, and there were two vacancies to be filled by election. For the first time, voting was on a first-past-the-post system, and was conducted on YHA's behalf by Election Consulting Group. A total of 1,055 members had voted and the following Directors were elected:

- Brigita Bezjak (673 votes)
- Matthew McNeil (665 votes).

Not elected was: Michael McPhail (581 votes).

They joined the continuing Directors:
Euan Prentice Bronwyn Dallow
Tracey Powell Simon Spicer.
Ross McDougall

3.0 To elect up to 10 Vice-Presidents

Under Rule 8.5(a) of the Constitution up to 10 Vice-Presidents, each of whom has been proposed by the Directors and is a member, may be appointed by resolution at a general meeting and he or she holds office



until death, resignation, retirement under rule 8.5(b), ceasing to be a member or removal from office by resolution at a general meeting. Rule 8.5(b) specifies that the term of office for each Vice President cannot be more than 3 years from the date of his or her appointment. The following members were appointed to the role of Vice-President at the 2016 AGM and their term expired at the 2019 AGM:

Greg Mortimer OAM	Ray Temperley
Hugh Andrew	Bruce Hart
David Wardle	Toni Vincent
Edna Lyle OAM	Helen Harms
Jim Whitehead	Alex Zilkens.

The Board proposed that the 8 persons named below be appointed to serve as Vice-Presidents for a term of three years to expire at the Annual General Meeting of 2022. It was agreed to vote on the election of Vice Presidents as a group:

David Wardle	Alex Zilkens
Jim Whitehead	Cameron Quinten
Ray Temperley	Dr Tasha Prabhakar
Helen Harms	Leonie Clark.

RESOLVED:

That the 8 persons as proposed by the Board be appointed as Vice-Presidents for a 3 year term.

Moved: Euan Prentice

Seconded: David Mitchell

UNANIMOUSLY APPOINTED

4.0 General business

PATRON

There was one item of General Business to consider, concerning Patronage of the organisation.

Under Rule 8.3(a) of the Constitution, a Patron who has been proposed by the Directors may be appointed by resolution at a general meeting, and he or she holds the office until death, resignation, or removal from office by resolution at a general meeting. The current Patron was the Governor-General of the Commonwealth of Australia, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd). His Excellency's office had provided notice that it is long-standing practice that vice-regal patronage ceases when the Governor-General leaves office. Accordingly, Sir Peter would relinquish his position as Patron of YHA Australia when his term concluded on 28 June 2019. He had asked to convey his pleasure and honour in being associated with YHA during his term in office.

The Board of Directors had resolved to propose to YHA members that an invitation to consider becoming Patron, when he commenced in the role, be extend to the Governor-General designate, His Excellency General the Honourable David Hurley AC DSC (Retd). This proposal would be put as a formal resolution at the following Annual General Meeting.

Conclusion and acknowledgements

The Chair thanked all present for their input. A vote of thanks was extended to the Board and the staff, particularly the front-desk staff at hostels, for running such a vibrant and community-spirited organisation. The contribution of some significant people was also acknowledged as follows:

Michael McPhail, a Director who reached the end of his term on the Board at the conclusion of this AGM. Michael was appointed to the YHA Ltd Board in September 2017, following a merger with YHA WA, as their designated Director. He was formerly the Vice Chair of the YHA WA Board, having served on that Board since 2014, and is based in Perth. Most recently he had been elected by his fellow Directors as Vice Chair. Michael had gained a substantial number of votes in the Board of Directors election, and had expressed his willingness to be considered for appointment as a Director. At the Board meeting on the afternoon of 13 April 2019, the Directors would consider appointing him to the Board for up to two years.

Rob McGuirk was acknowledged for having served on YHA Boards continuously for the past thirty years, including as Chair on the former YHA Victoria Board, and as Chair of the YHA Ltd Board from



2014 to 2018. He was also a former Vice-President of Hostelling International, and was currently that organisation's President. Rob's current three-year term as a Director of YHA Ltd expired at the end of this Annual General Meeting. Rob had expressed his willingness to be considered for appointment as a Director, and at the Board meeting later that afternoon, the Directors would consider appointing him to the Board for up to two years.

Leonie Clark was a Director of YHA Queensland at the time of its merger with YHA NSW in 2010, and joined the inaugural YHA Ltd Board then. With the adoption of a new Constitution, a nine-year term limit was implemented at that time, to allow for some renewal of the Board, and Leonie has now reached that limit. After joining the Board, Leonie took up the position as Chair of the Audit & Risk Committee in October 2011. This committee is of key importance to YHA, focusing on its finances, funding and risk. The Committee also manages the interface with YHA's external auditor, and oversees its internal audit program. Leonie was acknowledged as having always been thorough and diligent - as an experienced accountant, being financially astute and perceptive. She also had excellent judgement and a keen focus on YHA's business, and had always been very supportive of the organisation's management. In recent years, she has also been a member of the Election Committee, helping to build a skills-based Board. As the members had just appointed Leonie as a Vice President, she would maintain a relationship with YHA. A gift was presented as a gesture of appreciation for her time served on the Board.

The Vice Presidents who were standing down were also acknowledged. This AGM marked their retirement from an official role with YHA, and in each case, a long and dedicated contribution to the organisation in a voluntary capacity:

Greg Mortimer - the first Australian to climb Mt Everest and Mount K2, and who had recently had an Antarctic ship named after him;

Toni Vincent - who prior to becoming a Vice President, was previously Chair of YHA Queensland at the time of the redevelopment of Brisbane City YHA - and who was one of the architects of the merger process;

Bruce Hart - who previously was a long standing Director of YHA NSW, serving as Honorary Secretary and Vice-Chair, who brought his financial and corporate governance expertise to the Board;

Edna Lyle - who previously served as Treasurer of YHA NSW for 34 years, made an enormous contribution, and was awarded an OAM for her service to youth hostelling.

Hugh Andrew - who was previously Chair of YHA Australia, and prior to that, Chair of YHA NSW. Hugh was host Chair on the occasion the Hostelling International Conference was convened in Australia back in 1994.

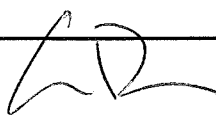
Hostels developed in their time include Glebe Point, Sydney Central, Canberra (the original hostel) and Thredbo YHAs – they have left a lasting legacy.

In conclusion, it was noted that another milestone was reached in 2019, with YHA celebrating 80 years since the organisation's founding in Australia. A Board meeting was scheduled to be held in Melbourne in September, being where the organisation was founded in that month in 1939, that would be followed the next day with a bushwalk by the Directors and members of the YHA Victoria Bushwalkers Club, to the site of the very first youth hostel in Australia at Warrandyte.

5.0 Closure

The meeting closed at 12.35pm. The Chair thanked all for attending for having shown an interest in and supporting YHA over the past 12 months, and invited members present to join the Directors and Vice Presidents for lunch onsite.

Signed:


.....
Euan Prentice, Chair

22/06/19
.....
Date