

# YHA Australia

## Annual General Meeting – Minutes

**Date:** Saturday, 5 April 2025, 11:00 AM AEDT

**Venue:** The Big Dig Education Centre, 110 Cumberland Street, The Rocks NSW 2000

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### Attendance

**Directors Present:**

Tammy Marshall (Chair), Bronwyn Dallow (Vice Chair), Simon Spicer (Chair A&R Committee), David Young (Chair ESG Committee), Todd Atkinson, Craig Berger, Chris Gawan-Taylor, Reid Johnson

**Absent:**

Jennifer Tang (Chair NR&HR Committee), Belinda von Bibra (Director elected 2025), Stephen Lynch (Company Secretary)

**Vice Presidents:** Robert McGuirk

**Observers Present:**

Courtney Prizeman, Varun Nair

**Employees Present:**

Paul McGrath (CEO), Nicole Evans, John Wilson, Amanda Heard, Stuart Briggs, Helen Vine, Sam Owen, Courtney Preo

**Auditors:** Melissa Alexander

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### 1. Welcome to Country

A Welcome to Country was delivered by Binowee, a proud Aboriginal woman born on Eora and Bungelong Country in Redfern, Sydney. Binowee is a member of the Metropolitan Local Aboriginal Land Council and holds cultural connections to many First Nations communities across Australia.

Binowee welcomed attendees to Tallawoladah and The Rocks, acknowledging the Grass Tree Clan and extending respect to Elders and to members joining online. Her welcome offered an invitation to walk with culture, strengthen Country, and engage in the spirit of reconciliation.

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### 2. Welcome to Members

The Chair extended a welcome to all members attending in person and via livestream.

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### 3. Introduction of Panel – Vice Presidents, Directors and ELT

CEO Paul McGrath and Vice Chair Bronwyn Dallow chaired proceedings in the absence of Company Secretary Stephen Lynch.

**Directors:** As listed in the Attendance section above



**Observer:** Courtney Prizeman

Members joining via livestream were also acknowledged — the first time interstate members had been able to attend proceedings remotely.

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#### **4. Quorum**

34 members were in attendance. A quorum was confirmed.

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#### **5. Apologies**

Apologies were received from:

- Governor General Sam Mostyn
  - President James Tomkins
  - Jennifer Tang, Director
  - Stephen Lynch, CFO and Company Secretary
  - Popy Bernado, CIO
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#### **6. Items on the Agenda – Notice of Meeting**

Five items were listed on the agenda:

Item 1 – Minutes of the 2024 Annual General Meeting.

Item 2 – Receipt and consideration of the YHA Ltd Annual Report and Financial Statements for 2024.

Item 3 – Declaration of results for two Board of Directors vacancies.

Item 4 – Constitutional amendments:

Resolution 1 – B Corp and associated changes to the Constitution.

Resolution 2 – Increase to Directors' remuneration.

Item 5 – General Business, including a business presentation and member Q&A.

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#### **7. Minutes of the 2024 AGM**

The minutes of the 2024 Annual General Meeting were made available online and reviewed and approved by the Board of Directors prior to the meeting.

Members at the 2024 AGM had noted the importance of enabling online participation. In response, the 2025 AGM was livestreamed, with over 100 members joining remotely. The session was also recorded for those unable to attend to view at their leisure.

Under the *Corporations Act 2001*, minutes are not required to be received or adopted at a general meeting; they are provided for informational purposes only.

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#### **8. YHA Annual Report 2024**

YHA Ltd's Annual Report is produced each year and made available online and to members. An Integrated Report, incorporating a summarised section of the Annual Report, was distributed electronically to all members and key stakeholders in the week prior to the AGM.

In accordance with the Corporations Act, the Annual Report is provided for information only and is not required to be received or adopted. Members were advised that questions about the Annual Report would be taken during the Q&A following the business presentation.

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## 9. Election of Directors 2025

YHA Ltd's Constitution provides for up to six elected Directors and up to three appointed Directors. One-third of elected Directors are subject to election each year.

A call for nominations was distributed to members in November 2024, resulting in seven nominations. Nominees were assessed against a skills matrix identifying board capability gaps. Six Board-approved nominees; comprising of two member nominees and four current Director nominees were put forward for election to two vacancies.

In accordance with the Constitution, a ballot was conducted online by the Independent Consulting Group from 7 to 21 March 2025. Based on the votes cast by the members, the Chair declared the following candidates elected to the Board:

- Belinda von Bibra (attending online)
- Simon Spicer (attending in person)

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## 10. Constitutional Amendments 2025

Two constitutional amendments were put to members for voting by proxy, concurrently with the Director elections. Proxy voting remained open for an additional week and was also available in person on the day of the meeting.

Each amendment constitutes a Special Resolution under the *Corporations Act 2001*, requiring 75% of votes cast to be in favour in order to pass.

### 10.1 B Corp Matters

B Corp Certification is a globally recognised standard for businesses that meet high standards of governance, social and environmental performance, accountability, and transparency. Certification aligns with YHA's commitment to a quadruple bottom line — people, planet, profit, and purpose — and will embed this commitment within the Constitution.

*THAT, in accordance with section 136(2) of the Corporations Act 2001 (Cth), YHA Ltd's Constitution be modified by making the amendments contained in the document tabled at this meeting and signed by the Chair for the purposes of identification. (B Corp Matters).*

Votes received: 86 | Votes in favour: 81 | Result: 94%

**RESOLUTION CARRIED**

## 10.2 Directors' Remuneration

The aggregate cap on Directors' remuneration had not been reviewed for eight years, during which time Directors' responsibilities had increased significantly. The proposed increase was presented as necessary to attract and retain the expertise required for YHA's future, while remaining modest relative to comparable organisations.

*THAT, for the purposes of rule 7.7(a) of the Constitution, the aggregate limit on remuneration for Directors in respect of a Financial Year is hereby fixed for the time being at \$310,000.*

Votes received: 86 | Votes in favour: 71 | Result: 83%

### RESOLUTION CARRIED

The Chair thanked the members for passing both resolutions and for their continued support.

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## 11. Business Presentation

The Chair acknowledged the efforts of the CEO and the YHA team and thanked the Board for its strategic oversight and commitment to YHA's mission.

In her introduction, the Chair reflected on YHA's recovery from the COVID-19 pandemic, during which the property portfolio contracted significantly. Despite a network 37% smaller in owned properties and 50% smaller in associate properties, 2023 delivered YHA's strongest year on record for revenue and bottom-line performance, driven by pent-up travel demand.

The 2024 financial year saw operations stabilise, with progress made across guest experience, revenue diversification, people and culture, and social impact.

### 11.1 Key Achievements – Chair's Presentation

The Chair highlighted the following major achievements in 2024:

- Through the YHA Travel to Learn (TTL) Foundation, financial assistance was provided to students to participate in educational travel experiences.
- YHA's largest investment in property renovations in over a decade was completed. Three key gateway properties underwent major refurbishment, and upgrade works were completed at two smaller properties.
- A new membership application, the YHA Explorer App was launched in Q4 2024, achieving strong uptake and improving member engagement.

### 2024 in Numbers

- Property portfolio valued at \$186 million.
- Membership grew to 426,000, which was an increase on the prior year.
- Revenue was softer than 2023, which had benefited from post-COVID pent-up demand.
- Guest sentiment (TrustYou score) increased year-on-year to 84.1 points.
- Substantial progress was made in reducing carbon emissions, in line with YHA's sustainability commitments.

## Board Activities

- The Board operates through key committees — Audit & Risk, Nomination Remuneration & Human Resources, Environment Social Governance as well as two working groups; Strategy & Innovation and the Railway Square Development.
- Committees have been instrumental in guiding strategic decisions and addressing specific areas of focus.
- The Board continues to operate in a hybrid format (in-person and online), reducing costs while maintaining flexibility.

## Risk Management

- Risks are managed through risk management strategies, safety protocols, cyber security measures, and compliance with legal and regulatory standards.
- Guest and team safety is a core governance priority.
- Management has formed an emergency planning committee in response to increasing climate change impacts.
- Cyber security remains an area of active focus given YHA's reliance on technology and handling of sensitive data.

## Governance Review

- YHA participates in an annual board governance review with Govern With. Results are benchmarked externally and used to identify targeted improvements each year.

## Financial Results

- Income in 2024 reduced by \$3.0 million (3.5%), following a 43% increase between 2022 and 2023. Key drivers included: cessation of operations at Halse Lodge, Noosa (\$1.4m); and reduced overnight income (\$1.7m) due to rooms taken offline during refurbishments at three major properties.
- Net loss for 2024 was \$1.9 million — a reduction of over \$4 million on the prior year, and better than the pre-COVID result in 2019.
- EBITDA for 2024 was \$9.98 million, compared to \$13.5 million in 2023. The reduction reflected higher labour costs (\$1.8m), the Noosa closure (\$1.4m), softer overnight income (\$2.5m), and plant and equipment disposal (\$0.6m). Positive offsets included higher yields at refurbished properties, increased catering income, and improved operating efficiency.

## 2025 Forecast

- Income is forecast to exceed \$60 million for the first time in 2025.
- EBITDA is projected to return to over \$12.7 million, with the net result expected to return to a small profit.
- Capital expenditure will be modest relative to 2024, with room improvements to continue at city properties where cash reserves permit.
- YHA's interest coverage ratio is expected to improve further in 2025.

## 11.2 CEO's Presentation – Strategy and Outlook

CEO Paul McGrath presented YHA's strategy and future direction, covering:

- YHA's business model and value creation framework — inputs, outputs and outcomes.
- Strategic direction guided by pillars of Place, People, Planet and Pledge.
- The 2025 transitional strategy, focused on moving from guest stays to guest experiences.
- Growth and development, including Railway Square YHA (now at Level 15, on schedule for completion in November 2026) and the Hobart Town Hotel (originally licensed in 1851), which is undergoing a \$1.3 million refurbishment.
- Significant property project milestones for 2025–2030.
- YHA's net zero roadmap.
- The YHA Explorer App — featuring premium Wi-Fi, food and beverage discounts, digital room keys, and development of self-check-in functionality and early check-in notifications.
- The YHA Travel to Learn Foundation, which activated programmes in 2024 to support students experiencing financial hardship to participate in educational travel. The Foundation is also partnering with aligned charities, including Consent Lab.

## 11.3 In Memoriam and Celebrations

The following members were remembered and acknowledged:

- Hartmut Finke – First manager of Sydney Central YHA, during which time the hostel regularly achieved 180,000 overnight stays per annum. He went on to hold roles with Hostelling International and YHA England and Wales.
- John Shoemith – Aged 101; long-serving Councillor of YHA Queensland and the first to advocate for YHA's land banking strategy. And was one of the last two surviving RAAF Spitfire pilots from World War II.
- Edna Lyle – Celebrated her 100th birthday. Former Director and Committee Chair of YHA NSW Inc, and instrumental in the development of Sydney Central YHA.

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## 12. Questions from the Floor

The meeting was opened for questions from members attending in person at The Big Dig. The following matters were raised:

- Competition from new hostel operators — Members noted that operators closed during COVID had been replaced by new private and public equity entrants, including a planned 1,000-bed property south of Central on Parramatta Road. YHA noted it maintains competitive occupancy of 79–80% in Sydney.
- Hostelling International (HI) and YHA New Zealand — Rob McGuirk noted strong international arrivals since COVID, with the UK remaining the primary source market and growth from South Korea and South-East Asia. YHA Australia has acquired the YHA New Zealand intellectual property and trademarks, with the residual \$3 million donated to a New Zealand charity. HI now comprises 65 member associations and has returned to Italy.
- Working Holiday Visa scheme — A member raised the 50th anniversary of the WHV scheme and asked what advocacy YHA is undertaking to highlight its value to policymakers. YHA advised it engages through Tourism Australia and maintains relevant stakeholder relationships.
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- Diversity and governance — A member acknowledged YHA's diverse workforce and inclusive employment practices, including public holiday choice, gender equity, and respect for diverse nationalities and beliefs.
- Pricing consistency — A member raised concerns about variable pricing (citing Coolangatta as an example, with rates ranging from \$30 to \$70). YHA explained that demand-based pricing is in use across the network. Members were encouraged to book early and utilise the YHA App to manage costs during peak periods.

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### 13. Close of Meeting

The Chair thanked Bronwyn Dallow for chairing in the absence of Stephen Lynch and acknowledged the YHA team responsible for organising the AGM: Amanda Heard, Elaine MacMaster, Samantha Bailey, Daniel Ruiz, Hayley Dean, and Nicole Evans.

The Annual General Meeting was formally declared closed at 12:19 PM.

Members attending in person were invited to continue discussions with Directors and staff over lunch on the rooftop terrace.

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Confirmed as a true and accurate record:

Signed: \_\_\_\_\_

Name: Tammy Marshall