

YHA Ltd Annual General Meeting – April 2018



Learn to travel. Travel to learn.



Highlights 2017

- Completion of the national merger
- Successful integration of *YHA Tasmania & YHA WA*
- YHA Ltd as a single national organisation (trading as YHA Australia)
- Eight former Boards now replaced by a single Board



Highlights 2017

- Redevelopment at Byron Bay YHA
- Acquisition of Cape Byron YHA (former associate hostel)
- Sale and leaseback of Melbourne Metro YHA



Highlights 2017

- Launch of *'Simple Affordable Membership'* resulting in increase in members
- Representations to government on issues of traveller safety, working conditions and visa reform
- Participation in Hostelling International events including on Marketing and Sustainability. Contributed to organisational governance review

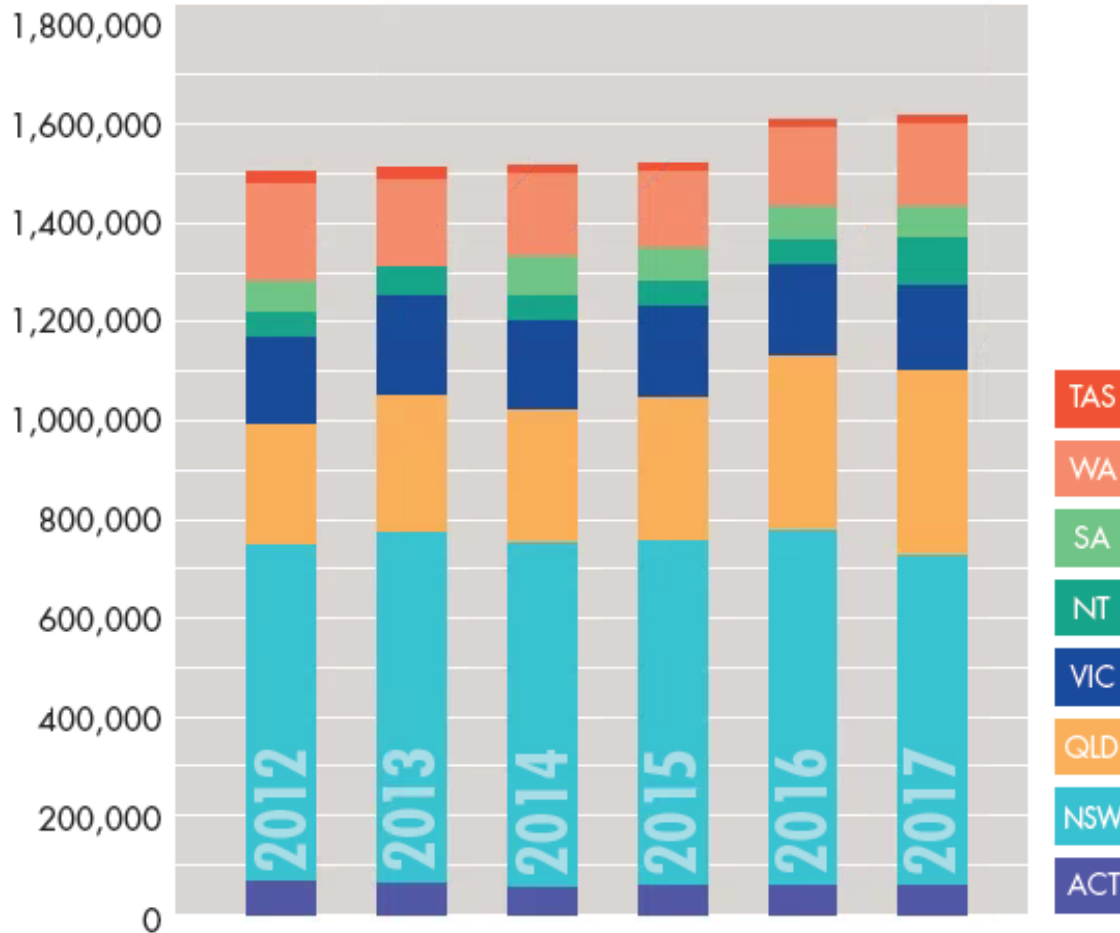
158,258
Members from all over Australia
and the World



YHA Australia was first in the Hostelling International network to launch a digital membership card



Total Overnights by State/Territory



1.62m
Overnight
stays

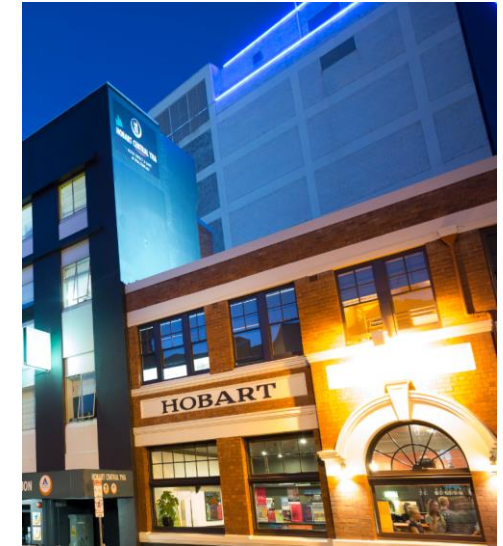
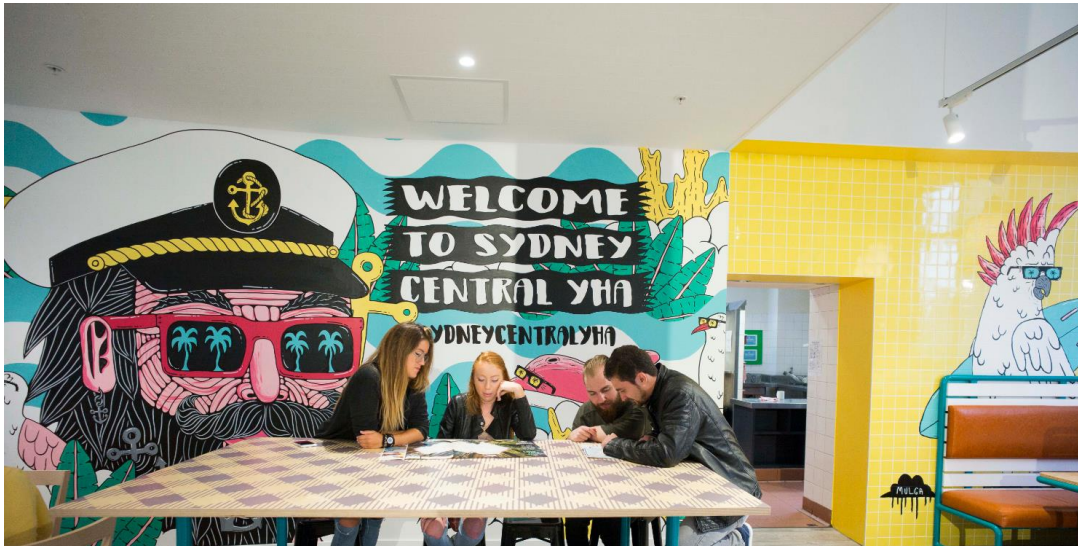


Accommodation

- Refresh at Sydney Central YHA
- Addition of new ensuite bathrooms at Canberra City YHA
- Renovation of Hobart Central YHA exterior and interior



More ensuite bathrooms were added to rooms at Canberra City YHA



Sustainability

- New Sustainability Action Plan adopted
- Sustainable Hostels Fund – guests contribute (YHA matches)
- Small Hostels Development Fund: \$80K accumulated
- Sydney Harbour YHA Sinking Fund: \$590K accumulated for heritage conservation/interpretation
- Social sustainability initiatives

≡ \$45,408 ≡
raised from guests
for Sustainable Hostels Fund



Railway Square YHA in Sydney installed a 'green wall'



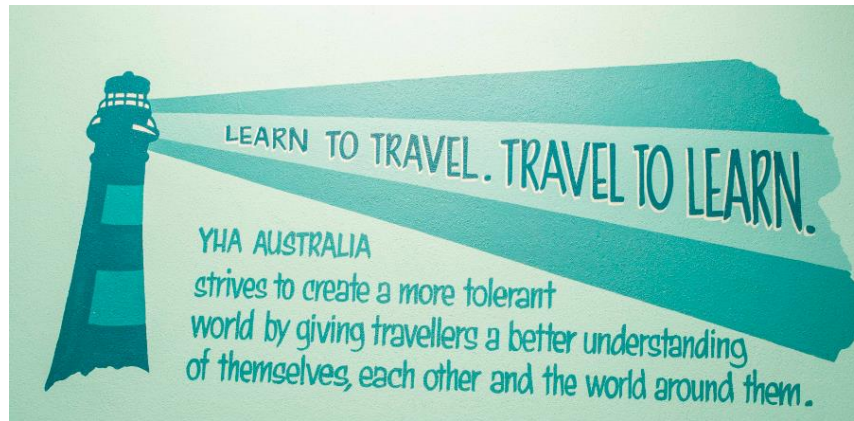
YHA sponsored a group of disabled cyclists, riding from Australia's lowest to highest point – pictured at Thredbo YHA



Strategic Plan 2017-2020

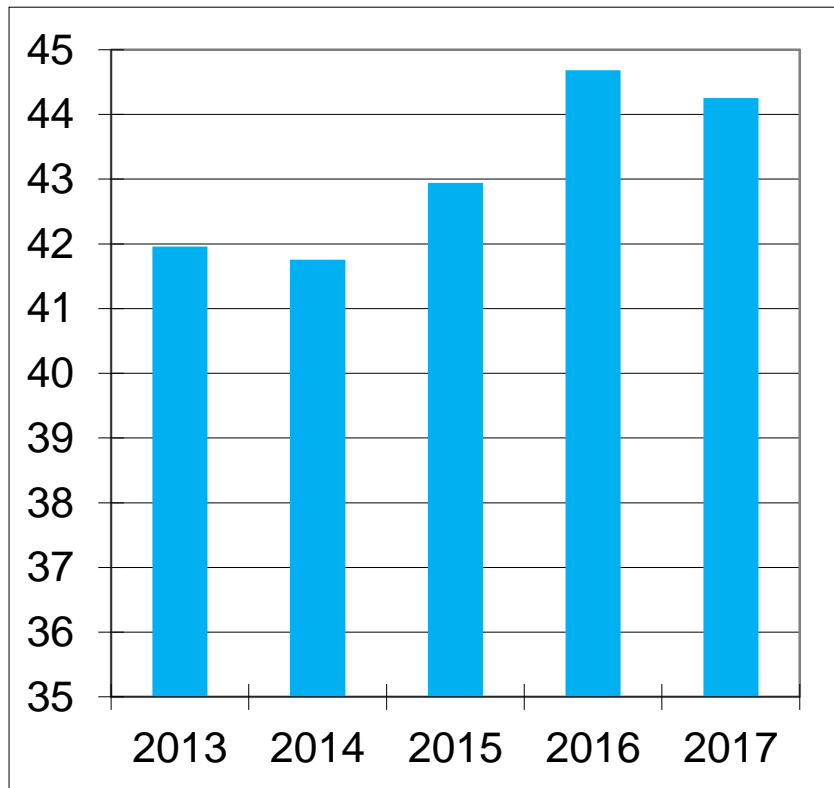
- “To be leaders in low cost accommodation offerings that enrich people’s travelling”
- Five key areas
 - Culture of Sustainability
 - Brand
 - Network Development
 - Growth
 - Governance

Each supported by strategic objectives and actions

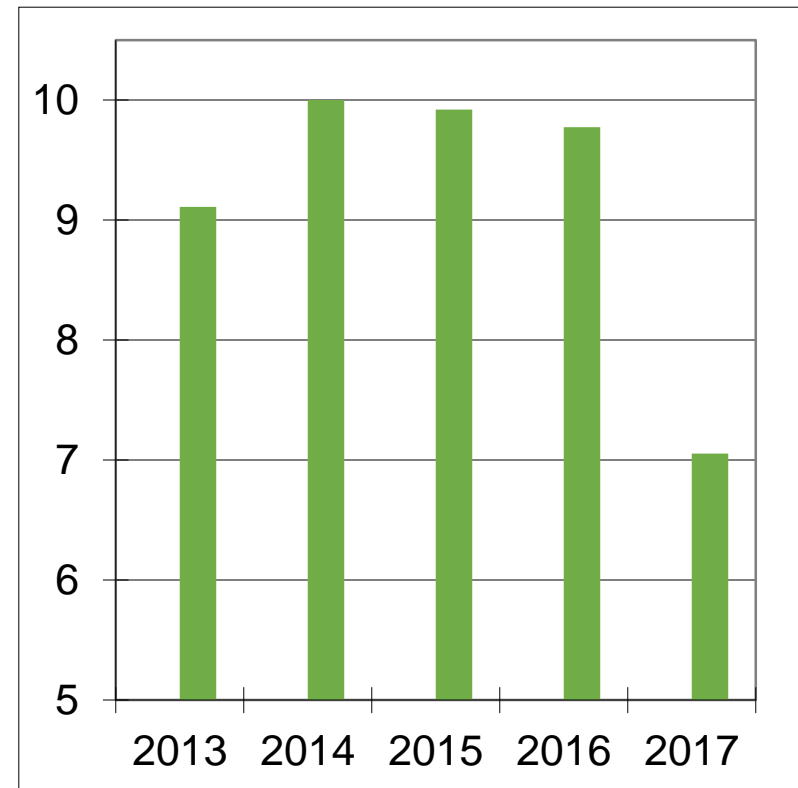


Finance - Income

- Income (\$ millions)

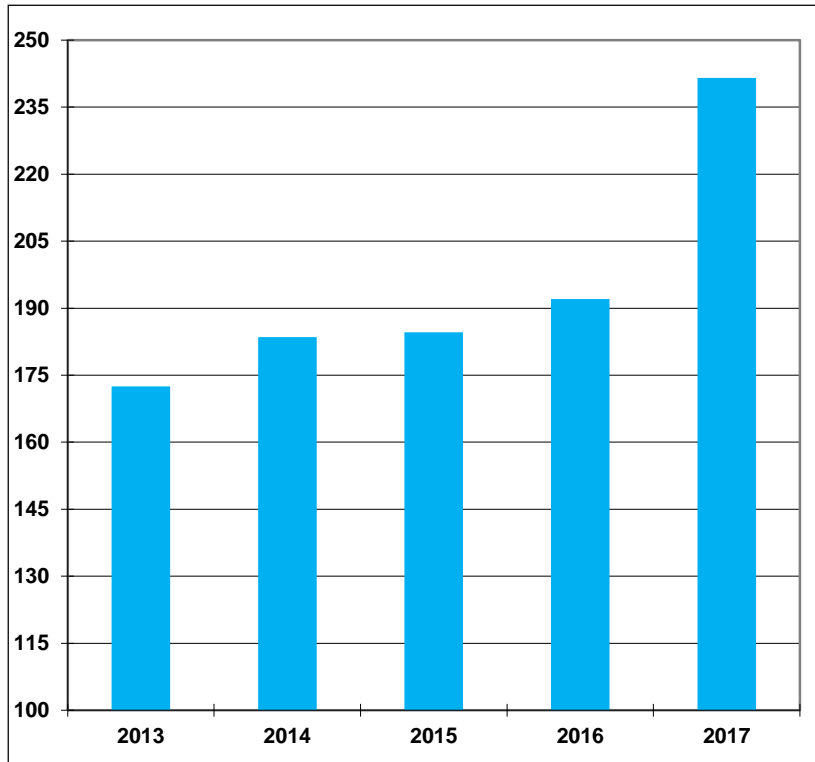


- Earnings before tax, interest, depreciation and amortisation (\$ millions)

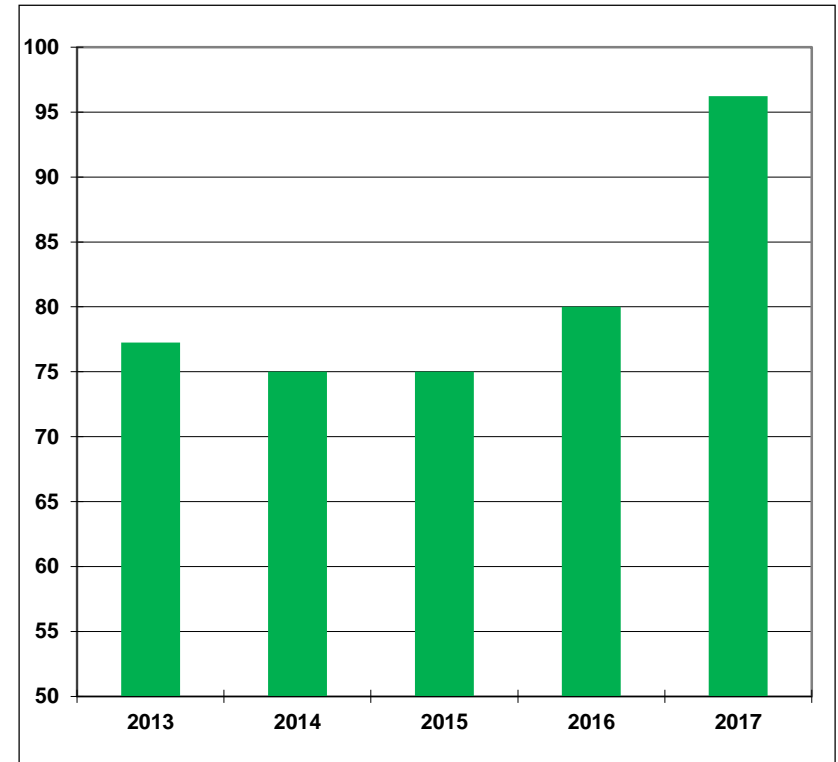


Finance – Balance Sheet

- Assets at valuation (\$ millions)

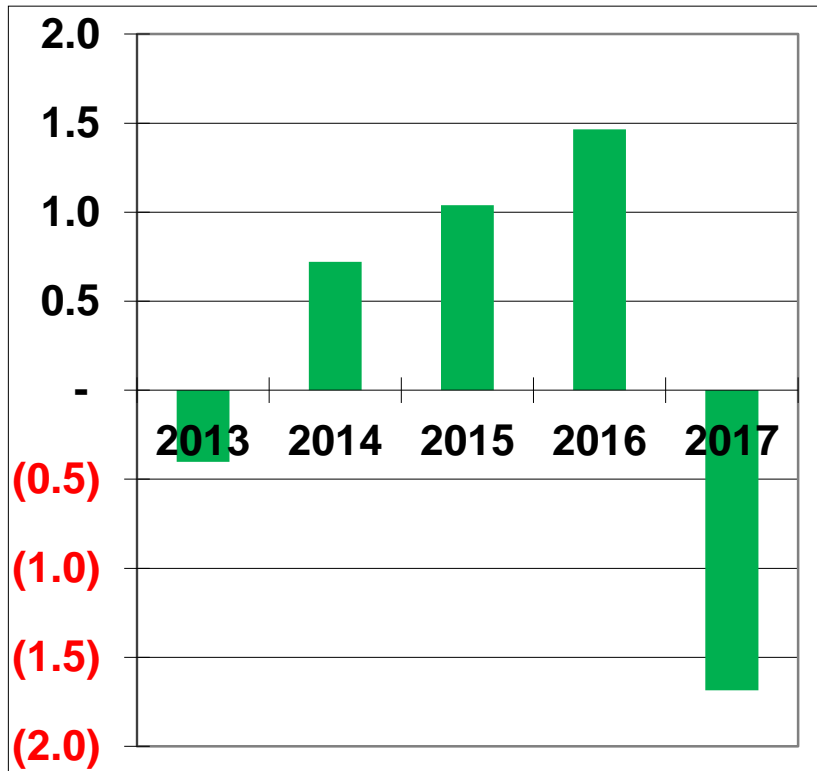


- Borrowings (\$ millions)

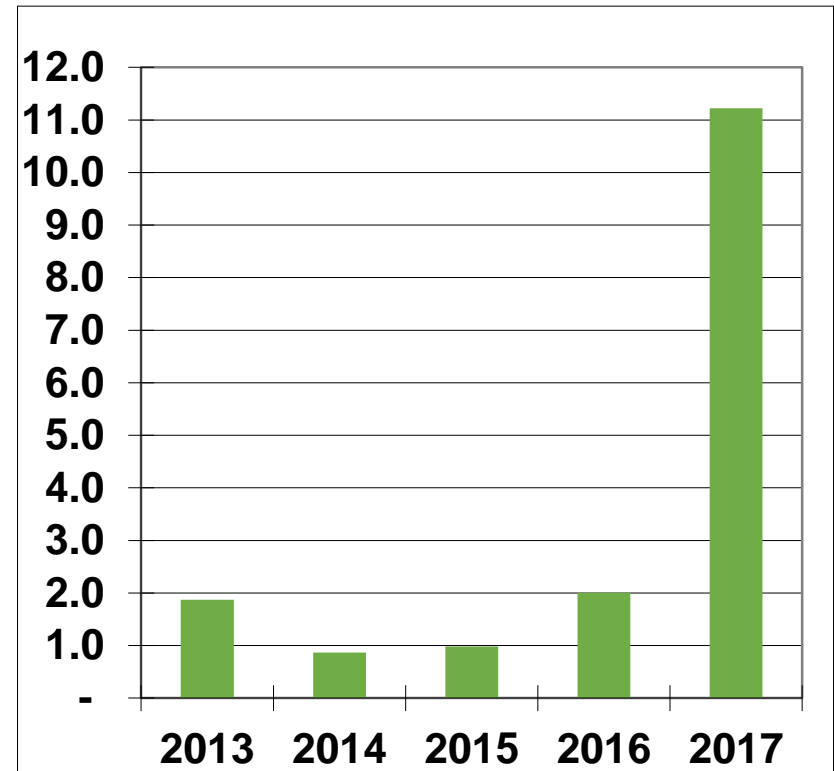


Finance – Performance

- Before one off items (\$ millions)

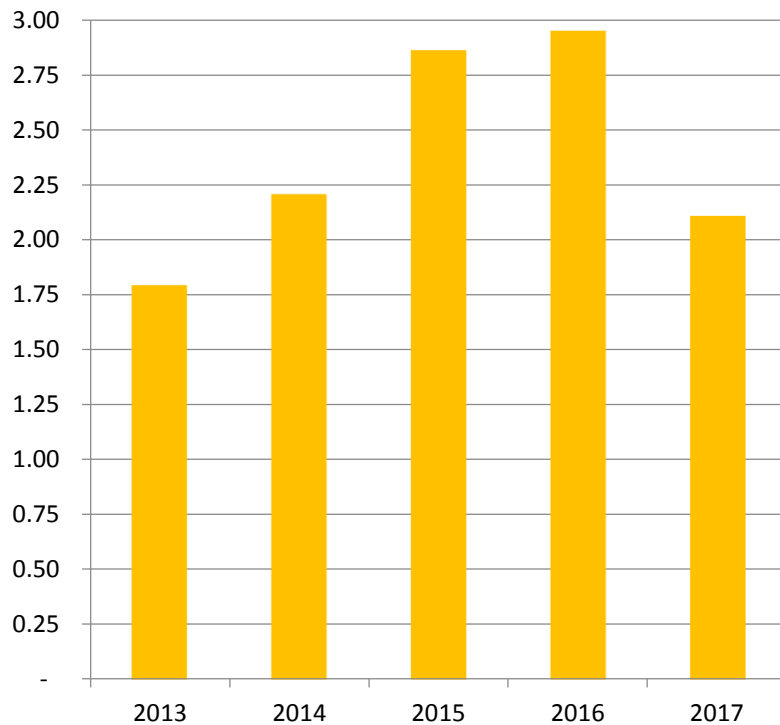


- After one off items (\$ millions)

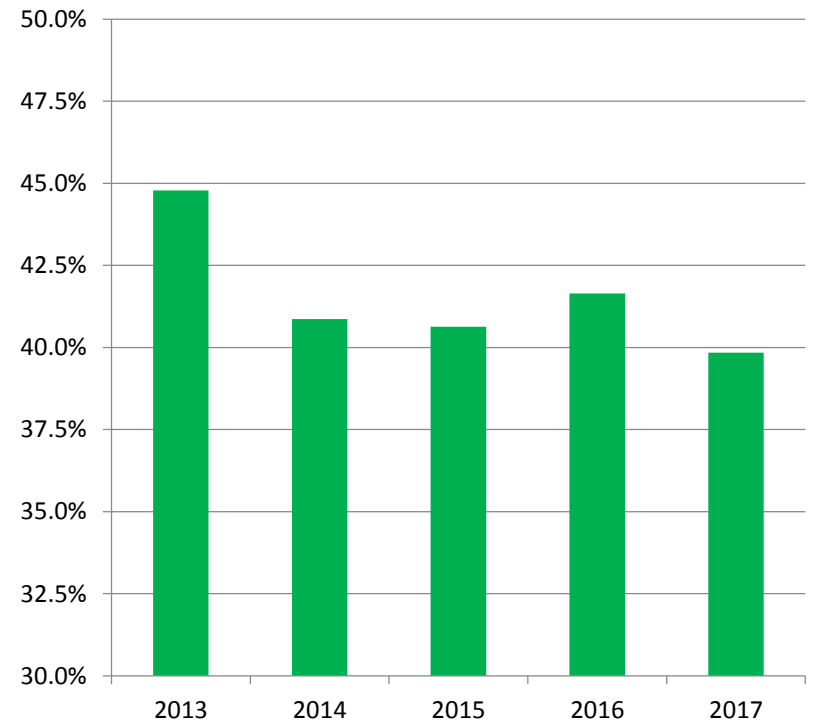


Finance - Risk

- Interest cover ratio



- Loan to valuation ratio



Board of Directors

- The Board operated with 9 Directors, with meetings in Brisbane, Hobart, Melbourne & Sydney
- Three Committees:
 - *Audit & Risk*
 - *Nominations & Remuneration*
 - *Election*
- Actively working to ensure a skills-based Board



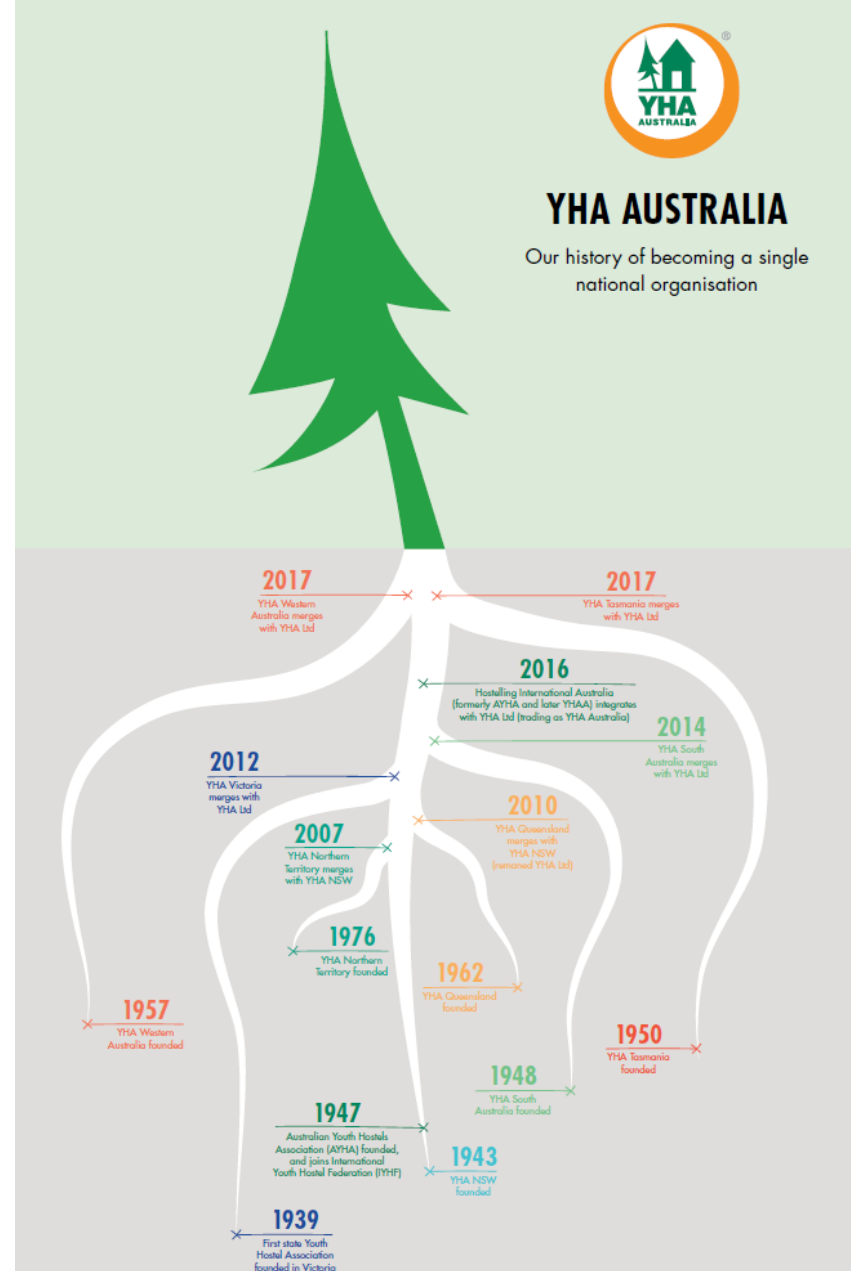
Governance

- Co-opted former YHA WA Director after merger
- Succession Planning an area of focus
- First year of implementation of national Strategic Plan 2017-2020



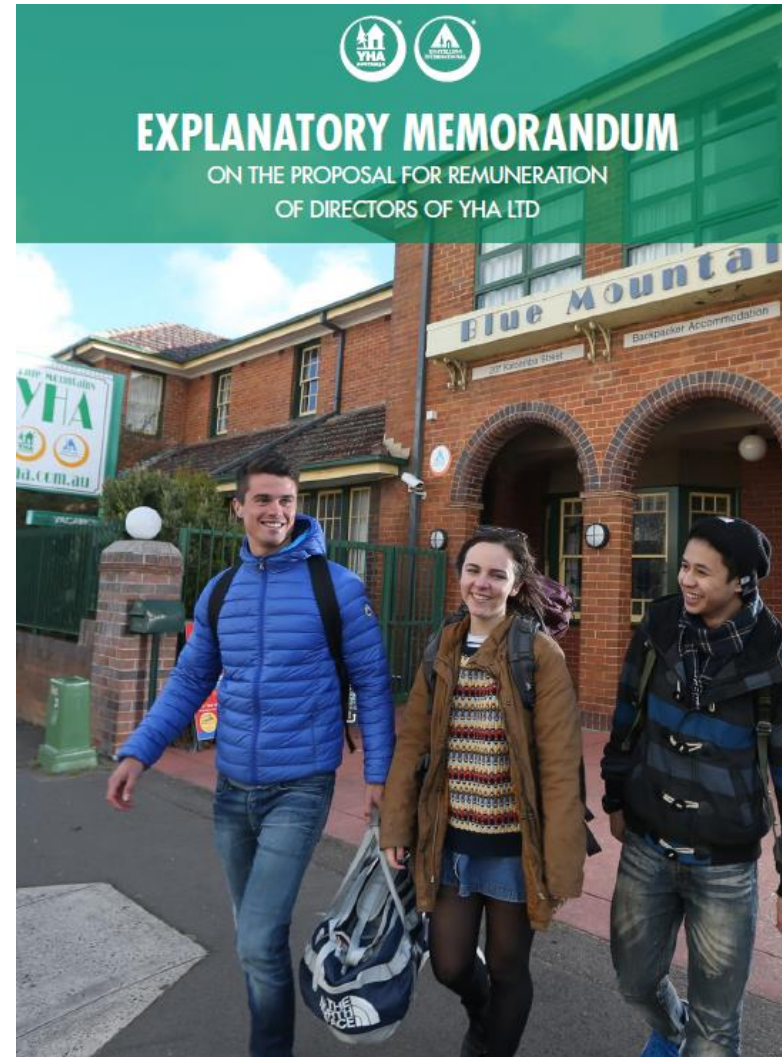
YHA AUSTRALIA

Our history of becoming a single national organisation

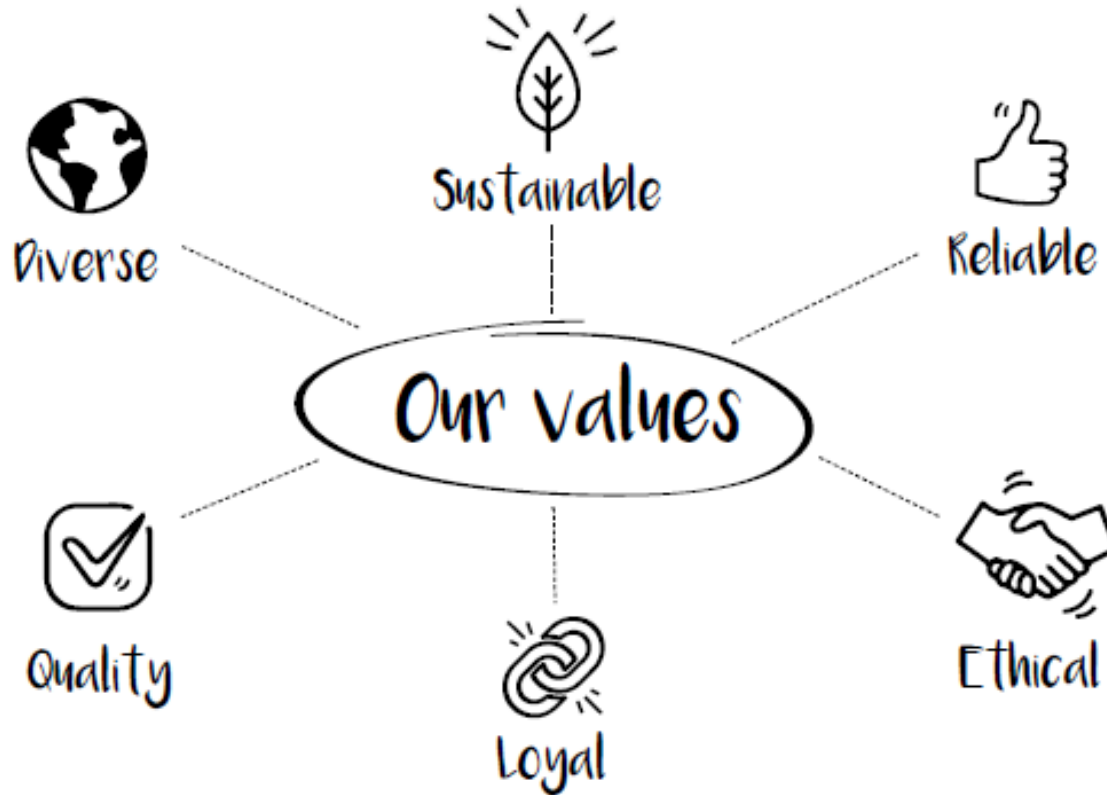


Remuneration proposal

- Directors' Working Group developed proposal for remuneration
- Capped at aggregate limit of \$150K p.a.
- For the proposal to be carried at least 75% of members voting must vote in favour

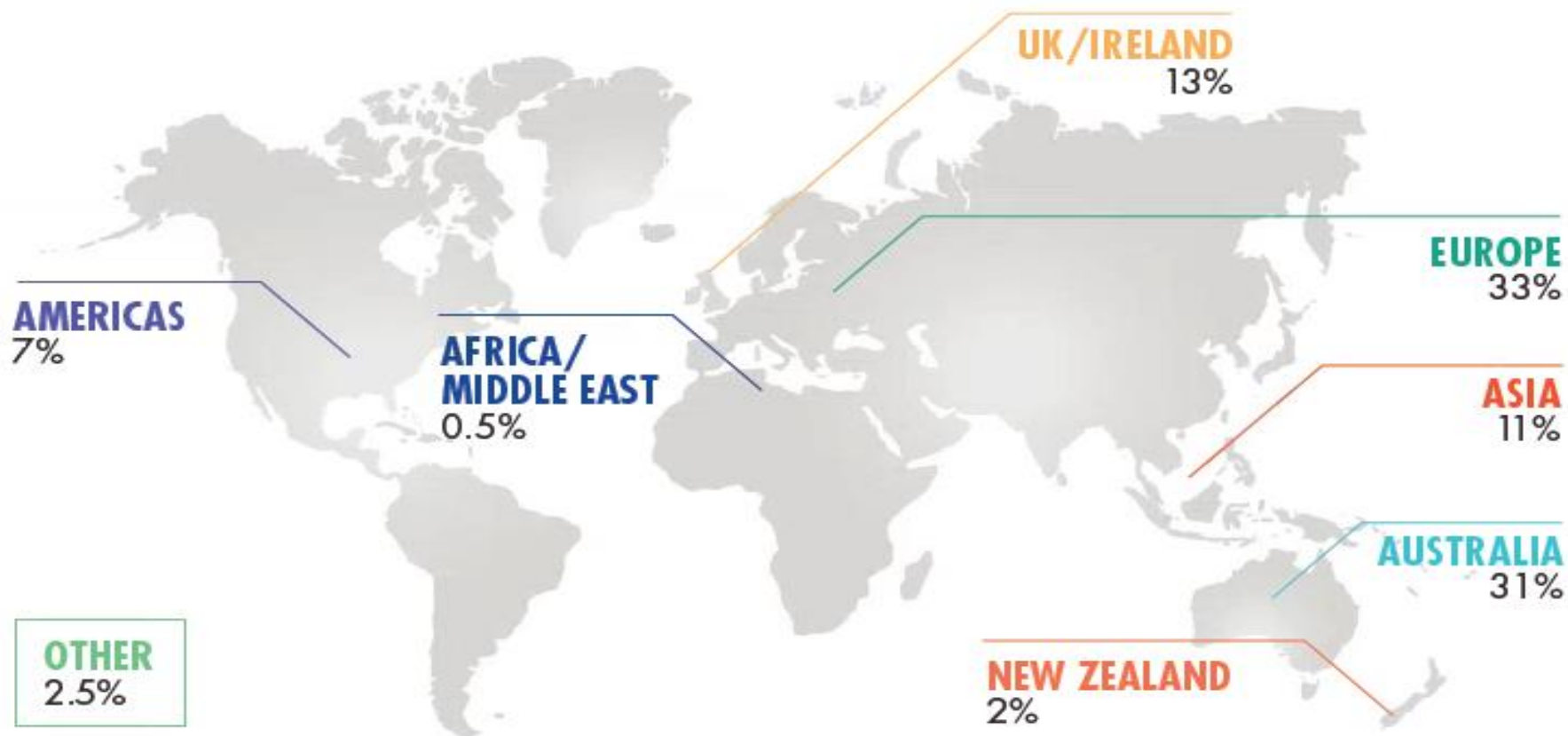


VALUES



Guest Nationalities

2017 OVERNIGHT STAYS BY COUNTRY OF ORIGIN



Marketing

- 'Book Direct & Save' on yha.com.au
- Partnerships with tourism bodies – Tourism Australia and State campaigns
- Positive coverage in print, online, broadcast and social media



Communication & Awards

- Increasing digital communications with members
- Accommodation Guide to be replaced with extended map brochures and online information
- YHA won a 'Global Youth Travel' Award for Sustainability



Membership

The new membership model

- Every guest, Australian and international is now a member of YHA Australia (YHA Ltd)
- Digital membership card can be stored on smart phone
- Physical card available for \$5 (+ postage) for overseas travel
- Staff and guests embraced the changes



YHA employed new staff member, Liam Hagan, at Brisbane City YHA under a 'Beyond the Broncos Indigenous Program'



Digital Technology

In Sept 2017, the CEOs of other National YHA/HI Associations voted for **YHA Australia** as the

Most Innovative
National Association



YHA Australia trialled two Apps and is developing a new one



Youth Tourism

- 650,000 backpackers visit Australia each year
- 200,000 are Working Holiday Makers
- Also over 500,000 international students who can travel on breaks

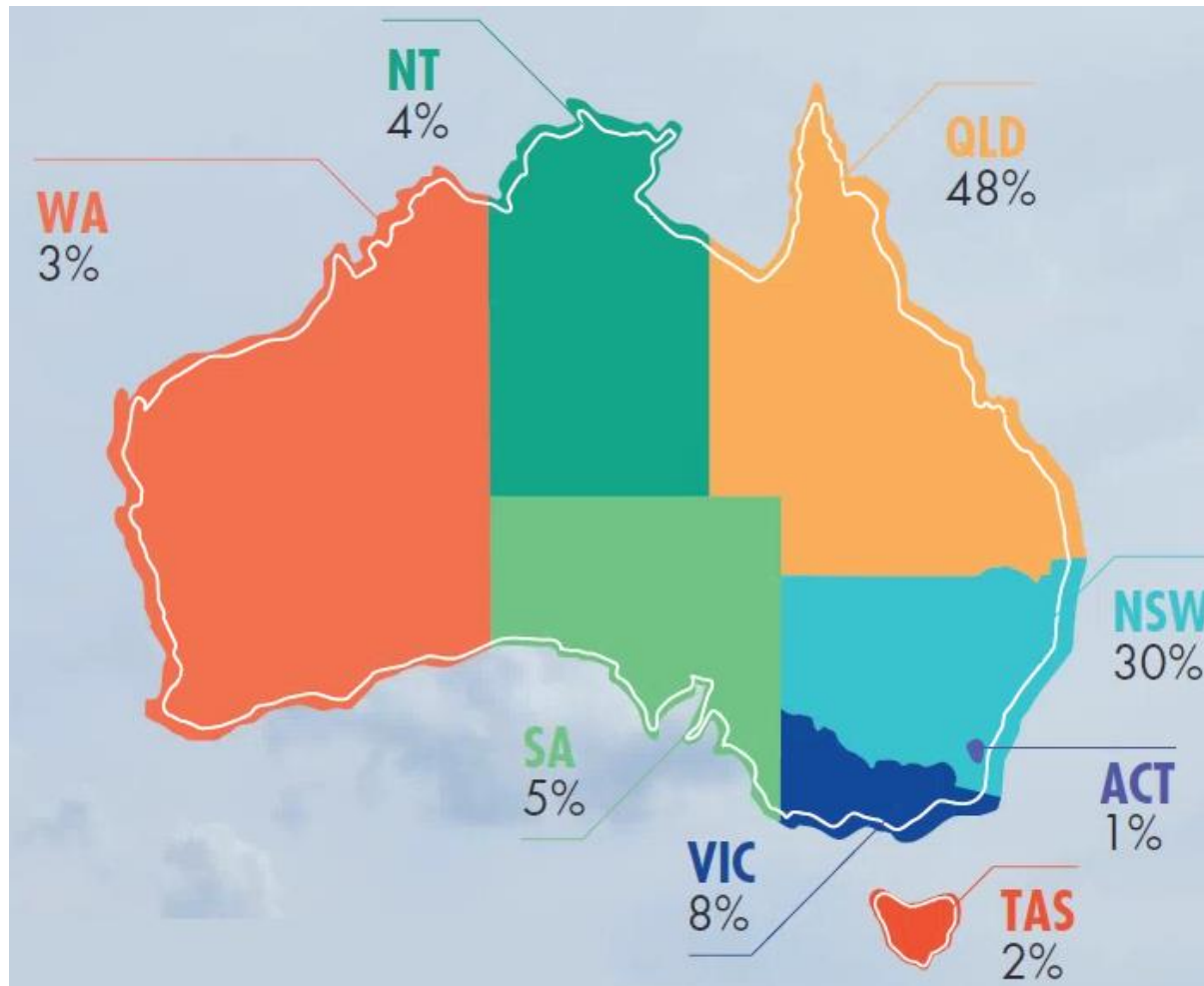


YHA took part in Orientation Weeks at universities across Australia



YHA Travel & Tours

State/Territory where bookings made

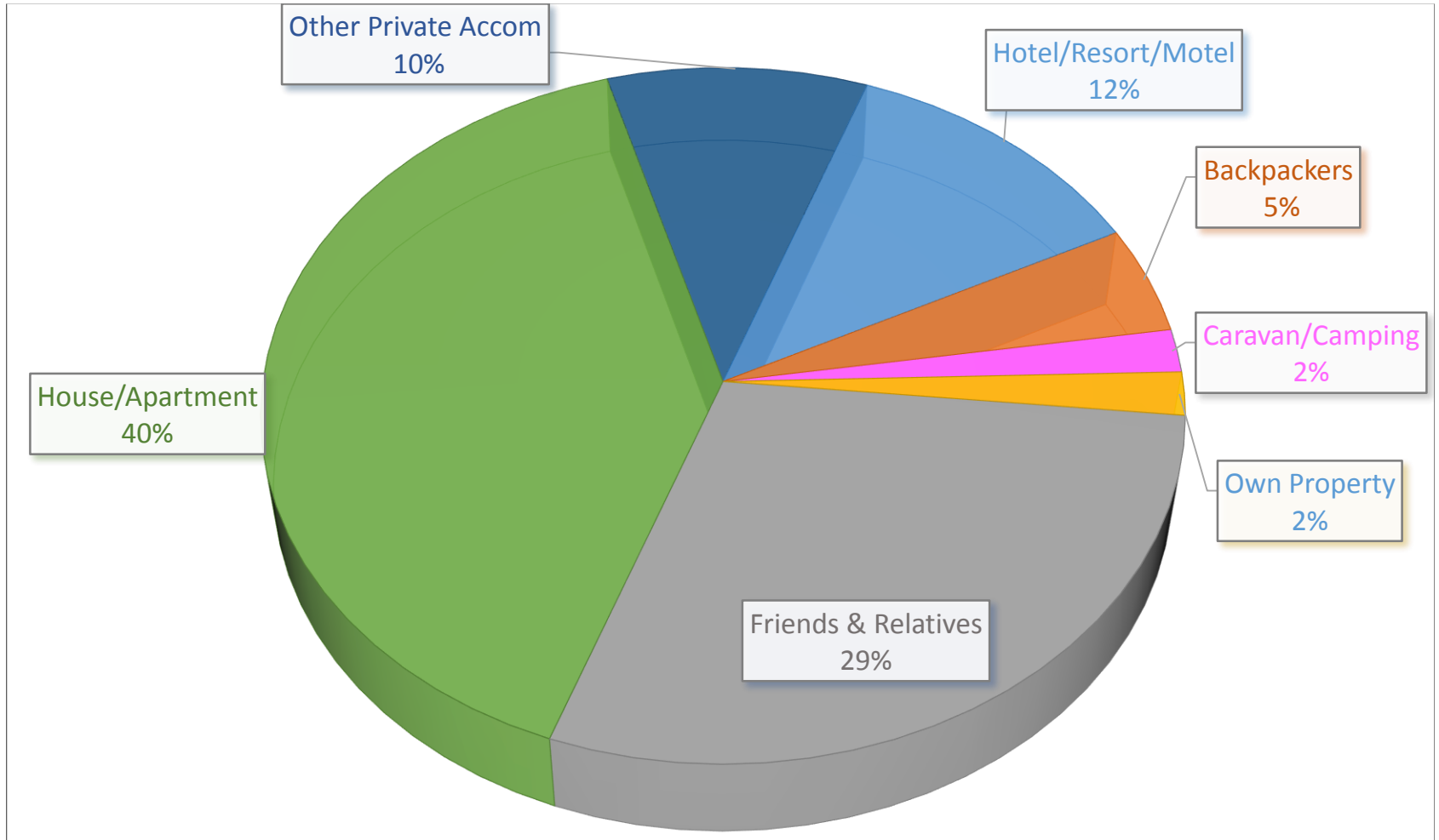


Outlook

- YHA remains reliant on European guests, but growing Asian visitation presents biggest opportunity
- Huge benefits being gained through technology (but must also manage risks)
- Communication with customers is key (determines how bookings are made)
- Role of Hostelling International



2017 International Visitor Nights in Australia



Opportunities

- Focus on
 - growing occupancy
 - managing costs
 - building financial performance
 - supporting network development
- Pursuing options for additional capacity in key cities (Melbourne CBD, Sydney - Central Station precinct)
- Land banked at Surfers Paradise for a future development



The future

- Customer focused
- Keep people travelling within the YHA network
- Support regional dispersal
- Continue building the relationship with associate hostels
- Invest in systems and technology
- Respect our heritage but keep evolving



Darwin YHA – Melalueca on Mitchell joined the network



Acknowledgements

Thanks go to all
YHA's Directors, members,
partners and staff

