

Minutes of the Special General Meeting of YHA New Zealand
held via Zoom on
Friday 11 October 2024, commencing at 1:05pm



Members present

- Board Members: Darin Cusack, Mark Ebrey, Vivien Jones, Maureen McCloy, Luke Tarplett, Ian Lothian and Nancy Ward.
- Other Members: Cynthia Bates; Anthony Bayer; Molly Bertram; Sally Brodie; Valerie Carter; Bruce Cox; Anne Dickinson; Julian Doorey; Matthew Durling; Chris Graveston; Victoria Heslop; Chris Jones; Richard Lane; John McCarthy; Michael Northmore, Nigel Ross; Caroline Syddall; Toni Stringfield; Wendy Wallace; Roger Wanless; Peter Washington; John Wilson, and Linda-Jean Young;

In Attendance

- Leiali Al-Afrangi (Administration and Communications Coordinator), Richard Lingard (Systems & Performance) and Chris Sperring (National Secretary and General Manager) and Michele Duguay (Finance Manager).
- Jemma Balmer (The Fundraising Agency, Senior Fundraising Consultant), Sarah Barrer (The Fundraising Agency, Founder & Managing Director), David Webb (Deloitte, Financial Advisor), Anna Whalan-Bell (Rhodes and Co., Partner), and Royce Lock & Linda Spray (YHA Nelson, Owners).

Apologies

- Allen Bryce; John Archer Bryan; Pat Campbell; Tom Davies; Michael Dempsey; Paul Denys; Andrew Dinsdale; Terrence Anthony Fleming; Ali Goodall; Terry Goodall; Hayley Groves; Bruce Gulley; Simon Hayman; Katharine Hecht; Anne Henderson; Peter Lewis; Bob Momich; Gerard Pain; Jaired Pang; Monica Parrott; Paul Reid; Laurence Renwick; Lyn M Robb; Nigel Rushton; Sutter Schumacher; CJ Simmons; Vern Talbot; Prescilla Tarrant; Darroch Todd; David Keith Trow; Jillene Tucker; Gilbert Whalley; and Deborah Williams.

Chair

Maureen McCloy

1. Welcome

The Chair opened the meeting and welcomed attendees joining and introduced herself and Chris Sperring to everyone. Specific welcome was given to the Honorary Life Members present, the Board, staff and guests.

The Chair shared the agenda and advised members that there would be an opportunity for their questions to be taken later in the meeting.

2. Voting Ballot Result

Almost 82% of members voted in favour of the Resolution, see voting result attached. The Chair thanked all 1,171 members who read the information and voted, acknowledging it wasn't an easy process for any of us.

The Chair then acknowledged the 212 members who did not support the proposal, understanding that this was not the outcome they sought.

The Chair advised that the 82% vote provided a clear direction with no doubt as to Members' intentions and the Board and team would now move at pace towards this outcome.

3. Next Steps

The Chair shared the reasons for the Board's recommendation that David Webb and Rob Campbell at Deloitte to be appointed as liquidators. The Board has worked with David and Rob for a number of years and through that time a strong relationship based on shared values had developed. Essentially, it's all about trust and trust is earned. The Board wants to entrust this next process to those whom we know will do right by YHA and its people. The Board believes David and Rob will deliver this for us and it is a privilege to have them on our side.

David Webb addressed the Members and thanked Maureen and the Board for allowing him to join the SGM. He and Rob have worked with YHA for a number of years and are privileged to be a part of this process and help with the next stage of this journey. Given that 82% of members voted for the dissolution of YHA entrusting Rob and David as liquidators, their role is to now execute on what the YHA Members wish them to do. They will ensure any commitments YHA has to external parties are paid, that the history and memorabilia is protected with pride and consistent with the YHA values set over the years, and that the funds and legacy are passed on to ensure it continues to make a difference. He advised that he takes this role very seriously.

4. HI / YHAA Update

Chris shared the progress made in recent discussions held with Hostelling International (HI) and YHA Australia (YHAA), with regards to membership and associate hostels. Chris has had productive meetings with HI and YHAA since we last spoke at SGM 1 on 27 August 2024, and there's been a tremendous sense of willing from them to do the best thing for YHA New Zealand.

While he was not in a position to confirm anything today, the following information was able to be shared with Members:

- **Membership:** YHAA are very keen to support our membership, and we have an agreement in principle with HI and YHAA that we are working towards. This would see YHA New Zealand membership holders (including our valued life members) be able to retain the right to use and access discounts for HI Hostels across the globe. This means that membership cards will continue to be accepted across the HI family in over 70 countries. Our team have a fair bit of work to carry out to achieve success in this space, and we are looking through the operational requirements of how this might work. It will require action by the membership to complete some form of opt-in process initiated by YHA New Zealand and /or for Members to agree to the transfer of their data to be kept by either HI or YHAA. Please be assured we won't transfer any data or personal details without prior authorisation. This will be a time bound process, with a small window available for members to provide authorisation for the transfer of details so that HI can then initiate contact and complete a 'handshake' with each Member. The key takeaway for Members is that their membership will remain valid in the future. Any membership renewal process in the future will be completed through HI channels.
- **Associate Partners:** Conversations have been positive and there is intent from HI who have proposed to pick up our Associate Hostel partners under a new scheme they are launching, called *Friends of HI*. This allows independent hostels to join HI where there isn't a national association present in that country. This means that if hostels wish to remain part of the brand, then they can pay a licensing fee direct to HI and be wrapped up by HI's services and marketing team. Our team will work directly with hostels over this proposal in the hope that we can retain a brand presence on New Zealand shores for the use of all valued members.

In summary and subject to written confirmation from HI, our goals are:

- All current YHA New Zealand Membership cards will continue to be honoured in HI hostels worldwide.
- Associate Hostels will be offered the opportunity to join *Friends of HI*.
- This will ensure that we keep a small hostel network presence in New Zealand under the HI brand.

Chris advised that the team would be in touch with Associate partners and our Members with more information shortly and a call to action. Members can expect to receive this information before the end of the year.

Chris acknowledged that we received a lot of feedback from Members about their membership validity. While he couldn't confirm as yet, from discussions with HI we are moving in the right direction. Chris also acknowledged the challenge for Members voting on the Resolution without having this information confirmed.

5. Member Feedback

The Chair thanked everyone for sending through their questions and input. In answer to some of the questions raised:

- Members will not be eligible to receive any dividends or remaining funds from YHA once the Association has dissolved. The Constitution is clear on this and funds need to be distributed to other registered New Zealand Charities.
- Charity considerations – Members were asked to suggest any charities they considered worthy recipients of YHA's funds. Members were able to make suggestions at the meeting and would be asked again via YHA News. This is a time bound process and suggestions need to be provided to the National Secretary by Monday 21 October 2024.
- Summary Financial Statements – these are all contained within the Annual Reports which can be found on our website. The current financial year is still being audited and will be available in the lead up to the 29 November 2024 AGM.
- Memorabilia and photos – we have a large collection of these in storage. This is an important piece, and we acknowledge there are members who may have their own memorabilia they wish to share. Some of the collection needs to be kept as they are a matter of historical value, and there is a piece of work to be undertaken to ensure these items are kept for a museum. It is collectively an issue that as an Association we need to come to terms with.
- Branches / Members Groups – Auckland Branch and Canterbury Member Group will be contacted individually to discuss what happens next.

6. The Fundraising Agency

The Chair advised that the Board understands the importance of leaving a legacy and honouring our 92-year history. This raises the question of how to transfer our residual funds to another charity and which charity or charities to choose is critical to get right. The Board has therefore engaged The Fundraising Agency (TFA) to guide us through. Once again, trust and working with people who share our values is key to achieving a great outcome for YHA.

Sarah Barrer and Jemma Balmer from TFA shared with Members who they were and how they will be approaching the charity selection process to support the Board's recommendation and final decision by members.

Sarah shared how her own grandmother spent a great deal of time in Arthur's Pass, and that her mother was friends with Cora Wilding, so there's a personal connection with some of YHA's history.

She advised that many charities in a similar situation aren't able to pass on the residual core values of their organisation, the founders' wishes and legacy. This is the most important part of the process, in terms of the distribution of funds that YHA has so carefully collected. The transfer of these funds in order to potentially transform another charity is important and valuable. TFA has been around since 2012, and has worked with 150+ Boards across New Zealand and internationally.

Jemma advised that following this meeting, Members could suggest charitable entities to be put forward for the funds to be distributed to. These suggestions will be considered alongside TFA's own research and knowledge in the charitable sector. To first make the long list, these three points need to be met:

- a) The charities need to identify with YHA's charitable purpose: "Promotion within New Zealand of the education, health and wellbeing of people of all nations, and especially young people, with specific focus on the culture of countryside, towns, cities and peoples of New Zealand, the environment and study of the same, and culture of other countries and peoples."
- b) The charities also need to closely align with our five values: respect, integrity, excellence, passion and authenticity.
- c) All entities must be a registered charitable organisation in New Zealand.

The charities will then be ranked on how closely they align with YHA's charitable purpose and values, and those most aligned will be invited to present a proposal on what they they'll spend the funds on. These funds must go to a clear project or set of outcomes that Members can point to and celebrate to what was gifted, knowing the money has made a real tangible and positive difference to the legacy of YHA, with long-term transformational potential. TFA are a values driven organisation and take the responsibility of supporting the Board and Members to distribute YHA's funds seriously.

7. Summary

The Chair summarised the key points from the meeting as:

- A clear direction from members with 82% voted support for the resolution.
- Excellent progress with YHAA and HI regarding membership.
- Upcoming identification of charities to transfer YHA's remaining funds in a way that provides a transformation and a legacy. Members were asked to please email the National Secretary inbox with any suggestions of suitable charities. Please do so by Monday 21 October 2024.
- The AGM on 29 November 2024 will be an important meeting.

8. SGM Q&A

Questions from Members were taken:

1. Mollie Bertram shared that she first became a member in the UK in 1949, and then a New Zealand member many years later. Although she no longer stays in hostels, it would be important to many Members that life memberships are still valid in New Zealand. Julian Doorey also asked what type of presence could *Friends of HI* have in New Zealand?
 - a. Chris Sperring: We're working very hard on maintaining a New Zealand hostel presence, and discussions are continuing with HI.
 - b. A follow-up question from Mark Ebrey: Is it possible that the remaining branches could become *Friends of HI* when YHA is dissolved. David Webb: This is a great suggestion, and we will explore whether this is possible.
2. Chris Jones suggested that YHA consider establishing a new charity to care for the photos and memorabilia of YHA - YHA could provide that charity with seeding capital to allow it to undertake

the work required to properly care for/transfer those artifacts through to a long-term holding entity. It does not need to be rushed and would allow time to move them to a permanent home. At the conclusion any surplus funds would be distributed in line with the YHA Constitution.

- a. David Webb: This is a great suggestion, could look into an option to find an existing charity to do this piece of work. Discussions about this have already started, and TFA believe this could potentially be built into the process.
3. How many members does YHA New Zealand have?
 - a. Chris Sperring: There's approximately 7,200 Members, a large number of whom we can talk to via electronic means, whilst there's still a lot who have postal addresses. There's a third group of Members who've since left New Zealand and we don't have contact details for.
 4. Richard Lane advised that he would appreciate the opportunity to look at the full financial statements for YHA.
 - a. These are certainly available to Members, please email the National Secretary to advise the specific years sought.
 5. Julian Doorey advised he'd been a Member since the 1980s and asked what a mini version of YHA New Zealand and its website might look like. How many full-time equivalences work at YHA? Is there a minimum viable number of 1FTE to run a website, maintain a continued presence, handle customer enquiries, membership, relationships with Associate hostels, and a website, etc.?
 - a. Chris Sperring: There are currently 3.5 FTE staff at YHA. This cut-down model was investigated several times, by the Management Team and the Board, including models with 1.2 and 1.4 FTE. There were two fundamental issues. The first is this wouldn't provide a financial sustainable solution for YHA. And secondly it wouldn't help us meet our charitable aims and objectives of putting our own hostels back on the ground, and without significant investment this isn't possible, so this would potentially forfeit our charitable status.
 - b. Follow up question from Julian: apart from running hostels, the one-person operation that maintains that presence of a membership and website, is that completely impossible? What's to stop a new charity being a Friends of HI running along the lines of YHA, rather than removing YHA from the space altogether? Chris Sperring: with regards to the preferred charities, they will probably stay in their lane and have their own vision and mission. There may be a point in the future where there is a relationship with HI and another charity buys into the Friends of HI. But in terms of the viable aspects of having a one-person operation would be worrisome in terms of a duty of care for the sole employee.
 6. Richard Lane asked several very useful questions: Looking towards to the future, YHA has a good website, is there a way this could continue? Could YHAA operate the website, with changes? Would be interested in seeing the forecast of the winding-up costs, Deloitte's costs, obligations to existing staff members, and other costs?
 - a. Ian Lothian: Over the course of some years now we've downsized YHA, ensuring credits, customers, staff, consultants, everybody was paid in full. The company who handled the sale of our properties was very surprised at how well the sales went and the money received. Deloitte have been an excellent professional support to us and have charged a heavily discounted fee to YHA, so it's worth noting, and thanking them. We're well placed to get to the end point that YHA and its Members deserve.

- b. David Webb: Questions around cost are absolutely appropriate. We've personally been involved for a while and see our roles as important and want to respect those who voted. The staff will get every cent they are owed, and we will work with the management team who understand the customers, the suppliers and members and ensure they are remunerated for their time in its entirety. This will be done in a way that holds proud the YHA New Zealand 92-year legacy.
 - c. Chris Sperring: With regards to the YHA website, we're moving along in this space and are speaking with HI at length, but we can't share the details at the moment.
- 7. Linda and Royce from YHA Nelson shared that all YHA Memberships will *always* be recognised with them in Nelson, and hope to see any YHA Members stop in and say hello when passing through Nelson in the future.
 - a. This is appreciated, thank you.
- 8. Cynthia Bates asked whether Members needed to pass a resolution. Will voting papers be mailed out as she has two parents who are mail only.
 - a. Anna Whalan-Bell from Rhodes & Co: Today's meeting was to share the results of the first vote to put the Association into liquidation. At the AGM this will be resolved with a confirmatory vote, along with another vote on the charities to be the recipients of YHA's funds.
 - b. Maureen McCloy: These votes will be held with the members present at the 29 November AGM which will take place online.

9. Closing

The Chair thanked everyone for their time today, acknowledging again that it is a sad moment for YHA New Zealand.

The Chair closed the meeting at 2:05pm.



Youth Hostels Association of New Zealand

2024 Special General Meeting Resolution

DECLARATION OF RESULT

I hereby declare the final result for the 2024 Special General Meeting Resolution, which closed at 12 noon on Friday 4 October 2024.

Resolution

That the Youth Hostels Association of New Zealand Incorporated be put into liquidation by the appointment of David Webb and Rob Campbell of Deloitte as liquidator.

	Votes Received
AGREE	959
DISAGREE	212
ABSTAIN	3

As the majority those who voted (81.90%) voted **AGREE**, the Resolution is carried.

The voter return percentage was 15.50% being 1,171 votes cast from 7,572 eligible voters.

Warwick Lapp
Returning Officer – Youth Hostels Association of NZ
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