

A message from Carolyn Morris, CEO YMCA Victoria and Kingswim

Thursday 14 May, 2020

Carolyn

- Hi everybody and welcome to this week's webinar. Today I am joined by Peter Cargin, our Chief Financial Officer, and Amanda Locke, our Chief Operating Officer.
- In today's webinar, we will be covering off a few points in relation to:
 - The latest government announcements
 - Les Mills On Demand
 - Our restart planning and
 - A financial overview of the Y before and during COVID-19.
- Please remember to use the Q&A function in this Zoom meeting if you would like to ask a question, and we will do our best to answer as many as possible.
- Before I start, I'd like to make a quick announcement in relation to JobKeeper. As many of you know, administering JobKeeper payments was no easy feat. It required weeks of work to meet the government's deadlines and requirements, which by the way keep on changing.
- For example, just last Monday the rules set by the ATO changed again, making us ostensibly ineligible. Through our relationship with Minister Cormann, the Minister for Finance, we were able to work with his office and the ATO to receive an exemption.
- The ATO have also confirmed that we are in the 'top 10 funded' organisations for JobKeeper. This means we are one of organisations with the highest number of staff who are receiving JobKeeper payments in the country. Due to this, we now have a direct contact at the ATO who has promised us ongoing assistance.
- Out of this process, we negotiated with the ATO to do a catch up payment to all eligible staff for the pay cycle paid on 1 April. This payment will be made to those eligible by the end of next week, so don't be surprised to see extra money in your bank account. It is not a mistake, and you do not need to contact payroll.
- Many of you will be aware that the Victorian Premier, Daniel Andrews, made an announcement on Monday in regards to easing restrictions. Victorians are now allowed up to five visitors in their homes, which is great news.
- While this does not mean we can visit friends and family every day, it does mean that when we need to, we can connect face-to-face with our loved ones.

- Schools will also be returning before the end of term two. Students who are in prep, year 1, 2, 11 and 12 will return to school on 26 May, and the remaining year levels will return on 9 June.
- With this first stage of easing restrictions, very little has changed at the Y in terms of how we currently working. Children Program's and ReBuild are continuing to operate, and we continue to have some shared services staff working from home. Our sectors like recreation, Kingswim and camping remain closed.
- The good news is that we have moved into planning for restart following the three-stage government plan. Amanda will take you through this in a bit more detail.
- We know that the three-stage Federal Government plan has predicted dates but is subject to change depending on the COVID-19 outcomes. The Federal Government plan is a guide for states and Victoria is typically 1-2 weeks behind due to our current status.
- We are closely following ACT, SA, QLD and NSW as these are all the states and territories in which we operate.
- We will be particularly interested in the next round of announcements, as they will impact us and our restarting dates the most.
- I hope you have all been making use of the free Les Mills On Demand premium offer. Sadly, this offer will be ending for all those who have signed up no sooner than the end of the month.
- To ensure we continue supporting our communities and keeping them active, we will be launching a live health and wellness timetable on the Virtual Y platform Peta Gillies spoke about last week. If you missed last week's webinar, you can catch up on the Staff and Volunteer Information page.
- The timetable will feature a range of virtual classes including mind body, strength, cardio and more, and staff and volunteers will have access to this. So stayed tuned for the launch of Virtual Y in the next couple of weeks.
- I will now handover to Amanda who will speak about our restart planning.

Amanda

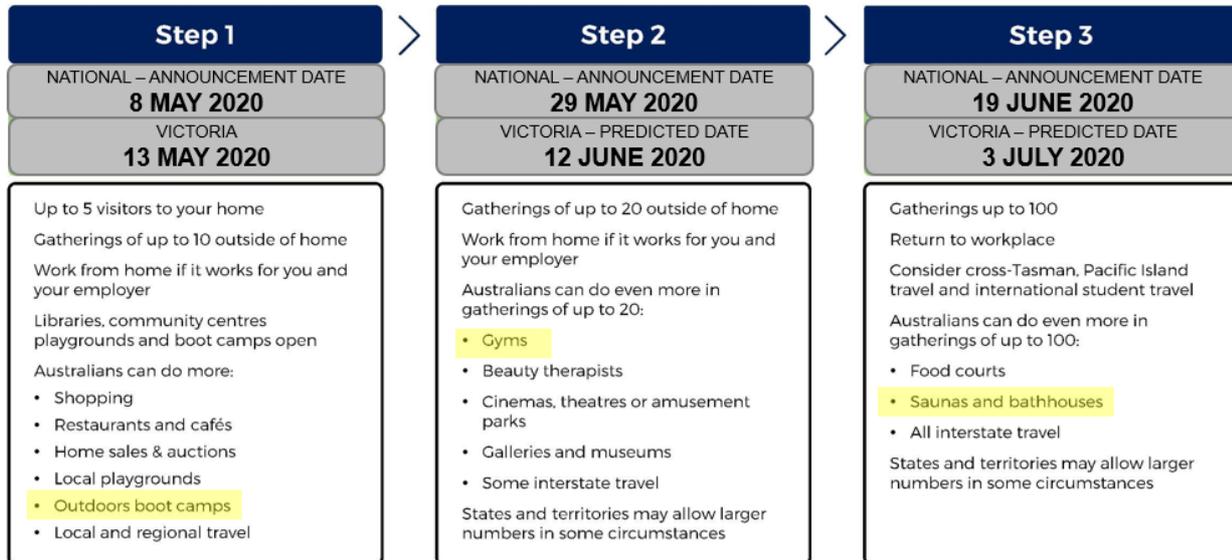
- I'm sure many of you will have already seen the Federal Government's three-step COVID safe roadmap.

Roadmap to a COVIDSafe Australia

COVIDSAFE

States and territories will move at different times based on local conditions

National Cabinet will review step progress every three weeks

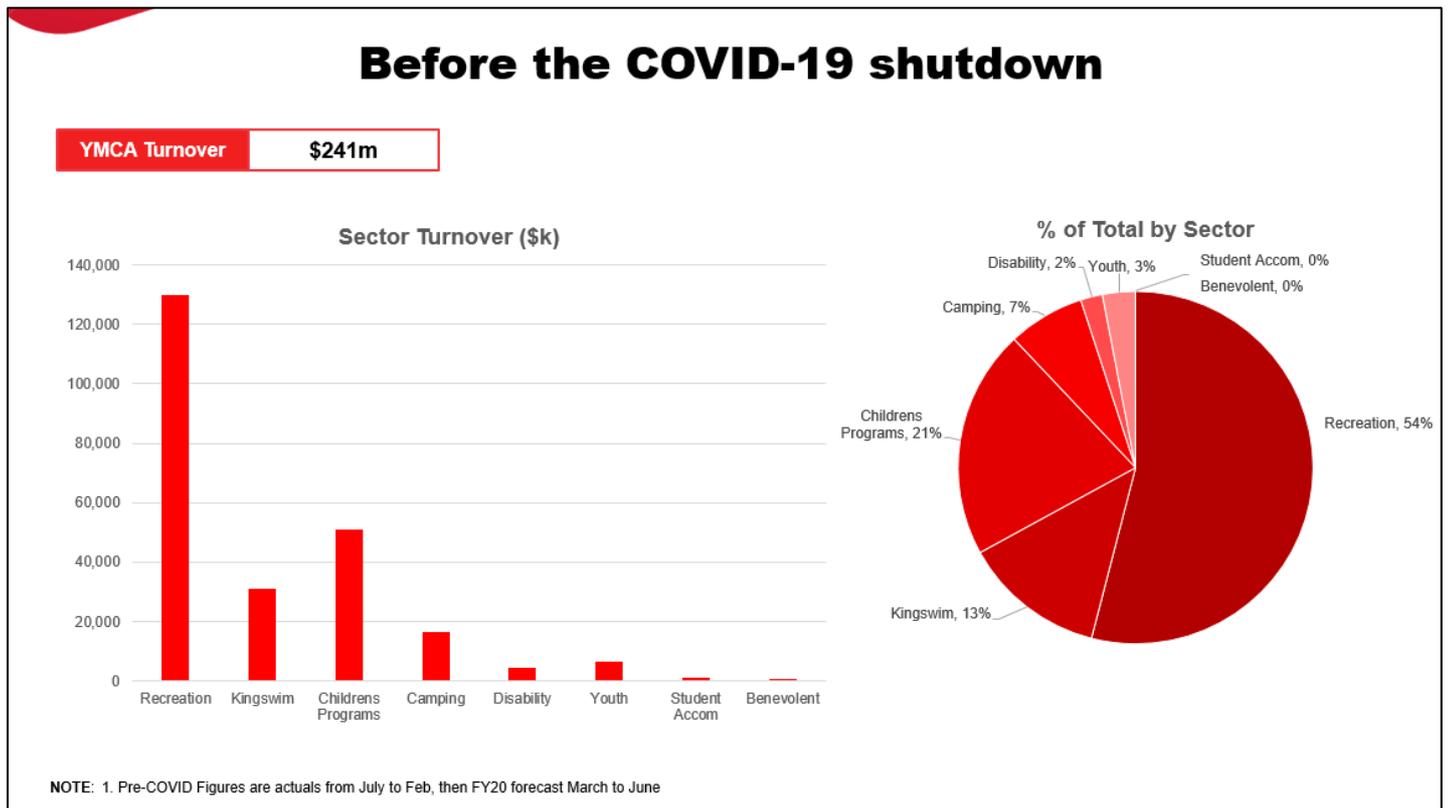


- As you can see, we have highlighted the areas that relate to us. While we know that gatherings of up to 10 are allowed in step one, 20 in step two and 100 in step three, we still need to assess whether we can run any activities while ensuring the safety of participants and staff, and that they can be run financially sustainably.
- While we appreciate and encourage people's ideas and innovations to provide services that fall within these steps, please be assured we are working through every possible option and as we've said throughout this crisis, every decision must be made on the basis of ensuring that we are COVID safe and securing the organisation's future.
- We've estimated these dates on the government's advice for each step, but as you can see right at the top of the slide, states and territories will move at different times based on local conditions.
- For instance, states like South Australia may well speed up to this timeline as they currently only have one active COVID-19 case. However, in Victoria where we have had new cases every day, we may expect a delay of between 1-2 weeks, which is what we have represented on this slide.
- With the conversation now shifted towards reopening, we have started the necessary work to determine what reopening will look like across the business, including what the different phases might be of returning to this new normal.

- We are working with project managers across each sector to determine the timeline for reopening. Please understand this is a huge undertaking and must be done in a coordinated and planned approach – it cannot be rushed.
- At this stage, we have assessed that the largest portion of our business, including recreation, aquatics and camping, will only be able to reopen from, or after step three of the COVID safe roadmap.
- We have a responsibility to play our role in slowing the spread of COVID-19. That means that while restrictions are being eased, we still need to be responsible and continue to prioritise the health and safety of our communities and staff.
- To ensure we are in the best position possible to reopen, we are currently completing business modelling to understand what is viable for each service. What this means is that project managers and the leadership team are meeting with shared services to understand every requirement each sector has for things like IT, People and Culture, and Risk and Safety.
- We are also working on competitor and environmental analyses, as well as seeking advice from our industry partners and peak bodies. This will help ensure that we are on the front foot and restarting in the strongest way possible.
- While we have assessed all parts of the business in accordance with the three steps, we will be working with our local council partners to meet their expectations. Our partners have supported us through this crisis and we need to work with them to understand how to best restart together.
- So what does this mean for you? As I've mentioned earlier, we will not be opening all of our facilities at the same time, and when we do open, it will most likely be at a reduced capacity to begin with.
- This means that not all staff will be returning to work at the same time. It is also important to remember that if you are asked to return to work, it may be for a reduced number of hours, it could be work that needs to be done from home or you may work at a different site.
- We will be working with managers to understand what the critical business needs are for each site before it reopens, while also considering our shared services team who are currently also operating at limited capacity.
- To further explain our restart process, Peter will talk through the current financial situation of the organisation so you can understand how COVID-19 has impacted us.

Peter

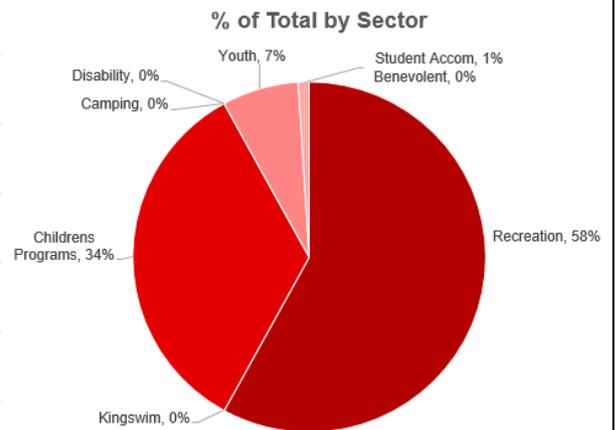
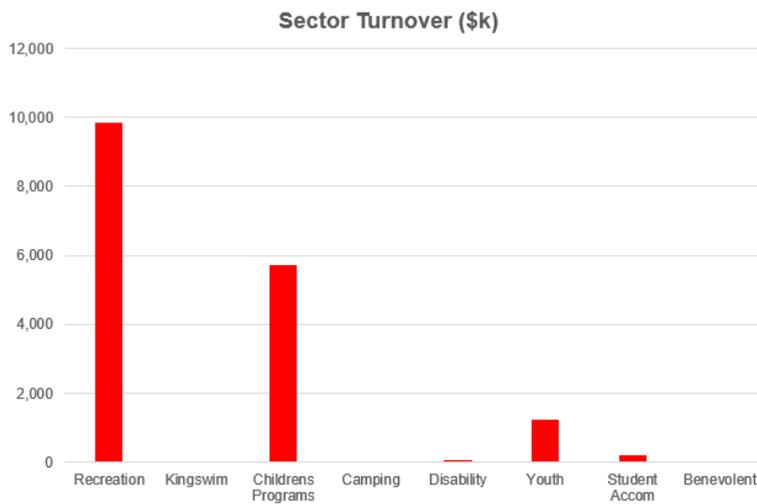
- Thanks Amanda and hi everybody. My name is Peter, I'm the Chief Financial Officer for YMCA Victoria.
- Prior to COVID-19, our organisation was in a strong financial position. We maintained a strong balance sheet, held significant cash reserves and were operating businesses that were performing really well.
- As you can imagine, with an extreme event like COVID-19, which you simply just cannot plan for, the impact financially has been significant.
- As Carolyn has outlined in her previous webinars, we needed to take some drastic but required action to ensure the Y firstly survives, then has the necessary financial resources to enable it to relaunch out of the COVID-19 phase.



- To provide you with some context, the graph you are seeing now is our Pre-COVID Revenue forecast, where you can see the impact on our total business and by sector. We were projecting to have revenue of 241M.
- Then an unexpected event like COVID-19 hits.

Current state during the COVID-19 shutdown

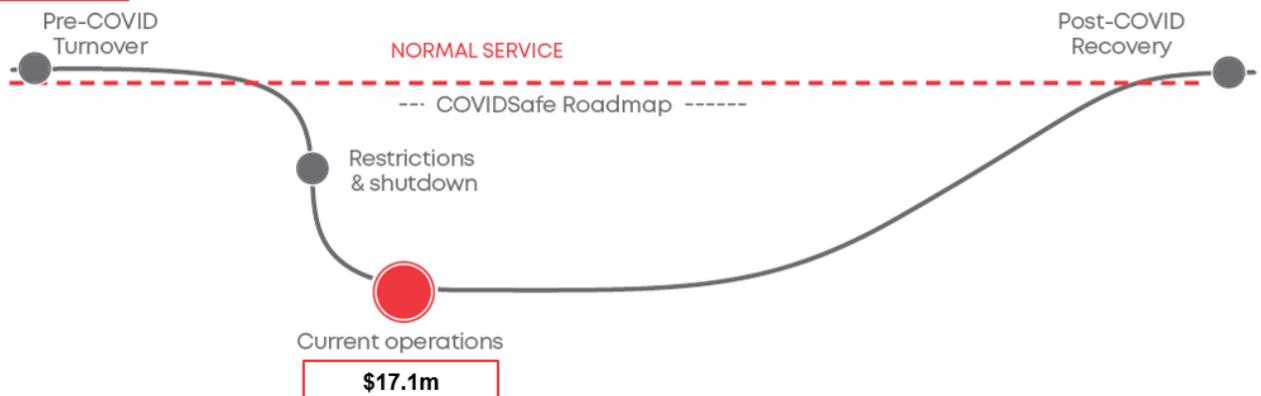
YMCA Turnover **\$17.1m**



- 90% of our facilities close down.
- Our revenue will drop to 17M for the period April – June 2020. As a point a reference, we were expecting revenue for the same period to be in excess of 60M – a 70% drop in revenue almost overnight!

Financial Position of YMCA Victoria

\$241m



- You will see on the graph where we have come from pre-COVID to where current operations sit.
- Since shutdown, the management team and support staff have been working tirelessly in preserving the financial position of the Y.
- We've negotiated with each and every council to support the operating costs of all recreation centres during the period of closure. We're negotiating with all landlords for rental relief across our sites. We've been lobbying at all levels of government with regards to specific financial support across various sectors. We've pursued, secured and implemented major government incentives that other businesses have opted out of due to the significant costs and administration involved (ie JobKeeper). We've leveraged our strong banking relationship and secured a funding line of credit to utilise if required.
- All these initiatives and actions have got us through crisis mode, into recovery mode, and enabling us to relaunch out of COVID-19 into post-COVID phase.
- The recovery phase will not be easy. As Amanda touched on, it will take time and be staggered. We will be taking a balanced approach to reopening our sectors and sites, between necessity, financial viability, federal, state and local government directive and of course risk.
- With the planning currently underway, we are cautiously optimistic that we have the necessary resources to relaunch the Y back to its pre-COVID levels and beyond.
- Thank you, and now hand back over to Carolyn.

Carolyn

- Thank you for your questions.
- It's really exciting that we have the three-step COVID safe roadmap. Please bear with us as we work through what that means for the Y. It doesn't mean that we are going to restart straight away, but be assured that we are in planning to put us in the best position for when we do reopen our doors.
- I would also like to encourage you all to complete the government's [COVID-19 online training module](#), which will inform you of how to protect yourself and the people around you from COVID-19. It only took me five minutes and I will include a link to this in my follow up email.
- Thank you again and I hope that you and your family are going well.