21 November 2024

2024 Annual General Meeting – transcript

Note this transcript may be edited for clarity.

Andrew Fay:

Good morning, everyone. I am Andrew Fay, Chair of Growthpoint Properties Australia. On behalf of the Board, it is my pleasure to welcome you to the Annual General Meeting of Growthpoint Properties Australia Limited, and the meeting of the unitholders of Growthpoint Properties Australia Trust, which are being held concurrently as a hybrid meeting in person and online.

With a quorum present, I am delighted to officially declare these meetings open.

I would like to acknowledge the Traditional Owners of country throughout Australia and their enduring connections to land, sea, and community. We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples joining us in person and online today. For those attending in person, I acknowledge the Traditional Owners of the land on which we meet, the Wurundjeri People of the Kulin Nation, and pay my respects to their Elders past and present.

Today I'm joined by my fellow directors, from my far right: Michelle Tiernay, Panico Theocharides, Josephine Sukkar, Estienne de Klerk and Deborah Page. And from my far left Norbert Sasse. We also extend a warm welcome to Tonianne Dwyer, who joined the Board in September, and to our new CEO & Managing Director, Ross Lees.

Members of the management team in attendance include Jacquee Jovanovski Jovanovski, our Company Secretary and Chief Operating Officer; Dion Andrews, our Chief Financial Officer; Michael Green, our Chief Investment Officer and Sam Sproats, our Executive Director, Funds Management.

I also want to acknowledge David Shewring and Katie Struthers, representing our auditors, Ernst & Young who are also present. David was the lead auditor for our FY24 results, and after five years is rotating off, with Katie to assume the role from FY25.

Turning to the agenda for today. I will begin with a few procedural items and as Ross only joined Growthpoint on the 20th of May, then cover the year's financial performance before handing over to our CEO & Managing Director for his observations, FY25 year-to-date update and outlook for the Group. We will then move on to the formal business of the meeting.

The Notice of Meeting and Explanatory Notes have been made available to all securityholders which I will take as read.

By participating in today's hybrid meeting, securityholders and proxies can ask questions and cast votes in person or online. Questions will be addressed after the CEO's remarks and during each item of business. Online questions can be entered from now on and will be addressed at the relevant time. To ask a question through the online platform, use the Q&A icon, select the relevant topic, type your question, and press 'Send'. Questions may be moderated for clarity and to avoid repetition. For those Securityholders online who wish to ask a verbal question, please follow the instructions on the online platform.

In-person attendees should raise their red or yellow Securityholder card to ask a question and wait for a microphone. When asking a question, please state your name, the company you represent, if relevant and identify yourself as a securityholder or proxy. Questions from the floor will be addressed first before moving to online platform questions. I may redirect questions to the relevant person as appropriate.

All eligible securityholders and their attorneys, proxies and representatives can vote on the resolutions. Voting will be conducted by way of a poll on all items of business. Christina Piccolo from Computershare will act as Returning Officer.

Online attendees eligible to vote can use the ‘Vote’ icon to cast their votes, which are recorded automatically. Votes can be changed until voting is closed. In-person voters will complete their voting cards after all items of business are discussed.

Voting is now open online for all items of business. I will advise you before I move to close voting at the end of the meeting. A recording of the meeting and presentation will be available on our website after the meeting.

Before I move to the year’s highlights and performance summary, I would like to introduce Ross Lees who has succeeded long-standing Managing Director, Timothy Collyer. Ross brings more than 20 years of real estate investment management experience and a deep understanding of commercial property markets and funds management. We are confident that Ross’ leadership will drive Growthpoint’s next phase of growth. You will get to hear from Ross directly when he provides his update shortly.

Moving now to the strategic highlights. At last year’s AGM I mentioned a pervasive negative sentiment towards the office sector, driven by higher inflation and interest rates and uncertainty on the persistence and implications of the work from home trends. Our belief was that the commercial real estate market would remain challenging in FY24. As the financial year progressed, we saw property markets adjusting to these challenges with lower valuations and whilst improving more recently, the continuation of subdued transaction activity. Despite these headwinds, Growthpoint delivered a solid result.

Funds from operations were above guidance and we maintained a disciplined approach to capital management. Leasing was strong across the portfolio. Our industrial portfolio, which represents 37% of our directly held assets, performed well, driven by population growth, constrained supply, and rental increases.

In office, 44 leases were signed representing 12.5% of office income, with 47,000 square metres of leasing completed, up from 37,000 square metres in the prior year. Notably, 70% of leasing completed during FY24 was to Government and listed tenants.

In funds management, we adopted a cautious and disciplined approach to capital transactions given the challenging environment, but we do expect all markets to gather momentum in FY25.

Growthpoint delivered Funds From Operations of 23.9 cents per security, exceeding both initial and updated guidance. Distributions were in line with guidance at 19.3 cents per share, with a payout ratio of 81%.

Borrowing costs increased, reflecting a higher weighted average cost of debt. Gearing was 40.7% at year end, which was around the mid-point of our target range.

Our pro forma 30 September 2024 gearing will reduce to 37.6% following the sale of our stake in the Dexus Industria REIT, receipt of proceeds from the Growthpoint Australia Logistics Partnership and the sale of 3 Millenium Court, Knoxfield which Ross will talk to later. This places us towards the lower end of our target gearing range of 35 to 45%.

Now for a more detailed look at our business. While negative sentiment towards office continued, our overall portfolio performed well. Our direct portfolio, primarily leased to government and large organisations, maintained a solid occupancy of 95% and a Weighted Average Leasing Expiry, also known as WALE, of 5.7 years.

Our metropolitan office portfolio continued to perform well, with occupancy increasing to 92% from 90% at the end of FY23. The portfolio has strong green credentials which continue to appeal to government tenants, where we derive approximately 40% of the office portfolio income.

Across our industrial portfolio, we maintained 100% occupancy for the third year in a row. The overall portfolio value declined by 7.9% from FY23 due to property sector headwinds including persistently higher interest rates resulting in higher capitalisation and discount rates within valuations.

The office portfolio value decreased by 11.2%, while the industrial portfolio saw a smaller decline of 1.8%. Since FY24, the WALE has increased, with good leasing progress and occupancy remaining largely in line with FY24 which Ross will go into more detail.

As at 30 June 2024, our funds management business managed $1.6 billion of assets. Despite challenging conditions, we continued to seek new opportunities and maintained a disciplined approach. The sale of

Taylors House, a Sydney CBD fringe asset, for approximately $87 million, achieved an 11% internal rate of return for investors in that fund. Further, during the year, we extended the investment term of several funds, representing approximately 25% of funds under management through agreement with investors or at our option due to market conditions or enhanced asset opportunities.

We remain committed to growing funds under management across the industrial, office and retail sectors and have already demonstrated significant momentum in the 2025 financial year to date. This includes agreeing to the strategic divestment of an 80% stake in six industrial assets to TPG Angelo Gordon, a global asset manager, while retaining the management of these properties and the successful launch of the Growthpoint Canberra Office Trust.

Growthpoint continues to operate sustainably and achieved sector leadership recognition in the 2023 GRESB Sustainability Benchmark for the third year in a row. We increased GreenPower coverage to 50% for our office portfolio and entered into an additional $500 million of Sustainability Linked Loans, bringing the total to over one billion dollars. We also remain on track to achieve our Net Zero Target by July 2025.

Growthpoint achieved 7.8 out of 10 in its annual landlord satisfaction survey, demonstrating our strong tenant relationships and engagement. This result places Growthpoint ahead of the peer group average of 6.9. For the third consecutive year, Growthpoint led in landlord customer satisfaction, ranking first and second in office and industrial respectively.

Our employee engagement survey showed positive results, with a score of 75%, outperforming the survey's property sector benchmark. We maintained gender diversity within our workforce, with 43.6% being female.

Turning to the outlook. Although moderating, inflation expectations are predicted to remain volatile, continuing to impact short-term interest rates. This belief has been reinforced by the recent US election results. We are seeing increasing transaction volumes in the office sector, particularly in the Sydney CBD toward the back half of calendar year 2024, which will provide more evidence for the price discovery that has been ongoing for the past two years.

Industrial markets remain positive, albeit slowing slightly, with still very low vacancy, and our high-quality office assets are resilient. We are also pleased to see the reversing of work from home policies which will have far-reaching benefits for the overall economy. Ross will shortly provide more colour around the outlook.

Board renewal and succession continued to be key focus areas for the Board in FY24. At the close of last year's AGM, independent non-executive director Grant Jackson retired from the Board. Following an external search process, we welcome our newest director Tonianne Dwyer, who you will hear from shortly in relation to her election to the Board. We are pleased to have returned to a majority independent Board, and to have exceeded our long-term gender diversity target of 40%.

On behalf of the Board, I would like to thank the management team, my fellow directors and our employees for your contribution as well as our tenants, suppliers, and stakeholders for their support. Special thanks go to our former Managing Director, Tim Collyer, for his contribution over his 15 years of service.

Finally, the Board and Management believe by executing on our strategic priorities and appropriate capital management we can maximise the outcomes for you our Securityholders, over the medium term and thank you for your ongoing commitment.

I will now hand over to Ross who will provide an update on the business and the outlook for the year ahead.

Thank you.

Ross Lees:

Thank you, Andy, and good morning everyone in the room and online. Given Andy has provided an overview of the FY24 financial results, I will take the opportunity to focus on key observations since joining in May this year before providing an FY25 year-to-date update.

It is a privilege to have been appointed CEO and Managing Director of Growthpoint and I would like to thank the Board and the Growthpoint team for their support in welcoming me to the business. I was attracted to Growthpoint's purpose of creating spaces for people and businesses to thrive. Growthpoint's excellent portfolio of office and industrial assets with high-quality tenants, an impressive history and a funds management platform with the opportunity for growth were key to attracting me to this role.

Since joining, I have visited all our assets and met with many key stakeholders. The quality of our assets and how our team embodies our values was evident during these visits. This commitment is reflected in both our strong employee engagement score, which is 5 percentage points above the property sector benchmark and our top industry rankings for landlord satisfaction.

We will continue to progress the growth of funds under management over time, with stable returns underpinned by our directly held portfolio of high-quality assets. In FY25 to-date we have already demonstrated our commitment to establishing new funds under management, managing our gearing and maintaining performance in our directly held portfolio.

Turning to our first quarter performance, across the portfolio the WALE has increased to 5.8 years, with occupancy stable at 93%. We have secured 11 new leases, including eight new customers and three renewals, covering over 96,000 square metres and representing 5.5% of our portfolio income.

Our office portfolio has maintained a consistent WALE and occupancy rate compared to FY24. We completed nine leases in the first quarter of FY25, representing 1.6% of office portfolio income, with an average lease term of 5.3 years and a 3.5% average rent review.

Occupancy in our industrial portfolio slightly decreased to 98%, but the WALE increased to 5.3 years. This was driven by a five-year lease extension with Woolworths at our Perth Regional Distribution Centre, extending to October 2030. As part of our continued partnership with Woolworths, we have agreed to expand the Distribution Centre, with the works to be partly funded by Growthpoint.

The expansion will increase the total gross lettable area of the property by over 13.4%. The lease will then be extended to a 10-year term from practical completion of the works, targeted for October 2026. Securing this renewal and expansion for approximately 3.8% of the portfolio’s income addresses a major expiry for FY26 and builds on a long-standing relationship with Woolworths, one of Growthpoint’s major customers who account for 12% of portfolio income. The majority of the $50 million of expenditure is expected to be incurred in FY26.

Additionally, we secured a 10-year lease for 13 Business Street in Yatala, Queensland, starting in August 2025 with no downtime.

This month, Growthpoint also entered into an agreement to sell 3 Millennium Court in Knoxfield, Victoria for $22 million, approximately 13% above 30 June 2024 book value and representing an unlevered internal rate of return of 14.0%. The sale is expected to complete around December 2024.

We have made good progress against our strategy of establishing new funds under management. In October, an agreement was entered to establish the Growthpoint Australia Logistics Partnership with global asset manager TPG Angelo Gordon, with the objective to grow the partnership in the logistics sector in Australia. TPG Angelo Gordon will acquire an 80% interest in six Growthpoint industrial assets to commence the partnership. Growthpoint will retain approximately 20% of the equity.

This important partnership supports Growthpoint’s strategy to grow our funds management business and brings a high-quality institutional capital partner to our funds management platform. Net capital released to the Group will be $181 million and will be used initially to repay debt.

During the first quarter we also launched the Growthpoint Canberra Office Trust for the acquisition of an A-Grade office building in Canberra’s CBD for $90 million. The property will be managed by Growthpoint and represents a deep value, countercyclical investment of a high-yielding, primarily government leased office asset. The syndicate investment structure is widely held amongst our private wealth investor network and settlement is expected to be completed early in the 2025 calendar year.

Our capital position has improved over the first quarter with the combination of the industrial joint venture, the sale of 3 Millenium Court in Knoxfield, and the sale of our stake in Dexus Industria REIT, collectively generating cash proceeds of $334 million and reducing pro forma gearing from 41.7% to 37.6% as of 30 September 2024. Importantly these assets were realised in line with 30 June book values.

Since FY24 we have continued to focus on enhancing our debt maturity profile by extending a $75 million Sustainability Linked Loan facility by three years to FY29 and refinancing another $75 million facility with a new $125 million facility. Undrawn bank facilities have also increased to $419 million post the DXI stake sale, which is available to repay a facility of $200 million due to mature in March 2025.

Andy covered our FY24 sustainability achievements, and I am pleased to confirm that our recently announced 2024 GRESB score increased from 84 to 85. These accomplishments are a testament to the dedication of our team, partners, and stakeholders who share in our vision for a sustainable future.

We have made considerable progress in the first quarter of the FY25 financial year, improving gearing, maintaining strong metrics in our directly held portfolio and creating momentum in our funds management business. Positive trends in the office sector, driven by return-to-work mandates, population growth, and supply reductions are expected to benefit our high-quality, well-occupied assets in the medium term.

We reaffirm our FY25 FFO guidance of 22.3 - 23.1 cents per security and distribution guidance of 18.2 cents per security, with an additional 2.1 cents per security special distribution forecast, pending the completion of the GALP transaction.

I would like to take this opportunity to thank the team and our previous Managing Director, Timothy Collyer for delivering the FY24 solid financial results. Together with the Executive Management Team, we are committed to delivering against our purpose and strategy to grow our funds business, with the foundation of stable returns from our directly owned portfolio.

Thank you for your support, and I'll hand back to Andy.

Andrew Fay:

Thank you, Ross. Before we move to the formal part of the meeting, I'd like to address any questions in relation to Growth Point or our presentations, and I can confirm that we received no questions in advance of the meeting. Are there any questions from the floor? John?

John Whittington:

Thank you. Good morning. My name is John Whittington, and I'm a volunteer company monitor for the Australian Shareholders Association. Today I hold proxies from 16 ASA members and non-members for approximately a quarter of a million Growth Point securities. Now thanks go to you, the Board, and all Growth Point employees for producing another solid result.

Mr. Chairman, given the scarcity of market transactions, has there been any sign of increased activity in either commercial offices or industrial property? And what impact, if any, will this have on the December 2024 valuations? Also, what are the current trends you are seeing in our properties with regard to working at the office and from home?

Andrew Fay:

All right, well I'll start, and you [Ross Lees] may want to chip in as we go through. Look, I did mention in the speech. We have seen a bit of a pickup in market transactions. There's about four transactions in the Sydney CBD, which are currently under due diligence from what I understand. There was a bit of trading towards the mid-year as well. There hasn't been anything really surprising in those results. We're actually going through the valuation process, and I've got to be careful what I say here, but the market I think would say that there's probably a small downgrade, but it's another small adjustment given where the market is, but we're talking very this low single to middle digit, 10%, 5%, 3 to 5% sort of numbers. But that would be across the market, across the board for our portfolios. We'll see. The second question.

Ross Lees:

So, the second part of the question is what we're seeing with our tenants on return to work and physical occupation of our assets. We don't track the data per se on who's in the office where, but what we are seeing is certainly a change and the swinging of the pendulum from work from home mandates to return to office mandates, and I think in most states, other than Victoria, it's not a conversation anymore. We've actually moved beyond it. Companies are going back to work, and people are seeing the productivity benefits of working in person. What we're also seeing is a trend from our occupiers. Where we're renewing space or leasing, our occupiers are taking the same or more space. It's a very small minority that are actually downsizing their space requirements. So I think outside of Victoria, certainly those trends are positive. Speaking to the business leaders of our tenants, they certainly want their teams in office, and we're seeing the movement in the labour market that's shifting that narrative, and we're quite optimistic on how that trend is going to continue over the medium term.

Andrew Fay:

Actually, I'll add one more thing there. I think we've got to get rid of the term ‘work from home’ and move to ‘flexible working’. Pre-COVID, we actually had flexible working, and we offer it to our employees, and most employers do. And I think we've got to get to that stage. And Ross mentioned Sydney, I mean it's four days a week basically in Sydney now as a minimum. So this is now about flexible working, and it should be, whether it's one day a week in the middle of the week, end of the week or whatever, that may work, but it also depends on the different occupations. John?

John Whittington:

Just a quick follow up on that one. What about hot desking? Is there a trend to or away that from that?

Ross Lees:

We are actually, again, seeing the pendulum change a bit. Over the past five years before COVID, we really saw workspace ratios condensing. Twenty years ago it was 1 to 15 square metres, and it really pushed into maybe 1 to 10 square metres with the view around activity-based working. I think some of the trends we're seeing, and I made the point before, our tenants are taking the same space or more. They're not downsizing, so they're actually going back to probably having more fixed workstations and a lot more breakout and interactive and collaborative barriers for when people are in the office, so there's always going to be a story of one tenant that's going to activity-based and another person that's going back to fixed desks or even at the other end offices, but we're probably seeing less activity-based at the moment.

John Whittington:

Okay. Thank you. Well, that's good if there's more people in the office and more space per worker in the office.

Andrew Fay:

I’ll just add one more thing to that. Australia has the fastest growing growth rate, population growth rate, so a lot of focus has been on occupancy and building. And yes, there has been a supply-demand imbalance, but when we look forward the next five years, we can see a couple of very positive trends including construction costs are now making it very hard to make construction feasible in most of the sectors. But also with that population growth and our unemployment rate, even with very strong population growth, really hasn't ticked up that much at all. And so you've got a volume of a population and a growth happening in the economy, which we expect to fill the vacant office space, which ranges. We're obviously at the low end, but it goes as high as 20% in some markets. So we actually see a lot of positives in that over the next three to five years.

John Whittington:

That's good. Thank you. Mr. Chairman, I've got another question. Will the new CEO be releasing his strategy for the trust now he's had an opportunity to review the business since he's now over 130 days in the role?

Andrew Fay:

Well, we're actually doing that, we had a strategy session earlier this week. The way that we run strategy is we actually do it twice a year. There was a strategy out there, there has been some refinement to that strategy under the new CEO, not dramatically, but probably we've accelerated it a bit in some of the areas, and so he is already on board and giving a strategy.

Is it dramatically different to what we've announced to the market historically? No. We're focused on growing the funds management business, and you can see the success already, the momentum that's coming through in FY25. So that's part of it. We will continue to hold balance sheet assets. We see ourselves as a core REIT to provide the distribution to shareholders. You did see us sell down part of our properties in the industrial space, but we do maintain the management of the properties and therefore fees and income. What you can expect to see over time, and this is part of the strategy, is a growing portion of our revenue and our earnings cash coming from fees as a fund manager.

Do you want to add anything, Ross?

John Whittington:

Okay. Thank you, Mr. Chairman. That leads to my last question in this section. It's about the funds management business. It was acquired in September 2022 at a cost of $57.5 million. The revenue is still insignificant, and it now has a recoverable value of 9.4 million, a 93% loss of shareholders' funds. What have you learned from this and will the company now focus on the areas in which it has competence and exit this experiment?

Andrew Fay:

Okay, yeah, but this is the dark arts of accounting policies unfortunately. What you're required to do is the end of each period is actually do a test of what the value of the assets are worth. When we acquired the business, it had a series of funds, and we had a projection of what we would grow those funds over the years. As at 30th of June, we hadn't delivered, and it was more a reflection of the market conditions, the transaction volumes had gone out. No one wanted to own property as interest rates continued. So it was a market-wide issue.

So when we came to the testing, when our independent auditors came to the testing at 30th of June, because we hadn't achieved the growth that we were expecting, we had to write that asset down, and it's required, it's accounting standards, and we're required to do. So were we doing it on the 30th of September, now that we've got these funds growth, I would imagine we'd get a very different answer. So that was very much a point in time thing. We are very positive on the opportunity set as a fund manager in all three sectors, retail, industrial, and office.

John Whittington:

Okay, thank you.

Andrew Fay:

Are there any more questions from the floor?

Geoff Thomas:

Good morning, Geoff Thomas representing a Longborne Proprietary Limited and Siglos Investments. First, I want to congratulate you on reducing the debt. On one hand, that's fantastic. On the other hand, a gearing ratio of 35 to 45% is far too high.

This cycle we're going through now, we've been through it before. We've got some old heads on this Board, have been through these cycles before, and we should never have been in this position. So going forward, I'm going to ask the Board if they consider this gearing ratio and get it reduced down. It is too high. Thanks. I appreciate you nodding your head on that one as well. So, if that could be looked at, that'd be great.

The other thing is just on these Melbourne leasing, the property that you're leasing at the moment, I understand there's some dreadful deals being done here in Melbourne, fantastic for tenants, shocking for owners, and I just wonder if I can get a little bit of flavour about the leasing that's being done at the moment. I see you're increasing that leasing and getting the properties leased, which is important, but the deals have to be worthwhile going forward, not just for the sake of leasing a building that's going to be a disaster long term. So I just get two comments on those. Thank you.

Andrew Fay:

Thank you, Mr. Thomas. Look, looking at the gearing, the Board is always looking at the gearing and understand your position, and as you said, we did take positive action to reduce that gearing. We need to consider how you reduce the gearing and make sure that we don't destroy shareholder funds when we're doing that, and so we're well aware of that. We have a number of strategies that we look at, but we will definitely take it on board about the concerns about the gearing. With regard to the leasing and the deals that we're doing at present, I'll hand over to Ross.

Ross Lees:

Sure, thanks. I'm happy to touch on that. It really is market by market for where the leasing activities and what the deals look like, and Melbourne is certainly the hardest. I think we enjoy the benefit for the portfolio that we have, that it is A-grade, modern, and high quality. And there's certainly two themes that we're seeing, which is a flight to quality and a flight to value. And we offer very affordable rents for very high-quality buildings in the city market, so we're positioned in the right place of the market.

Victoria is unique. It's got the highest vacancy rate in the country and the highest unemployment rate in the country. It's hard to do deals down here. Other parts of the country where we have assets, Brisbane, we're seeing 10% net effective rental growth. Fortunately, we don't have a huge amount of vacancy down here at the moment that we're leasing through, and it's the attraction of our portfolio with a long weighted average lease expiry in office of six years at an occupancy rate of 91%. We're probably looking at two to three major vacancies down here, and we are having to compete with markets particularly like Docklands. They're throwing very aggressive incentives into the market. Again, the long weighted average lease expiry and high occupancy does help wash us as a portfolio through some of those challenges.

And other ways we're looking at is how we actually manage our leasing occupancy is very important. We want cash flow. Having empty buildings isn't in anyone's interest, but doing deals at all costs also isn't. So really what we're doing is making sure we're investing into the assets, putting high quality fit outs into space, and we're seeing over 80% of tenants want fitted space. So we're seeing CapEx go into those to fit the space, and that gives us longevity into the next lease term if that tenant moves out, and where possible, shortening the duration of the lease terms to not necessarily lock in a deal at a low point in the market in Melbourne that we think might improve in three or four years.

Geoff Thomas:

Thank you very much for that. And I take your point on selling assets just to get the debt down. Reducing debt is a very difficult thing to do, and I much prefer to see you selling properties than buying new ones. Even though this market might be great for buying properties in and that it's just this debt is just too high, and so I appreciate the fact that your comment on the idea of getting it down, it takes time. I understand that, but at least if you're starting your head in the right direction, and again, I compliment you for that because you already started on that.

Andrew Fay:

Yeah, and I forgot to mention also, we have distribution guidance. The 18.2 cents on the underlying business is actually a reduction, and that's one of the reasons that we looked at the debt. We are going to give a special distribution because there's a capital gains issue, and so in the hands of security holders, we wanted to help you with the tax that you're likely to face with that.

Geoff Thomas:

All right, well thank you once again.

Andrew Fay:

Thank you. Are there any other questions from the floor? No? Jacquee Jovanovski, do we have any questions?

Jacquee Jovanovski:

Chair, we have a question from Stephen Mayne, a security holder. His first question is, even after our $289 million statutory loss, our claimed net assets of 2.61 billion significantly exceeded the current market cap of 1.93 billion after the share price tumbled from $4.14 April '22 to $2.54 yesterday. Could auditor David Shewring from Ernst and Young please detail the rigour of the valuations process that he went through with the audit and comment as to whether he will look closely at more write down in the February half year result given the 680 million disparity between our valuation and the market's valuation?

David Shewring:

Thank you, Mr. Mayne for your question. In terms of the market cap, I won't comment on the market cap specifically relevant to Growth Point. That's a sectoral issue, and I think you'll find that applies across a lot of rates. So what we are looking at specifically, however, is the rigour of the valuations process.

If you read our audit opinion, and there's a key audit matter for investment property valuation, which has historically been the case, and it is a focus of significant efforts by our audit, that will entail looking at the quality and the controls around rotation and quality of the valuers who are engaged by the company to value the property, and we'll look at the appropriateness of the valuation methodologies they apply, discounting cash flow, cap rate, etc.

We also have a specialist group within EY who are all qualified valuers, and we will do a risk-based sample of the independent and the director's valuations and ensure that we and they are comfortable with all of the underlying assumptions within those valuations. And that includes cap rates and looking at benchmarks into the broader market and whether they fall within those benchmarks, market rents, etc., and any underlying adjustments. And then aside from that, we're looking at all of the valuations in totality around those similar metrics, and we've concluded that the process is robust and where it's an unqualified opinion.

I'd also say other evidence that we would take into account is when assets have been divested and as been previously mentioned in this presentation, assets divested in recent times have been at around book value, so we are comfortable with the valuation process, and it will always, Mr. Mayne, remain probably the key audit focus in any rate toward it and certainly in Growth Point is no different. Thank you.

Andrew Fay:

Thank you, David. Any other questions?

Jacquee Jovanovski:

Yes. We have two more questions from Mr. Stephen Mayne. The next one is: thank you for offering shareholders a hybrid meeting today to maximise participation opportunities and also for publishing all AGM webcasts since 2015 on your website. This is very good practice. We have around 2,600 shareholders, but less than 200 will have voted today. When disclosing the outcome of voting to the ASX this afternoon, could you please include the data on how many shareholders voted for and against each item, similar to what happens with a scheme of arrangement? This will provide a better gauge of retail shareholder sentiment on all resolutions and insight into the chronically low retail shareholder participation rate. Our share registry provider, Computershare, did this for the first time at its AGM earlier this month.

Andrew Fay:

Thank you, Mr. Mayne, for your question. We'll take it on board. I think the issue that we've got is that probably takes a fair bit of administrative pre-planning to be able to get it out today. I'm just looking at my COO, Jacquee Jovanovski.

Jacquee Jovanovski:

I was going to say we comply with the ASX and the Corporations Act when we do announce the results, but we'll take it on board for next year.

Andrew Fay:

Okay. We'll be obviously releasing, all of the results of the meeting post this meeting. Next question.

Jacquee Jovanovski:

The next question is, given that Growthpoint Properties is our largest shareholder with 63% and our share price has performed so poorly over the two years, could representatives of our controlling shareholder please comment on whether there is any discount to NTA that would inspire the parent to launch a mop-up bid or at least creep up the register? What is the controlling shareholder doing to improve the lived experience of 2,500 minority retail shareholders who have had a terrible ride in recent years?

Andrew Fay:

Just before Norbert gets the microphone, I just want to note as well that in the last 12 months, so from the bottom, and the share price has actually improved, I think it's about 21% from those lows, and that doesn't include the dividend. So yes, there has been a period, but we have been in a very tough property cycle, especially on the office side. When 67% of your assets are in the office sector, there are going to be issues, and the market takes it very negatively, and the market has put us down a lot more than the actual underlying assets would suggest. And typically you see this happen in markets. At some size, you trade at a premium to your NTA. Other times you discount it, and it's as much to do as market sentiment as anything else. But anyway, I'll hand across to Norbert as the representative, or does Estienne want to do it?

Norbert Sasse:

Thank you very much for the question.

So I'm Norbert Sasse. I'm the group CEO of Growthpoint Properties South Africa. I think Growthpoint South Africa has been a core long-term investor in Growthpoint Australia since 2009. We're not speculators in shares. We generally look to acquire meaningful controlling stakes in the investments that we have internationally and even within South Africa. So obviously the share price performance has been very disappointing, I guess not only for retail shareholders but also for ourselves. We do, as Growthpoint South Africa, consolidate the results of Growthpoint Australia into our results. So the actual share price itself does not really impact our balance sheet. It's more the underlying assets and net asset value that gets consolidated into our balance sheet. I'm not going to speculate on markets, takeouts, and those sorts of things. It's very dangerous territory to be in given it's a listed security.

But fair to say that if you look internationally and globally, listed property shares have traded very, very poorly in this interest rate rising cycle. And for most part, I think there's hardly a listed property company anywhere in the world that hasn't been trading at a discount of between anywhere between 40 and 60% its underlying net asset value. In particular, those stocks that are exposed to the office sector and the impact that is still being felt globally on the work-from-home dynamic, Growthpoint South Africa itself continues to trade at about a 40% discount to underlying net asset value given that we also pretty much exposed disproportionately due to the office sector in the South African business and some of the other markets that we reinvested.

Andrew Fay:

Thank you, Norbert. Any other questions? Jacquee Jovanovski, one more, wasn't there?

Jacquee Jovanovski:

I confirm that was the last question from Stephen Mayne, and there are no more questions, Chair.

Andrew Fay:

Okay. All right. Thank you very much. Moving on now to the formal items of business of the meeting. The first item of the business is to receive and consider the financial reports and the reports of the directors and auditors in respect of Growthpoint Properties Australia. The financial year ended 30th of June 2024. There is no vote on this item. A combined annual report of the company and the trust was mailed to the security holders who elected to receive it and is also available on the ASX platform and the group's website. Representatives of the company's current auditor, EY, we heard from David just before, are here today to answer any questions in relation to the audit, the auditor's report, the auditing accounting policies adopted, and the independence of the auditor. Security holders were invited to submit questions in advance of the meeting, and I confirm none were received. I'll now invite questions from the floor. Are there any questions?

No? Okay. Jacquee, are there any questions?

Jacquee Jovanovski:

Yes, we have question around our auditor and that we were appointed since our float in 2007, which actually is 2009. PwC were appointed, and there's a question about how many competitive tenders have there been since that time?

Andrew Fay:

Okay, I can probably answer that. There's been two. EY was appointed in 2019, so it's been on for five years. So there's a formal process there. And then prior to that, KPMG was the auditor, and that was at the time of the float. And there was a competitive process in both instances to select the auditor. And I did note that Katie is actually rotating on. So David leaves after five years of doing the audit with good practise.

Are there any other questions?

Jacquee Jovanovski:

Chair, there are no further questions.

Andrew Fay:

Okay. Thanks very much. There are five remaining items of business today in the agenda set out in the notice of meeting which will require a vote. As set out in the notice of meeting, I intend to vote all available proxies in favour of each resolution. The next item of business are security holders to adopt the company's remuneration report. Although the resolution is non-binding advisory vote, the board will give due regard to the outcome of the vote when considering future remuneration arrangements. The proposed resolution is on your screen. The directors recommend that security holders vote in favour of the resolution. I will now invite questions or comments on this resolution. Are there any in the room?

John? Actually, we'll move [the slide] forward. Yep. Is that all right? Can we move the slide forward? Thank you. Any follow-up questions on that? Okay. Are there any questions online?

Jacquee Jovanovski:

Chair, we have another question from Stephen Mayne. His question is, did any of the five main proxy advisors, AXI, Ownership Matters, Glass Lewis, ISS, and ASA, issue a report about us ahead of today's AGM? If so, did any of them recommend any votes against, and what reasons did they give? Also, has there been any material vote against this remuneration report resolution?

Andrew Fay:

So I'll take the last first, Mr. Mayne. We've actually put the proxies up. I think they're running at about 96%, 96.5% for, somewhere around that level. Look, I can confirm that we're aware of four proxy reports, and we've received four proxy reports. The reality is these are stamped confidential, and you've got to respect confidentiality. I learned in life a long time ago, if you don't respect confidentiality, you don't get the information going forward. So I can't specifically address what the recommendations were from each of the proxy houses. However, with that vote, and I think you'll see in the other resolutions, obviously any concerns you'll see will have been well and truly offset by the positive elements of each resolution.

Jacquee Jovanovski:

Chair, there are no further questions.

Andrew Fay:

All right. The proxies are now shown on your screen, which were there before.

The next item of business relates to the election and re-election of directors. Deborah Page and Estienne de Klerk are standing for re-election today, and Tonianne Dwyer is standing for election. Details of the qualifications and the experience of each director standing are set out in the notice of meeting. A separate resolution will be put for each director, and I'll start with Item 3A, the election of Tonianne Dwyer. I now invite Tonianne to say a few words in relation to her election.

Tonianne Dwyer:

Thank you, Andy and good morning ladies and gentlemen. Thank you for the opportunity to speak with you today and seek your support for my election as an Independent Non Executive Director. Being new to the Board, I thought it would be helpful to provide you with a brief summary of my relevant background and experience and my first impressions of Growthpoint.

I have over 20 years of experience in the property sector both as an executive and non executive director. I started my career as an investment banker in London before joining a London Stock Exchange listed property company called Quintain Estates and DevelopmentI built a property fund management business in social infrastructure, investing alongside some of the market's largest institutional shareholders.

Since returning to Australia, I have built a career as in independent non executive director. One of my first Board appointments was to the Board of Dexus Property Group where, during my 11 years on the Board, I sat on the Audit Committee, chaired the Risk Committee and sat on the Board of the Dexus Wholesale Property Fund. Dexus gave me terrific exposure to investment in office, industrial and retail property across Australia and property fund management.

I retired from Dexus a couple of years ago and today I am a non-executive director of ALS, Incitec Pivot and AUB Group. I am also the Deputy Chancellor of the Senate of the University of Queensland and a director of the Sir John Monash Foundation. I have previously been a Director of Oz Minerals, Queensland Treasury Corporation, Metcash and Cardo and I will bring the benefit of this experience to the Growthpoint Board.

While I have only been on the Growthpoint Board for a couple of months, I have been impressed by the people, the portfolio and the calibre of the tenant base. I sense a building momentum under Ross' leadership, and I feel confident of the strong culture of the organisation which is borne out through engagement scores and tenant feedback.

The launch of the Canberra Office Fund and Growthpoint Australia Logistics Partnership are both important strategic, and symbolic steps for Growthpoint as we build our track record of delivering strong risk adjusted returns by active management of real estate.

The last few years have been challenging for everyone in the real estate market, particularly those with exposure to Office, but I believe we are seeing the light at the end of the tunnel, and escalation in construction costs will have an impact on the pace and returns of new supply.

Being a director of your company is a serious responsibility.

With your support, I look forward to bringing all my experience to our Board deliberations and I welcome the opportunity to work with my fellow directors, the management team, and our investment partners to build Growthpoint into the future.

Thank you for your support for my election.

Andrew Fay:

Thank you, Tonianne. The proposed resolution is now on your screen. The directors, with Tonianne abstaining, unanimously recommend her election, and I think you can see why. I will now invite questions or comments on the resolutions. Are there any questions in the room?

Can we roll forward the proxy numbers? There we go.

At the back, Mr. Thomas?

Geoff Thomas:

I wanted to speak in favour of Tonianne and all the directors that are coming forward to present today. I think we're very fortunate to have someone of her calibre, and I congratulate the board on choosing someone like that. I know gender diversity is always a big issue these days, but I'm more interested in the quality of the person that we have. And I think this lady is, we're very thankful to have her. And so I'm going to vote for all the directors as well coming up. Thank you.

Andrew Fay:

Thank you very much. And let me assure you, when we're selecting a director, first and foremost is looking at the board skills matrix, matching what we need, and getting the best person and getting the best director that's going to add value and help the business grow and help get the returns for the security holders. So, thank you. Any other questions?

Any questions online, Jacquee?

Jacquee Jovanovski:

We have a question from Stephen Mayne, and his question is, could new director Tonianne Dwyer and the chair comment on the recruitment process that led to her appointment to the board? Was a headhunter involved? Did the full board interview Tonianne as a group, and did they interview any other candidates? Did Tonianne know any of our directors before engaging with the recruitment process?

Andrew Fay:

Okay. I think Mr. Mayne will have to come next year. It'd be lovely to have him in the room. Let me start. The process. So when the decision that Grant was going to be leaving the board, we updated the skills matrix. And from that we identified the skills that we needed to replace and what would aid the board. We actually then drew up both a position document as well as those skills that we required. We employed Hattonneale to be an external search firm. They went out and got what you call a long list, where they go through the market and they find people. They provided that long list to three directors from the nomination committee. We met with Hattonneale. The members of the board that were on that met with Hattonneale. We took that long list, and it was very long, down to five potential candidates, all of who I believe would've been excellent on the board.

From there, those three directors each interviewed the five potential candidates. Following that process, we agreed on two that we thought, as I said, would be absolutely perfect for the business, but we had a preference, but we wanted to make sure we at least put a couple of people up. The rest of the board then interviewed the two candidates. And following that meeting, we met as a board, and the decision was made that Tonianne was our preferred. We were just hoping she'd accept, and she did, which went through. And to Tonianne's credit, she's really already added a lot to the board in her questioning. And this week's been the first week we're all together, obviously with the South African directors, and her input has been excellent. As to did any of us know, look, I'm probably the person that would've known because both of us had some time at Dexus. They were different times in different roles. So actually the first time we met was at the interview process, so I'm not sure. Did you meet any other... No. So, Tonianne didn't know any of the other directors prior to-

Tonianne Dwyer:

I'm happy to confirm that I didn't know any of the other directors. I obviously knew of some of them, but didn't know anyone. And as Andy said, we had a sliding doors moment, one might say, in Dexus, but no, I wasn't familiar or known by anybody.

Andrew Fay:

Okay. Any other questions online, Jacquee?

Jacquee Jovanovski:

There are no other questions.

Andrew Fay:

Okay. So, the proxies are up there. I'll obviously move to the next thing, but I think we can say congratulations at this stage. Moving to Item 3B, the reelection of Estienne de Klerk. I now invite Estienne to say a few words.

Estienne de Klerk:

Thank you, Andy. Good morning, folks. Thanks for joining us on this beautiful Melbourne morning. I've been very privileged to be part of this board since 2009, so the past... years, and have seen the growth of this company. I'm a chartered accountant, South African chartered accountant. I have an honours degree in both accounting and marketing. And I have extensive banking experience and real estate experience, which I've built up over the past 27 years. I've also got significant board experience, listed company board experience in my capacity as the chief executive officer for South Africa of Growthpoint Properties, South Africa. And I've also served on many of the, what I call national service industry bodies in South Africa where I've chaired the Property Owners Association of South Africa in 2013. And I'm currently the chair of the South African REIT Association in South Africa. I've also built up extensive relationships within the industry bodies in both South Africa and in Australia with PCA. In terms of the support from security holders, I would really appreciate the support, and I thank you for that endorsement. And I certainly have the capacity and the time to fulfil this role, so I thank you very much.

Andrew Fay:

I'm going to preempt John. Can we roll the proxies forward?

John Whittington:

Yep.

Andrew Fay:

Thank you. Okay. Are there any questions from the room? John?

John Whittington:

Thank you. Mr. Chairman, it's John Whittington from the Australian Shareholders Association. I have a question for Mr. de Klerk, which is a question I ask of many returning directors and especially relevant since he's based overseas. Mr. de Klerk, what do you view as the key activities in your role as a director of this business should entail beyond attending board meetings and reading papers?

Estienne de Klerk:

Thank you, John, for that question. So I think from our perspective, obviously we have a couple of responsibilities. My responsibility as a director here is very much to promote the shareholders' interests for the group. I'm personally a shareholder. I represent a major shareholder, and as a common shareholder with many of you, I think the interests of the group is the most important thing. So what that would mean is contributing to its strategy, to ensuring that the future of this company is a growing one, is a successful one, and that all these skills that I can potentially contribute will hopefully benefit the objective of growing this business.

John Whittington:

Okay, thank you. Do you talk to tenants and visit properties and do things like that? Or do you leave that to others?

Estienne de Klerk:

No, we are very privileged that every time [we come to Australia]... And we do come to Australia quite often and are very involved in the business, so over the past 15 years, we've consistently come to Australia at least two to three times a year. And in those visits we have the opportunity to inspect the properties, often meet some of the tenants, we interact with other security holders or potential security holders in obviously creating industry interest within the company. And, ultimately as a director, promoting this business and its interests would be a key responsibility. So with our physical presence here, it does help, but there are many other security holders which are not just domiciled in Australia. And from that perspective, we also have a full, quite a role in promoting this company internationally.

Andrew Fay:

Thank you. I think Estienne said the word ‘potentially’. He Does add a lot of value, as do all of the South African directors, and we actually had the opportunity to visit both office assets in Sydney earlier in the week and industrial assets yesterday in Melbourne out at the airport area, which was great. And we met with a couple of tenants and discussed issues there, so very much so. Are there any other questions?

Jacquee Jovanovski:

Chair, there are no questions.

Andrew Fay:

Okay. All right. The proxies are up there. With that, I'll move to item 3C, the re-election of Deborah Page. I now invite Debbie to say a few words.

Deborah Page:

Good morning everyone, and thanks, Andy, for that introduction. Apologies in advance if I lose my voice during this. I'm sort of at the back end of one of those horrible winter viruses. I've been a director, a non-executive director at Growthpoint since March 2021, and I serve as the group's chair of the Audit, Risk and Compliance Committee. I won't repeat my CV, because it's outlined in both the annual report and the notice of meeting, but suffice to say, I'm a qualified chartered accountant, and held audit partner and senior finance executive roles during my executive career. Over the last 20 years or so, I've worked exclusively as a non-executive director, as both a board chair and committee chair across a range of industries and including the property, building materials, and investment management sectors, which are all relevant for this appointment.

Since I joined the board, the company has successfully navigated its way through the pandemic, commenced the execution of a strategy to develop a funds management business, and earlier this year did one of the most important things that a board needs to do and that is to successfully complete a CEO succession with the appointment of Ross. Under Ross, I'm very confident that we can build out a successful funds management business, and I've been particularly impressed with his energy and what I refer to as his ‘decision velocity’ since his appointment. I look forward to continuing to work with all my colleagues on our upcoming climate reporting obligations, navigating the current property conditions and executing the strategic development of the business. Thank you for your ongoing support.

Andrew Fay:

Thanks very much, Deb. Can we roll forward to the proxies, the results? Okay. I'll invite any questions on the resolution. I should say the Directors, with Deb abstaining, unanimously recommend her re-election. I'll now invite questions or comments on the resolution.

John Whittington:

Mr. Chairman, so I'm not seen as picking on Mr. de Klerk, I'd like to ask the same question to Ms. Page that I asked Mr. de Klerk. Ms. Page, what do you view the key activities in your role as a director should entail beyond attending board meetings and reading papers? And would you share a few examples of when you did that at our company in the past year?

Deborah Page:

Okay. I guess a lot of the extra stuff that I do revolves around my role as chair of the ARC. So I meet regularly with David and now Katie from EY leading up to all the audit committee meetings. So I keep abreast of that. I also have communication with KPMG who provide internal audit services to us, and I'm always available to Dion and the finance team. I meet with them regularly to discuss emerging accounting issues or to provide other assistance as they need it. In terms of broader director responsibilities, I think it's important to stay involved in what's happening in the property industry, because one of the things that a good director does is bring the outside world into the company. And so I attend conferences and things like that so that I'm keeping up to date with all the latest things. As well as attending, I think I've got one of the highest continuing professional development records at the AICD. I was recently audited and came through with flying colours. So I hope that answers your question.

Andrew Fay:

Okay, thank you. Yes, I think the other thing that Deb did mention there too, she also helps with the operations side, having put in systems and stuff in other places and looks at that as well. Are there any other questions from the floor? Any other questions online?

Jacquee Jovanovski:

Chair, there are no questions.

Andrew Fay:

Okay. The proxies are up on the screen. Okay, moving to items four and five, which relate to the remuneration of Ross Lees as Growthpoint CEO and managing director. Item four relates to the grant of performance rights to the CEO and managing director as the maximum opportunity for his FY25 long-term incentive for opportunity. The performance rights will vest after three years, a three-year performance period, subject to achievement of performance conditions outlined in the notice of meeting. The proposed resolution is on your screen. The directors, in the absence of Ross Lees, recommend that the security holders vote in favour of the resolution.

I will now invite questions or comments on this resolution. Are there any questions in the room? John? Oh, proxy. God. It's all right, can we go forward to the proxies? I'm a slow learner. That's it. All right. So there's the voting, and that shouldn't discourage people from voting. We do actually get information from the voting that happens prior to the meeting and the voting that happens in the meeting to make sure that we understand if there are any issues that are arising and that we've covered the material. But anyway, are there any other questions on that on the floor? No. Are there any questions online?

Jacquee Jovanovski:

No questions, Chair.

Andrew Fay:

Okay, so the proxies are up there. Okay. Item 5 seeks the approval of the CEO and managing Director's sign-on award performance rights to compensate for his foregone incentives with his previous employer in accepting the CEO opportunity with Growthpoint. This also has a benefit of immediately aligning Ross with securityholder interests. And I note that he also purchased securities on market, post his announcement of joining the group, but before he started, and he actually did start a month earlier than we were expecting, which was fantastic. The performance rights are subject to the achievement of performance conditions and other conditions outlined in the notice of meeting. The proposed resolution is on your screen. The directors, in the absence of Ross, recommend that all security holders vote in favour of the resolution. I will now invite questions on the resolution from the room. John?

John Whittington:

Mr. Chair, thanks for the proxy numbers. It's John Whittington from the ASA, for those online who can't see. Mr. Chair, would you please explain why you haven't attached any vesting conditions based on financial performance and/or shareholder returns to this sign-on benefit? The ASA doesn't normally support sign-on benefits.

Andrew Fay:

Okay. Yeah, look, it's a good question, and I want to go through the process. So we finally convinced Ross to join us in, I think it was about April, something like that, pretty much that. Which is, as you can appreciate, sort of 10 months through the financial year. He had a work-out period, which fortunately we were able to shorten, but that would've meant he would've done a full year at the company he was at. We had the opportunity look at previous bonuses and both STI and LTI. There was a significant cash portion that I would've expected. And Ross probably can't comment but given the performance from his old company that he would've been paid more than that in cash. So that then leaves the board with, we want to get the person on board, that he could have waited that period. But I think the sort of person he is, he wanted to get on, and be honest with his current employer, and not wait the three months to get that vesting and take it.

And we negotiated a position whereby instead of getting cash and getting a small amount, a smaller amount than he was actually going to get, we'd align him with the interest of the shareholders and put it into two tranches. One tranche to deal with time, KPI timing, and cultural fit, because a new CEO coming into a company, you've got to make sure that they fit in with the existing culture, but also develop it and that side of it. And the second one included, as well as that, the strategic positioning of the company over the next three years and making sure it moves it forward.

The timeframe on this, they go out to six years. So, what Ross actually forewent was a significant cash and potentially script that was immediate to a long-term payoff, aligned shares that will go up and down with the value of the shares, and he still has to achieve those. If he left tomorrow, he'd get nothing. So that's the way it works, and they vest over a period of time. And so I think in the balance, it enabled us to get what we think is a very high ranking chief executive into the business at short notice, and get going with and help the security holders and the company develop.

John Whittington:

Okay. You actually missed the key part of my question, is why weren't financial performance indicators?

Andrew Fay:

Yeah. Okay. So the financial performance, Ross is coming in as the new CEO. All companies, it's a three-year process to get the financial performance there at a minimum. He does have significant relationships to the financial with his STI and KPI. 60% of the STI KPI is basically on financial measures, which is the FFO in the particular year and the funds under management growth. The LTI, while it's not a financial measure, it actually reflects the financial performance of the company because it's a relative TSR. So relative to a benchmark of securities, and a relative ROE for the first grant. Now we are looking at the remuneration structure this year, but that's what he was going into, so that he's got a lot of alignment with shareholders based on the financials as well.

John Whittington:

Okay. Thanks, Mr. Chair.

Andrew Fay:

Are there any other questions on the floor? Any questions?

Jacquee Jovanovski:

Chair, there are no questions.

Andrew Fay:

Okay. Proxies are up there. So we'll now move to Item 6 and 7, which relate to the renewal of the proportional takeover provisions contained in the companies and trust constitution. The reason for the renewal are set out in the notice of meeting. If the resolutions are passed, the proportional takeover provisions will operate for a three-year period commencing from the date of this meeting. The proposed resolutions are on your screen. The directors recommend that the security holders vote in favour of the resolutions. And I'll now ask... Oh, they're actually up there. The actual proxies are up there. I'll now invite comments or questions from the room.

No questions. Are there any online?

Jacquee Jovanovski:

Chair, there are no questions.

Andrew Fay:

Okay. Well, that brings us to the end of the formal business of the meetings. In a couple of minutes, I'll close the voting system. I ask that those of you who have not completed your voting on all resolutions to do so now. I'll pause for a moment to allow you to finalise your votes. For those in the meeting, please provide your voting card to the computer share team who are now collecting those. That's where we need a bit of music..

Jacquee Jovanovski:

You could sing.

Andrew Fay:

Yeah. I can tell you, you don't want me to sing. I have a son with perfect pitch, and I definitely don't.

Voting is now closed, and results of the votes for each of the polls will be released to the ASX later today. I now declare the meeting closed at 11:11. Thank you for your attendance, and the board and senior management look forward to meeting the shareholders that are in the room at the back of the room for some refreshments. I'd also like to thank HSF for making this room available for today's AGM. Thank you for your participation.