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GPT (GPT) 2018 AGM report

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Company/ASX Code :	<a href="#">GPT Group (GPT)</a>
Venue :	10am Amora Hotel Jamison Sydney, Whiteley Ballroom Level 2, 11 Jamison Street Sydney, New South Wales
Monitor :	Ms Joyce Yong
AGM Details / NoM :	Wednesday 2nd May, 2018
# of Attendees :	91 including 57 shareholders and 5 proxy holders
# Holdings represented by ASA :	158
Value of Proxies :	\$4.7m
# Shares Represented by ASA :	969,080
Market Capitalisation :	\$8.8 billion

### Still travelling well!

It was an upbeat meeting with welcome touches of informality. Chairman Rob Ferguson, who was due to retire at the end of the meeting, set the tone by declaring from the outset that he was going to throw away his set speech and provide us with his personal reflections on his time as Chair. He reminded the audience that REITs like GPT were in deep trouble at the time he was invited to join the board because they had strayed from their core businesses and taken on a load of debt resulting in 'crappy' balance sheets. This was no longer the case. There are now tight constraints on REITs which require long term thinking. He was confident the new Chair and MD have good chemistry and will be good for GPT in the long term. CEO Bob Johnston was also upbeat, pointing to GPT's strong performance in 2017 and forecasting another strong year in 2018. His informative address covered the performance and changes in the various parts of GPT's businesses. He pointed particularly to changes introduced for women, youth and indigenous people in REITs in general and GPT in particular. For 2018, he forecasted growth in both funds from operations and distributions of 3% per security.

A lively Q&A session followed the addresses from the Chair and the CEO. They related to the company's borrowings, development opportunities and safety issues. With the London Grenville fire still fresh in their minds, security holders were keen to know if GPT had conducted safety audits of their properties. CEO Bob Johnston assured us that GPT had found no risk to health and safety across the portfolio except for some minor defects in Casuarina student accommodation which have since been remedied.

In the formal part of the meeting, all resolutions were passed on a poll. ASA questioned Mr Lim Swe Guan on our perception of a potential conflict of interest arising from his participation in GPT and Cromwell REIT. He stated that the two companies were not really competitors and he did not see any conflict. The election of Ms Vikki McFadden to the Board and her elevation to the Chair also drew some questions:

- Why did GPT appoint an external Chair?
- Was she appointed because she is female and needed a learning opportunity?

Chairman Rob Ferguson responded she was appointed because she did a good job as Chair of Skilled Group, is a quick learner and would provide a new perspective at GPT. He also commented that the cohort of directors who came in post the GFC is now close to retirement and would not offer longevity. Ms McFadden commented she faced some difficult issues at Skilled and now as President of the Takeovers Panel.

The Remuneration Report continues to mystify security holders with several questioning why incentives were needed at all. However it received in excess of 97% votes cast in favour and was passed.

ASA noted with pleasure that the directors and executives took the trouble to mingle and speak to security holders at refreshments following the meeting.