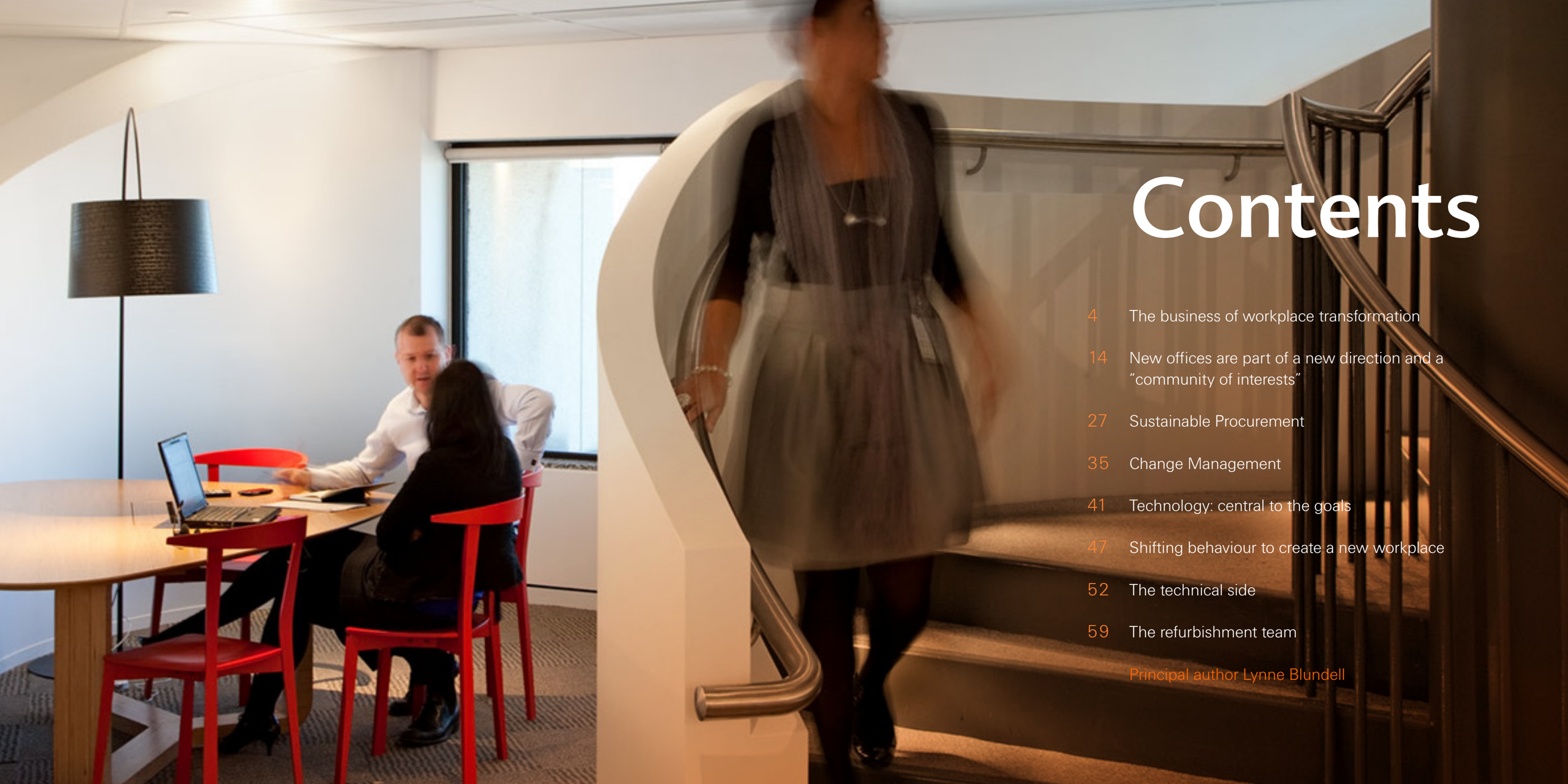
GPT: The business of workplace transformation

Principal author Lynne Blundell

THE FIFTH ESTATE V OUR PLANET OUR REAL ESTATE

Project Case Study - for GPT head office, Sydney



Contents

4 The business of workplace transformation

14 New offices are part of a new direction and a "community of interests"

27 Sustainable Procurement

35 Change Management

41 Technology: central to the goals

47 Shifting behaviour to create a new workplace

52 The technical side

59 The refurbishment team

Principal author Lynne Blundell

The business of workplace transformation

By Lynne Blundell

When the GPT Group's management decided it was time to upgrade their offices in the 33-year-old MLC tower in Sydney little did they realize they were embarking on a company-wide transformation.

But 18 months later that is exactly what was delivered, creating a much healthier, energy-efficient workplace with state-of-the-art communications technology and a more mobile, flexible workforce. All at no additional cost to the business.

Before chief executive and managing director Michael Cameron joined the group the project was to be a simple

refurbishment but it soon became clear it would be much more, says project director Rob Hitchcock.

“Once we started the conversation about upgrading the physical space we very quickly realised the enormous opportunity this gave us to reinvigorate the business. This was more than a physical upgrade – it was a tool to transform the business, help reposition the business and also to showcase what can be achieved even in an older building,” says Hitchcock.

The brief

The project team started by asking how the business wanted to work internally and connect externally. This resulted in a clear aspirational brief with six key aspirations for the work space:

- freedom of information and easy knowledge sharing
- a diversity of work and casual settings
- provide greater people connection and promote circulation
- integration and movement of business units
- a stimulating and inspiring environment that promotes creative thinking
- an environment that reflects what GPT does, promotes wellbeing, allows greater utilisation of space, and that ‘future proofs’ the business for growth

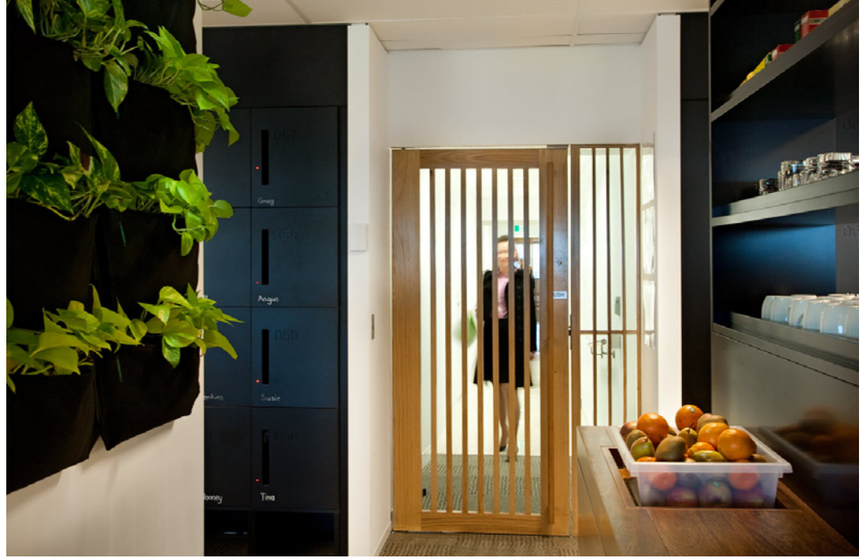
All of this was to be achieved on a cost neutral basis with refurbishment costs recouped through reduced energy, rental and other business costs. To do this successfully the project brought together three streams – the built environment, the technology overlay and behavioural change within the business.

“Only when you get those three areas right do you get the overlap in the middle where special things start to happen,” says Hitchcock.

The physical space

Refurbishment of the built environment meant reducing the office space from five discontinuous floors to three contiguous floors. Architects, Woods Bagot, used the sweeping, sinuous forms of the original 1970s Harry Siedler-designed interiors to create a winding central staircase that connects the three floors visually and physically.

The dramatic harbour and city views were accentuated by removing the existing façade and replacing windows with clearer glass panels that frame the view like postcards and let in more light.



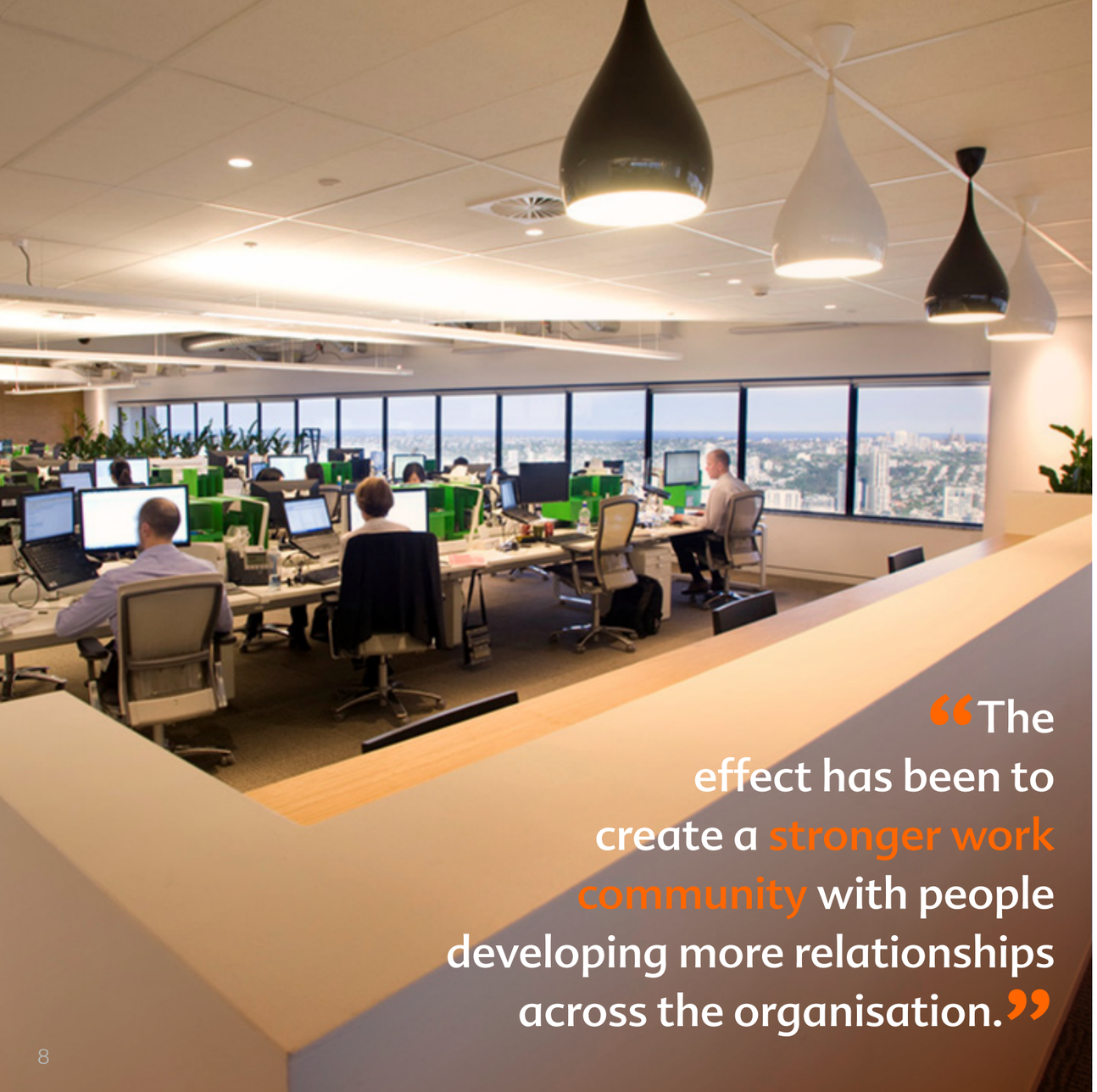
All former fitout materials were recycled, re-used or donated and new materials and furniture were procured from sustainable suppliers who used recycled materials in their manufacturing processes.

“The original mahogany wall paneling, for example, was removed and converted into other furniture, then painted black for a more contemporary look,” says Hitchcock.

Fresh air intake was increased by 25 per cent by installing external louvres in the façade. It is now 50 per cent higher than the required standards. In addition, more than 500 plants were placed throughout the office space to improve air quality. Lighting energy use was cut by 70 per cent through energy-efficient, zoned LED and T5 lighting with daylight sensors supplemented with task lighting. Light levels are now 240 lux on average instead of 500 lux. In meeting rooms perimeter lighting is set on 50 per cent capacity and can be increased if necessary.

More efficient chilled beam airconditioningwith swirl diffusers has further cut base building energy.

The number of desks was reduced from 328 to 272 and these still have a 20 per cent daily vacancy rate – an indication of just how mobile the workforce is. Interestingly, despite the consolidation from five to three floors, people do not see it that way, says Hitchcock.



“The effect has been to create a stronger work community with people developing more relationships across the organisation.”

“There is more density but people are happier – they feel they have more space, not less. Some thought they may not get a desk but the space has exceeded everyone’s expectations in terms of flexibility.”

The technology

At the heart of the GPT workplace transformation is communications technology. It is this technology, says Rob Hitchcock, that has enabled a seamless shift from a static style of operation to a highly mobile, efficient and more creative way of working.

Internal and external technology specialists were given the task of converting the six strategic aspirations into tangible solutions. The result was an innovative mix of leading edge technology:

Communication	Unified communications network Microsoft Communicator Video and Audio Conferencing
Collaboration	Collaborator tables Interactive whiteboards Wireless presenters
Mobility	Wireless network Swipe to print iPhones
Efficiency	Dual screens Microsoft SharePoint Room booking system
Quality	Large 21 inch monitor Microsoft Office 2010

Sustainability

Data Centre relocation
Power down procedures
eWaste recycling

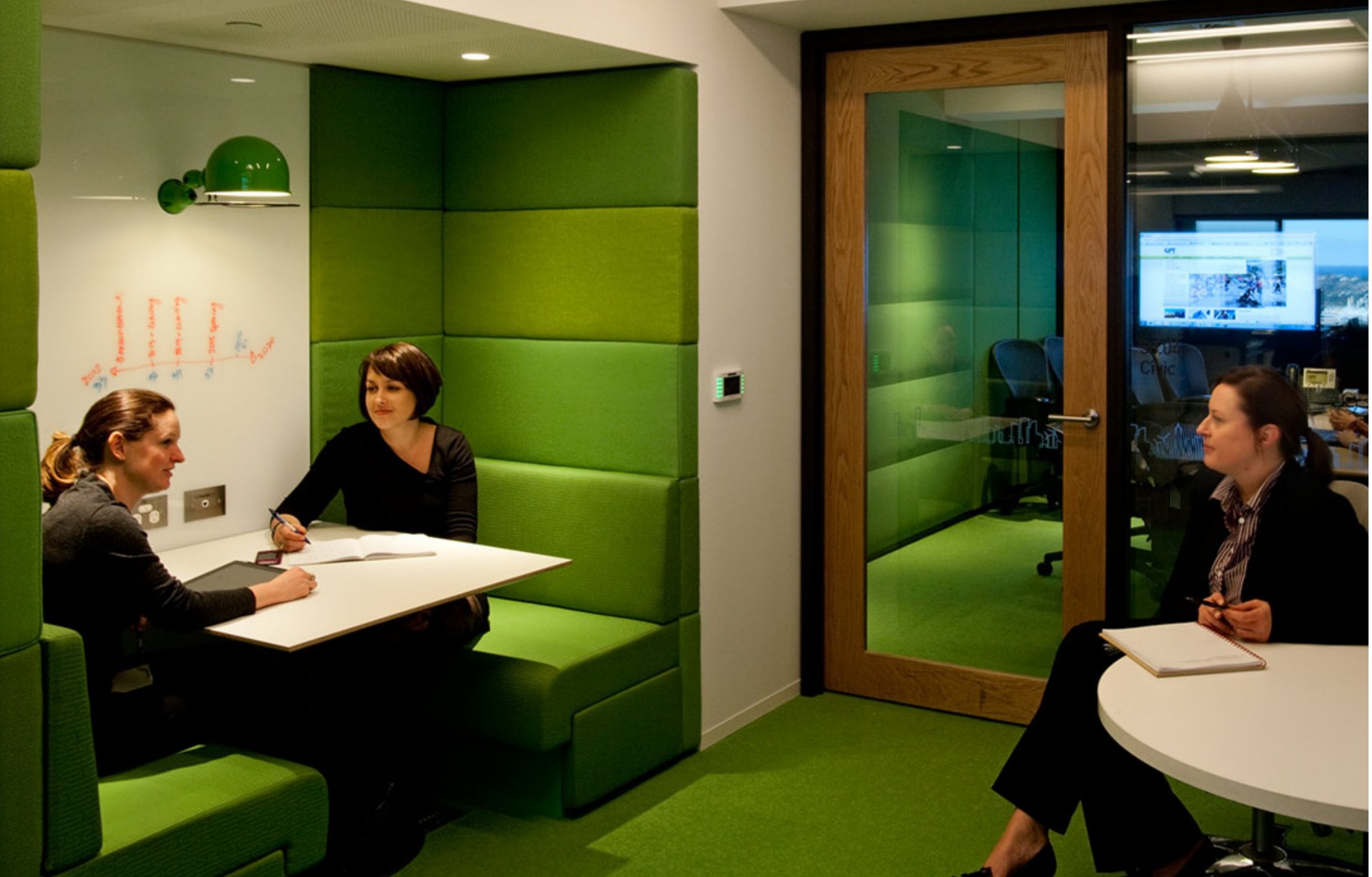
Staff no longer have specified work spaces but instead move between a mix of open plan work areas, group meeting spaces and quiet soundproof pods. A wireless network combined with software such as Microsoft Communicator and Microsoft SharePoint plus smart phone technology allows company-wide interaction and complete mobility.

Paper use has been dramatically reduced both through behavioural change and technology. A swipe to print system - where any printer in the building can be used for a print job by swiping an employee card – both increases staff mobility and reduces the amount of printing. The number of printers have been reduced from 12 to nine multifunction units.

Behavioural change

When the project team began to talk to GPT employees about shifting the business to a less rigid, more mobile way of working there was some resistance, particularly to the idea of losing allocated work stations.

But now, says Hitchcock, many of these same people want to go even further with workplace mobility as it has opened them up to a new way of thinking.
Three months after completion of the refurbishment GPT undertook an employee survey to see how people felt – 90 per cent were satisfied with the change. Hitchcock



is optimistic that the remaining 10 per cent will have ironed out any difficulties by the time six months rolls around.

"I like to think we've liberated ourselves and leveraged off the diversity of the people who work here, " says Hitchcock.

"We have created a club where nobody owns the space, where people come and go as often as they please and where there is no line-of-sight management. The effect has been to create a stronger work community with people developing more relationships across the organization. People are more respectful, generally, because they have a better understanding of the company as a whole."

The result:

- a more engaged and mobile workforce
- 90 per cent reduction in paper storage – from 900 to 90 lineal metres
- 75 per cent reduction in paper use
- 50 per cent expected reduction in energy costs
- 70 per cent drop in lighting energy consumption
- lower rental costs through reduction of floor space

New offices are part of a new direction and a “community of interests”

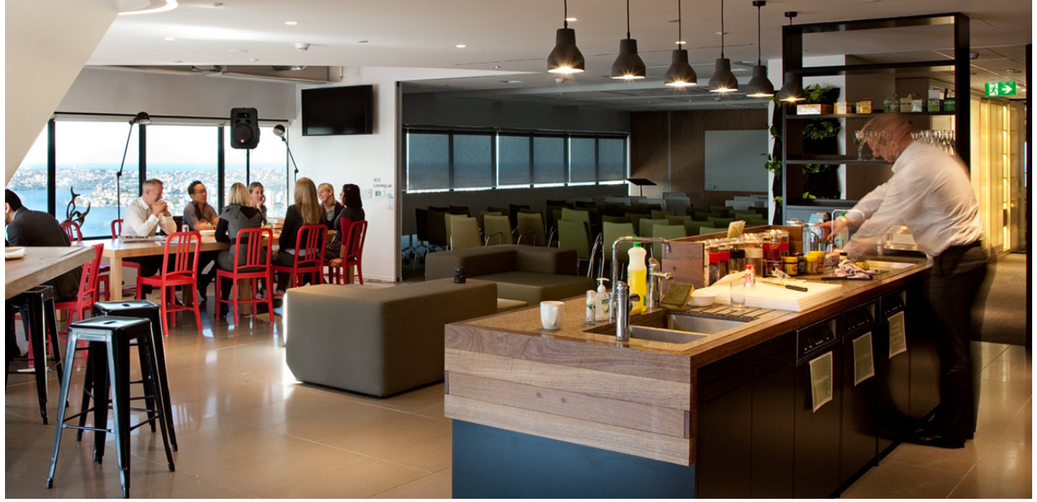
By Tina Perinotto

When Michael Cameron took over the helm of GPT as chief executive and managing director, he had a reform agenda in mind.

Part of that was financial and part of it – just as important – was in the way the company worked, particularly in its workplace.

Given the company’s headquarters in the 33-year-old MLC building in Sydney’s Martin Place were due for a makeover, Cameron decided that the premises would not only showcase a new collaborative workplace culture but at the same time be a live working demonstration of just how far it was possible to take a corporate office.

At completion of the work, sitting in his new offices for an interview, Cameron reflected on a mission accomplished – on the key indicators he had set for himself and the company.



The work was done to exacting environmental standards at no extra cost to its shareholders. At the same time it shrank the amount of space it occupied from five floors to three. And it left staff numbers unchanged.

The design of the space continues breaking the mould. The office is virtually paperless, with no fixed seating but clusters of work pods that mimic a city "club", and sophisticated technology that enabled the design to work. It was a radical rethink of the way you can deal with an old building.

The move has resonated with the CEOs of large corporates starting to mull over the options of an upgrade.

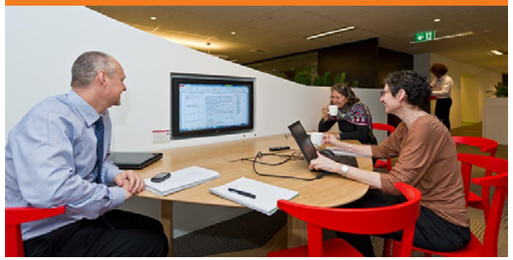
Cameron has lost count of how many have contacted him for a walk through.

"I'm trying to think who hasn't come through," Cameron says.

There has been a delegation of 130 people from the Property Council of Australia, another from the Banksia Foundation, and an almost daily flow of visitors in the weeks that followed the opening, including keen interest from the technology and design sectors.

"The big surprise has been that you can do something like this in a 33-year-old building," Cameron says.

For GPT, Australia's oldest property trust, with nearly $10 billion in office, shopping centre and industrial assets, you could say the move was on the risky side.



"What it will potentially do is see a lot of tenants stay and refurbish their premises rather than move to a new site.

"The big attraction is if you move from something terrible to something brand new down the road, you pay another $100 a square metre. But if you can show you can do it at the current premises for no extra cost ...."

Does this mean he will replicate this for someone else?

"I'm sure we can. Absolutely. Well, we've shown that it's possible."

But it was a risky move.
What if the staff rejected the paperless approach and found it a threat to their notion of good work practices?

What if costs blew out? The plan was to save on space, money and materials. But so much of the work involved exploring unknown territory, asking suppliers, craftspeople and designers to come up with solutions that had no template.

The bigger question is what made Cameron do something quite so radical?

Cameron is unfazed. He did not come to GPT to be conventional, he says.

He joined the company in 2009, with a background that included a decade in banking with MLC and another 10 years with Lend Lease. Since joining he has been on a mission to turn around the company's performance.

That doesn't mean bigger, it means better, Cameron says. And that's a vastlly superior result, in his view, than the previous strategy that saw many REITS (including GPT) stray from their original concept as low-risk property assets, and chase rainbows in overseas expansion and high leverage.

"We've probably got the organisation at a point where we're going into best performance," Cameron says. "From a returns perspective we're right at the top of the ladder.

"We've been on a journey and right now we're looking to grow the business. We're looking at what people want. It could be a sustainability fund.

But finance and returns isn't the whole picture. Cameron is strongly attracted to the inspirational vision of GPT's founder, Dick Dusseldorp, who wanted to foster a "community of interests" in the company.

"I felt really comfortable that when I got to GPT I wanted to get the company focused on that rather than offshore expansion," he says.

This includes what he calls "equipping people for excellence" and funding scholarships, such as to the University of Western Sydney, and sending teams to Harvard for advanced management programs.

It's about "opening up people's minds to the non-property things" that could inspire the company to achieve its goals, and perhaps letting go the temptation to see the method as the objective. Newspaper companies, for instance, are in the business of providing news, not newspapers.

He motions to his IPad: "How has a group like Apple grown its business?"

On a recent visit to the Apple store in Sydney's George Street Cameron was astounded to find maybe 800 people inside.

"Apple didn't go computer companies or the phone company and get them to build an iPad," he says.

In his new office environment Cameron finds himself sitting next to any of the employees — from someone in finance to juniors the age of one of his sons.

Cameron has also found inspiration much closer to home. He just happens to have five sons – mostly in their 20s; with the youngest 15 – and they turn out to be a very handy asset for a CEO to have when he wants to position the company for future stakeholders.

"When I think about my five sons, they're quite selective about who they work for and what they do with their money and what products they use," he says.

When he joined the company, Cameron's sons and some of their friends bought shares in GPT. They keep an eye on their investment.

When Cameron catches up with them on weekends, they want to know how the company is going.

"They individually take a lot of time to understand the culture of the organisation. I might see them on the weekend and they'll say, 'We see what you're doing at Highpoint Shopping Centre', or 'We saw that Rouse Hill won an award...'"

Their view on sustainability sometimes astounds him, he says.

"It's been a real eye opener to the next generation. It's something I've stumbled on to. A person like me has had a large number of mentors. These days I look for mentoring and coaching from a very different group of people."

In his new office environment Cameron finds himself sitting next to any of the employees – from someone in finance to juniors the age of one of his sons.

This is opening his eyes to different views and different ways of communicating. A chat to a junior after a board meeting recently saw his report go viral through the company in hours.

In the past, the report might have come in a formal letter a week later.

Shopping centres

"You don't need expensive research." Most research is biased towards a particular view, anyway, he says.

"If you talk to shopping centre people they will tell you why the shopping centres are here to stay."

In shopping centres, the changes that will come will be no less challenging than they were in the last 40 years, "just different," Cameron says.

"It's just another wave of change. We were first to have a food court and you would be insane not to have one now. And traditionally they've been designed so that it would be easy to get in there, but you couldn't get out.

"Now it's more about bringing people to a community of interests."

Increasingly, Cameron can see shopping centres starting to morph and blend with other uses – like town centres with a multitude of uses where you might have residential, commercial and retail blending together. Rouse Hill Town Centre has already embraced this concept, he says.

"They will have all the technology and be wi-fi friendly and have apps to help you get your way around the centre. Whatever is out there will have to be integrated."

Melbourne Central is a good example of a shopping centre that does very well without a department store – to the tune of 30 million visitors a year.

Does Cameron think the model of the car-dependent, stand-alone shopping centre has an end date?

He says some radical changes might be afoot.

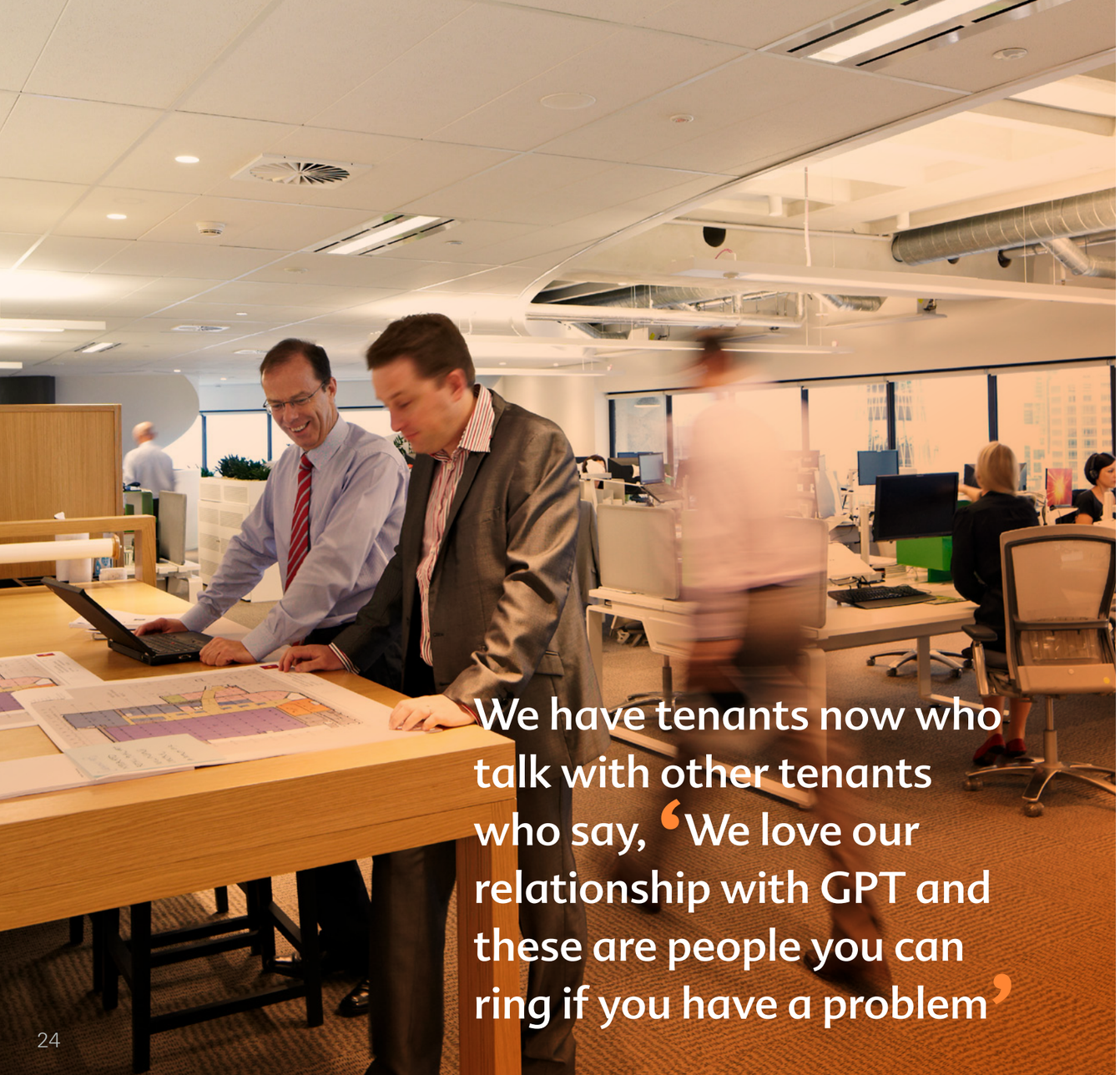
To find out, though, his team doesn't talk to the people who go to centres; they talk to those who don't and ask what's missing in the experience for them. It could be cultural; it could be that the local demographic has changed.

At Casuarina in Darwin there has been an effort to make the centre more relevant to the local community and for it to "embrace indigenous culture".

At Highpoint in Melbourne it has meant incorporating a more multicultural focus to reflect the changing demographic of the area.

Charlestown, near Newcastle, has a major solar power installation and strives for a green profile. When it opened on November 27 last year, 3000 people came through the doors in the first four hours.

At Rouse Hill shopping centre GPT invited leading chef and author Stephanie Alexander to open a kitchen garden



integrated into the centre for the local community.

When Cameron joined the company the first thing he did was meet the representatives from major tenants, such as Woolworths, Myer and David Jones.

“I asked them what the experience was like dealing with GPT.”

He won’t reveal much, but here’s a hint: in February this year the company took over management of many of its property assets.

This meant that a layer that normally separates the owner from the tenants, the customers and other stakeholders, has now been removed.

“Where we can operate in the community – that’s where the real opportunity is,” Cameron says.

“Other REITs think of themselves as landlords with tenants; we think of ourselves as customer service providers with customers.”

So it’s a move back from disintermediation, similar to the way banks now say they want to provide more individual service, after sending customers to deal with online banking?

“Definitely,” Cameron says. “Because if you think about financial services, they definitely suffered (from that move) from a financial perspective.

“They saved expenses but also suffered on revenue.”

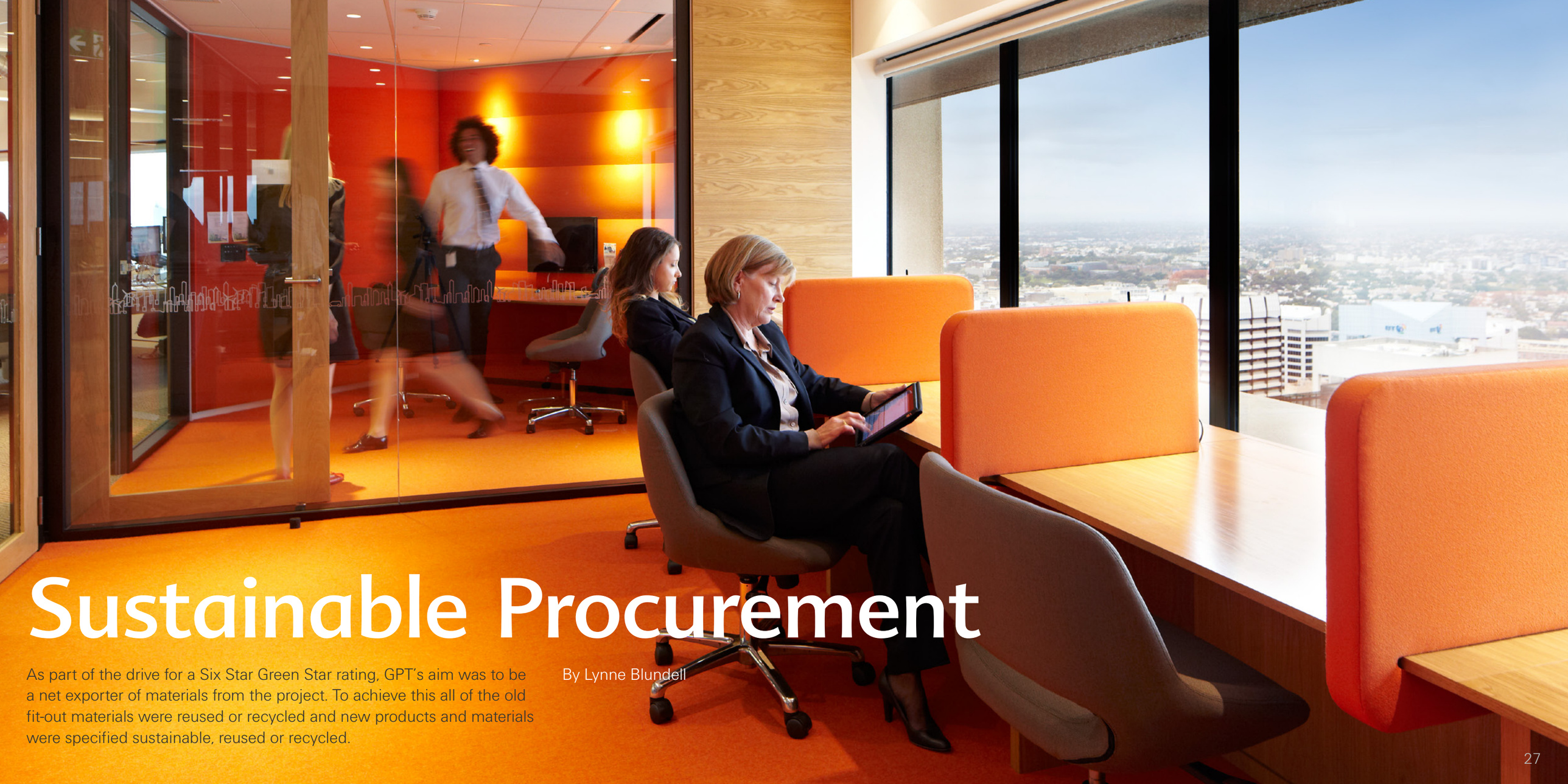
At the core for GPT business, Cameron says, “it’s all about attracting and retaining your clients.

“If you have a bad service experience and don’t have a connection [to the owner of the business], then you put at risk the continuity [of your relationship with the customer].

“We have tenants now who talk with other tenants who say, ‘We love our relationship with GPT and these are people you can ring if you have a problem’.

“As a result of that, you can get great referrals.”

The goal, Cameron agrees, is to always be available and responsive, as the Apple Mac people strive to be.



Sustainable Procurement

As part of the drive for a Six Star Green Star rating, GPT's aim was to be a net exporter of materials from the project. To achieve this all of the old fit-out materials were reused or recycled and new products and materials were specified sustainable, reused or recycled.

By Lynne Blundell

As part of the drive for a Six Star Green Star rating, GPT's aim was to be a net exporter of materials from the project. To achieve this all of the old fit-out materials were reused or recycled and new products and materials were specified sustainable, reused or recycled.

Bruce Precious, GPT's national sustainability manager, says historically old fittings have all been taken to landfill, a practice that the property industry must change.

"By recycling we have significantly reduced our carbon footprint. Materials such as timber have an almost infinite life, particularly hardwood. Previously, the complex design of furniture often meant it was hard to extract individual materials. In this project the simplicity of design of our new custom-made work stations means at the end of life they can be easily recycled," says Precious.

Materials and product suppliers were chosen for their green credentials and materials were recycled from other projects. Timber paneling in the reception area, for example, is made of recycled floorboards previously used at Kempsey High School.

Carpet was sourced from sustainable manufacturer, InterfaceFLOR, and chairs including from recycled Coca Cola bottles have been used in the new kitchen area. Furniture manufacturer, Koskela, supplied incidental furniture and meeting tables made from recycled or FSC accredited timber.

Where rubber flooring is used it is 100 per cent rubber rather than synthetic and in areas where carpet tile was not appropriate, woollen or goat hair carpet has been used. Benchtops are bamboo and fabric is from carbon neutral suppliers. Wherever particle board or laminates are used they are specified E-Zero (European Standard) and contain no formaldehyde.

"All our suppliers signed a stewardship agreement that all materials can either be reused or that products are derived from recycled content. We have avoided fossil fuel-derived materials so that our total carbon footprint has been dramatically reduced.

"Not that long ago this would have been difficult to achieve but the number of sustainable suppliers have increased exponentially. A world of suppliers has sprung up around Green Star," says Precious.

Materials Strategy

Materials and Equipment Audit

Prior to demolition, a detailed audit of all existing materials and equipment was completed and catalogued. All existing fit-out materials and equipment were either recycled, provided to other organisations for reuse or re-used in the new work environment.

In some cases the materials were rejuvenated and used in a different form. For example, carpet tiles were recycled, dark-stained timber used in the new joinery was recycled from the timber paneling in the old fit-out and zip hot water boilers were refurbished rather than replaced. Office chairs were reupholstered and re-gassed.

Materials Selection

GPT's overall materials selection principle was aimed at responsibly sourcing materials and products in order to:

- avoid, reduce, reuse and recycle
- select healthy materials that were fit-for-purpose with the lowest environmental impact providing the best indoor environment quality

This process was applied across 20 of the most significant (by quantum) materials and was over and above the Green Star criteria.

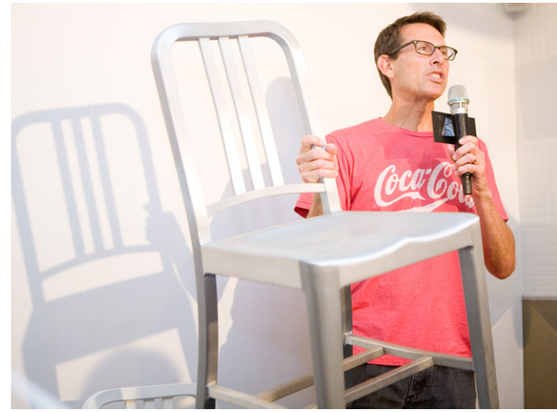
The suppliers

Emeco

Product: Emeco 111 Navy Chair®

The Emeco 111 Navy Chair® was created when Coca-Cola approached Emeco to recreate its classic 1944 Navy Chair out of recycled PET (Polyethylene Terephthalate) bottles. Each chair is made of 111 PET bottles and, according to Emeco, in its first year the chair diverted more than 3.5 million PET plastic bottles from landfills.

Gregg Buchbinder, chairman and CEO of Emeco, says the chair is a perfect example of up-cycling. Unlike traditional recycling, where plastic bottles might be recycled to make toys or carpets that still end up in landfill, up-cycling is the idea of turning waste into products of greater value that have a long life.



"We keep consumer waste out of landfills and up-cycle it into something that does not need to be recycled for a long time. Our Navy Chair design is over six decades old," says Buchbinder.

InterfaceFlor

Product: InterfaceFlor recyclable carpet

InterfaceFlor supplied recyclable carpet for the GPT refurbishment project. A US-based carpet manufacturer InterfaceFlor is listed on the NASDAQ and has sales of around US$1 billion a year. In 1944 founder and chairman Ray Anderson decided the way the company and the petrochemical-based carpet industry operated was out of step with nature. He set about creating a new organisation with a mission to achieve zero negative impact on the environment by 2020 with closed loop production where all materials are recycled.

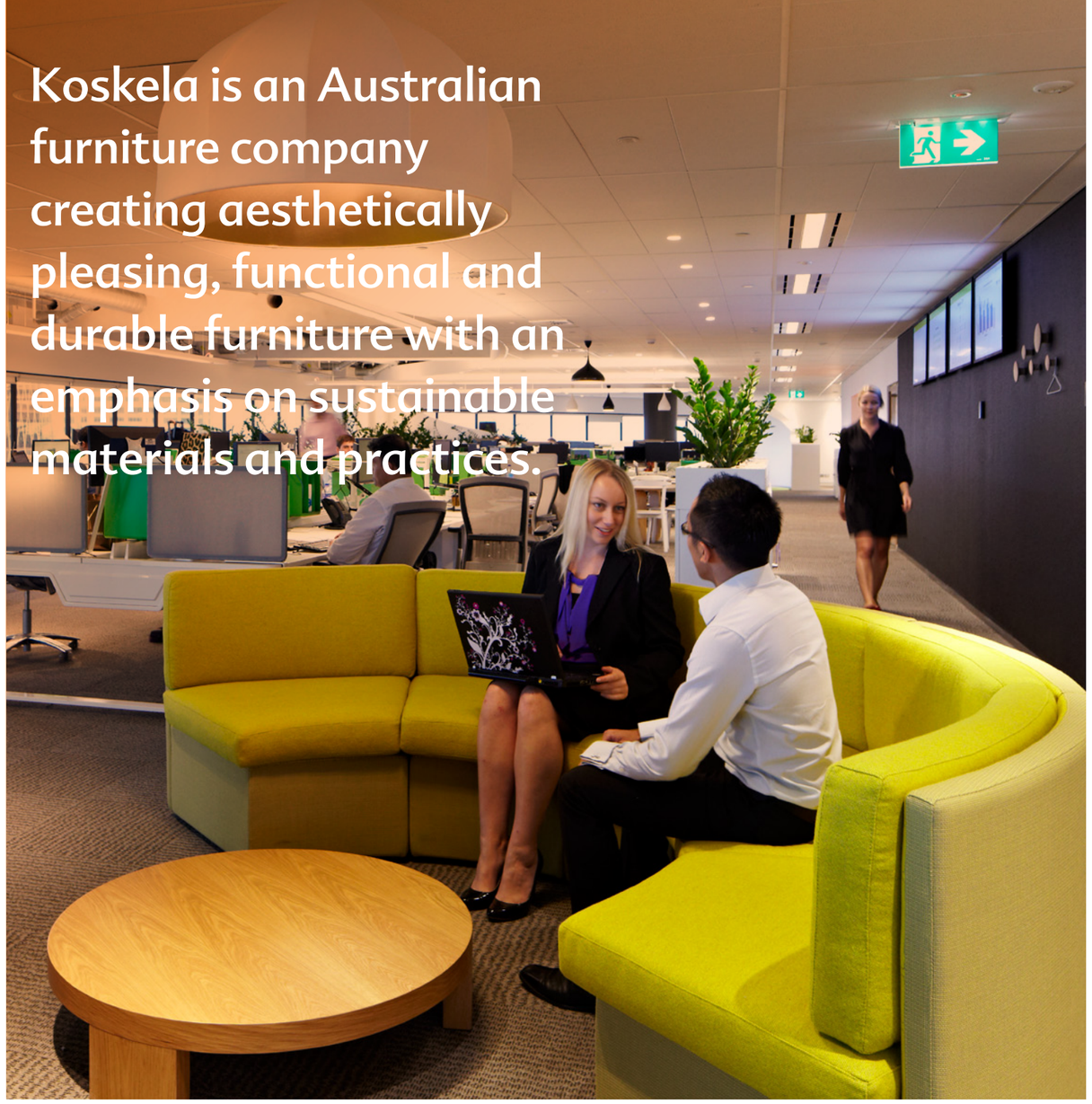
Sixteen years later the company is halfway there and aims to achieve its mission in less than 10 years. Compared to 1996 the company uses 43 per cent less total energy, 82 per cent less water, has reduced GHG emissions by 35 per cent and waste to landfill by 82 per cent.
Speaking at Vivid Creative Sydney 2011, Robert Coombs, president and CEO of the Asia Pacific division of InterfaceFlor, said that just by reducing waste on every one of its sites in every country by 10 per cent a year, the company has saved more than $480 million over time. This has funded other activities aimed at achieving InterfaceFlor's Mission Zero™ target.

"By using four per cent less yarn in our carpets, looking up the supply chain the effect is to save the amount of energy it would take to run our factories for two years.

"Seventy per cent of the energy in our products happens before it even gets to us in the raw materials. We could take the view we only account for fifteen per cent of the problem but we prefer to take responsibility for it," says Coombs.

Using the gecko as inspiration, the company has developed an innovative method to replace glue in its carpets by placing sticky discs on the surface beneath the carpet to attach it. This removes the toxic glue from the carpet and ensures it is recyclable.

As a result of InterfaceFlor's sustainable focus, says Coombs, its costs are lower, its products are better, it has more customers and it attracts and retains high quality employees.



"When business focuses on social and environmental impacts as well as its finances it will do better in all three dimensions – they are mutually supportive," says Coombs.

All InterfaceFlor carpets carry Level 4A Environmental Certification Scheme (ECS) accreditation via the Carpet Institute of Australia and receive full points under the Materials category in Green Star ratings.a

Koskela

Product: Custom-made furniture created from sustainable materials

Koskela is an Australian furniture company creating aesthetically pleasing, functional and durable furniture with an emphasis on sustainable materials and practices. The company is increasingly supplying custom-made furniture to many leading sustainable office refits aiming for Green Star Interiors ratings.

Koskela supplied GPT with seating, meeting tables and boardroom tables.

According to Sasha Titchkosky, Koskela's principal and co-founder, there is growing demand for custom-made furniture that meets the Green Star requirements. Birch ply is the most commonly used material, as it is a fast growing timber, but Koskela is also starting to use new materials such as bamboo and recycled cardboard.

Titchkosky would like to see more comprehensive and flexible rating of innovative materials under Green Star.

"Currently bamboo doesn't fit into any rating because it is classified as a grass and the cardboard we're looking at is not classified as a timber product either. But both can be used as substrates," says Titchkosky.

All Koskela furniture is finished with low VOC water-based finishes and the company is committed to working with manufacturers and suppliers with sustainable materials and practices. Each piece of furniture is designed so that it can easily be disassembled and each of its parts recycled.

"We have a take-back policy so that if clients can't recycle we will take back the piece and either give it a second life or take it apart and recycle the materials. This is factored into all of our designs," says Titchkosky.

Change Management

The key to a successful refurbishment and workplace redesign is to put people, not the built environment or technology, at the centre of the design

By Lynne Blundell

Change management

The key to a successful refurbishment and workplace redesign is to put people, not the built environment or technology, at the centre of the design, according to Rosemary Kirkby, GPT's head of sustainability.

"Workplace redesign is a tool for change but for it to work effectively it is critical to involve everyone across all aspects of the business from the CEO down – and they must be genuinely admitted. It cannot be token involvement, This is fundamental to a successful outcome.

"Then when the consultant team is assembled they must be appointed on their cultural as well as architectural or technical credentials. It is no use having architects or mechanical consultants who are not prepared to run an inclusive process," says Kirkby.

This inclusive process has to happen from day one and continue beyond the end of the project as the workplace and the way people use it will continue to evolve.

"If you don't leave enough room for people to personalise the new environment you won't be able to release its full value and future potential. People must understand this is just the starting point. Too often we don't leave enough room for people to personalise spaces," Kirkby says.

"We're doing a big piece of work here at the moment on cultural renewal and looking at what we want our culture to look like in ten years time. Part of our ongoing focus will be to evaluate the work space against that target culture to ensure it evolves in line with our cultural aspirations. Is it facilitating what we need for our business to run more productively, more collaboratively and with more fun and, if not, what interventions are needed to make it work?"

The cultural renewal program has been running since early in 2011 and has a team of 25 who report back to the leadership team. The team is working with consultancy Walking the Talk and GPT has released one of its key development managers, Sam Jordan, to focus full time on leading the team. It has just completed an audit comparing the way GPT works today against nine key cultural levers for moving the group to its future targets.

"This has helped us work out our priorities to get us to our future cultural targets and has been factored into our 2012 budget. It is important to budget these things properly so they don't get pushed to the side," says Kirkby.

"The workplace design must be flexible enough to change, I'm a great believer in designing places to give enough cultural headroom – this one has plenty of room," says Kirkby

What makes the GPT redesign work?

Kirkby has been instrumental in earlier ground-breaking workplace transformations – with MLC in its campus style office redesign at North Sydney more than a decade ago and more recently for the NAB headquarters in Melbourne. The GPT project is the first time that the results have exceeded expectations for mobility and flexibility, says Kirkby. The main reason for this is technology that enables complete mobility of staff and integrated communication.

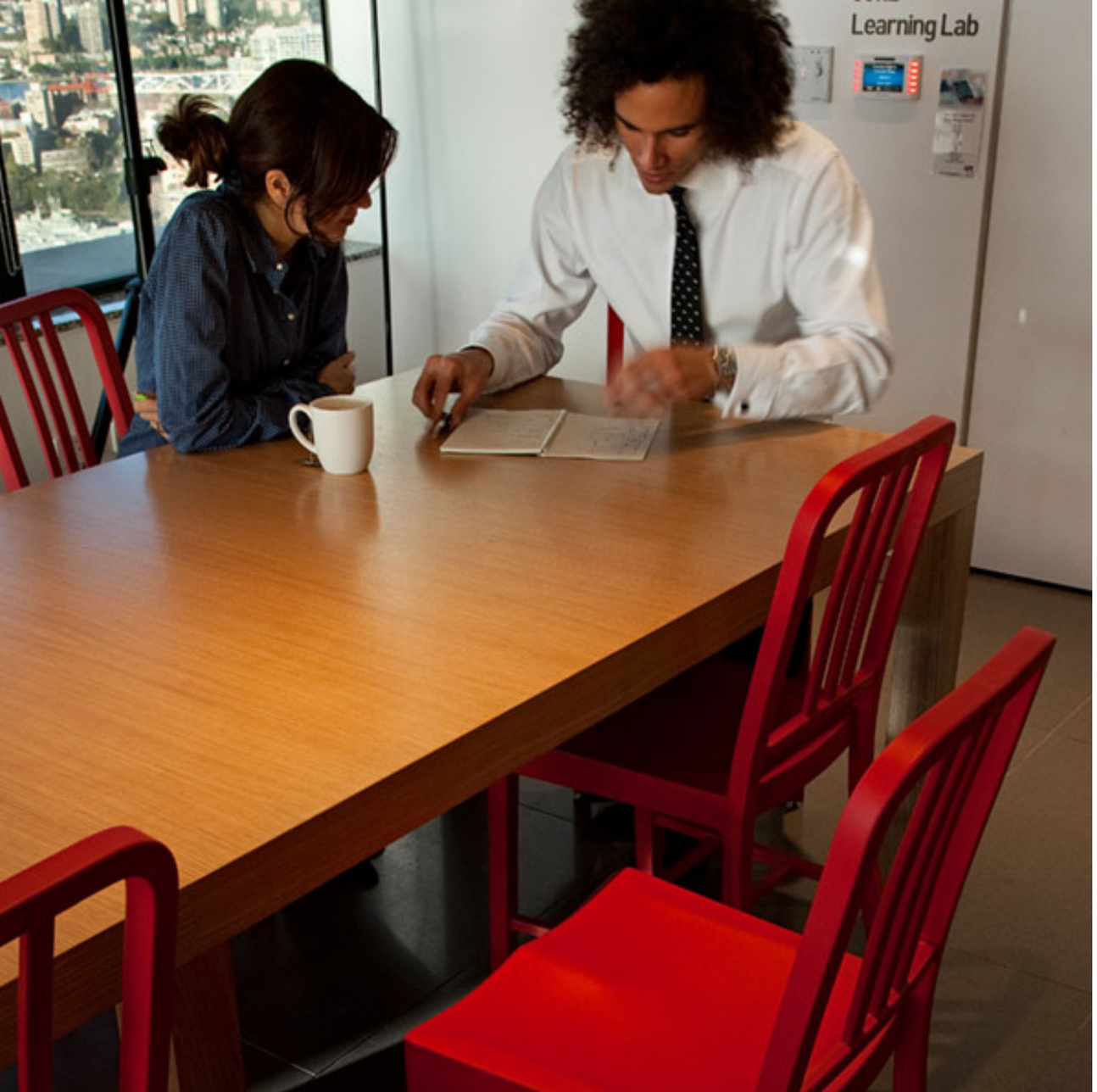
"In previous projects laptop computers were not as widely used so mobility wasn't possible in the way it is today, and other technology we've used here really is leading edge. The technology, along with peoples' willingness to change their work practices, has been liberating. It means we can manage on output and results rather than presence in an office. People are measured on their performance," says Kirkby.

This flexibility and mobility means that people must be more disciplined about dividing professional and personal life. A key turning point for GPT employees was in thinking about their work environment differently, says Kirkby.

"It is important to stop thinking about it as a workplace as that carries baggage. I think of it as a club where we are allowed to spend as much time as we like and to enjoy this amazing view.

"The design is disarmingly simple with nothing that screams 'look at me' and the view is incredible both for physical and mental health. To me this is democracy in practice – we all have the same access to views and light and can move around freely. People are also free to choose who they sit next to," says Kirkby.

She believes the GPT transformation represents a step towards a future when the property industry will start to think of high-rise buildings as communities and tenants will configure buildings to cater to those communities. It is also a step towards a time when buildings could be used



primarily as meeting places rather than somewhere employees go to each day.

"I can see a lot more dynamic process emerging where tenants may want certain amenities that they may not be able to justify if it is only for their use but if it was shared with other tenants they could. It may be places for eating or meeting rooms. It could be childcare or training facilities. It could be all sorts of things," says Kirkby.

At the ground plane of buildings there could be sharing of energy through precinct power generation. She would also like to see buildings integrate more effectively with the areas beyond them with social sustainability a key feature of all developments. Building owners and tenants could work together to bring a better quality of life to cities.

"We need to stop thinking of buildings as layers of space and more about communities of people. In this building there is more room for cultural development. We are only just ramping up in terms of using the space for engagement and engaging with other tenants.

"There is nothing to stop us sharing our space with others. Our retailers, for example, might be coming down from Darwin and want to set up meetings in Sydney. Why not use this space? We could also host fundraisers here for groups like Emergency Architects who work in our industry. The opportunities are enormous – this space is for sharing knowledge and experience," says Kirkby.

And as for the success of the workplace transformation at GPT thus far? Kirkby believes that the complete turnaround of a paper-based, siloed organisation into one that is integrated, uses substantially less paper and has a highly mobile workforce, was only possible because people were willing to change.

"I did have my reservations about whether we were going to be able to go as far as we wanted, particularly reducing our paper use so dramatically, but I knew we were going to give it a good go," says Kirkby.

Governance structures also played a vital role. By demonstrating to Governance that the investment in training and technology was critical to GPT's future success, Kirkby was given the backing to ensure the project was adequately supported financially.
"Michael Cameron is also a great driver of change – he didn't want the total cost of accommodation to be any greater than it already was for the life of the lease so the

team was under great pressure to do more with less. I always think that's a good starting point for innovation.

"It also says a great deal about the cultural DNA of GPT that people rose to the challenge," says Kirkby.

Measuring the social and wellbeing outcomes

Numerous studies and research projects have been undertaken on how to measure the impact of the work environment on productivity and wellbeing. GPT intends to measure the results across two key areas.

Tangibles such as physical comfort and changed work practices:

- Six star Green Star rating for Office Interiors
- Five Star NABERS rating for Energy (off a 2.5 star base)
- Fresh air intake increased 25 per cent
- Power bills reduced by 50 per cent
- Paper usage reduced by 75 per cent
- Telephone calls to remote sites reduced by 10 per cent
- Travel costs reduced by 5 per cent (video conferencing)

Areas of self-assessment by employees three months after the move

- 98 per cent said the new work environment reflects the environmental and sustainability leadership position which GPT aspire to hold
- 89 per cent said there is greater opportunity to collaborate effectively with other teams and individuals located at MLC
- 97 per cent said the technology provided supports greater flexibility and efficiency
- 79 per cent said they were better supported to do their best work
- 76 per cent said they would not go back to the old way of working
- Employees said they felt 15 per cent more productive

Technology: central to the goals

By Lynne Blundell

Technology

New technology systems were central to GPT achieving its aims for a more mobile and collaborative way of working. In addition to a new financial system and document management solution implemented in 2010, the technology in the new office has equipped employees with new systems, programs and tools to make their working lives easier and seamless.

Ross Miller, technology director for the project, says that the key aim for the technology in the new workplace was to break down the silos that previously existed at GPT.

"We asked how do we get collaboration? And at that point we realised the project was going to be much larger than we initially thought and the technology was going to underpin the way people worked. If you don't get the technology right people won't be able to work differently and we certainly would not be able to reduce our paper use," says Miller.

The technology team began to look at what the required outcomes were and then matched technology to those outcomes.

"We had an IT architecture and strategy that was built around Microsoft and SAP and we didn't want to move away from this because that is expensive. We were pretty confident we could get the outcome using the strategy we had," says Miller.

The team looked at how the different physical spaces in the building would be used and came up with technology solutions for those spaces.

"Once we had a vision of how people wanted to work we then started to build technology around that to deliver that outcome. It was time to upgrade GPT's technology investment so each technology we put in was a big project in itself. It also had to be integrated and seamless," says Miller.

The new technology architecture centres around GPT's aspiration for collaboration and going green with very little use of paper. At the heart of that is Office Communicator, or OCS, says Miller.

"When you look at our architecture diagram OCS is the absolute plank of our technology – everything else works off that. For OCS to work we had to upgrade to the latest Microsoft – Microsoft Office 2010 and Windows 7. That impacts all the applications that go around it."

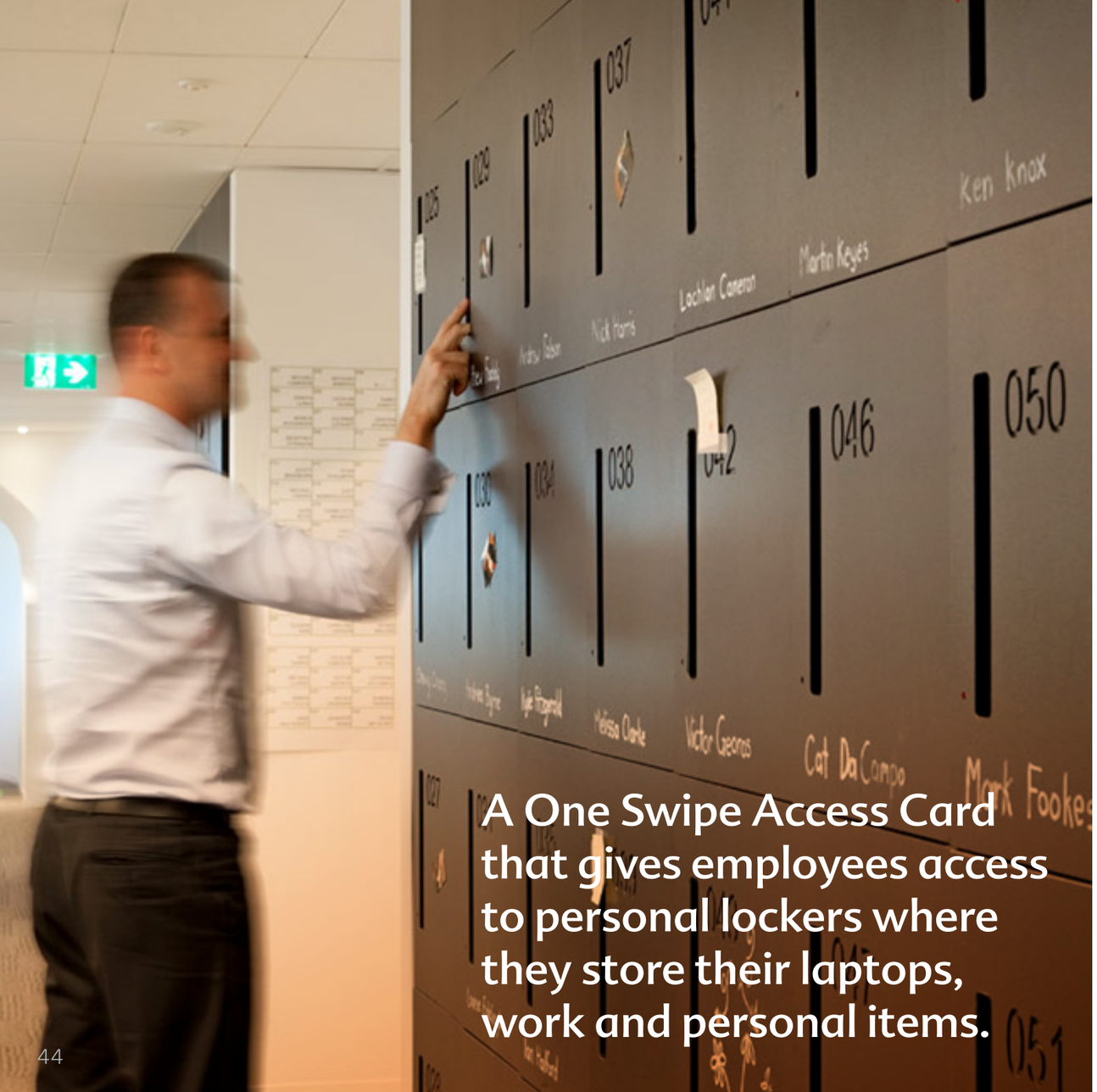
Building a bespoke system

The aim for a seamless, wireless workplace required a complete overhaul of all systems. Miller looked at what else was around but found that while companies like Macquarie had created a similar workplace, their technology architecture was entirely different to GPT's. This meant a bespoke solution had to be created.

"There were some big challenges. One of these was upgrading to Windows 7 – we had just put SAP [business management system] in and some of the things we put in for that weren't compatible with Windows 7. We had a fair bit to work around to make this work but we just worked through them one at a time and eventually they fell away without having to do major upgrades to SAP," says Miller.

In order to achieve greater energy efficiencies, improved security, btter utilised space GPT decided to move its data centre. This had to be done over 12 weeks.

"Moving all our servers in 12 weeks was an incredible challenge. We had to choose a facility and get a project manager to manage the process but in the end it worked really well. That was two weeks before SAP



went live so we had a lot of balls in the air," says Miller.

The sustainability outcomes of moving the data centre were significant. Data centre power usage is measured in the ratio of the power used to run the centre to the amount of power delivered to computers. In the old GPT data centre the ratio was 12 and in the new one it is 1.72. By removing its data centre to a specialised facility has both freed up prime real estate and created a much more efficient operation.

"Moving the data centre was cost neutral. The capital cost of moving it was recouped in the savings through efficiency," says Miller.

Integrating all of the systems was the next big step and the success of this has delivered a cutting edge solution for GPT, says Miller.

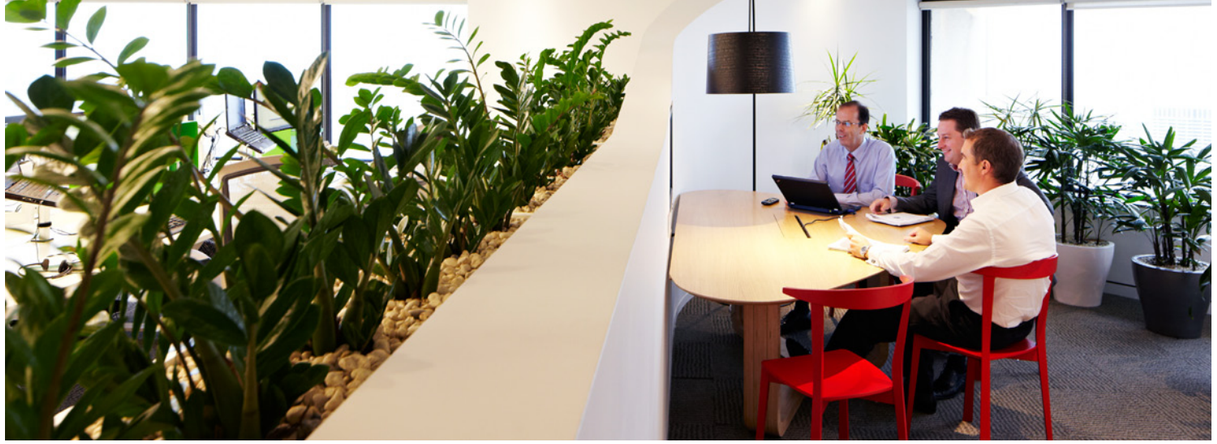
"People have done similar things but nobody has quite the level of integration we achieved. Our video conferencing is completely integrated with our email, the meeting booking system and the room controllers. There is complete integration, which is complex and had not been done to this scale before," says Miller.

"The standout result from the new technology is collaboration. People now mingle across the organization so you don't have a whole lot of silos doing their thing in isolation. This creates a great crossover of ideas that wasn't there before."

Key to ensuring the new technology operated efficiently from day one of the new move was establishing an iTeam made up of employees from across the organisation. Their role was to test all systems and find any bugs before the company moved into its new offices. They also acted as advocates in the technology learning process.

"Resistance to activity based working and new technology was pretty high but I'd guarantee nobody would want to go back to the old way of working now. The advantages are so obvious. It's the most exciting IT project I've worked on because we created the future of the office - we compressed the rental space, we did cutting edge technology and we now work seamlessly " says Miller.

"I was also blown away by the way people have adapted to this new way of working. I really thought there'd be more resistance."



The new technology

The latest technologies and functions include:

- wireless network over all three floors
- a unified communications framework which enables employees to check landline voicemail via email notifications and from an iPhone
- a combined 21 inch monitor and universal docking station for each work station
- the ability to update meetings remotely via mobile phone or telephone
- a one swipe access card that gives employees access to personal lockers where they store their laptops, work and personal items. The same card is used for 'follow me printing' on all printers thus reducing paper wastage and greater flexibility when choosing a printer
- interactive whiteboards for real-time document editing and presentations
- Wireless Presenter software
- Microsoft Office Communicator for instant messaging, audio and video conferencing
- Windows 7 and Microsoft Office 2010
- remote access to GPT's network
- video conferencing and streaming to plasma screens within the environment and live stream to GPT retail centres
- Live Meeting for online conferences with multiple parties sharing desktops
- media rooms.

Shifting behaviour to create a new workplace

By Lynne Blundell

Shifting behaviour to create a new workplace

It is one thing to aspire to a whole new way of working but quite another to bring about the necessary behavioural change within an organisation to make it work.

Amy Davies, GPT's organisational change and development manager, was given the challenging task of ensuring everyone at GPT both understood the cultural changes that would be needed in the new workplace and were prepared to put them into practice.

The key to success was establishing a bespoke engagement and training program that involved some innovative ways of tapping into the competitive spirit of GPT's people.

"Our aspirational brief was to create a workplace that encouraged more sharing of information and knowledge and gave them more flexibility and freedom. When we looked at how to do this there were things that were tying them to their desks and previous ways of working that we had to get rid of. And the big one was the paper," says Davies.

Getting rid of the mountains of paper and teaching people how to work more electronically was one of the most important aspects of the cultural shift. Initially the target was to cut the amount of stored paper from almost one lineal kilometer to 300 metres but the actual result of 100 metres surprised everyone.

"The natural reaction of people was that it wouldn't work. That is the reaction of many people to activity-based workplaces – there's no resistance to having a shiny new workplace but when it comes to changing the way you work as an individual the natural human reaction is 'well I'm quite happy with the way I work now thank you very much'.

Shifting to a near-paperless office

A training program and reward system that spurred people on and encouraged their sense of competition was established. Humour was central to the program.

A 'Biggest Loser' competition encouraged paper reduction by measuring weekly paper reduction for all employees and rewarding the winning team with funding towards a small team event. The target was an average of one lineal metre per person but the competition was so successful the results were much higher.

"The impact was amazing. People had their partners coming in to help clean out their paper on weekends because they wanted to win. We got from one kilometer to 500 metres in eight weeks," says Davies.

The real challenge though, says Davies, was giving people the skills to use technology and work more electronically so that the paper, and the old habits, did not come back.

Reducing the amount of printing was essential and GPT set a target to reduce printing of documents by 25 per cent. Results have exceeded this with printing reduced by 75 per cent.

This has partially been as a result of working more electronically but it has also been due to the introduction of large screens at work stations, making it easier to read documents on-screen, and swipe-to-print technology.

"All of those pages, where you pressed the print button automatically and then forgot about it and it sat on the printer, have gone. The option to do that is no longer there - the new technology means we only print when we really need the document," says Davies.

A work environment passport

To prepare for the move to the new workplace a 'work environment passport' was created to ensure work practices and technologies were understood. Individual progress was measured through a passport system where people received stamps in four competencies. A small prize was on offer for those who reached goals first.

The four competency areas included:

- Reducing paper – goal of under one metre per person and a clean desk which could be packed up in five minutes at the end of the day.
- Technology learning
- Induction – workshops and tours on new protocols and practices
- Living and Performing together – behavioural protocols and education for managers in how to lead in the new environment

"The passport system took off more than we were expecting. It was a tangible way of explaining to people what was required to work effectively in the new environment. The rumours around it and the myths were great – people thought you had to do everything on it to get your bonus for the year. We just decided not to dispel that myth," says Davies.

A more formal measure of technology learning was also introduced by building in a technology learning component to peoples' performance objectives for the year.

"This reinforced to them how important it was to the business and to our strategy and how we want to work in the future," says Davies.

Technology training

Sharing information more effectively is integral to the new way of working and technology is the key to this. Microsoft Communicator and Live Meeting, meeting room technologies and an upgrade to Microsoft Office/Windows 7 has enabled mobility and collaboration.

"A lot of information was stuck in peoples' heads or in filing cabinets so we needed to free it up. Technology was integral – the way we worked before was tying us to our desks," says Davies.

An important part of the learning program was to ensure that employees were confident with the new technologies, allowing them to work smarter. Over a period of 12 months, all GPT employees underwent a series of training sessions and workshops.

The change management team facilitated over 2,362 hours of training (an average of 8.35 hours per person).

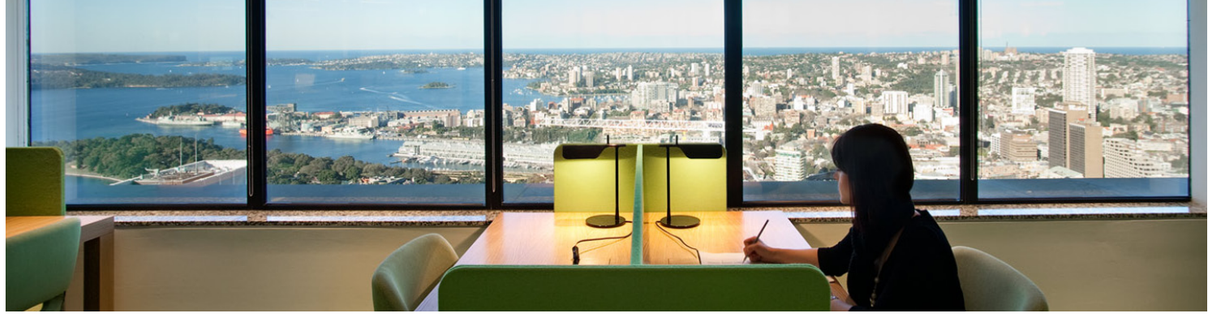
Technology learning workshops included:

- Microsoft Office 2010/Windows 7
- Microsoft Office Communicator and Live Meeting
- meeting room technologies
- video conferencing and phone technologies
- working wirelessly and swipe-to-print technology.

A team of technology advocates from across the business, called the iTeam, tested the technology before the move to iron out any bugs in the system. They were not part of the IT department but came from diverse areas and their role was to try to find weaknesses in the way systems worked and to support others in their team to use the new technology. This took the load off the IT support desk and ensured a smoother transition.

Embedding knowledge

The next step was to ensure knowledge was embedded and old habits did not return. Following the move to the new workplace, a program based on the popular iPhone game, Angry Birds, was introduced to embed knowledge and shift people to



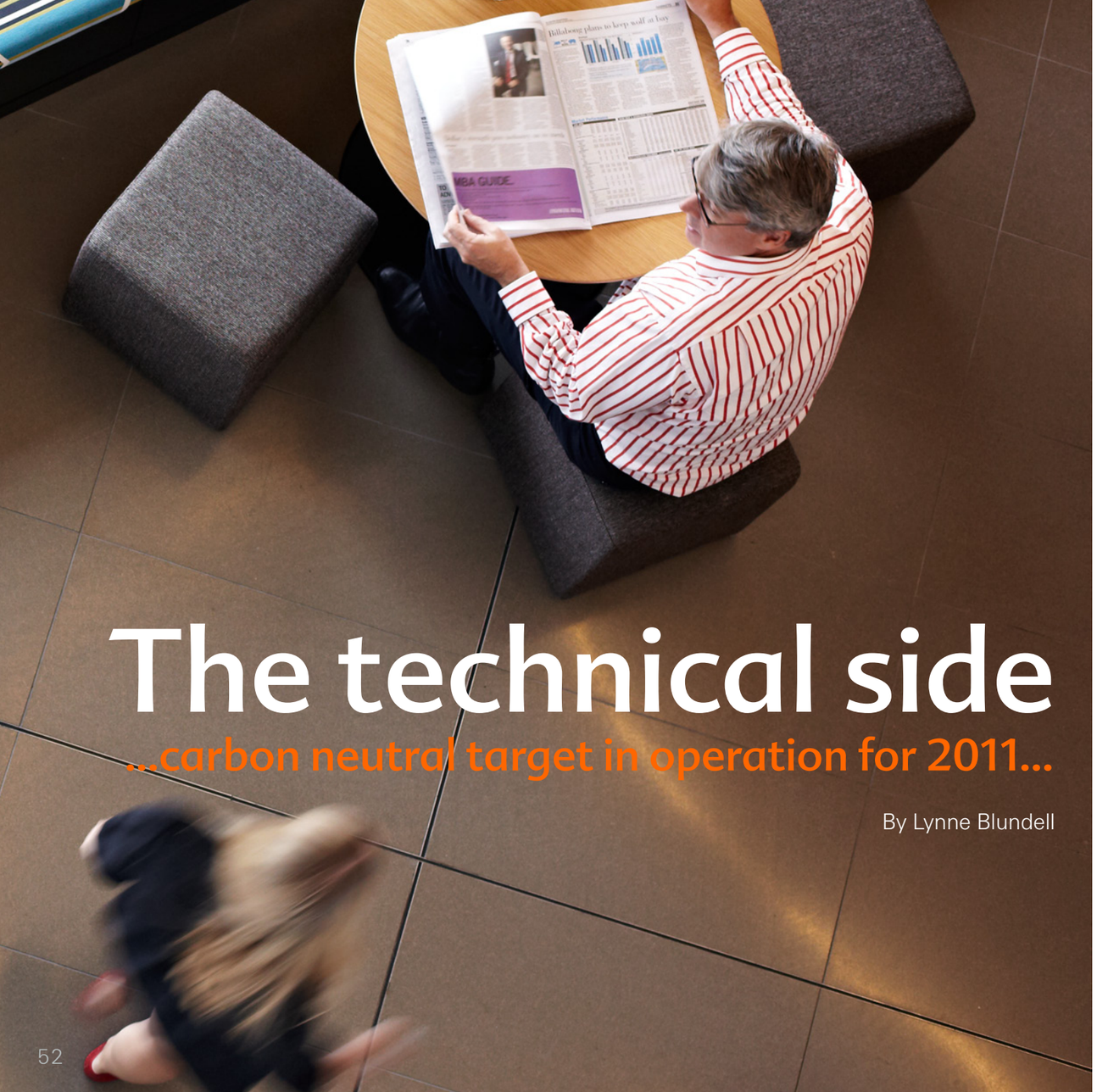
higher levels of competency. Each week there was a task to complete and Davies and a colleague would don large Angry Birds fluffy slippers, bright yellow T-shirts and hats and visit employees to check on their progress.

"We introduced Angry Birds post the move into the new office. There was a lot of work done to prepare people for the move and the worst thing we could have done was to put people in and say 'off you go, you'll be fine now'," says Davies.

"People need to learn as they go and Angry Birds was a fun way to embed peoples' understanding of the technology in a fun and supportive way. There was all sorts of attempts at bribery and coaching of each other which was all in good humour but the point of it was to make sure people were taking the time to practice and learn."

For Amy Davies the experience of shifting peoples' behaviour so that they can work in a more flexible, creative way has been both liberating and enlightening. Her background in organisational psychology and human resources gave her the skills to deal with the enormous shifts that people must make in a workplace transformation such as GPT's.

"If you'd asked me when I was studying psychology whether I imagined I'd work in an organisation like this I'd probably have said no but it is a handy skill set to have. It gives you a different perspective on what's going on and in those moments when it is challenging - and it is for any organisation making a really big change to the way they work - it helps to be able to remind yourself that that's a natural and normal part of the change process in changing any human behaviour and people just need to work through that to come out the other side."



The technical side

...carbon neutral target in operation for 2011...

By Lynne Blundell

As a leader in sustainable property development GPT's ambition was to create a fitout within its own asset that could be used as a benchmark for an interior within an existing building. To achieve this GPT aimed to set a new environmental standard in materials reuse and selection, lighting and mechanical design.

The ambition for the new refit was to achieve a Six Star Green Star Interiors rating, 5 Star NABERS Energy and carbon neutral target in operation for 2011 and GPT worked with architects Woods Bagot and engineering firm Arup to achieve this.

The base building, designed by architect Harry Seidler in the 1970s, has good bones with strong passive design features and a 5 star NABERS energy rating.

Bruce Precious, GPT's national sustainability manager, says as co-owner and tenant of the MLC building the refurbishment presented an opportunity to demonstrate what could be achieved in part of an older building.

"We're very pleased to be in such an efficient building to start with and while many things have changed in the building over its 33 years, Seidler was a very good designer and architect. It has good orientation, floor plates that are easy to design for, and deep-set windows so they're shaded, reducing heat loads. So passively it's a good building.

"Inherently the services are well designed – they are really good premium building services. So it was then up to the tenancy designers to make use of these base building services," says Precious.

Energy systems

Airconditioning

GPT, as a co-owner had the opportunity to refresh the base building services and then as part of its tenancy work it engineered services over and above what the base building provides. In regard to airconditioning Arup conducted a building user survey to rank how well the existing airconditioning system worked, which informed the redesign of the new system. Meeting rooms were provided with additional user control.

"We wanted to be in the upper quartile of performance and to demonstrate how providing better airconditioning created more productive space – we have to be able to make that positive connection," says Precious.

"Airconditioning is like a hygiene factor – when it doesn't work well you notice it and it can significantly detract from your productivity. Good airconditioning does not motivate someone but bad airconditioning can certainly de-motivate them."

Arup used the survey information to present different options. These were ranked in a matrix to see which one provided the greatest potential to achieve upper quartile performance against a range of factors.

The base building airconditioning is active chilled beam on the perimeter zones and variable air volume (VAV) in the centre zones. GPT selected a supplementary airconditioning system for meeting rooms and brought in additional fresh air from the outside through louvres built in to the façade so that it is 50 per cent higher than requirements.

Other improvements included a dedicated chiller for the meeting rooms to increase efficiency of the airconditioning. The improved air and occupant control also means better acoustics in meeting rooms, says Precious.

"One of the elements in the occupant survey is that people have a greater propensity to put up with conditions in space when they feel they have some element of control over it. But typically buildings give you zero control. This is also a Green Star requirement. We were confronted with how to provide control in the open workspace.

"Our solution was provided by the activity based work model – basically if you are uncomfortable in a particular location you pick up your laptop and move somewhere else. Giving everyone control over the airconditioning is like the remote at home – chaos. But with this work model you can move to the sunny side of the floor or wherever suits you," says Precious.

GPT also installed a heat pump hot water system for its tenancy, which takes heat from other parts of the building that would normally be dissipated through the cooling tower. The system is three to four times more efficient than a traditional hot water system.

Lighting

Lighting has been selected for its impact on comfort levels for employees and energy efficiency.

"We had the opportunity to rethink our lighting. We were happy to go for lower lighting levels than would be traditionally provided because we are predominantly working on screen-based tasks and we have good access to natural light. Our aim was to achieve soft, comfortable lighting," says Precious.

The choice to remove the ceilings meant recessed ceiling lighting was not an option. GPT chose to use suspended T5 lights supplemented with LED downlights and LED desk lamps. This avoids the cave-like effect of some energy efficient lighting and provides some user control.

The designed and installed lighting power density in the new office space is 5.6 watts per square metre and actual in use density is less than five watts. This compares with the 42 watts per square metre lighting power density of that GPT found in one of its tenancies during a recent audit "The energy use difference, particularly if that tenant leaves the lights on all the time, is massive," says Precious.

Motion sensors in GPT's new fitout mean that the lighting turns off when the office is not occupied.

IT servers

The IT servers have been relocated offsite to save energy and free up office space for other purposes.

"We had very expensive prime real estate occupied by IT equipment that could be housed elsewhere and there's also an energy benefit in doing that. Those centres are set up to be much more efficient and that's their specialty – we had clunky package units that ran 24/7 and we probably cooled the room more than it needed to be. This is now our incubator room, which means we have a whole new meeting room to use more productively. There's a whole raft of productivity benefits," says Precious.

The other benefit GPT had not really factored in was the move to laptop computers with activity-based working. This has cut energy use through the laptops themselves and also because all laptops are turned off at the end of the day and packed away in a personal locker, something which did not happen with desk computers.

GPT has ensured that components from the existing fitout were recycled, recast into the new or donated for re-use. This included recycled timber joinery, reclaimed from the dark timber panelling used in the original building; reupholstered, re-gassed office chairs; reused access floor; and a stripped-back ceiling revealing the original, Seidler-designed, exposed concrete ribbing.

The lighting and services approach was to expose the services in places and conceal in others, to increase the perception of space and also to reveal the concrete formwork.

GPT also uses 100 per cent green power.

The impact

The effects of the refurbishment and move to an activity based work model will be carefully monitored by GPT over the next 12 months, says Precious. But measurement and the impact of the work environment on productivity is not an exact science.

"We have the opportunity to use our own space as a lab to explore those impacts more deeply. But at the macro level motivation and productivity can really only be measured by the success of the company and it will take decades to really see this. But hopefully we can look back and see the level of innovation and creativity increase and it could be measured through the success of future projects.

"This space must inspire the people who are involved in the next big shopping centre and office projects and it must inspire their choice of materials and enhance the experience of the people who go to those shopping centres," says Precious.

"I often think that the components of productivity are clarity, capability and motivation and there's this extra essence of inspiration. I think that this workplace provides that inspiration."

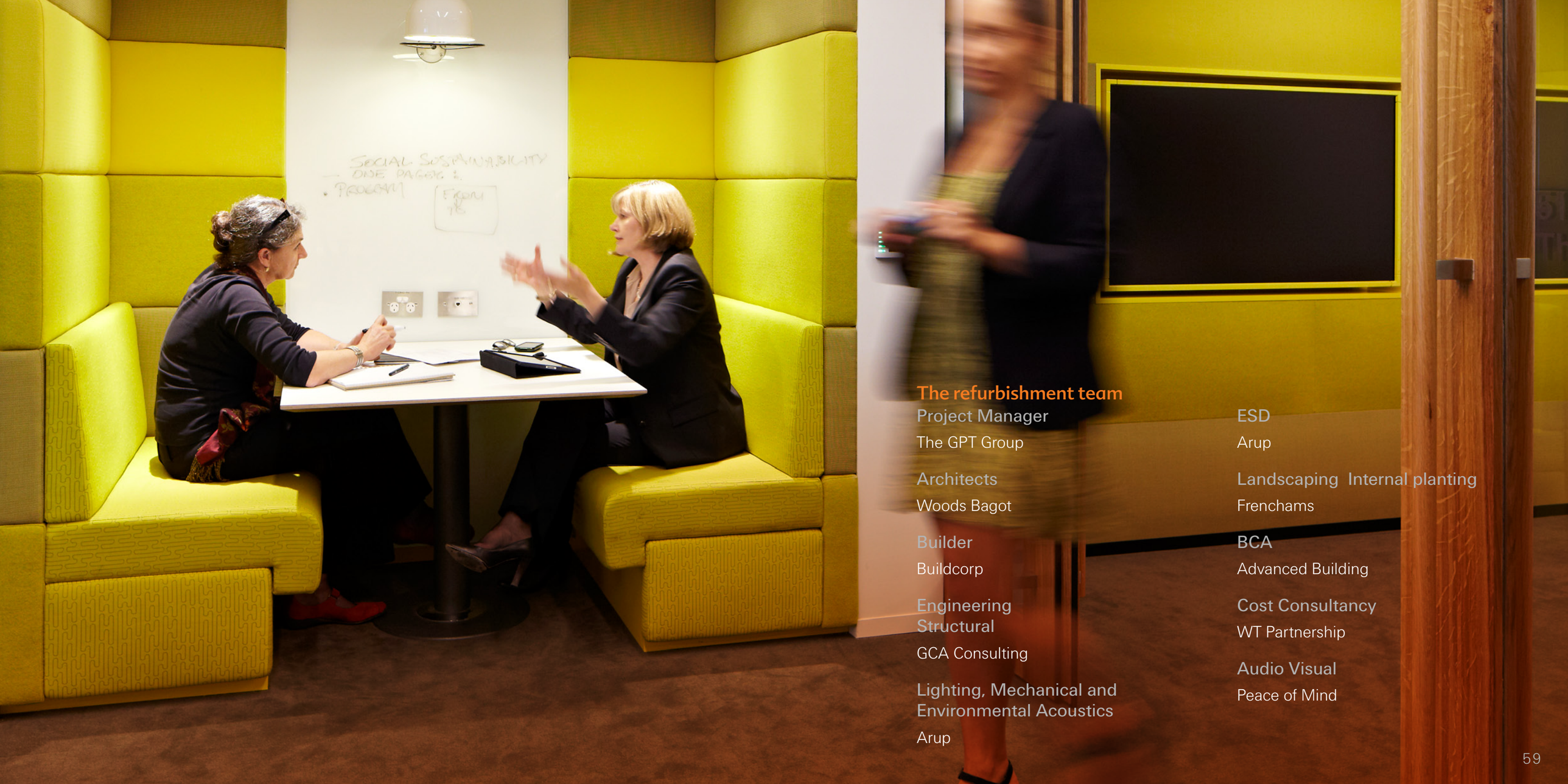
The key changes

- offsite IT server rooms
- chilled beam systems
- improvement in air quality to 12.5 litres per second (50 per cent higher than the required Australian standards)
- high frequency ballasts and a computer based lighting control system
- suspended T5 lighting, LED downlights and LED task lighting
- a high efficiency heat pump draws heat from other parts of the MLC Centre providing hot water for showers and some cooling to other parts of the building (using a fraction of the electricity of the old electric hot water system).
- low Volatile Organic Compounds (VOC) preferences in construction, paints, carpets and adhesives
- lighting levels in meeting rooms have been preset at 50 per cent
- meeting areas fitted with motion sensors that turn off lighting and mechanical equipment when not in use
- Specification of local, renewable, recyclable and sustainable materials throughout the project

The results

- 90 per cent of employees feel more equipped to be productive in the new space according to a recent survey
- 70 per cent cut in lighting energy use
- 50 per cent less power used
- 50 per cent more fresh air than standards require
- 80 per cent materials recycled or re-used

.



The refurbishment team

Project Manager
The GPT Group

Architects
Woods Bagot

Builder
Buildcorp

Engineering Structural
GCA Consulting

Lighting, Mechanical and Environmental Acoustics
Arup

ESD
Arup

Landscaping Internal planting
Frenchams

BCA
Advanced Building

Cost Consultancy
WT Partnership

Audio Visual
Peace of Mind


THEFIFTHESTATE
OUR PLANET
OUR REAL ESTATE