

GPT aims to keep unitholders informed about environmental initiatives in each of its portfolios and is committed to ensuring that its assets are managed in a responsible manner that is sensitive to the environment. Within each property portfolio, property managers are required to have a program for managing environmental risk. The programs are tailored to each sector and require defined objectives and targets, reports on current initiatives and planned initiatives and monitoring via regular external audits.

This Report provides examples of some of the initiatives being undertaken across each of GPT's property portfolios.

Retail Portfolio Initiatives

The Lend Lease Retail Group manages the GPT portfolio of shopping centres. In the Retail Portfolio each centre has continued to focus on waste recycling programs, however this year a major focus has been on Ecologically Sustainable Development (ESD) initiatives in developments underway at Floreat Forum in Perth and Erina Fair on the NSW Central Coast.

The redevelopment of Floreat Forum incorporates the use of a simple ventilation method. Perth has a hot dry summer, with low humidity, so there was an opportunity to provide cooling in the common areas of the shopping centre with the introduction of 'Shower Towers'. Shower Towers use simple evaporative cooling principles, and provide:

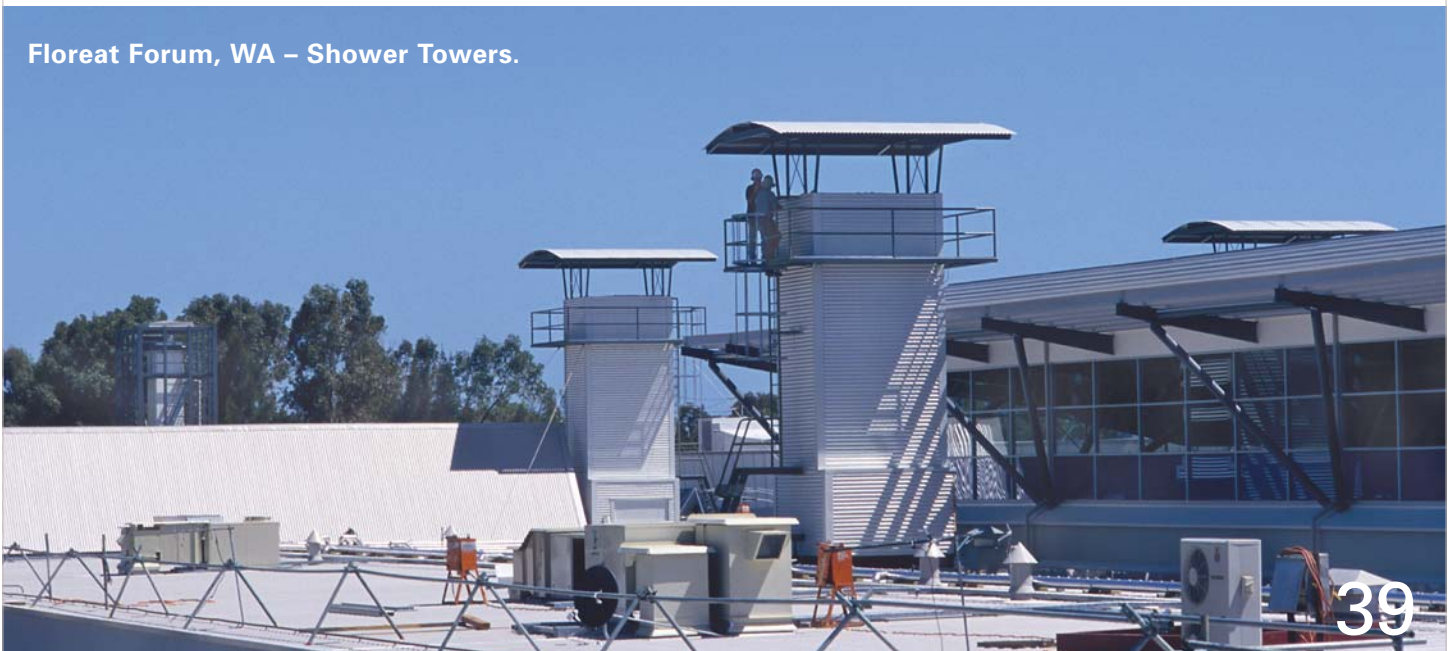
- increased fresh air movement and thermal comfort for customers;
- increased energy efficiency; and
- cost-efficiency.

We believe this method, which was developed in the US a number of years ago, has been used in Australia only once before and this is the first time it has been applied to a retail environment.

At Erina Fair, the higher level of humidity meant that 'Shower Towers' were not an optimal solution, however displacement ventilation, another environmentally friendly cooling method, has been applied in the design of the Eatery. The method involves introducing fresh air at floor level and as the air gets warmer, it rises. Whilst this simple solution provides a comfortable temperature most of the time, on the hottest days it is supplemented by a cooling coil under the floor. This conventional element was achieved with a relatively small capital cost and is expected to be required only on a dozen days in any typical year. Like the 'Shower Tower' concept, this form of ventilation will generate significant reductions in energy use.

Another simple concept that has been refined for use in the Eatery at Erina Fair, is a shading system that maximises the use of natural light. This system complements and optimises the use of natural ventilation. The concept allows for natural light, but to avoid too much light and heat, a carefully designed fixed shading system allows more sun to enter the roof structure at different times of the day. This optimises the sunlight in the morning and afternoon, whilst limiting sunlight in the hottest part of the day.

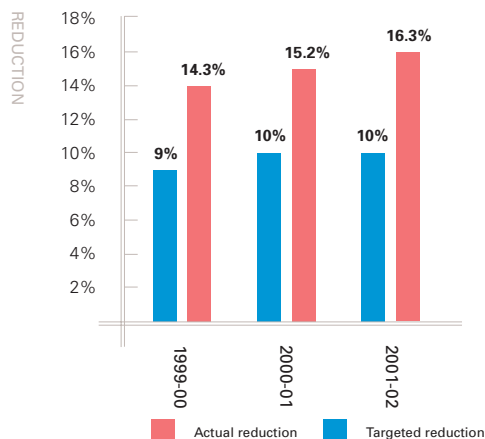
Floreat Forum, WA – Shower Towers.



Office Portfolio Initiatives

GPT's office assets are managed by Jones Lang LaSalle (JLL). JLL has participated in an internally managed Greenhouse Gas reduction program with some of GPT's major office buildings since 1999 and have delivered significant and measurable results. The bar graph below indicates the reduction in the level of Greenhouse Gas Emission against the target for each period. For 2002 the buildings achieved a 16.3% reduction in greenhouse gas emissions against a reduction target of 10% (by July 2002). Since our last report, GPT and JLL have submitted a final report to the Greenhouse Office to develop an ongoing greenhouse gas reduction program across GPT's office properties.

Office Greenhouse Gas Emissions



As indicated in last year's Environmental Report, most buildings are recycling paper and cardboard, and Australia Square in particular has a very active program. JLL are currently developing a program to rollout the initiatives from Australia Square to other properties in the Portfolio.

The Australia Square Waste Minimisation Project has resulted in tenants now recycling 94% of the total paper they discard and the building has achieved BEST PRACTICE IN THE SYDNEY CBD (Waste Audit Consultancy Services (NSW) Pty Ltd – June 2002). Since Australia Square's last waste audit in December 2000 the amount of paper recycled has increased by 89.35 kilograms per day. As it takes approximately one tree to manufacture 84 kilograms of paper, one extra tree a day survives. At Australia Square non-recyclable waste has also been reduced by 10.3% in 2002 compared to an 8% reduction in 2001. As new systems and contractors are introduced to increase recycling, the downward trend should accelerate. JLL recently finalised a contract with Visy Industries for the removal of all recyclable product from Australia Square; ie Visy will take glass, plastic milk cartons, cans as well as paper, at no charge, which will reduce the waste to landfill even more.

Another environmental initiative for the Office Portfolio has been the continued work with SEDA, the Sustainable Energy Development Authority. SEDA has developed a Building Greenhouse Rating Scheme to rate the energy efficiency of office buildings. GPT, through JLL, had the Sydney office assets assessed and rated when the scheme was first introduced. Since then, SEDA has extended the program to other capital cities and the relevant GPT office assets in these cities have now been assessed and rated.

Building Greenhouse Ratings are on a star basis as follows:

1 star	★	Poor: Poor energy management or outdated systems
2 stars	★★	Good: Average building performance
3 stars	★★★	Very Good: Current market best practice
4 stars	★★★★	Excellent: Strong performance
5 stars	★★★★★	Exceptional: Best building performance

The assessment of the office space component of each asset is very detailed and involves analysis of all forms of energy used, the structure and services of the asset, and the patterns of use of the asset by the tenants. GPT's office assets are rated as follows:

Office Asset	SEDA Rating
Australia Square Tower	★★★
Australia Square Plaza	★★★★
HSBC Centre	★★★
Darling Park Tower 1	★★★★
Darling Park Tower 2	★★★
Melbourne Central Tower	★★
530 Collins Street	★★
Riverside Centre	★★★
10 Mort Street	★★★
12 Mort Street	★★★★

The MLC Centre, Brisbane Transit Centre and 179 Elizabeth Street could not be rated under the SEDA scheme as they are either mixed-use assets or have shared services. In many cases the patterns of use by tenants, such as extended hours of operation and supply of chilled water after hours materially impacted on the rating.

The findings from the processes involved in determining the ratings has been used to identify issues which need to be further investigated and resolved so that the ratings for several properties can be improved over the next 12 to 24 months.

The construction of the National at Victoria Harbour is targeting a SEDA rating of 4 stars as part of the design specification.

Industrial/Business Park Portfolio Initiatives

Broad based environmental programs are difficult to implement across the Industrial/Business Park Portfolio, as daily operations such as cleaning, waste removal and electricity consumption are controlled by tenants, not JLL or GPT.

During 2002, construction of the first stage of 11 Grand Avenue Camellia was completed. Environmental initiatives adopted included:

- during construction, a total of some 15,000 cubic metres of demolition material was reused in the earthworks and roadworks components of the development and a further 1,500 cubic metres of general building waste was separated for recycling (represents a recycling rate of approximately 80% of all waste materials).
- sedimentation controls, runoff collection ponds and remediation procedures were initiated to protect the adjoining Parramatta River and mangroves from any adverse impacts. All runoff water collected in the special containment ponds was subsequently reused in onsite dust suppression operations.

Hotel/Tourism Portfolio Initiatives

In the GPT Hotel/Tourism Portfolio, the major asset, Ayers Rock Resort, plays an integral part in environmental initiatives.

Ayers Rock Resort is located adjacent to the unique World Heritage listed Uluru-Kata Tjuta National Park. The Resort is managed by Voyages Hotels and Resorts, which has a detailed and expanding Environmental Management Plan in place to minimise environmental impacts.

In 2002, construction of the luxury wilderness camp tents, known as Longitude 131°, was completed in accordance with the approval conditions set by Environment Australia under the

Environment Protection and Biodiversity Conservation Act 1999. This was the first Resort development to be approved under this Act. To achieve the conditions of the approval the construction site, roads and paths were completely fenced off and all work was contained to this area. Construction workers were inducted on the strict requirements to stay within the restricted area in order to minimise disturbance to land and vegetation. The overall design is sympathetic to the environmentally sensitive design of Ayers Rock Resort and includes:

- solar water heating;
- pre-fabricated construction techniques;
- thermal insulation;
- minimal landscaping (with native species);
- tent positioning to reduced thermal loads; and
- cold storage of refuse and recycling of some waste streams.

Other initiatives across the Resort include:

- A study being conducted on the Dune Plains Aquifer, which provides all water to the Resort, to determine the capacity, recharge and sustainability of this water supply. Supported by Uluru-Kata Tjuta National Park, Power and Water Corporation and Ayers Rock Resort, the independent study will be completed in early 2003.
- Recycling programs are continually expanding at the Resort and the volume of glass recycled increased by 18% in 2002 (to 102 tonnes), with cardboard recycling increasing by 8% (to 71 tonnes). A further 10% increase is targeted for 2003.
- Eleven square kilometres of Resort land been set aside as a Mulgara Conservation Zone. This area provides a protected environment for rare and endangered species.

Ayers Rock Resort – Longitude 131° was the first Resort development to be approved under the Environment Protection and Biodiversity Conservation Act.

