



**Australian Government**  
**Department of Finance**



# Commonwealth Leasing

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# Increasing space efficiency of offices through flexible and activity based working (ABW)

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## What is ABW?

ABW is a workplace that is designed to support the more consistent utilisation of space. It is based on analysis of how work is conducted in an organisation. Space is allocated according to activity. Quiet and private areas are defined and apportioned to intense and focused work, whereas collaboration spaces are created for group work and meetings.

Employees are asked move to the environment that best suits their requirements, and this movement may happen several times throughout the day to reflect different tasks. Due to the desk not necessarily being the primary place for work to occur, desks may not be allocated to a specific employee (flexi desking).

ABW is different from other flexi desking implementations, as the removal of a specified desk is offset by the implementation of a variety of different work areas. However, it does share many of the same advantages and disadvantages as flexi desking which are outlined below.

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## Disadvantages of flexi desking and ABW

Potential disadvantages of removing allocated desks from the workplace include:

- a loss of personal space where employees can display their individuality, and permanently store their work equipment close to their working environment. Studies have found that a limited ability to personalise a workspace can contribute to a low level of perceived privacy, which in turn can affect employees' emotional resilience;
- lack of close physical team environment which may affect: the ability to have ad hoc team meetings; mentoring of staff; and informal information sharing;
- productivity loss due to the time required to find and set up a workstation, and packing-up at the end of use. Productivity may also be impacted while searching for relevant staff across a tenancy; and
- potential health concerns related to sharing furniture, keyboard, and phones among multiple individuals.

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## Increasing the benefits of ABW with flexible working

Although it is not a requirement to implement both flexible working and ABW together, due to the effect of a flexible workplace on space utilisation, it is often jointly considered.

Flexible working is widely implemented in Australia. Approximately 64 per cent of workers are already taking advantage of some sort of flexible working arrangement that allow them to work from a remote location, usually at home, an average of 1.1 days a week. One study found that 83 per cent of people either “liked” or “loved” the ability to do this.

The productivity benefits of flexible working are widely accepted. Flexible workers have been found to be generally significantly more productive than their 9-to-5 peers. Studies have found that they:

- achieved more;
- were off sick less often; and
- worked longer hours.

Flexible work is endorsed by the Department of Employment, Skills, Small and Family Business, which advise small to medium businesses that flexible work arrangements can assist them to attract a diverse workforce and gain a competitive edge, especially while supporting carers to return to work. Other entities have found flexible workers are more agile and responsive to the needs of their clients.

## Key learnings for in the implementation of ABW

The successful implementation of a flexible workplace and ABW requires a strong policy structure to address the ‘people’ aspects, including staff management and oversight. Where there is not strong change management, unions may raise concerns about changed working conditions, as happened in 2017 in the Australian Tax Office implementation of flexi desking in Gosford.

ABW and flexible work also require support through modern connectivity and collaboration technologies (including portable devices and ICT infrastructure). Fit-outs require desks and chairs that can be easily and quickly adjusted to suit the different workers moving in these spaces. Further, a thorough cleaning protocol is required, to decrease prevalence of occupants’ health complaints when using communal equipment.

Despite its advantages, flexible working is unlikely to result in the end of the traditional office environment. Deloitte and CoreNet Global have undertaken recent research into the workplace experience. They found that despite the ubiquity of collaboration tools and the general acceptance of remote work, typically employees will still visit offices four, as often five days per week, in order to connect with colleagues and be visible to their leadership.

