

National Carbon Offset Standard Carbon Neutral Program Independent Audit Report

Template Guidance

The Audit Report is to be completed using this template. Instructions and prompts are to be deleted once the document is ready for submission. Text in square brackets outlines areas where the auditor is required to change information. No limits to length of content apply.

National Carbon Offset Standard (NCOS) Carbon Neutral Program (CNP) participants are required to develop appropriate documentation in accordance with the NCOS and NCOS Carbon Neutral Program Guidelines (the Guidelines), and update this documentation annually, at a minimum. Participants are responsible for having their CNP documentation independently audited. An independent audit is required initially as part of an application to be certified in the CNP and thereafter, at intervals specified in the Guidelines, to demonstrate the participant remains compliant.

This Independent Audit Report (“the Report”) should be used by auditors (“the Auditor”) to document the findings of audit activities. This Report is applicable for both the initial audit and periodic audits, and applies to both products and organisations (or a specified part of an organisation).

For annual reporting, CNP participants are required to complete their reporting and offsetting obligations and submit the documentation to the Department within four months of the conclusion of the agreed reporting period. Audit activities and the Report must also be completed and submitted to the Department prior to this deadline. The audit should be completed once the audit findings have been agreed between the Auditor and the participant.

The Report contains six sections. Most sections are applicable to both initial and periodic audits. Certain sections are only applicable to products or organisations. The table below outlines the sections of the Report and the associated requirements for completion.

Section	Content	Requirement for completion
1	Audit Statement and Audit Findings	All audits
2	Life Cycle Assessment (LCA)	Products/services (or organisations or events that use the Life Cycle Assessment approach)
3	Greenhouse Gas Inventory (GHG Inventory)	Organisations/specified part of organisation
4	Additional information	All audits
5	Summary of Corrective Action Requests (CARs)/Observations	All audits
6	Documents Reviewed	All audits

External use of this template

This template has been developed specifically for the use of participants in the NCOS Carbon Neutral Program that are seeking formal certification under the program. The template may also assist other entities that are not participants in the Carbon Neutral Program to, for example, voluntarily audit their carbon footprint in a way that reflects the standards set by the National Carbon Offset Standard. While the template may be used for such purposes that are unrelated to the Carbon Neutral Program, the Commonwealth makes no representation or warranty that the template will be completely sufficient for those purposes, and takes no responsibility for its use in such circumstances.



Australian Government
Department of the Environment

SECTION 1 Audit Statement and Audit Findings

Organisation Being Audited

Organisation Name	The GPT Group
Contact person	Bruce Precious
Position title	National Manager, Sustainability & Property Services
Telephone number	+61 2 8239 3762
Email address	Bruce.Precious@gpt.com.au
Street address	Level 51, MLC Centre, 19 Martin Place, Sydney, NSW, 2000

Carbon Neutral Certification Type

Type of certification (tick all applicable)	<input checked="" type="checkbox"/> Organisation <input type="checkbox"/> Product/service <input type="checkbox"/> Part of organisation <input type="checkbox"/> Event
Description of product / service / event or organisation	Property Services
Initial or periodic audit	Periodic

Auditor Information

Name of audit organisation	EY
Name of lead auditor	Dr Matthew Bell
Names of audit team members (if applicable)	Simon Dawes Jamie Ayers Natailie Sikand
Telephone number	+61 2 9248 5555
Email address	matthew.bell@au.ey.com

The Auditor must confirm that they are a suitably qualified auditor, in accordance with NCOS Audit requirements. Rotation of auditors is required where four consecutive audits have been carried out by an individual auditor.

NCOS Requirement	Confirmation and provide evidence
Lead auditor's NGER registration number	0032/2010
Is the lead auditor accredited to the international standard ISO 14065:2007?	No

EY confirms that we are not aware of any actual or perceived conflict of interest in having completed this engagement.

Matthew Bell confirms that he has not carried out more than four previous consecutive audits for The GPT Group.

Scope of Audit

EY has been engaged to undertake an independent audit of GPT's compliance with the National Carbon Offset Standard and the National Carbon Offset Standard Carbon Neutral Program Guidelines, in order to maintain certification under the NCOS.

We conducted our audit in accordance with ASAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information, which we confirm is as robust as the auditing standards specified in the NCOS. The audit has been planned and performed in accordance with the proposal approved by the participant to enable us to provide reasonable assurance that scope 1 and 2 emissions, and limited assurance that scope 3 emissions, disclosed in GPT's Greenhouse Gas Inventory, Annual Report and Public Disclosure Summary are, in all material aspects, in accordance with the requirements defined in the NCOS.

NCOS Carbon Neutral Program Participant Responsibilities

The participant is responsible for preparing the NCOS Carbon Neutral Program reporting documentation and for maintaining an effective internal control environment and data management system, in accordance with the requirements of the NCOS and the Guidelines.

Auditor's Responsibilities and Procedures Performed

The audit has been conducted in accordance with ASAE 3000 in order to provide a reasonable level of assurance with limited assurance provided for scope 3 emissions only to the NCOS Carbon Neutral Program Administrator and the participant over the scope set out above. As such, EY has undertaken the following procedures that are considered appropriate to be able to provide a reasonable level of assurance (with the exception of scope 3 emissions for organisations which are only required to be audited to a limited level of assurance):

- Sample testing of source data for Scope 1 and 2 emissions;
- Emissions factor and methodology check, including recalculation;
- Analytical review; and
- Obtained representations from GPT regarding the accuracy and completeness of data provided.

EY did not conduct any audit procedures with respect to the internal control environment and data management system of the applicant as a whole. As such, no assurance is provided on any internal control environment and data management system not associated with preparing the NCOS Carbon Neutral Program documentation.

The results of the audit procedures undertaken are set out in the following sections of the Report.

EY confirms that we are not aware of any actual or perceived conflict of interest in having completed this engagement.

EY confirms that we have not carried out more than four (4) previous consecutive NCOS audits for GPT.

Inherent Limitations

Due to the inherent limitations in any internal control environment and data management system it is possible that fraud, error, or non-compliance with requirements of the NCOS or NCOS Carbon Neutral Program Guidelines may occur and may not be detected. Further, the audit process was not designed to detect all weaknesses or errors in the internal control environment and data management system so far as they relate to the scope of audit set out above, as the audit has not been performed continuously throughout the period and the procedures performed on the relevant internal information and data management system were on a test basis. Any extrapolation from this audit to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The audit opinion expressed in this Report has been formed on the above basis.

Assurance statement and opinion

Reasonable (Scope 1 and 2 emissions): In our opinion, the participant's Scope 1 and 2 emissions as stated in the Greenhouse Gas Inventory, Emissions Management Plan, Annual Report and Public Disclosure Summary are, in all material aspects, in accordance with the National Carbon Offset Standard and National Carbon Offset Standard Carbon Neutral Program Guidelines.

Limited (Scope 3 emissions): Based on the procedures performed [as described below], nothing has come to our attention that would lead us to believe that the scope 3 emissions disclosed in GPT’s Greenhouse Gas Inventory, Emissions Management Plan, Annual Report and Public Disclosure Summary, in all material aspects, have not been prepared in accordance with the National Carbon Offset Standard and National Carbon Offset Standard Carbon Neutral Program Guidelines.

Recommendations


There were errors identified in the Scope 3 data through analysis of high value spend items in the ‘Food and Catering’ category. It is recommended that The GPT Group undertake an internal review of reported Scope 3 metrics, in raw data format, prior to analysis by Pangolin.

All Corrective Action Requests (CARs) identified during the course of the audit have been documented in the relevant section of the Report and summarised in section 7 of the Report.

Limitations on Use

This Audit Statement has been prepared for the management of the NCOS Carbon Neutral Program participant and for review by the Department of the Environment, solely for use in relation to the NCOS Carbon Neutral Program. We disclaim any liability for reliance upon this Report by any other party or for any other purpose other than that for which it was prepared.

Confirmation of Audit Findings

Name of lead auditor	Dr Matthew Bell
Position of lead auditor	Partner, Oceania Climate Change and Sustainability Services Leader
Signature of lead auditor	
Date	15/06/2016

SECTION 3: Greenhouse Gas Inventory

Requirement (Refer to NCOS Section 4.2)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence or documentation
<p>Has the GHG Inventory been prepared in accordance with current domestic and international standards?</p> <p>For example: ISO 14064.1:2006, National Greenhouse and Energy Reporting Act and supporting documentation, and Greenhouse Gas Protocol</p>	Yes	<p>Appropriate methodologies used and referenced in GHG Inventory. Furthermore, the following standards are cited:</p> <p>National Greenhouse & Energy Reporting Scheme</p> <p>ISO 14064.1:2006</p> <p>GHG Protocol: A Corporate Accounting and Reporting Standard</p> <p>GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard</p> <p>GHG Protocol: Technical Guidance for Calculating Scope 3 Emissions (Version 1.0)</p> <p>National Carbon Offset Standard</p>
<p>Has the time period for the GHG Inventory been clearly stated?</p>	Yes	1/1/2015 - 31/12/2015
<p>3.1 Organisation Description and Boundary</p>		
<p>Has the GHG Inventory base year been correctly identified (i.e., the first year for which the Inventory has been completed)?</p>	Yes	1/1/2011 - 31/12/2011
<p>Has the organisational boundary been transparently documented?</p> <p>The boundary is best displayed diagrammatically.</p>	Yes	Explanation of organisational boundary included in GHG Inventory

Requirement (Refer to NCOS Section 4.2)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence or documentation
Does the organisational boundary accurately reflect the operations undertaken by the organisation/part of organisation?	Yes	Based on our understanding of the organisation, the organisational boundary has been defined reasonably.
Have all exclusions to the organisational boundary been described and justified?	Yes	Emissions related to capital investment equipment, third party leased premises, freight, financial investments and contractors have been excluded from the inventory, (see Section 6).
Have the methodologies used to determine the organisational boundary (e.g., "operational control" test) been clearly identified?	Yes	Appropriate explanation of operational control definitions included.
3.2 Emission Sources		
<p>Have all Scope 1 and Scope 2 sources of emissions from within the organisational boundary been included in the GHG Inventory?</p> <p>This should include emissions from the six GHG's included under the Kyoto Protocol.</p>	Yes	Based on knowledge of GPT emissions sources, data checks of sources recorded in Envizi against those reported in the GHG Inventory, all sources appear to have been included.
Have Scope 3 emission sources within the established organisational boundary been identified?	Yes	<p>The following Scope 3 sources are reported: Water, Paper, Employee Commute, Business Flights, Stationary, Food & Catering, Couriers, Printing, Hotel Accommodation, International Hotel Accommodation, Taxis, Waste (Landfill), Waste (Recycling).</p> <p>Scope 3 components of the following Scope 1 and 2 emission sources have also been reported where appropriate: Electricity, Electricity (Base Building), Natural Gas, Diesel Oil, Electricity Greenpower.</p>

Requirement (Refer to NCOS Section 4.2)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence or documentation
Have any Scope 3 emission sources been excluded? If so, are the exclusions clearly stated and justified and the impact of the exclusions been considered?	Yes	The following scope 3 sources are excluded: Capital Investment Equipment, Contractors, Resource Consumption in third party leased premises, freight, investments.

3.3 Calculation Methodology and Emission Factors

Have the sources of all information and activity data been clearly documented?	Yes	Presented according to the NCOS template
Have Scope 1 and Scope 2 emission factors been sourced from the National Greenhouse Accounts Factors?	Yes	All appropriate calculation methodologies are in accordance with NGERs.
Have Scope 3 emission factors been sourced from the most current and appropriate source?	Yes	Scope 3 emissions factors have been sourced from a number of current and appropriate sources.
Has the purchase of GreenPower™ and/or the voluntary surrender of GreenPower™ eligible LGCs been correctly taken into account?	Yes	GreenPower purchases are correctly netted out.

Requirement (Refer to NCOS Section 4.2)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence or documentation
<p>Have all purchases of NCOS certified carbon neutral products been correctly accounted for?</p> <p>Emissions from NCOS carbon neutral products are zero rated to avoid double counting. Only NCOS certified products can be accepted under the CNP.</p>	Not applicable	
<p>Have all assumptions relating to the calculation of greenhouse gas emissions been clearly described and justified?</p>	Yes	Assumptions included in the GHG Inventory
3.4 Emissions Calculations		
<p>Have the emission calculations been quantified correctly for each emission source?</p>	Yes	Based on our recalculations, emissions have been quantified correctly.
<p>Does the sum of all individual emission sources accurately represent the total attributable emissions for the organisation/part of the organisation included within the GHG Inventory?</p>	Yes	Based on our recalculations, emissions have been aggregated correctly.
3.5 Assessment of Uncertainty		

Requirement (Refer to NCOS Section 4.2)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence or documentation
Has uncertainty of Scope 1 emission estimates been assessed in accordance with the National Greenhouse and Energy Reporting (measurement) Determination?	Yes	Uncertainty has been appropriately estimated. Appendix C – GPT Group 2015 GHG Report
3.6 Base Year Recalculation Policy		
Has the GHG Inventory base year been correctly identified (i.e., the first year for which the GHG Inventory has been completed)?	Yes	1/1/2011 - 31/12/2011
<p>Has a base year recalculation policy been included that is consistent with the GHG Protocol and NCOS?</p> <p>Consideration to be given to mergers, divestments, acquisitions, organic growth and decay, insourcing, outsourcing and significance thresholds.</p> <p>NCOS Section 4.2.2 and the GHG Protocol Corporate & Accounting Standard Ch. 5 provide specific guidance.</p>	Yes	<p>GPT details the recalculation policy in the GHG Inventory which includes consideration of the nominated circumstances.</p> <p>Page 1 – GPT Group 2015 GHG Report</p>

SECTION 4: ADDITIONAL INFORMATION

Requirement (Refer to the NCOS Section 5.1)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence or documentation
<p>Is the information contained in the PDS consistent with the Inventory/LCA?</p> <p>Consideration to be given to total emissions, emission sources, description of boundary and excluded emissions, reporting year, reduction and offsetting activities.</p>	Yes	The information provided in the PDS is consistent with the Inventory.
4.1 Emissions Reductions		
Has the emissions reduction strategy been adequately described?	Yes	Detailed within the Emissions Management Plan
Have reduction measures been considered and documented?	Yes	Detailed within the Emissions Management Plan
Has the estimated quantity of emissions reductions from each emission reduction measure been stated?	Yes	Detailed within the Emissions Management Plan
Has the total estimated quantity of emissions reductions been calculated?	Yes	Detailed within the Emissions Management Plan
4.2 Carbon Offsets		

Requirement (Refer to the NCOS Section 5.1)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence or documentation
Are offset quantities and the total offsets cancelled consistent with the total emissions?	Yes	See PDS
Are the details, including serial numbers and registry, of the offsets provided?	Yes	3352t TOTAL Serial #: 2798-121101473-121104564-VCU-009-APX-IN-1-957-28032006-15012007-0
Has the quantity of offsets banked for future years been clearly stated?	Yes	1,843t
Have details of banked offsets been provided? This should include the offset type and evidence to support the transaction.	Yes	Verified Carbon Standard APX VCS Registry Wind Energy project by Hindustan Spinners in Tamilnadu, India.
Are the offset types cancelled deemed eligible under the NCOS?	Yes	Offsets are eligible under the NCOS
Has the approach for retiring carbon offsets for the reporting period been stated? Including the offset type, name of registry, and whether the participant plans to forward purchase the abatement?	Yes	Verified Carbon Standard APX VCS Registry Wind Energy project by Hindustan Spinners in Tamilnadu, India.

Requirement (Refer to the NCOS Section 5.1)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence or documentation
If offsets are used from earlier periods, have these been adequately described?	Not applicable	
4.3 Record Keeping		
Are record-keeping practices adequate?	Yes	Envizi systems are described. Record keeping practices for retaining environmental consumption data appear adequate.
Have the records that are required to be maintained been specified? Participants must also include details of NCOS documents in their records management.	Yes	Document Register included.
Has the person that is responsible for establishing and maintaining the records, and their role, been identified?	Yes	Roles are identified appropriately.
4.4 Quality Control Practices		
Has a description of the quality control practices that are in place to ensure that data quality is maintained been provided?	Yes	Description of the key controls over data collection and reporting included.
4.5 Trade mark use and Marketing		

Requirement (Refer to the NCOS Section 5.1)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence or documentation
Has a detailed register of the use of the NCOS Trade Mark been provided?	Yes	
4.6 Participant Declaration		
Has the declaration been completed and signed?	Yes	Signed document received

SECTION 5: Summary of Corrective Action Requests and Observations

Finding	Summary of CAR/ Observation	Reference to Sections Reviewed in Certification Package	Summary of Action Taken to Address the CAR/ Observation (Participant's response and Auditor's conclusion)
Minor CAR	Inclusion of CAPEX data in Food and Catering spend and emisisions.	PBC.01 PBC.05	<p>Participant reviewed complete data set and removed all CAPEX items.</p> <p>Auditor reviewed amended documentation. Based on the procedures performed, nothing has come to our attention that would lead us to believe that the Food and Catering data and associated emissions disclosed in GPT's Greenhouse Gas Inventory, in all material aspects, have not been prepared in accordance with the National Carbon Offset Standard and National Carbon Offset Standard Carbon Neutral Program Guidelines.</p>
Minor CAR	Incorrect reporting of Airt Travel data and emisisions.	PBC.01 PBC.06	<p>Auditor reviewed amended documentation. Based on the procedures performed, nothing has come to our attention that would lead us to believe that the Aisr Travel data and associated emissions disclosed in GPT's Greenhouse Gas Inventory, in all material aspects, have not been prepared in accordance with the National Carbon Offset Standard and National Carbon Offset Standard Carbon Neutral Program Guidelines.</p>

SECTION 6: Documents Reviewed

Name or Description of Document	Document Title / Filename	Author and Date Prepared, and Version if Applicable
GPT 2015 Inventory	PBC.01	Reviewed by: Chris Wilson* Approved by: Iain Smale Document Number: v3 Date: 17 May 2016
IO methodology background	PBC.02	Authored by Dr Michael du Plessis Christopher Wilson v2: 10 October 2015
Envizi extract - Utilities	PBC.03	N/A
Data extract – Office supplies	PBC.04	N/A
Data extract – Catering services	PBC.05	N/A
Data extract – Air travel	PBC.06	N/A
GPT NCOS responsibilities and processes	PBC.07	N/A
GPT NCOS summary	PBC.08	N/A
NCOS licence agreement	PBC.014	Signed by: Gayle Milnes – ERF Witnessed by: Daniel Raftopolous Signed by: Lisa Bau – GPT Signed by: Andrew Selim – GPT Witnessed by: Genevieve Flynn
Certificate retirement evidence	PBC.10	Web extract https://vcsregistry2.apx.com/myModule/rpt/myrpt.asp?r=206
GPT Group PDS	PBC.11	Version 8

GPT Group 2015
GHG rept v4

PBC.12

Authored by: Serena Li
Reviewed by: Chris Wilson*
Approved by: Iain Smale
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