

# Delivering economic stimulus through the conservation and land management sector

The Pew Charitable Trusts

■ ■ ■  
The better the question. The better the answer.  
The better the world works.

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**EY**  
Building a better  
working world

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Dear Pepe

### **EY Proposal – Delivering economic stimulus through the conservation and land management sector**

We are delighted to submit our proposal to examine the economic and social benefits of a broad-based program of conservation and land management activities to support Australia's response to the Covid-19 crisis. We understand The Pew Charitable Trusts, as the convening body for a group of conservation, land management and farming organisations, requires a credible and timely economic case for the stimulus proposal to support its engagement with government.

In the current environment, governments are making decisions quickly to manage the crisis and assist businesses and workers during and after the lockdown. Our proposal offers a robust whole-of-economy approach to assessing the potential of the conversation and land management program as an immediate stimulus measure, as well as its longer term investment in improving Australia's natural assets.

Developing proposals for government is contestable and needs to be underpinned by good analysis and evidence. Our team understands the Federal Government (we're based in Canberra), knows the scrutiny applied by central agencies and can dedicate the resources to complete this project urgently.

You can be assured that our report will be robust and influential, and capable of withstanding critical analysis by policymakers. We can support a presentation to government if required.

We would welcome the opportunity to further discuss any aspect of our proposal. Please do not hesitate to contact me on 0437 979 179 should you have any queries or require additional information. We look forward to the opportunity to work with you on this exciting and important initiative.

Steve Brown  
Partner  
EY

## Project context

- ▶ In the current climate, the Government's revival strategy has centred on wage subsidies to firms to keep workers in place and businesses afloat during the public health lockdown. However, governments are also seeking options for stimulatory investments which can improve short term labour market and macroeconomic outcomes while yielding a meaningful economic and social return over the longer term.
- ▶ To advance the proposed conservation and land management program, it is imperative there is a strong economic case for investment.

### The proposal can give confidence to government

- ▶ The proposed program has many features which are attractive to government:
  - ▶ The program involves **real jobs on real projects**. It's not a make work program, rather the initiatives will make our environment better and leave a lasting legacy. And the time to do them is now, while there is massive excess capacity in the economy. There can be a 'double dividend' – soaking up labour market capacity, while delivering projects with a meaningful return on investment.
  - ▶ The program proposal **recognises key delivery issues** – good program design is needed, leverage existing delivery mechanisms where possible, and not build in structural commitments to the Budget. These are sound and prudent messages that federal and state governments will likely respond positively to.
  - ▶ While elements of the program are still evolving, there is sufficient **detail on how the program could shape up**. There are some high level resourcing levels (the number of jobs involved over different years), what work might be delivered (weed management, wildlife habitat restoration, vegetation planting etc), and what type of workers could participate (mostly unskilled roles but some trades too).
  - ▶ The program **can be scaled up or down**. Stimulus decisions are made in a real hurry and in a climate of uncertainty (how big is the downturn and how big does the stimulus need to be). The proposed program enables policymakers to adjust their investment if necessary. This is not possible with many other forms of public investment such as a mega projects – once committed, you're locked in.

### A robust and internally-consistent analytical framework is essential

- ▶ This project will support you by examining the economic and social benefits of the program on the basis of high level program parameters. Our report will assist engagement with government on the stimulus proposal while the details are being firmed. We understand that timing is urgent. It is imperative that worked up proposals are put in front of government now.
- ▶ Governments need the economic case for investment to be well reasoned and robust – central agencies will readily dismiss the program if this is not done properly. Our whole-of-economy analytical framework recognises the program's potential dividends: that it can be targeted, scaled and mobilised to align with current priorities, while delivering longer term returns to the community.
- ▶ Our team has significant experience developing ready-to-action proposals and analysis for government which bring together the economic and social payoffs.

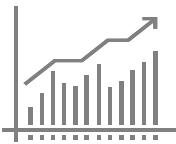
# Approach

Our approach is divided into four stages.



## Stage 1: Define

We will hold a project inception meeting with you to define and clarify the framework for our analysis, key data sources, agreed parameters and assumptions, and project management details. To accelerate delivery, we will confirm all aspects of our approach at this initial meeting.



## Stage 2: Research and data gathering

Desktop research will be undertaken to inform the context of our work, as well as to collect relevant parameters for modelling. This may include previous studies, data and other information on the long term impact of conservation and land management, the economic and social returns and productivity gains from environmental investments, worker upskilling and labour market engagement, and biodiversity offsets. In addition, data will be collated from multiple sources to develop and calibrate the database to be used in CGE modelling, and to support social and environmental benefits analysis.



## Stage 3: Economic and social benefits analysis

We will construct a national whole-of-economy **CGE model** to examine the economic impacts of the program. The outputs of modelling may include, gross domestic product (GDP), employment, industry output and gross value added (GVA), gross national income (GNI), and wages. These impacts will be projected over the short and long term. These economic assessments showcase the program's potential as a fiscal stimulus, as well as its broader economic dividends.



Social and environmental benefits analysis will be based primarily on research and analysis of publicly available data. Environmental benefit will use academic studies and a benefit transfer approach to value positive effects such as biodiversity and natural resource management. Social value will be identified through market proxies (that produce similar outcomes to natural resource management activities) to monetise these impacts.

A stylised diagram of our analytical framework is set out on the next page.



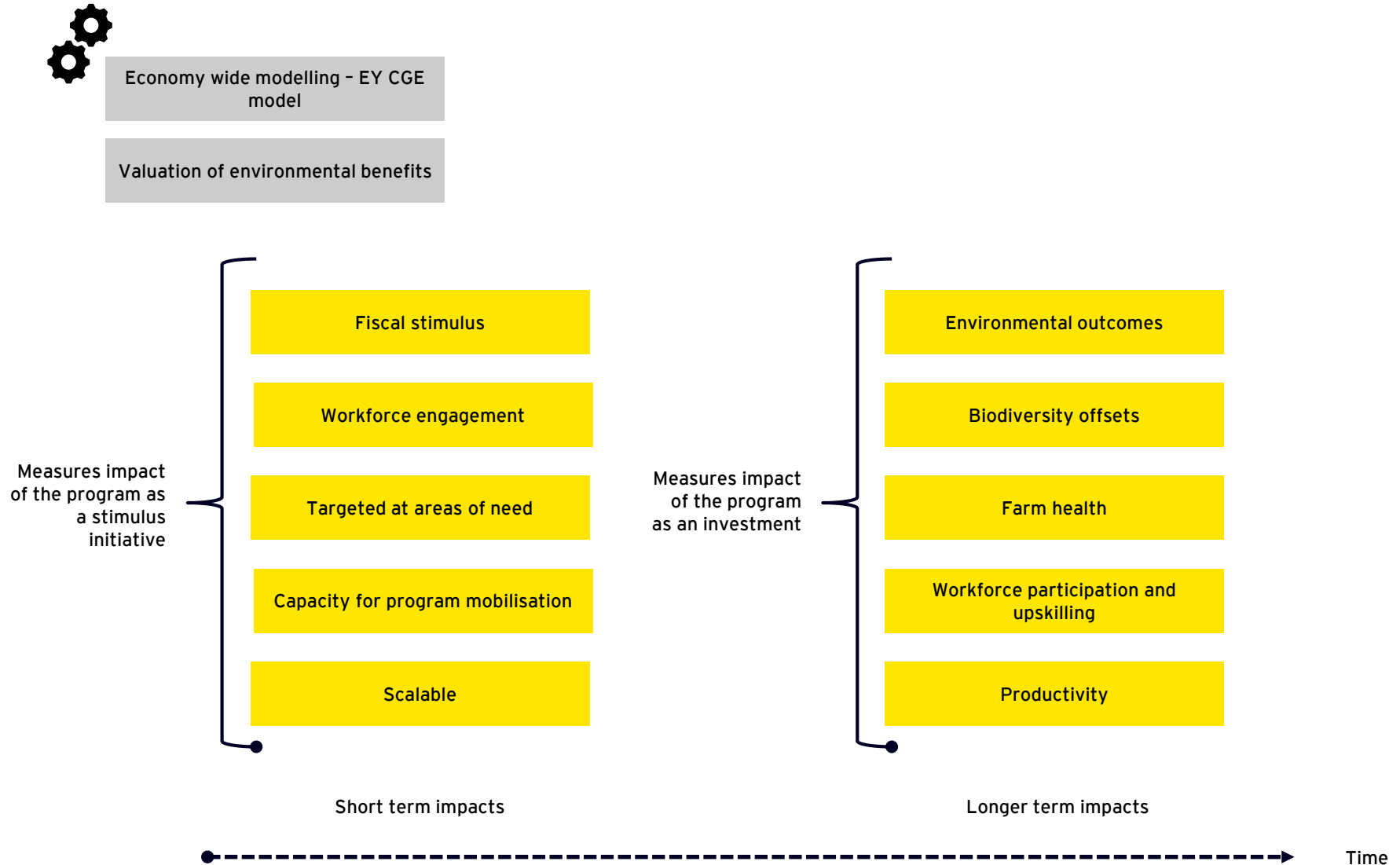
## Stage 4: Reporting

Our analysis will be discussed in a brief Draft report for your review and comment. Our report will contain the results of modelling and analysis, explanation of our methodology, data sources and assumptions, and the limitations of our work.

We understand that you may wish to reference our independent analysis in policy forums, such as discussions with the Australian Government, and public statements. See Appendix A: Nature of our work, and Appendix B: General Terms and Conditions, for more information.

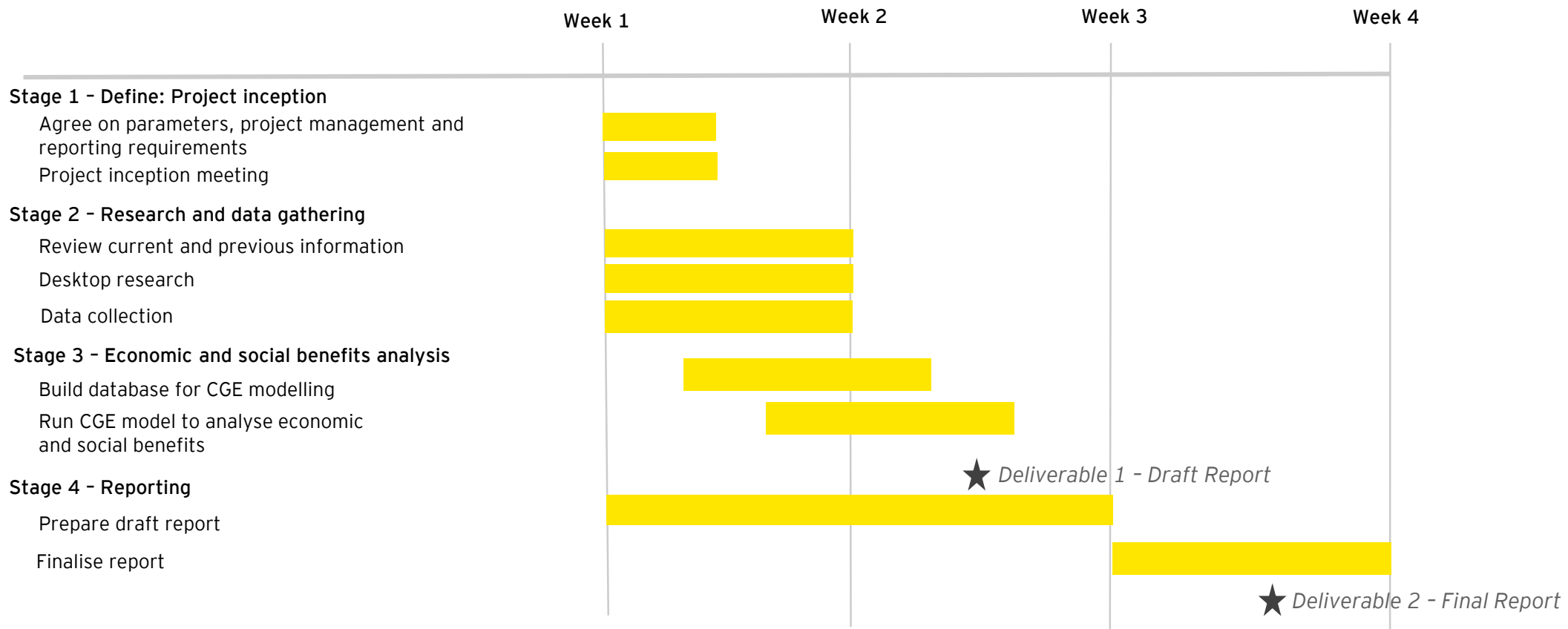
# Approach

An outline of our analytical framework is detailed below.



# Project management and timing

- ▶ A proposed schedule is set out below.
- ▶ We aim to produce a draft report within two weeks. Following your feedback and comments, a final report will be delivered within three weeks.
- ▶ Given our flexible approach, we are able to begin work immediately on this project.





# Our team



We have structured a team that has the flexibility and capability to manage the delivery of the project. The following key staff have the current resource capacity for this project and are seen as the best fit given their skill, industry knowledge and relevant experience.




Steve Brown will lead the project team, with the support of Chris Nadarajah. Steve brings over 30 years of experience working as a modelling expert, while Chris is an experienced economist who has delivered a number of complex engagements to influence government decision-making. Both Steve and Chris have a wealth of experience managing teams, and driving results for complex projects.

George Michalas will be the technical lead for the project. George has experience in conducting environmental scans, economic contribution studies and industry analysis. Madeline Dunk will support George and will bring her strong modelling background to the team.

Terrance Jeyaretnam will act as the environmental and social lead. Robert Kyne will provide technical support for the engagement in the areas of biodiversity offsets and co-benefits arising from natural resource management. Luke Sabbadini will provide subject matter expertise for the identification and evaluation of social, economic and environmental impacts.

EY Project Leadership Team			
	<b>Engagement Partner</b>		<b>Engagement Director</b>
	<b>Steve Brown</b>		<b>Chris Nadarajah</b>
	<ul style="list-style-type: none"> <li>▶ Steve is Partner in EY's Economics team, and has extensive experience in applied quantitative economic analysis and policy advice.</li> </ul>		<ul style="list-style-type: none"> <li>▶ Chris is a Director in EY's Economics team, and has directed many significant and influential engagements on public policy and economic appraisals.</li> </ul>

Economics	
	<b>Technical Lead</b>
	<b>George Michalas</b>
	<ul style="list-style-type: none"> <li>▶ George is Director in EY's Economics team and has widespread experience in economic modelling techniques including economic contribution and impact modelling and cost benefits analysis.</li> </ul>
	<b>Technical Analyst</b>
	<b>Madeline Dunk</b>
	<ul style="list-style-type: none"> <li>▶ Madeline has experience collecting and analysing data, conducting research, modelling and producing economic impact assessments.</li> </ul>

Environmental and Social	
	<b>Environmental and Social Lead</b>
	<b>Terence Jeyaretnam</b>
	<ul style="list-style-type: none"> <li>▶ Terence is a Partner with EY's Climate Change and Sustainability team based in Melbourne. He is an environmental and sustainability advisory and assurance specialist with over twenty years' experience.</li> </ul>
	<b>Environmental SME</b>
	<b>Robert Kyne</b>
	<ul style="list-style-type: none"> <li>▶ Robert has extensive experience developing outcomes-based frameworks and systems, strategy and policy as well as economic and social return on investment analysis.</li> </ul>
	<b>Environmental SME</b>
	<b>Luke Sabbadini</b>
	<ul style="list-style-type: none"> <li>▶ Luke's skills include outcomes measurement and evaluation, risk communications, social licence to operate strategy development, outcomes framework development.</li> </ul>

# Our credentials

Our team for this engagement is highly experienced in economic and environmental benefits analysis. We have produced numerous reports for Australian and state government clients and government audiences to influence new investment and better policy reform. Some key projects are noted below. The proposed team has worked directly on these engagements.

Scope	Relevance
<p><b>Covid-19 economic impact analysis</b> – EY is currently undertaking a range of analyses on the economic impacts of the Covid-19 pandemic on the Australian economy and other countries. As part of this current body of work, our economics team (the same team proposed for this engagement) is examining the effect of various fiscal stimulus measures and the consequences of relaxing economic lockdown measures.</p>	<ul style="list-style-type: none"> <li>✓ Macroeconomic analysis of Covid-19 crisis</li> <li>✓ Analysis of fiscal stimulus measures</li> </ul>
<p><b>Fortescue Metals Group</b> – Our economics team recently completed an economic contribution study of Australia’s iron ore industry, including the industry’s role in driving export performance and national productivity. The analysis highlighted the role sector plays to increase wages and employment in the economy and the significant contribution the iron ore sector makes to employment and output in other sectors of the economy.</p>	<ul style="list-style-type: none"> <li>✓ National level economic contribution analysis</li> <li>✓ Strategic industry linkages and economic spillover impacts</li> </ul>
<p><b>University of Wollongong</b> – EY examined the economic contribution of the University of Wollongong to the Illawarra region. The study assessed the direct and indirect economic benefits of the institution, its role in driving better innovation performance, and the economic activity that its student base generates for the region. The University makes a significant contribution directly, indirectly and by attracting domestic and international students to the region. The University of Wollongong is a major employer in the Illawarra, a region that is transitioning from heavy industry to a services economy.</p>	<ul style="list-style-type: none"> <li>✓ Regional economic contribution analysis</li> <li>✓ Economic benefits from slow burn investments in tertiary education and regional development</li> </ul>
<p><b>Queensland Department of Environment and Science</b> – EY undertook research into relevant state-based biodiversity offsets policies across Australia, interviewed a diverse range of stakeholders and undertook financial modelling to understand the barriers to landholder participation in the Qld Environment Offsets program.</p>	<ul style="list-style-type: none"> <li>✓ Stakeholder engagement</li> <li>✓ Financial modelling</li> <li>✓ Policy review</li> </ul>
<p><b>C40 Cities &amp; City of Melbourne</b> – EY provided technical assistance to support the evidence base behind City of Melbourne’s updated strategy and action plan aligned to C40’s Climate Action Planning Framework. Our analysis included a qualitative assessment to prioritise the most meaningful climate actions, and quantifies the impact of the prioritised actions.</p>	<ul style="list-style-type: none"> <li>✓ Materiality assessment</li> <li>✓ Outcomes measurement methodology</li> <li>✓ Data modelling</li> </ul>
<p><b>Department of Environment and Science</b> – EY is assisting the Queensland Government assess the value of co-benefits associated with carbon farming projects. The project uses the principles of benefit transfer in developing a database of environmental, social and economic valuations for these co-benefits.</p>	<ul style="list-style-type: none"> <li>✓ Outcome measurement methodology</li> <li>✓ Benefit transfer methodology</li> </ul>



# Pricing and value for money

Our fee for the project is \$50,000 (excl. GST).

We recognise that you may be considering other parties who may offer their services on a pro bono basis. We have made a decision to provide our team and capabilities on a discounted fee basis, at a substantial discount to our standard fees. Our proposal represents a discount to our standard fees of approximately 40%. We believe this provides real value to you - you will get the team and services we have set out, the highest levels of analytical rigour, and priority delivery of the report. We know this is a high stakes environment and governments are making decisions quickly. Under our proposal, you will have the certainty of a fee-based commitment to you.

Please refer to Sections 30 to 32 of Appendix B - General terms and conditions - for an explanation of our basis for charging (where fees have not otherwise been agreed) and other matters relating to our fees and invoicing arrangements. We will raise invoices on the basis of 50% at commencement and the remaining 50% upon completion of the engagement. We have agreed to waive the 3% engagement administration charge set out in clause 30 of Appendix B.



# Appendices

# Appendix A: Nature of our work

Our role is to provide you with advice and recommendations for your consideration. We will not perform any management functions or make any management decisions. As the engagement progresses, you may decide that you wish to vary the scope of work. We will discuss such matters with you and any changes to the scope of work will be agreed between us in writing.

The Services will not constitute a valuation, an audit in accordance with generally accepted auditing standards, or a review, examination or other assurance engagement in accordance with auditing and assurance standards issued by the Australian Auditing and Assurance Standards Board. We will not provide an opinion or any other form of assurance under audit or assurance standards. The Services will not include procedures to detect fraud or illegal acts or to test compliance with the laws or regulations in any jurisdiction. None of the Services or reports (as detailed in the General Terms and Conditions - Appendix B) will constitute any legal opinion or advice. You agree that you are responsible for determining the adequacy or otherwise of the Services agreed to be performed by us. We make no representations as to whether the Services are sufficient for your purposes.

Subject to our obligation to conduct our work with reasonable skill and care, we shall have no liability for any loss or damage, of any nature, arising from information material to our work being withheld or concealed from us or misrepresented to us by the directors, employees, or agents of the engaging parties or any other person of whom we make enquiries except to the extent that such loss or damage arises as a result of our bad faith or willful default or where the withholding, concealment or misrepresentation should have been apparent to us without further enquiry from the information provided to us and required to be considered by us under the terms of our assignment. If we become aware, in carrying out our work, of any withholding, concealment or misrepresentation, which we believe will have material implications for the performance of our work, we will inform you as soon as reasonably practicable.

Informal oral comments made in discussions with you or presentations to you about any Report will not have any greater significance than explanations or other material contained in the Report and reliance should only be placed on information and comments set out in the final Report. During the course of this assignment, we may provide status reports or show drafts of our Reports to you. This is done on the basis that they are provided to inform you of progress and significant findings identified to date, and draft Reports are subject to revision and alteration as further work is performed or further information received.

## Use of our report

Our advice and the Report will be provided to you for the Purpose only and should not be used or relied upon for any other purpose, or disclosed to, referred to or discussed with, any other party without our prior consent in writing, except as set out in Appendix B - General Terms and Conditions. Any summary of, or reference to, the Report or any oral presentation in relation to the Report, any submission of the Report, in whole or in part, to anyone who is not a member of the engaging parties or their subsidiaries will be subject to our prior review and written approval.

In the event that you should wish to publicly release the Report, on a non-reliance basis. The release of the Report will be in final form.

For the avoidance of doubt, EY must be consulted prior to such release of the Report and it will be subject to EY's prior consent (not to be unreasonably withheld) having followed our due internal processes (as outlined below), prior to such release, to approve the form of the Report to be released. The Report to be publicly released will have our release notice affixed at the top of the Report. As part of our internal review process (outlined below), we may include additional terms in the release notice as we deem appropriate and relevant.

EY's internal process for the release of our report requires additional review processes including but not limited to the following:

- Engagement partner and second partner review; and
- Review of the Report by EY's internal quality and risk management team
- Review of the Report by EY's internal branding and marketing team.

To the extent that you or any other party to which our report has been provided wishes to make a public statement which mentions our report, any such statement may only be made with our prior written consent. Specifically, we will have the right to edit the wording of any such statement and approve (or otherwise) the statement's release. We are conscious that this type of statement may be very time sensitive (for example, we may be informed within one working day of an imminent disclosure). We will commit to working co-operatively with you to ensure that our consent and any comments are provided within a reasonable timeframe.

We disclaim liability to any third party for all costs, expenses, loss, damage and liability the third party may suffer or incur arising from or relating to or in any way connected with the contents of our Report, the provision of our Report to any third party or reliance on our Report by the third party. Neither our findings nor other material produced by EY related to this engagement including our Report are to be included in any public offer document, information memorandum or public release whatsoever without our prior written consent.

## Corporate groups

If any subsidiary or group company of yours will be affected by or wishes to benefit from this assignment (including any new company incorporated or otherwise acquired after the date of this Agreement), you will procure that any such company will comply with the terms of this Agreement as if it were a party. The obligations of all companies bound by the terms of this assignment shall be joint and several.

## Conflicts of interest and working for other parties

We are not aware of any conflict of interest either in relation to the firm or the individual professional staff to be involved in this assignment which would impact on our ability to provide an independent and unbiased opinion. You acknowledge that EY Firms (as defined in Section 2 of the General Terms of Business in Appendix B) may render professional services to other clients. You agree that any such EY Firms may render these services to other such parties, as long as processes are put into effect to protect any confidential information relating to you and (a) no member of the team serving you is part of any team serving the other parties, and (b) the team serving you does not disclose to any other such team such confidential information, in either case without your prior written consent.

# Appendix B: General Terms and Conditions

## Our relationship with you

1. We will perform the Services using reasonable skill and care.
2. We are a member of the global network of Ernst & Young firms ("**EY Firms**"), each of which is a separate legal entity.
3. We will provide the Services to you as an independent contractor and not as your employee, agent, partner or joint venturer. Neither you nor we have any right, power or authority to bind the other.
4. We may subcontract portions of the Services to other EY Firms, as well as to other service providers, who may deal with you directly. Nevertheless, we alone will be responsible to you for the Reports (as defined in Section 11), the performance of the Services, and our other obligations under this Agreement.
5. We will not assume any management responsibilities in connection with the Services. We will not be responsible for the use or implementation of the output of the Services.

## Your responsibilities

6. You shall assign a qualified person to oversee the Services. You are responsible for all management decisions relating to the Services, the use or implementation of the output of the Services and for determining whether the Services are appropriate for your purposes.
7. You shall provide (or cause others to provide) to us, promptly, the information, resources and assistance (including access to records, systems, premises and people) that we reasonably require to perform the Services.
8. To the best of your knowledge, all information provided by you or on your behalf ("**Client Information**") will be accurate and complete in all material respects. The provision of Client Information to us will not infringe any copyright or other third-party rights.
9. We will rely on Client Information made available to us and, unless we expressly agree otherwise, will have no responsibility to evaluate or verify it.
10. You shall be responsible for your personnel's compliance with your obligations under this Agreement.

## Our reports

11. Any information, advice, recommendations or other content of any reports, presentations or other communications we provide under this Agreement ("**Reports**"), other than Client Information, are for your internal use only (consistent with the purpose of the particular Services) including your board of directors and your audit committee.
12. You may not disclose a Report (or any portion or summary of a Report) externally (including to your affiliates), or refer to us or to any other EY Firm in connection with the Services, except:
  - (a) To your lawyers (subject to these disclosure restrictions), who may review it only in connection with advice relating to the Services
  - (b) To the extent, and for the purposes, required by law (and you will promptly notify us of such legal requirement to the extent you are permitted to do so)
  - (c) To other persons (including your affiliates) with our prior written consent, who have executed an access letter who may use it only as we have specified in our consent, or
  - (d) To the extent it contains Tax Advice, as set forth in Section 13

If you are permitted to disclose a Report (or a portion thereof), you shall not alter, edit or modify it from the form we provided.

An "affiliate" of an entity (for the purpose of this Agreement) shall mean an entity or individual that controls, is controlled by, or is under common control with, the first entity, and "control" means the ability to direct the policies or operations of an entity, whether by contract, ownership of equity interests, or otherwise.

13. You may disclose to anyone a Report (or any portion thereof) solely to the extent that it relates to tax matters, including tax advice, tax opinions, tax returns, or the tax treatment or tax structure of any transaction to which the Services relate ("**Tax Advice**"). With the exception of tax authorities, you shall inform those to whom you disclose Tax Advice that they may not rely on it for any purpose without our prior written consent. Where tax law services are provided, disclosure of our advice to a third party may result in a waiver of legal professional privilege.
14. You may incorporate into documents that you intend to use our summaries, calculations or tables based on Client Information contained in a Report, but not our recommendations, conclusions or findings. You must assume sole responsibility for the contents of those documents and you must not externally refer to us or any other EY Firm in connection with them. Where tax law services are provided, disclosure of such internal documents may result in a waiver of legal professional privilege.
15. You may not rely on any draft Report. We shall not be required to update any final Report for circumstances of which we become aware, or events occurring, after its delivery.

## Limitations

16. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, any amount with respect to any loss of profit, data or goodwill, or any indirect or consequential costs, loss or damage in connection with claims arising out of this Agreement or otherwise relating to the Services, whether or not the likelihood of such loss or damage was contemplated.
17.
  - (a) If the Competition and Consumer Act 2010 (Cth), the Corporations Act 2001 (Cth) or any other legislative provision prohibits or otherwise precludes the restriction, modification or exclusion of any statutory condition, warranty, guarantee, right, remedy or other benefit, Sections 16, 17 and 18 do not restrict, modify or exclude it. Unless prohibited by law, no term, condition or warranty is implied except as expressly provided in this Agreement.
  - (b) Our liability is limited by a scheme approved under professional standards legislation applicable to the Services provided ("**Scheme**"). A copy of the Scheme can be obtained from us upon request.
  - (c) If our liability is not limited by a Scheme, you (and any others for whom Services are provided) may not recover from us, in contract or tort (including negligence), under statute or otherwise, aggregate damages in excess of the monetary ceiling applicable to the fees paid for the Services under the Scheme in connection with claims arising out of this Agreement or otherwise relating to the Services.
  - (d) If a term is implied into this Agreement by law, which cannot be excluded, you agree that in the event that we breach the term we may, in our absolute discretion and to the extent it is allowed by law, choose either to re-supply the Services or pay you the cost of having the Services re-supplied.

# Appendix B: General Terms and Conditions

18. If we are liable to you (or to any others for whom Services are provided) under this Agreement or otherwise in connection with the Services, for loss or damage (including interest and costs) to which any other persons have also contributed, our liability to you shall be several, and not joint, with such others, and shall be limited to our fair share of that total loss or damage which is agreed between us or ascribed to us by a court or tribunal of competent jurisdiction, based on our contribution to the loss and damage relative to the others' contributions. No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
19. The limitations in Section 17 will not apply to losses or damages caused by our fraud or to the extent prohibited by applicable law or professional regulations.
20. You may not make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or our or its subcontractors, members, shareholders, directors, officers, partners, principals or employees ("**EY Persons**"). You shall make any claim or bring proceedings only against us.

## Indemnity

21. To the fullest extent permitted by applicable law and professional regulations, you shall indemnify us, the other EY Firms and the EY Persons against all claims by third parties (including your affiliates and lawyers) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs and any goods and services tax payable by us on amounts paid by you under this indemnity) incurred by us or the other EY Firms or the EY Persons which is related to, arises out of, or is in any way associated with the third party's use of or reliance on any Report (including Tax Advice) disclosed to it by or through you or at your request. You shall have no obligation hereunder to the extent that we have specifically authorised, in writing, the third party's reliance on the Report.

## Intellectual property rights

22. We may use data, software, designs, utilities, tools, models, systems and other methodologies and know-how ("**Materials**") that we own in performing the Services. Notwithstanding the delivery of any Reports, we retain all intellectual property rights in the Materials (including any improvements or knowledge developed while performing the Services), and ownership of our working papers prepared in connection with the Services (but not Client Information reflected in them).
23. Upon payment for the Services, you may use any Materials included in the Reports, as well as the Reports themselves as permitted by this Agreement.

## Confidentiality

24. Except as otherwise permitted by this Agreement, neither of us may disclose to third parties the contents of this Agreement or any information (other than Tax Advice) provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Either of us may, however, disclose such information to the extent that it:
  - (a) Is or becomes public other than through a breach of this Agreement

- (b) Is subsequently received by the recipient from a third party who, to the recipient's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information
  - (c) Was known to the recipient at the time of disclosure or is thereafter created independently
  - (d) Is disclosed as necessary to enforce the recipient's rights under this Agreement, or
  - (e) Must be disclosed under applicable law, legal process or professional regulations
25. Either of us may use electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations under this Agreement.
26. Subject to applicable law, we may provide Client Information to other EY Firms, EY Persons and external service providers of EY, other EY Firms, or EY Persons ("**Service Providers**") who may collect, use, transfer, store or otherwise process it (collectively "**Process**") in various jurisdictions in which they operate for purposes related to:
  - (a) the provision of the Services;
  - (b) complying with regulatory and legal obligations to which we are subject;
  - (c) conflict checking;
  - (d) for risk management and quality reviews; and
  - (e) for our internal financial accounting, information technology and other administrative support services.

(collectively "**Processing Purposes**").

We shall be responsible for maintaining the confidentiality of Client Information regardless of by whom such Information is Processed on our behalf.

27. With respect to any Services, if U.S. Securities and Exchange Commission auditor independence regulations apply to the relationship between you or any of your associated entities and any EY Firm, you represent, to the best of your knowledge, as of the date of this Agreement, that neither you nor any of your affiliates has agreed, either orally or in writing, with any other advisor to restrict your ability to disclose to anyone the tax treatment or tax structure of any transaction to which the Services relate. An agreement of this kind could impair an EY Firm's independence as to your audit or that of any of your affiliates, or require specific tax disclosures as to those restrictions. Accordingly, you agree that the impact of any such agreement is your responsibility.

## Data protection

28. For the Processing Purposes referred to in Section 26 above, we and other EY Firms, EY Persons and Service Providers may Process Client Information relating to identified or identifiable natural persons ("**Personal Data**") in various jurisdictions in which they operate (EY office locations are listed at [www.ey.com](http://www.ey.com)). The transfer of Personal Data within the EY network is subject to EY Binding Corporate Rules policies (listed at [www.ey.com/bcr](http://www.ey.com/bcr)). We will Process Personal Data in accordance with data protection requirements under applicable law and professional regulations including (without limitation) the Privacy Act (1988) (Cth). We will require any Service Provider that Processes Personal Data on our behalf to adhere to such requirements. For Services where we act as processor processing Personal Data of European Union residents on your behalf, appropriate data processing terms will be included in this Agreement or applicable Statement of Work. A copy of our Privacy Policy statement may be obtained on request.
29. You warrant that you have the authority to provide Personal Data to us in connection with the performance of the Services and that any Personal Data provided to us has been Processed in accordance with applicable law.

# Appendix B: General Terms and Conditions

## Fees and expenses generally

30. You shall pay our professional fees and specific expenses in connection with the Services as detailed in the applicable Statement of Work. You shall pay our engagement administration charge of 3% of our fees which covers our costs, including courier charges, photocopying, postage, telephone calls, facsimiles and stationery.
- You shall also reimburse us for other reasonable expenses incurred in performing the Services. Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs imposed in respect of the Services, all of which you shall pay (other than taxes imposed on our income generally). In relation to GST specifically, if our supply to you is taxable you will pay additional consideration calculated as the prevailing GST rate multiplied by our GST exclusive fees.
- Unless otherwise set forth in the applicable Statement of Work, payment is due within 14 days following receipt of each of our invoices. If you direct us to issue an invoice to another party, you shall remain responsible for payment until our invoice is paid in full. We may charge interest on invoices which are not paid when due at the applicable Westpac Banking Corporation Reference Lending Rate from the due date to the date we receive payment. Accounts may be paid by electronic funds transfer, internet banking or cheque. Credit card payments are not accepted.
31. We may charge additional professional fees if events beyond our control (including your acts or omissions) affect our ability to perform the Services as originally planned or if you ask us to perform additional tasks.
32. If we are required by applicable law, legal process or government action to produce information or personnel as witnesses with respect to the Services or this Agreement, you shall reimburse us for any professional time and expenses (including reasonable external and internal legal costs) incurred to respond to the request, unless we are a party to the proceeding or the subject of the investigation.

## Force majeure

33. Neither you nor we shall be liable for breach of this Agreement (other than payment obligations) caused by circumstances beyond your or our reasonable control.

## Term and termination

34. This Agreement applies to the Services whenever performed (including before the date of this Agreement).
35. This Agreement shall terminate on the completion of the Services. Either of us may terminate it, or any particular Services, earlier upon 14 days' prior written notice to the other. In addition, we may terminate this Agreement, or any particular Services, immediately upon written notice to you if we reasonably determine that we can no longer provide the Services in accordance with applicable law or professional obligations.
36. You shall pay us for all work-in-progress, Services already performed, and expenses incurred by us up to and including the effective date of the termination of this Agreement.
37. Our respective confidentiality obligations under this Agreement shall continue for a period of three years following the termination of this Agreement. The other provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following

the termination of this Agreement.

## Governing law and dispute resolution

38. This Agreement, and any non-contractual matters or obligations arising out of this Agreement or the Services shall be governed by, and construed in accordance with, the laws of the state or territory of the Ernst & Young office shown on the Cover Letter. We both agree and irrevocably submit to the exclusive jurisdiction of the applicable state.
39. If there is a dispute relating to the Services or this Agreement, the parties must submit the dispute to mediation before having recourse to any other dispute resolution process. Written notice of the dispute will be given for it to be submitted to mediation before a mediator chosen by the parties or, where the parties cannot agree, by the Australian Disputes Centre ("ADC"). The parties will use their best endeavours to settle the dispute promptly. The mediation will be conducted in accordance with the ADC Guidelines for Commercial Mediation to the extent that they do not conflict with the provisions of this Section. If the dispute is not resolved within 60 days after notice of the dispute, the mediation will terminate unless the parties otherwise agree.

# Appendix B: General Terms and Conditions

## Fees and Miscellaneous

40. This Agreement constitutes the entire agreement between us as to the Services and the other matters it covers, and supersedes all prior agreements, understandings and representations with respect thereto, including any confidentiality agreements previously delivered.
41. Both of us may execute this Agreement (including Statements of Work), as well as any modifications to it by electronic means and each of us may sign a different copy of the same document. Both of us must agree in writing to modify this Agreement or any Statement of Work hereunder.
42. Each of us represents that the person signing this Agreement and any Statement of Work hereunder on its behalf is expressly authorised to execute them and to bind each of us to their terms.

You represent that your affiliates and any others for whom Services are performed shall be bound by the terms of this Agreement and the applicable Statement of Work.
43. You agree that we and the other EY Firms may, subject to professional obligations, act for other clients, including your competitors.
44. Neither of us may assign any of our rights, obligations or claims under this Agreement.
45. If any provision of this Agreement (in whole or part) is held to be illegal, invalid or otherwise unenforceable, the other provisions shall remain in full force and effect. Sections 17(c) and 21 do not apply if:
  - (a) Such provision is prohibited by applicable law, regulation, the rules and interpretations of the U.S. SEC or other applicable rules and interpretations concerning auditor independence
  - (b) The Services include income tax preparation services associated with the preparation of U.S. tax returns for a U.S. SEC audit client, or
  - (c) The Client is a U.S. SEC audit client and performance of these non-audit Services will have more than an insignificant effect on EY's audit engagement by either:
    - (i) Affecting EY's audit procedures or scope, or
    - (ii) Producing information that would be used by EY as audit evidence
46. If there is any inconsistency between provisions in different parts of this Agreement, those parts shall have precedence as follows (unless expressly agreed otherwise): (a) the Cover Letter, (b) the applicable Statement of Work and any annexes thereto, (c) these General Terms and Conditions, and (d) other annexes to this Agreement.
47. Neither of us may use or reference the other's name, logos or trademarks without its prior written consent, provided that we may use your name publically to identify you as a client in connection with specific Services or otherwise.
48. The limitations in Sections 16 to 18 and Section 20 and the provisions of Sections 21, 26, 28, and 43 are intended to benefit the other EY Firms and all EY Persons, who shall be entitled to enforce them.
49. We are committed to ensuring the health and safety of EY Persons. To this end, we expect that you will:
  - (a) Ensure that your premises are safe for EY Persons who may attend your premises
  - (b) Provide EY Persons who visit your premises or perform work at your premises with:
    - (i) Any site induction under your policies
    - (ii) Any information about hazards or risks to health and safety, and
    - (iii) Details of any emergency plans and procedures (including evacuation plans) relating to the

premises

50. We are committed to providing our clients with the highest quality services at Ernst & Young. However, should you be less than fully satisfied with the quality of our services or have a specific complaint please contact your engagement partner. If you do not wish to contact your engagement partner, or you are dissatisfied with the resolution of your complaint, please contact our Chief Compliance Officer on (02) 9248 5555 or at 200 George St, Sydney NSW 2000. We will respond to you about your complaint and our complaints handling process.
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