

CROWN SYDNEY HOTEL RESORT



VOLUME 1A – PROJECT SUBMISSION

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CROWN SYDNEY HOTEL RESORT AT BARANGAROO SOUTH (DESIGN IMAGE)



TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	2
2. ABOUT CROWN	16
2.1 Crown Limited	16
2.2 Crown Melbourne	18
2.3 Crown Perth	20
2.4 Crown Aspinall's, London	22
2.5 Investment in Melco Crown Entertainment	23
3. THE CROWN SYDNEY HOTEL RESORT PROJECT PARTNERS	26
3.1 The National Centre of Indigenous Excellence	26
3.2 United Voice	26
3.3 Penrith Panthers Group	27
3.4 Mission Australia	27
3.5 Lend Lease	27
4. THE CROWN SYDNEY HOTEL RESORT WILL BE UNIQUE	30
4.1 The key features of the Crown Sydney Hotel Resort	30
4.2 Significance of the Barangaroo location	37
4.3 Crown Sydney requires a VIP gaming facility	40
5. THE CROWN SYDNEY HOTEL RESORT WILL DELIVER UNIQUE BENEFITS	44
5.1 Economic benefits for New South Wales	44
5.2 Significant increase in gaming taxes for New South Wales	53
5.3 Employment and training benefits	53
5.4 Tourism benefits	58
5.5 Social and community benefits	100
5.6 No material costs to the New South Wales Government	101

6. CROWN IS UNIQUELY PLACED TO DELIVER THE PROJECT	104
6.1 Crown has secured Sydney's best site	105
6.2 Crown will deliver a world-class iconic building	106
6.3 Proven track record of developing and operating luxury hotel resorts	107
6.4 Proven track record in attracting VIP tourists	110
6.5 Unique attractions available to Crown Sydney Hotel Resort	114
6.6 First class employment and training record	120
6.7 Partnership with the National Centre of Indigenous Excellence	132
6.8 Partnership with United Voice	136
6.9 Partnership with Penrith Panthers Group	138
6.10 Crown is a world leader in responsible gaming	140
6.11 Providing employment opportunities for people with disabilities	150
6.12 Proven track record of working with local communities	152
6.13 Commitment to the environment	155
6.14 High standards of probity and strong record of compliance	158
6.15 Crown's financial strength	160
6.16 Well-resourced, stable and experienced Board and management team	163
7. FUNDING OF THE PROJECT AND RISK ALLOCATION	166
7.1 No taxpayer funding required	166
7.2 Crown will assume project risk	166
8. CROWN'S ACHIEVEMENTS AND AWARDS	168
8.1 Crown Melbourne	168
8.2 Crown Perth	177
8.3 Melco Crown Entertainment Awards	182
9. ASSESSMENT CRITERIA CHECKLIST	188
10. LIST OF ATTACHMENTS	190
11. IMPORTANT NOTICE	192



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I. EXECUTIVE SUMMARY

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SYDNEY DESERVES ONE OF THE WORLD'S GREAT HOTELS

Crown is proposing to design, construct and operate Sydney's first six-star luxury hotel resort at Barangaroo South on Sydney Harbour. Barangaroo South represents a spectacular opportunity to showcase an iconic 6-star hotel. The Crown Sydney Hotel Resort will be world-class and will feature 350 hotel rooms and suites, 80 luxury apartments, signature restaurants, bars, luxury retail outlets, pool and spa facilities, conference rooms and VIP gaming facilities.

The Crown Sydney Hotel Resort will be iconic and will deliver significant and unique benefits for the people of New South Wales.

The Crown Sydney Hotel Resort will be a world-class tourist offering, helping Sydney compete with other global destinations and become a landmark attraction for millions of international and domestic visitors.

Crown Chairman James Packer recently explained:

"Sydney deserves one of the world's best hotels ... I'm confident we will see the most iconic building constructed here since the Opera house.

I want this hotel resort to be instantly recognisable around the world and feature on postcards and memorabilia promoting Sydney. That's how you attract international tourists, create jobs and put Sydney on the map."

Source: Daily Telegraph (15 February 2013)

Sydney is yet to capitalise on the opportunities provided by the growth in Chinese tourism, the large Asian VIP gaming market and the many attractions of Sydney for high net worth tourists and VIP players.

Sydney's current hotel offering (including The Star's latest hotel) does not match the standard of the best hotels in Asia.

Other major cities in Australia and around the world are using six-star luxury hotels, with a gaming component, as part of their tourism offering to attract wealthy Asian tourists. Sydney risks being uncompetitive without such an offering.

"The six-star hotel promise will add a level of accommodation that Sydney doesn't currently have, and it will help to put the spotlight firmly on the city's attractiveness as a tourism destination."

Source: Simon McGrath, Accor Chief Operating Officer (28 October 2012)

Crown, Lend Lease and the Barangaroo Delivery Authority are working with Wilkinson Eyre, one of the world's best architects, to ensure the Crown Sydney Hotel Resort is a landmark building that will complement Sydney icons like the Harbour Bridge and the Opera House.

As former Prime Minister Paul Keating noted:

"There is little doubt that Lend Lease as developer/contractor, along with Crown as hotel designer/operator, could build a hotel of world rank."

Source: Paul Keating, 'Statement by Hon PJ Keating: Barangaroo — Lend Lease and Crown Announcement' (2 August 2012)

THE CROWN SYDNEY HOTEL RESORT WILL BE A LANDMARK BUILDING AND A KEY TOURIST ATTRACTION

To ensure that the Crown Sydney Hotel Resort is an architecturally iconic addition to Barangaroo and Sydney Harbour, Crown, Lend Lease and the Barangaroo Delivery Authority are working with some of the world's best hotel resort and hospitality designers.

An international design competition was conducted under the supervision of an expert advisory panel to identify a principal architect with an iconic design.

This exciting project was able to attract three of the world's leading architectural design firms with experience in designing large scale resorts and iconic public buildings.



CROWN SYDNEY HOTEL RESORT AT BARANGAROO SOUTH (DESIGN IMAGE)

The combination of the unique nature of the Barangaroo site, the vision established by Crown's Chairman, James Packer, and Crown's proven track record of developing world-class resorts attracted these renowned architects.

The brief presented to the architects required the construction of an iconic world-class building on Sydney Harbour that would become a destination for international tourists.

The following architects submitted their design concepts for the Crown Sydney Hotel Resort:

- Kohn Pederson Fox—New York
- Smith & Gill—Chicago
- Wilkinson Eyre—London

Following the advice of the expert advisory panel, Crown selected Wilkinson Eyre's design for the Crown Sydney Hotel Resort. The futuristic design takes its inspiration from three twisting petals, featuring a white veil of sculptured glass rising above Sydney Harbour.

Wilkinson Eyre's founding director, Chris Wilkinson, commented:

"My ambition is to create a sculptural form that will rise up on the skyline like an inhabited artwork, clad in a white veil of glass with differing levels of transparency, striking a clear new image against the sky."

Source: Daily Telegraph (16 May 2013)

THERE WILL BE MAJOR ECONOMIC BENEFITS FOR NEW SOUTH WALES

The Crown Sydney Hotel Resort will make a significant contribution to the New South Wales economy through investment, employment and tax. This contribution will occur as a result of Crown's investment in constructing the Crown Sydney Hotel Resort, the expenditure incurred in operating the hotel resort and through stimulating tourism. In order to measure these benefits, Crown engaged the Allen Consulting Group to assess the economic benefit of the project.

The analysis undertaken by the Allen Consulting Group shows the following benefits to the New South Wales economy in financial year 2022 (the first full year of operations of the entire Crown Sydney Hotel Resort):

- Gross State Product is estimated to increase by \$638 million;
- Employment is estimated to increase by between 2,300 to 3,300;
- Export income is estimated to increase by \$513 million; and
- Business investment is estimated to increase by \$151 million.

In addition, business investment during the construction phase is estimated to increase by \$381 million in financial year 2017.

Importantly, the VIP gaming facilities at the Crown Sydney Hotel Resort will generate significant additional gaming tax revenue for New South Wales.

CROWN SYDNEY WILL HELP NEW SOUTH WALES ACHIEVE ITS TOURISM GOALS

Given the immense opportunity provided by tourists from China and other Asian countries, the world-class quality of the Crown Sydney Hotel Resort and Crown's understanding of Asian visitors will assist New South Wales in meeting its ambitious tourism targets.

The 2012 New South Wales Visitor Economy Taskforce Report noted that between 2006 and 2011 New South Wales lost market share of inbound aircraft seats from key target countries including China, South Korea and Malaysia. The Crown Sydney Hotel Resort will help New South Wales to address this decline and increase its share of Asian tourism.

The Commonwealth Government's 2012 'Australia in the Asian Century White Paper' suggested that the tourism industry needed to develop greater luxury experiences to attract Asian tourists, and singled out Crown's tourism offering as an example of what is required to succeed:

*"Importantly, the tourism industry needs to develop culturally relevant products to capitalise on growing Asian interest in Australia as a tourist destination. **This will mean developing sophisticated luxury urban tourism opportunities, such as those offered by Crown Limited**, as well as showcasing Australia's outstanding natural beauty."* [Emphasis added.]

Source: Australian Government, 'Australia in the Asian Century White Paper' (October 2012)



CROWN SYDNEY HOTEL RESORT AT BARANGAROO SOUTH (DESIGN IMAGE)

While launching the New South Wales China Tourism Strategy, George Souris MP, New South Wales Minister for Tourism, pointed out the massive economic benefits for New South Wales over the next decade if it is capable of maintaining and increasing its market share of Chinese visitors and visitor nights.

"If we are able to capitalise on the opportunities presented by China over the next decade, NSW visitor arrivals and visitor nights are expected to almost double. Over the ten-year period 2020/21 China will contribute more than \$17.4 billion to the NSW Visitor Economy and be directly responsible for 13,900 jobs."

Source: Destination NSW, 'China Tourism Strategy 2012-20' (30 November 2012)

In addition, the Crown Sydney Hotel Resort will assist Sydney to compete with the best cities in the world for major international conferences and events and will provide a strategic addition to the stock of hotel accommodation in Sydney.

THE CROWN SYDNEY HOTEL RESORT WILL HELP SYDNEY CAPTURE A GREATER SHARE OF THE ASIAN HIGH NET WORTH TOURISM SEGMENT

The Crown Sydney Hotel Resort will attract high net worth tourists to Sydney from throughout Asia. This segment of the tourist market is highly valued by tourist operators globally, given their propensity to spend and the expected growth in this segment of the tourism market.

Crown has built a reputation throughout Asia, in particular in China, as a world leader in service provision for high net worth tourists.

No other company has had the same success in bringing these highly discerning tourists to Australian hotel resorts an element which will be critical in making the Crown Sydney Hotel Resort project a success.

Since the establishment of Crown Melbourne in 1994, and particularly since commencing operations at the current Crown Melbourne site in 1997, Crown has maintained a commitment to attracting and hosting the most discerning of international high net worth visitors and VIP customers.

Crown's success is based on a formula of high quality assets, strong recognition and positioning as a luxury brand, dedicated staff and a commitment to the best possible customer service and attention to detail.

It is the quality of Crown's facilities and its customer experience that has allowed Crown to continue to grow despite increasing regional competition for the Asian high net worth tourism segment.

THE CROWN SYDNEY HOTEL RESORT WILL ALSO HELP SYDNEY CAPTURE A GREATER SHARE OF THE MAINSTREAM TOURISM SEGMENT

The location of a globally recognised building on the harbour near the Sydney Harbour Bridge and the Sydney Opera House will also assist in attracting mainstream international tourists to Barangaroo.

The design of the Crown Sydney Hotel Resort will allow the general public to access the ground floor of the luxurious building and also enjoy the restaurants and bars which will have views of Sydney Harbour and the Barangaroo precinct.

CROWN WILL SIGNIFICANTLY INCREASE NEW SOUTH WALES' SHARE OF THE INTERNATIONAL VIP GAMING MARKET

Despite the many attractions of Sydney and New South Wales, New South Wales' share of the international VIP gaming market is only less than 1%.

In contrast, Crown has been very successful in attracting VIP gaming customers from Asia to its hotel resorts in Melbourne and Perth. Crown estimates that its hotel resorts in Melbourne and Perth account for approximately 70% of the international VIP gaming activity in Australia.

One of the key reasons for Crown's success is that Crown is the only company in the southern hemisphere to hold a significant interest in a gaming concession in the world's largest gaming market, Macau.

Given Crown's success at attracting international VIP customers to its resorts in Australia, the Crown Sydney Hotel Resort at Barangaroo South will significantly increase Sydney's share of the international VIP market.

Once Crown Sydney is fully operational, Crown estimates that Sydney's share of the international VIP gaming market will be approximately three times its current level.

VIP GAMING IS NECESSARY TO BUILD THIS LANDMARK SIX-STAR HOTEL RESORT

An iconic six-star hotel is not a viable standalone project given the return on investment is very low.

In its report titled 'Sydney Hotel Accommodation Report', Jones Lang LaSalle states:

"We do not believe a standalone hotel development of the scale and quality being proposed by Crown (i.e. what Crown describes as a 6-star hotel resort) is viable given the expected low development return of such an investment, unless the development includes a gaming component or other concessions to underpin the overall viability of the project."

Source: Jones Lang LaSalle, 'Sydney Hotel Accommodation Report' (June 2013)

Jones Lang LaSalle notes that the returns on five-star hotels are low. Consistent with this, there has been limited development of luxury hotels in Sydney over the past 10 years. This is despite strong demand (occupancy levels of approximately 85%) and aging hotel room supply (median age of 15-19 years) in the Sydney five-star hotel market.

Jones Lang LaSalle notes that Sydney's recent and proposed five-star hotel projects are typically developed in conjunction with associated tourism infrastructure. For example, a hotel will be constructed as part of the Sydney International Convention and Exhibition Centre development.

Former Prime Minister Paul Keating noted:

"'VIP only' gaming should bring revenue to the hotel that hotel-only operators are unable to bring. These revenues can underwrite a premium on the quality and design of the building – the very thing the precinct requires to give it world class status."

Source: Paul Keating, 'Statement by Hon PJ Keating: Barangaroo — Lend Lease and Crown Announcement' (2 August 2012)

THE CROWN SYDNEY HOTEL RESORT WILL HAVE WORLD-CLASS VIP GAMING FACILITIES

The VIP gaming facilities at Crown Sydney will comprise world-class private gaming rooms and luxury gaming salons for international, interstate and local members.

These facilities will be of a standard sufficient to compete against the best VIP gaming facilities in Macau, Singapore and Las Vegas.

Given the internationally competitive nature of VIP gaming and the fact that all of Crown Sydney's competitors allow smoking in VIP gaming areas, the Crown Sydney Hotel Resort will also require smoking to be allowed in its gaming areas

RESPONSIBLE GAMING AT CROWN SYDNEY

The VIP gaming facilities at Crown Sydney will significantly reduce the potential for problem gambling issues to arise given:

- There will be no poker machines;
- There will be no low limit tables; and
- The VIP gaming facilities will be for members only – no general public.

If these three criteria were applied to Crown Melbourne, only 5% of Crown Melbourne's local gaming customers would be playing in such a restricted gaming facility.

The focus of the Productivity Commission's report on the Australian Gambling Industry, including its analysis, findings and recommendations, was overwhelmingly concentrated on poker machines. Similarly, measures to reduce problem gambling initiated by State and Federal governments have been overwhelmingly concentrated on poker machines (eg. poker machine pre-commitment legislation).

Crown will provide a unique set of responsible gaming programs and services to its Crown Sydney customers and will commit to a standard of care no less than that provided at Crown Melbourne.

Crown has signed a Memorandum of Understanding with Mission Australia to cover the provision of responsible gaming support services for the Crown Sydney Hotel Resort. The MOU details a number of responsible gaming support services which will be delivered by Crown and Mission Australia at the Crown Sydney Hotel Resort.

Crown will introduce a voluntary self-exclusion program to Crown Sydney, similar to that at Crown Melbourne.

Crown Sydney will also have procedures to respond to concerns raised by the family or friends of a customer in relation to the customer's gaming behaviours.

VIP GAMING WILL GENERATE SUBSTANTIAL GAMING TAXES FOR NEW SOUTH WALES

Crown's track record of successfully operating VIP gaming facilities will ensure that the Crown Sydney Hotel Resort will significantly increase Sydney's share of the VIP gaming market. As a result of this growth, the New South Wales Government will receive significant additional gaming taxes. The additional gaming taxes will be paid from the commencement of VIP gaming at the Crown Sydney Hotel Resort in 2019 and will continue over the life of the Crown Sydney Hotel Resort.

NEW SOUTH WALES WILL BENEFIT FROM ACCESS TO CROWN'S GLOBAL NETWORK

Crown estimates that approximately one-third of its revenue is generated from international visitors. The majority of this revenue is from Asian customers—predominantly Chinese. This makes Crown one of the most significant international tourism operators in Australia, generating valuable export income and ancillary benefits to the States of Victoria and Western Australia.

Crown's luxury facilities and attractions are world renowned and tailored to the needs and desires of high net worth Asian tourists. The Crown Sydney Hotel Resort and the wider Crown marketing network in Macau and China will play an important role in fulfilling the New South Wales Government's tourism and business aspirations, as identified in the New South Wales Visitor Economy Taskforce Report (June 2012) and the Destination NSW China Tourism Strategy 2012-20 (November 2012).

Crown believes that today's luxury tourism market centres on creating attractions that provide travellers with memorable and unique life experiences. To ensure Crown Sydney delivers a diverse world-class tourism offering, a luxury day retreat will be established at Ellerston in rural New South Wales to give visitors a once in a lifetime taste of rural Australia. Crown will also establish a partnership with the Perisher Ski Resort, making the ski fields another key attraction for high net worth guests.

The combination of the Ellerston Retreat, the partnership with Perisher Ski Resort and Crown's network of resorts in Melbourne, Perth, Macau, Manila and London will help ensure the Crown Sydney Hotel Resort offering is one of the world's best hotel resorts.



THE ELLERSTON RETREAT INCLUDES ONE OF AUSTRALIA'S MOST EXCLUSIVE GOLF COURSES



THE PERISHER SKI RESORT IS AUSTRALIA'S LARGEST SKI FIELD

CROWN SYDNEY WILL HELP THE NEW SOUTH WALES GOVERNMENT MEET ITS OBJECTIVE OF MAKING BARANGAROO A MORE VIBRANT PRECINCT

The Crown Sydney Hotel Resort will help the New South Wales Government meet its objective of making Barangaroo an active and vibrant destination, both during the day and at night.



ATRIUM LOUNGE – CROWN MELBOURNE

Andrew Wilson, Lend Lease's Managing Director of Barangaroo South recently outlined the major benefits Crown Sydney would bring to the Barangaroo precinct including:

"Social – by enriching the mix of uses and activation along the waterfront to provide a vibrant area during and beyond office hours, and at weekends.

Visual – by creating an architectural "post card" statement along the foreshore and an iconic marker for Barangaroo and for Sydney."

Source: Letter from Lend Lease, 'World class hotel at Barangaroo South' (18 March 2013)

The Crown Sydney Hotel Resort will utilise world's best practice design and will be sympathetic to the surrounding environment at Barangaroo South and Barangaroo Central to create a unique opportunity for tourists to experience the proposed cultural amenities and parklands.

CROWN HAS ASSEMBLED A UNIQUE SET OF PARTNERS FOR THIS IMPORTANT PROJECT

Crown is working with a number of key industry and community partners to ensure the Crown Sydney Hotel Resort will meet the extremely high accommodation and service standards required by the rapidly emerging high net worth Asian traveller market. Crown's project partners will also help Crown to deliver its social and corporate responsibility programs.

Crown and Lend Lease have agreed to work together on an exclusive basis to design and construct the Crown Sydney Hotel Resort.

Crown has also agreed to work with Mission Australia, United Voice (NSW Branch) trade union, the National Centre of Indigenous Excellence and the Penrith Panthers Rugby League Club. Crown has signed Memoranda of Understanding with these organisations in relation to employment, training and responsible gaming.



CROWN WILL ESTABLISH TRAINING COLLEGES IN PENRITH AND REDFERN

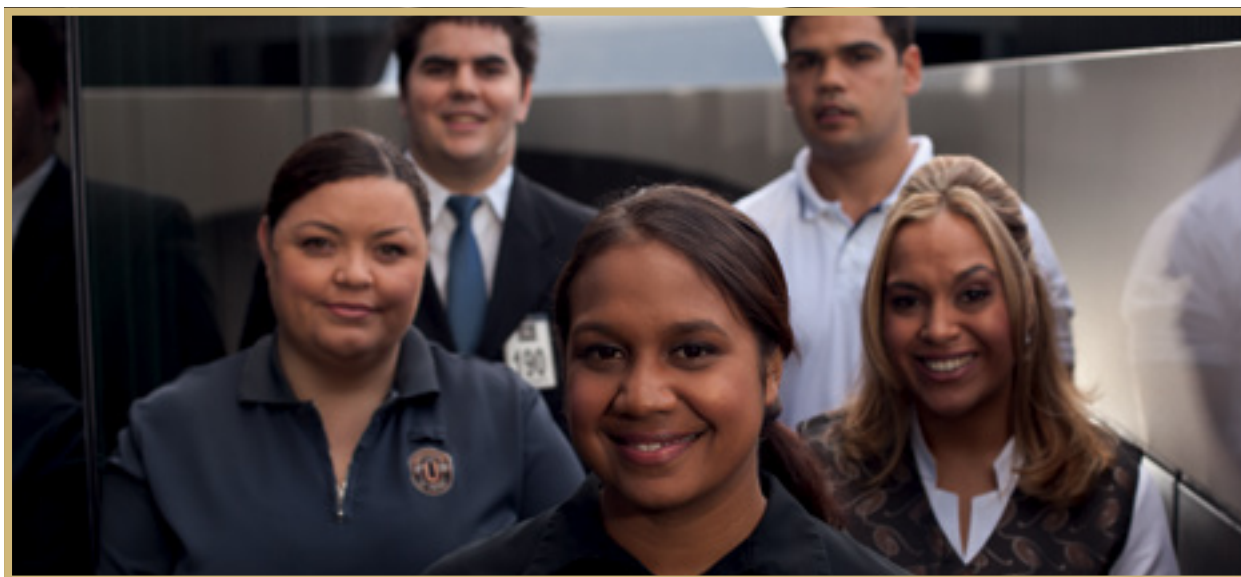
In order to meet the extremely high service requirements of a six-star facility, Crown currently trains its own employees and operates a major in-house training college at Crown Melbourne. This model will be replicated in Sydney with training colleges to be established in Penrith (at the Penrith Panthers Rugby League Club's proposed Community Centre) and in Redfern, at the National Centre of Indigenous Excellence.



CROWN COLLEGE IN MELBOURNE HAS TRAINED 4,500 APPRENTICES AND TRAINEES

The Crown Sydney training college in Penrith will allow Crown to provide long-term jobs and employment opportunities for the residents of the Western Suburbs and Blue Mountains. The college will work with local TAFEs and schools to provide an extensive apprenticeship and schools-based traineeship program.

A second training college will be established at the National Centre of Indigenous Excellence in Redfern to train Indigenous Australians from the inner city and from throughout New South Wales.



CROWN IS A LEADER IN INDIGENOUS TRAINING AND EMPLOYMENT

The National Centre of Indigenous Excellence has also agreed to work in partnership with Crown at the training college in Penrith. This will provide opportunities for Indigenous people in Western Sydney – which has Australia's largest urban Indigenous population.

Crown is already a leading employer of Indigenous Australians. Crown's partnership with the National Centre of Indigenous Excellence will build on Crown's programs in Perth and Melbourne and will provide a comprehensive industry model for other businesses to follow.

CROWN HAS THE TRACK RECORD WHICH IS NECESSARY TO DELIVER THIS ICONIC PROJECT FOR SYDNEY

Crown's track record and financial capacity provide confidence that it will deliver on its promise to build one of the world's great hotels on Sydney Harbour. It also provides confidence that Crown can grow Sydney's share of the global VIP gaming market.

Crown has a long track record of successfully designing, constructing and operating world-class six-star luxury hotel resorts.

This track record includes the achievements set out below.

- Crown has 20 years of experience in developing a global VIP gaming business with a well-recognised brand and operations in Melbourne, Perth, Macau and London
- Crown has a strong brand recognition in China and Macau – which has approximately a 75% share of the global VIP gaming market

- Crown has a strategy of investing in its properties to generate growth and returns
 - Crown and its associates have developed (or are developing) 12 new hotels in Melbourne, Perth, Macau and Manila – of which four are of a six-star standard
 - Crown is currently undertaking a \$2.8 billion investment program to ensure that its Melbourne and Perth properties remain of the highest standard
- Crown's properties in Australia attract more than 25 million visitors every year
- Crown's international visitors generate approximately one-third of Crown's revenue in Australia
- Crown's international VIP gaming turnover at its Australian properties has more than doubled over recent years
- Crown's business in Melbourne generates twice as much turnover from international VIP gaming than the equivalent operation at The Star in Sydney
- Crown has paid more than \$1.2 billion in taxes to the Victorian and West Australian Governments over the last five years
- Crown's Australian resorts provide employment for more than 14,400 people and Crown operates an in-house training college at Crown Melbourne
- Crown is a recognised leader in responsible gaming
- Crown has a market capitalisation of approximately \$9 billion and a strong balance sheet with an investment grade credit rating
- Crown has a well-resourced and stable management team which has the know-how and experience to deliver this important project for Sydney

CROWN HAS SATISFIED ALL THE ASSESSMENT CRITERIA

The New South Wales Government Guide for Submissions and Assessment of Unsolicited Proposals lists seven criteria against which the Crown Sydney Hotel Resort proposal must be assessed.

Crown believes that it has met all these criteria.

CONCLUSION

Crown's track record demonstrates that it can deliver a landmark building for Sydney which will provide a significant contribution to the New South Wales economy, create thousands of new jobs, contribute substantial tax revenues and enhance Sydney's status as an international tourist destination.



2. ABOUT CROWN

2. ABOUT CROWN

2.1 CROWN LIMITED

Crown Limited (Crown) is an Australian company which owns and operates world-class luxury resorts, with properties and investments in Melbourne, Perth, Macau and London.

Crown's resorts in Melbourne and Perth feature over 2,200 hotel rooms, VIP villas, gaming facilities, resort pools, luxury spas, shopping, signature restaurants, convention centres and live entertainment.

Every year Crown's Australian resorts attract approximately 25 million visitors. Crown's resorts are renowned globally, particularly in Asia, for their focus on luxury accommodation, service, quality dining and shopping experiences and world-class gaming and entertainment facilities.

More than \$1 billion of Crown's \$2.8 billion revenue in financial year 2012 was estimated to have been generated from international visitors. The majority of this revenue is from Asian customers—predominately from China. This makes Crown one of the most significant international tourism operators in Australia, with a particular focus on tourism from Asia.



CROWN TOWERS – AWARDED BEST HOTEL AUSTRALIA – THE ASIA PACIFIC HOTEL AWARDS 2013

Crown engaged KPMG to conduct an assessment of the contribution by Crown Melbourne and Crown Perth to the Australian economy. KPMG's analysis shows that the economic value-added impact and the employment impact associated with the capital expenditure and operations of Crown's Australian properties are significant.

KPMG estimated that in 2012:

- Crown Melbourne contributed \$2.1 billion in economic value added;
- Crown Perth contributed \$800 million in economic value added;
- Crown Melbourne directly and indirectly supports employment for more than 23,200 full time equivalent (FTE) positions across the Victorian economy; and
- Crown Perth directly and indirectly supports employment for approximately 7,700 FTE positions across the Western Australian economy.

Source: KPMG, 'Integrated Resorts and Asian Tourism – the Role of Crown Melbourne and Crown Perth – 2012' (October 2012)¹

To ensure that Australia can continue to compete with the best hotels and resorts in the world, Crown is investing over \$2.8 billion between financial year 2008 and financial year 2015 in upgrading facilities and opening new attractions at its Australian resorts.

As two of Australia's most visited tourist destinations, employment at Crown's Australian resorts has increased significantly from 10,065 people in 2005 to over 14,400 in 2012. This makes Crown Melbourne the largest single-site employer in Victoria and Crown Perth the largest single-site employer in Western Australia.



¹ A copy of the report is located behind Tab 1 of Volume 1B—Attachments to the Project Submission

Crown also leads the way with Indigenous employment, having received a number of prestigious awards for its Indigenous employment programs. Working with respected organisations like the National Centre of Indigenous Excellence (NCIE), Crown aims to offer job opportunities to 2,000 Indigenous Australians by 2021.

Crown has an outstanding record in staff training at both its Melbourne and Perth resorts. Crown's \$10 million training facility in Melbourne has to date graduated over 4,500 apprentices and trainees.

For additional information about Crown, see the Crown Resorts Corporate Profile² and www.crownlimited.com.au.

2.2 CROWN MELBOURNE

Crown Melbourne is a leading world-class luxury resort, featuring over 1,600 hotel rooms and VIP villas, spas, swimming pools, luxury retail outlets, signature restaurants, a convention centre, gaming areas and live entertainment venues.



MELBOURNE HAS BEEN ENHANCED BY CROWN'S HOTEL RESORT

² A copy of the Corporate Profile is located in Volume 1C—Attachments to the Project Submission

Crown Melbourne attracts over 18 million visitors annually, making it one of Australia's most visited tourist attractions. KPMG estimated that Crown contributes approximately \$2.1 billion (value-added) to the Victorian economy annually.³

Crown Melbourne has Victoria's largest single-site workforce with over 8,850 people employed at the complex.

From financial year 2008 to financial year 2015, Crown will have spent approximately \$1.5 billion to ensure that Crown Melbourne remains one of the world's leading integrated resorts. Refurbishment and expansions have been undertaken and include:

- Construction of Crown Metropol Melbourne, Australia's largest hotel, comprising 658 guest rooms, spa and leisure facilities, meeting rooms and a private lounge. Crown Metropol Melbourne was awarded 'Best Luxury Hotel' at the 2012 Victorian Tourism Awards;
- Extensive refurbishment of the six-star Crown Towers hotel, which was recently awarded Australia's 'Best large luxury hotel 2012' and 'Best Large Luxury Hotel 2013'⁴;
- Significant upgrade to the VIP salons and villas resulting in Crown being awarded the '2012 VIP Gaming Room of the Year'⁵;
- Extension and refurbishment of the premium gaming offering—the Mahogany Room—and the opening of Club 23;
- Development of the West End—a 15,000 sqm, all-encompassing entertainment precinct including a number of restaurants, bars and gaming options; and
- Extensive refurbishment of the main gaming floor.



CROWN TOWERS, MELBOURNE PROVIDES A SIX-STAR EXPERIENCE FOR GUESTS

3 KPMG, 'Integrated Resorts and Asian Tourism — the Role of Crown Melbourne and Crown Perth – 2012' (October 2012). A copy of the report is located behind Tab 1 of Volume 1B—Attachments to the Project Submission

4 Awarded as part of the Reader's Choice Gourmet Traveller 2012 and 2013 Travel Awards

5 Awarded at the International Gaming Awards 2012

2.3 CROWN PERTH

Crown acquired Crown Perth (formerly Burswood Entertainment Complex) in 2004. In the years prior to Crown acquiring the property, minimal capital had been invested in the property. Since acquisition, Crown has modernised and expanded the facilities at Crown Perth to bring them up to the standard of a world-class resort which is capable of competing in an expanding and increasingly competitive global market.



LUXURY VIP MANSIONS AT CROWN PERTH

Developments to date have included:

- Development of the roof top “Sky Salon” and refurbishment of the hotel resort pool resulting in achievement of the National Commercial/Industrial Construction Award (\$10 million to \$20 million)⁶ and Crown Perth being recognised for ‘Best Gaming Space’ and ‘Best Resort Pool’ at the 2012 HOSPY Awards in Las Vegas;
- Extensive refurbishment of Crown Metropol Perth (previously the InterContinental Perth Burswood) including luxury day spa and beauty and fitness facilities to a five-star standard;
- Development of the “Pearl Room”, an international gaming facility including VIP private gaming salons;

⁶ Awarded at the Masters and Builders 2012 National Excellence in Building and Construction Awards

- Development of luxury VIP villas, the “Mansions”, situated on the Swan River overlooking Perth city;
- Opening of new food and beverage outlets, including internationally acclaimed restaurants Rockpool Bar & Grill, Nobu and Bistro Guillaume;
- Expanded conference and meeting facilities; and
- Extension and ongoing refurbishment of the main gaming floor.

In addition to its developments, Crown has also acquired a 140 foot Italian-made super yacht to host VIP customers.



CROWN PERTH IS THE LARGEST SINGLE SITE EMPLOYER IN WESTERN AUSTRALIA

Crown Perth is now one of Western Australia's largest tourist destinations, attracting more than seven million visitors each year. With approximately 5,600 people employed on-site, it is also the State's largest single-site employer.

Crown Perth's estimated annual contribution to the economy of Western Australian is \$800 million of value-added.⁷

In August 2012, Crown demonstrated its long-term commitment to Australian tourism, with the decision to undertake the development of a new six-star, luxury hotel to be known as Crown Towers Perth, with total investment estimated at \$568 million. The development of the new hotel will take Crown's investment in Crown Perth to over \$1.3 billion since acquisition.

⁷ KPMG, 'Integrated Resorts and Asian Tourism — the Role of Crown Melbourne and Crown Perth – 2012' (October 2012). A copy of the report is located behind Tab 1 of Volume 1B—Attachments to the Project Submission



THE NEW SIX-STAR CROWN TOWERS HOTEL APPROVED FOR PERTH (DESIGN IMAGE)

Crown's ongoing investment at Crown Perth illustrates a commitment to making it a world-class entertainment precinct to compete not only in the region (with the resorts in Singapore and Macau) but also globally, where large hotel resorts are being developed to capture a share of the expanding tourism market, particularly out of China.

2.4 CROWN ASPINALL'S, LONDON

Crown Aspinall's is an exclusive high-end London casino. It is one of only five licensed high-end casinos in London's prime West End entertainment district.

Crown Aspinall's extends Crown's global network of VIP gaming facilities and provides a superior level of service and amenities to VIP customers in London.

2.5 INVESTMENT IN MELCO CROWN ENTERTAINMENT

Crown has a 33.7% interest in Melco Crown Entertainment Limited (MCE), which owns and operates City of Dreams, one of the leading integrated resorts in Macau - the world's largest gaming market.

Through this joint venture, Crown played a leading role in the development of City of Dreams and MCE's first hotel resort, Altira Macau. Crown is also currently working with MCE on the development of the new US\$2.3 billion Studio City project in Macau, as well as the development of a new US\$1 billion integrated resort in the Philippines.

Crown's investment in Macau gives it a significant strategic advantage in its drive to attract high net worth Asian tourists and VIP customers to its Australian resorts in Melbourne and Perth.

(A) CITY OF DREAMS

Opened in 2009, City of Dreams is an integrated resort on Macau's Cotai Strip that combines a collection of luxury brands focused primarily on the premium mass-market tourism and gaming segment. City of Dreams has been awarded the "Forbes Five Star" rating in both Lodging and Spa categories.

City of Dreams also hosts the internationally acclaimed and award winning *The House of Dancing Water* show which is performed in a purpose built wet stage theatre with approximately 2,000 seats. This show, created and directed by one of the world's greatest show makers, Mr Franco Dragone, has helped attract hundreds of thousands of tourists from across Asia and the world.



CITY OF DREAMS IN MACAU

(B) ALTIRA MACAU

Opened in 2007, Altira Macau is a casino and award winning luxury hotel with approximately 200 hotel rooms.

Altira Macau has been awarded the “Forbes Five Star” rating in both Lodging and Spa categories by the Forbes Travel Guide in 2010, 2011 and 2012, “Best Luxury Hotel in Macau” in the TTG China Travel Awards 2010, “Best Business Hotel in Macau” in the TTG China Travel Awards 2009 and the “Casino Interior Design Award” in the International Gaming Awards 2008.

(C) MELCO CROWN PHILIPPINES

In July 2012, MCE entered into agreements with SM Group and Belle Group to form a consortium to develop and operate an integrated gaming resort, located on a 6.1-hectare property in PAGCOR Entertainment City in Manila.

The resort is expected to include a VIP hotel, a five-star hotel and several boutique hotel concepts which will form part of the remaining four towers. The complex will have approximately 950 guest rooms in total. The connecting structure will feature the project’s architectural centrepiece—The Fortune Egg—an entertainment complex, retail alley, meeting and convention facilities.



3. THE CROWN SYDNEY HOTEL RESORT PROJECT PARTNERS

3. THE CROWN SYDNEY HOTEL RESORT PROJECT PARTNERS

The following organisations have agreed to be Project Partners with Crown in the development and operation of the Crown Sydney Hotel Resort.

3.1 THE NATIONAL CENTRE OF INDIGENOUS EXCELLENCE

Located in the heart of Redfern, the NCIE is a place for young Aboriginal and Torres Strait Islanders from across the country to participate in life-changing programs in the pathways of arts and culture, health and wellness, learning and innovation and sport and recreation. The NCIE hosts and facilitates programs for young people to help them achieve their dreams and aspirations.

Since opening in 2010, the NCIE has been one of the most successful not-for-profit facilities in the country with over 14,000 Indigenous youth attending training, courses and events at the campus. The organisation was established by the Indigenous Land Council and is operated by a Board of Directors as a social enterprise. It receives no government funding for the general day-to-day operation of its facilities. It relies upon commercial contracts to remain viable and continue its community services.

The NCIE is having a national impact, with other States and Territories looking to emulate the facility. It has been an important driver of social change in the Redfern community through programs and world-class sporting and cultural facilities.

Crown has entered into a Memorandum of Understanding with the NCIE in relation to Crown Sydney.⁸

Refer to section 6.7 for further details about this project partnership.

3.2 UNITED VOICE

United Voice (NSW Branch) (United Voice) is one of Australia's oldest and largest trade unions, with a proud history of representing working Australians nationally for over 100 years.

United Voice has more than 15,000 members employed across a variety of industries from early childhood, education, cleaning, security, homecare services, baking, paint, manufacturing and gaming.

Crown has entered into a Memorandum of Understanding with United Voice in relation to Crown Sydney.⁹

Refer to section 6.8 for further details about this project partnership.

8 A copy of the Memorandum of Understanding with the NCIE is located behind Tab 2 of Volume 1B—Attachments to the Project Submission

9 A copy of the Memorandum of Understanding with United Voice is located behind Tab 3 of Volume 1B—Attachments to the Project Submission

3.3 PENRITH PANTHERS GROUP

Penrith Panthers Rugby League Club (Penrith Panthers Group) is one of the largest and most active football/leagues clubs in Australia. Located at Penrith in Western Sydney and in the foothills of the Blue Mountains, the club offers hotel accommodation, restaurants, leisure activities, entertainment, bars and conference facilities.

The Penrith Panthers Group supports the local community through important charitable initiatives such as 'Panthers On The Prowl', sponsorship of local sporting clubs and provides a source of employment for nearly 1,000 local residents.

The Penrith Panthers Group also supports the Penrith Panthers NRL team, which has long been the pride of Penrith and surrounding areas.

Crown has entered into a Memorandum of Understanding with the Penrith Panthers Group in relation to Crown Sydney.¹⁰

Refer to section 6.9 for further details about this project partnership.

3.4 MISSION AUSTRALIA

Mission Australia is one of Australia's leading charity and community service organisations. Mission Australia has played a major role in transforming the lives of Australians in need for more than 150 years.

Through its community and employment services, Mission Australia assists more than 300,000 Australians by providing a hand up, a way forward and hope for the future.

Mission Australia offers responsible gaming services and counselling to people affected by problem gaming, including their family, partners and friends.

Crown has entered into a Memorandum of Understanding with Mission Australia in relation to Crown Sydney.¹¹

Refer to section 6.10(b) for further details about this project partnership.

3.5 LEND LEASE

Lend Lease Corporation Limited (Lend Lease) is one of Australia's largest and most successful property companies. Lend Lease funds and manages projects and properties including designing, developing and constructing state of the art precincts, buildings and infrastructure.

Lend Lease is also world renowned for creating vibrant residential communities, productive workspaces, retail destinations and is the developer of the Barangaroo South Commercial precinct.

Crown has signed an Exclusive Dealing Agreement with Lend Lease in relation to Crown Sydney.

10 A copy of the Memorandum of Understanding with Penrith Panthers Group is located behind Tab 4 of Volume 1B—Attachments to the Project Submission

11 A copy of the Memorandum of Understanding with Mission Australia is located behind Tab 5 of Volume 1B—Attachments to the Project Submission



4. THE CROWN SYDNEY HOTEL RESORT WILL BE UNIQUE

4. THE CROWN SYDNEY HOTEL RESORT WILL BE UNIQUE

4.1 THE KEY FEATURES OF THE CROWN SYDNEY HOTEL RESORT

(A) DESCRIPTION OF THE CROWN SYDNEY HOTEL RESORT

The Crown Sydney Hotel Resort will offer six-star facilities and service. Housed in an iconic building with spectacular views, the Crown Sydney Hotel Resort will feature 350 hotel rooms and suites, 80 luxury apartments, signature restaurants, bars, luxury retail outlets, pool and spa facilities, conference rooms and VIP gaming facilities.

The hotel rooms, suites and villas will be the most prestigious in Australia, with magnificent unobstructed views including the trilogy of Sydney icons: Sydney Harbour, the Sydney Opera House and the Sydney Harbour Bridge. Each room will be opulent and expansive, featuring cutting edge technology to enhance the guest experience.

At ground level the Crown Sydney Hotel Resort will offer luxury leisure and retail opportunities including shopping, bars and restaurants. Meeting facilities located in the hotel podium will incorporate different sized conference rooms, meeting rooms and breakout spaces capable of serving both the corporate and leisure markets.



CROWN PLANS TO BUILD ONE OF THE WORLD'S BEST HOTELS IN SYDNEY (DESIGN IMAGE)

The resort swimming pool, for the exclusive use of Crown Sydney guests, will be a signature experience with uninterrupted views of Sydney Harbour. The spa and salon will rival the best spas in Asia and will feature specialty treatments and wellness programs. The resort will incorporate patios, roof-top bars and observation decks which can be enjoyed by customers of the resort. This combination of views over the Western harbour and parkland over Barangaroo, coupled with luxury amenities and service, will provide an experience that is unmatched in the region.

The resort will include world-class VIP gaming facilities, which will be integrated into the design of the resort to leverage harbour views and the Sydney climate.

The hotel facilities will be enhanced by unsurpassed customised service, dedicated and tailored to each guest by a devoted team of multi-lingual and culturally aware professionals, anticipating guests' every need. The extensive training undertaken by Crown's highly skilled professionals will ensure they are equipped to meet the needs of the most discerning traveller, principally those of Crown's high growth markets.

(B) SUMMARY OF THE KEY FEATURES OF CROWN SYDNEY

(I) SIX-STAR STANDARD

Crown is committed to developing and maintaining Crown Sydney at a world-class six-star standard commensurate with the luxury and aspirational position of the Crown brand.

Crown Towers Melbourne, the Crown Towers Perth project, Crown Towers Macau and Altira Macau all have signature brand elements and amenities that Crown is proposing for Crown Sydney. The appeal of these elements has been validated through the number of awards these properties have achieved over the years, including the highly acclaimed "Forbes Five-Star" awards for Crown Towers Macau and Altira Macau.



SIX-STAR LUXURY IS THE REQUIRED STANDARD

Crown's continued investment in its Australian and Macau properties is a testament to its commitment to not only maintain but expand its position in the region as a global luxury brand.

Jones Lang LaSalle, in its report titled 'Sydney Hotel Accommodation Report'¹², includes Table 1 below which sets out the criteria, based on which the Crown Sydney six-star facility will be distinguishable from a Forbes five-star and Australian five-star hotel standard:

TABLE 1: JONES LANG LASALLE — HOTEL STANDARD CRITERIA (SIX-STAR VS FIVE-STAR)

Facility	Six-star	Forbes Five-star	Australian Five-star
Avg Suite / Villa Size	100-500 sqm	75-250 sqm	50-250 sqm
Avg Standard Room Size	55-70 sqm	45-55 sqm	40-45 sqm
Lobby area	Architecturally dramatic space with high levels of service and amenity	Architecturally dramatic space	0.75 sqm per key with high ceilings
Porte Cochere	Statement arrival with personalized greeting and capacity for limousine and valet service	Covered parking for 6-12 limousines	Min 3 lanes wide
Fitness Facility, Pool & Spa	Large-scale spa facilities with segregated VIP treatment rooms and customised treatments	c.450 sqm	c.250 sqm
Restaurants	Multiple signature dining experiences with celebrity chefs in highly designed environments	1 x upscale all day dining 1 x specialty restaurant	1 x upscale all day dining Maybe 1 x specialty restaurant
Restaurant Covers	Signature restaurant clustering creates a dining precinct which results in visitation Restaurant covers are expected to be 150-200% of room count	75% of room count	85% of room count
Cocktail Lounge/Bar	Signature lounge environment which is destinational in nature and leverages the unique aspects of the location	Upscale lounge bar with tasting menu	Meeting and gathering point with light snacks
Meeting Space	Meeting and convention space with unique outdoor environments which leverage Sydney's climate and harbour environment	Approx. 2.5 sqm per key	Approx. 1.8 sqm per key

Source: Jones Lang LaSalle, 'Sydney Hotel Accommodation Report' (June 2013)¹³

¹² Jones Lang LaSalle, 'Sydney Hotel Accommodation Report' (June 2013). A copy of the report is located behind Tab 7 of Volume 1B—Attachments to the Project Submission

¹³ A copy of the report is located behind Tab 7 of Volume 1B—Attachments to the Project Submission

(II) HOTEL

- Luxury six-star hotel with 350 rooms and suites
- Crystal Club VIP amenity floor
- Luxury roof top infinity pool, spa and gymnasium facilities

(III) RESTAURANTS/BARS/RETAIL

- Five restaurants (including a roof-top restaurant)
- Three bars (including nightclub/lounges)
- Luxury retail tenancies

(IV) VIP GAMING FACILITIES

- The VIP gaming facilities at Crown Sydney will comprise world-class private gaming rooms and luxury gaming salons for international, interstate and local members
- No poker machines
- No low limit tables
- The VIP gaming facilities will be for members only – no general public

(V) APARTMENTS

Approximately 80 luxury residential apartments (subject to relevant approvals)

(VI) ASSOCIATED TOURIST ATTRACTIONS

To attract international tourists and entice them to repeat their visit, tourism operators must provide unique and memorable experiences. The Crown Sydney Hotel Resort will provide a number of unique attractions as a part of its package to international tourists and VIP travellers:

- The Ellerston Retreat (section 6.5(a) for details);
- The Perisher Ski Resort (section 6.5(b) for details); and
- Crown is also working with renowned architects and designers to develop concepts for other tourist attractions, which will complement the Crown Sydney Hotel Resort experience and contribute to the overall tourism appeal of Barangaroo. Crown and its management have international experience with incorporating attractions in resorts, which have become iconic features of their host city and must-see tourist attractions.

(VII) TRAINING COLLEGES AND INDIGENOUS EMPLOYMENT

Crown Sydney training colleges will be established at the following locations in partnership with the NCIE and the Penrith Panthers Group:

- Penrith—at the Penrith Panthers Group's proposed community centre; and
- Redfern—at the NCIE training facility.

(VIII) PROJECT PARTNERS

1. The NCIE;
2. United Voice;
3. Penrith Panthers Group;
4. Mission Australia; and
5. Lend Lease.

(IX) PROJECT DELIVERY DATES

Crown's estimated timetable for construction of the Crown Sydney Hotel Resort involves a total of approximately 60 to 70 months including:

- Specifications and design – approximately 4 to 6 months;
- Approvals – approximately 6 to 12 months;
- Tender and Negotiation – approximately 4 to 6 months;
- Construction – approximately 42 months; and
- Pre-opening – approximately 3 months.

The hotel (including restaurants, bars and retail) at Crown Sydney is expected to open in 2018 and the VIP gaming facilities are expected to open in November 2019.

(C) DESIGN: VISION AND OBJECTIVES

The overriding objective of the Crown Sydney Hotel Resort design is to introduce a landmark waterfront building to Sydney that is contemporary and iconic.

The resort will be integrated with the cultural and public spaces in Barangaroo South and serve as a destination for both locals and visitors. The resort will celebrate its unique location and position on the harbour. It will embrace the public spaces and active foreshore that will be a signature element of Barangaroo South and a true Sydney experience. The resort will be the focal point for the western edge of the city and will serve as the transition point from commercial to tourism at Barangaroo South. The resort will also engage the parklands and cultural amenities at Barangaroo South while providing the level of luxury and service demanded in the highly competitive Asia Pacific hospitality sector.

(I) KEY DESIGN OBJECTIVES

Key objectives of the Crown Sydney Hotel Resort design:

- Recognised as one of the world's best landmark hotels;
- Acclaimed as the best hotel in Australia;
- Destination of choice for luxury, in particular for high net wealth Asian travellers;
- Six-star quality service, facilities and guest experiences;
- Alignment with Crown's reputation brand and image—high quality, contemporary and elegant;
- Highly efficient building design and operational performance to achieve commercial aims;
- Views of the Sydney Opera House, the Sydney Harbour Bridge and Sydney Harbour optimised;
- World's best practice sustainable design amongst its peer set; and
- Integrate and complement an activated Barangaroo South precinct.

The Crown Sydney Hotel Resort must demonstrate:

- Design excellence commensurate with its location;
- Innovation and sustainability expressed in both the architecture and operational layout; and
- Highest quality accommodation, service and guest experiences.

The Crown Sydney Hotel Resort will help define the western edge of Sydney's Central Business District and will be the landmark for the Barangaroo precinct and Darling Harbour. As Australia's first truly iconic hotel, the Crown Sydney Hotel Resort will sit alongside the city's other globally recognised icons as a statement of confidence about Sydney's role as a major Asian financial and leisure centre.

**(II) THE CROWN SYDNEY HOTEL RESORT WILL BE A LANDMARK BUILDING
AND A KEY TOURIST ATTRACTION**

To ensure that the Crown Sydney Hotel Resort is an architecturally iconic addition to Barangaroo and Sydney Harbour, Crown, Lend Lease and the Barangaroo Delivery Authority (BDA) are working with some of the world's best hotel resort and hospitality designers.

An international design competition was conducted under the supervision of an expert advisory panel to identify a Principal Architect with an iconic design.

This exciting project was able to attract three of the world's leading architectural design firms with experience in designing large scale resorts and iconic public buildings.

The combination of the unique nature of the Barangaroo site, the vision established by Crown's Chairman, James Packer, and Crown's proven track record of developing world-class resorts attracted these world renowned architects.

The brief presented to architects required the construction of an iconic world-class building on Sydney Harbour that would become a destination for international tourists.

The following architects submitted their design concepts for the Crown Sydney Hotel Resort:

- Kohn Pederson Fox—New York
- Smith & Gill — Chicago
- Wilkinson Eyre — London

Following the advice of the expert advisory panel, Crown has selected Wilkinson Eyre's design for the Crown Sydney Hotel Resort. The futuristic design takes its inspiration from three twisting petals, featuring a white veil of sculptured glass rising up above Sydney Harbour.

Wilkinson Eyre's founding director, Chris Wilkinson, commented:

"My ambition is to create a sculptural form that will rise up on the skyline like an inhabited artwork, clad in a white veil of glass with differing levels of transparency, striking a clear new image against the sky."

Source: Daily Telegraph (16 May 2013)

Crown is also working with renowned architects and designers to develop concepts for other tourist attractions, which will complement the Crown Sydney Hotel Resort experience and contribute to the overall tourism appeal of Barangaroo.

Crown Chairman James Packer recently explained:

"Sydney deserves one of the world's best hotels and with these amazing architects I'm confident we will see the most iconic building constructed here since the Opera house."

I want this hotel resort to be instantly recognisable around the world and feature on postcards and memorabilia promoting Sydney. That's how you attract international tourists, create jobs and put Sydney on the map."

Source: Daily Telegraph (15 February 2013)

The Crown Sydney Hotel Resort will utilise world's best practice design and will be sympathetic to the surrounding improvements at Barangaroo South and Barangaroo Central to create a unique opportunity for tourists to experience the proposed cultural amenities and parklands.

Former Prime Minister Paul Keating noted:

"There is little doubt that Lend Lease as developer/contractor, along with Crown as hotel designer/operator, could build a hotel of world rank."

Source: Paul Keating, 'Statement by Hon PJ Keating: Barangaroo — Lend Lease and Crown Announcement' (2 August 2012)

(D) ENVIRONMENTAL COMMITMENT

Crown has a track record of environmental commitment and sustainability. Crown's level of commitment to sustainability in both the initial construction phase and in operating its properties is unrivalled in Australia.

As a part of the Crown Sydney Hotel Resort, Crown will incorporate the latest technology in energy efficient building practices for the hospitality industry together with world's best practice sustainability standards and design specifications for a VIP gaming facility.

Crown's commitment to sustainable practices and the environment is further detailed in section 6.13.

4.2 SIGNIFICANCE OF THE BARANGAROO LOCATION

Barangaroo is the most prominent development site in Australia. The unique combination of commercial, tourism, cultural facilities and parklands, makes it one of the most transformative developments in Australia at present.

The size of the site and its unique combination of large scale passive and active recreational amenities, in a harbour side CBD location, set the stage for a truly unique hotel resort development which demands a building of architectural significance and quality.



Barangaroo is Sydney's last waterfront site of scale with connectivity to the CBD and harbour side tourism precinct. When completed, more than 23,000 people are expected to live and work at Barangaroo and another 33,000 people are expected to visit every day. The quality of the public realm at Barangaroo and the scale of the commercial development and expected visitation will create one of Australia's most vibrant urban precincts.

Andrew Wilson, Lend Lease's Managing Director of Barangaroo South, recently outlined the major benefits Crown Sydney would bring to the Barangaroo precinct as follows:

"Social – by enriching the mix of uses and activation along the waterfront to provide a vibrant area during and beyond office hours, and at weekends.

Visual – by creating an architectural "post card" statement along the foreshore and an iconic marker for Barangaroo and for Sydney.

Economic – by producing an opportunity for a fresh, exciting, welcoming destination which will attract international and Australian tourists and locals, as well as retail and leisure tenants, to Barangaroo and to Sydney.

Sustainability – by supporting Lend Lease's social sustainability objectives in the provision of Indigenous engagement and skills development and training."

Source: Letter from Lend Lease, 'World class hotel at Barangaroo South' (18 March 2013)¹⁴

(A) A LANDMARK HOTEL RESORT ON THE WATERFRONT WILL ATTRACT HIGH NET WORTH TOURISTS

The international tourism market is highly competitive. To compete with other global cities, Sydney needs to offer a world-class hotel resort in a unique harbour side location like Barangaroo.

The New South Wales Government's 'Visitor Economy Action Plan' noted that "raising the global profile of Sydney and NSW" was one the key principles¹⁵ critical to boosting tourism to New South Wales.

The proposed Crown Sydney Hotel Resort will help deliver this by creating a landmark building on Sydney Harbour, which will gain international acclaim and lift the status of Sydney as an international tourist destination.

Barangaroo is Sydney's last waterfront site of scale with connectivity to the CBD and key tourism industry leaders agree that an iconic hotel at Barangaroo South is necessary to help attract visitors to Sydney and New South Wales.

Andrew McEvoy, the Managing Director of Tourism Australia, said the following of the proposed hotel resort:

"It does need to be bold and make a statement. The world knows Sydney by its icons, you know the Harbour Bridge and the Opera House, and the Barangaroo Hotel, I think has the opportunity to make just such a statement.

The hotel as an iconic design led development will give us that exceptional, you know, story to tell the world. And that image that we can keep selling our city from."

Source: Lend Lease, 'International Towers Sydney Video'

14 A copy of the letter from Lend Lease is located behind Tab 6 of Volume 1B—Attachments to the Project Submission

15 NSW Government, 'Visitor Economy Action Plan: The NSW Government Response to the Final Report of the Visitor Economy Taskforce' (December 2012). A copy of the Visitor Economy Action Plan is located behind Tab 2 of Volume 1D – Attachments to the Project Submission

Chris Brown, a former Managing Director of the Tourism and Transport Forum, also supported the need for a world-class hotel saying:

"We desperately need new capacity but importantly we need a world's best hotel, an iconic hub for Sydney."

Source: Lend Lease, 'International Towers Sydney Video'

Andrew Wilson, Lend Lease's Managing Director of Barangaroo South, recently stated:

"A key part of Lend Lease's vision for the \$6bn Barangaroo South urban regeneration project in Sydney is the inclusion of a high quality international hotel in the precinct, which will play a vital role in ensuring the city's global competitiveness."

Source: Letter from Lend Lease, 'World class hotel at Barangaroo South' (18 March 2013)¹⁶

The New South Wales Government's Visitor Economy Taskforce also recommended that the Government ensure hotel room targets were included at Barangaroo.

Recommended Action 6F stated:

"Ensure visitor accommodation targets are included in major Government-led urban renewal and strategic land use projects, such as Barangaroo and the new convention precinct."

Source: New South Wales Visitor Economy Taskforce, 'Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020' (June 2012)¹⁷

(B) A LANDMARK HOTEL RESORT ON THE WATERFRONT WILL ALSO ATTRACT MAINSTREAM TOURISTS

The location of a globally recognised building on the harbour near the Sydney Harbour Bridge and the Sydney Opera House will also assist in attracting mainstream tourists to Barangaroo.

The design of the Crown Sydney Hotel Resort will allow the general public to access the ground floor of the luxurious building and also enjoy the restaurants and bars which will have views of Sydney Harbour and the Barangaroo precinct.

(C) THE CROWN SYDNEY HOTEL RESORT WILL MAKE BARANGAROO A MORE VIBRANT PRECINCT

The initial idea for the Crown Sydney Hotel Resort proposed at Barangaroo was formed in response to the expressed desire by governments, architects, planners and the tourism industry to have an iconic world-class hotel on the site.

In its proposed location on the northwest corner of Barangaroo South, the Crown Sydney Hotel Resort will serve as the bridge between the commercial office towers of Barangaroo South and the open space and parklands of Barangaroo Central and the headlands. The incorporation of the Crown Sydney Hotel Resort in this location also provides the opportunity for an iconic building of great design, which can stand out from the three commercial office towers currently being constructed. The Crown Sydney Hotel Resort tower will allow for a more layered and interesting skyline and would become a prominent building on the western edge of the CBD.

¹⁶ A copy of the letter from Lend Lease is located behind Tab 6 of Volume 1B—Attachments to the Project Submission

¹⁷ A copy of the Final Report is located behind Tab 2 of Volume 1D—Attachments to the Project Submission

The Crown Sydney Hotel Resort will also play an important role in helping ensure Barangaroo is an active and vibrant destination, both during the day and at night.

The developer of Barangaroo South, Lend Lease, has stated that the hotel would be 'integral to the site's vibrancy, adding activity after hours and at weekends.'¹⁸

4.3 CROWN SYDNEY REQUIRES A VIP GAMING FACILITY

An iconic six-star hotel is not a viable standalone project given the return on investment is very low.

Jones Lang LaSalle (JLL) states in its report titled 'Sydney Hotel Accommodation Report':

"We do not believe a standalone hotel development of the scale and quality being proposed by Crown (i.e. what Crown describes as a 6-star hotel resort) is viable given the expected low development return of such an investment, unless the development includes a gaming component or other concessions to underpin the overall viability of the project."

Source: Jones Lang LaSalle, 'Sydney Hotel Accommodation Report' (June 2013)¹⁹

JLL notes that the returns on five-star hotels are low. Consistent with this, there has been limited luxury hotel development in Sydney over the past 10 years, notwithstanding that this has been a period of strong demand (occupancy levels of approximately 85%) and aging supply (median age of 15-19 years) in the Sydney five-star hotel market.

There is a shortage of quality hotel accommodation in Sydney, with JLL estimating that 4,750 rooms (with the majority in the upscale segment) need to be added in Sydney by 2020 to meet future demand.

JLL notes that Sydney's recent and future five-star hotel projects are typically developed in conjunction with associated tourism infrastructure. For example, a hotel will be constructed as part of the Sydney International Convention and Exhibition Centre development. Similarly, Crown believes that gaming facilities are required to support the development of an iconic six-star hotel resort at Barangaroo South.

In order to proceed with the construction of the Crown Sydney Hotel Resort, Crown will require a licence to operate VIP gaming facilities.

As former Prime Minister Paul Keating noted:

"'VIP only' gaming should bring revenue to the hotel that hotel-only operators are unable to bring. These revenues can underwrite a premium on the quality and design of the building – the very thing the precinct requires to give it world class status."

Source: Paul Keating, 'Statement by Hon PJ Keating: Barangaroo — Lend Lease and Crown Announcement' (2 August 2012)

¹⁸ Sydney Morning Herald (30 May 2011)

¹⁹ A copy of the report is located behind Tab 7 of Volume 1B—Attachments to the Project Submission

(A) GAMING IS AN IMPORTANT ATTRACTION FOR MANY ASIAN VISITORS

Macau and Las Vegas have been successful in attracting Asian visitors by building luxury hotel resorts with gaming facilities.

Dr Marc Faber, a well-known US investment analyst found that “80% of Chinese travelling outside the country for the first time head for a casino and 90% of Chinese who travel to the US visit Las Vegas.”²⁰

Governments and tourism bodies globally are now considering and supporting hotel resorts with gaming facilities in their strategy to increase tourism from Asia.

(B) PERMITTING SMOKING IN VIP GAMING AREAS IS CRITICAL

Given the internationally competitive nature of VIP gaming and the fact that all of Crown Sydney's competitors in Singapore, Macau, Philippines and Las Vegas allow smoking in VIP gaming areas, the Crown Sydney Hotel Resort will also require smoking to be allowed in its VIP gaming areas.

The Innovation Group, in its letter of June 2013²¹, notes that VIP gaming customers in other markets are typically able to smoke in VIP gaming areas. For example, VIP gaming customers at Singapore's Marina Bay Sands are able to smoke in private VIP gaming salons. Similarly, Macau casinos have elected to designate the smoking portion of their gaming floor to the VIP gaming space.

The importance of allowing smoking in VIP gaming areas in Australian integrated resorts can be summarised as follows:

- VIP gaming rooms within Australian casinos compete with casinos around the world for customers. All those international casinos, which compete with Australia, permit smoking in their gaming areas. While there have been some recent moves by governments in Macau and Singapore to reduce smoking areas, all these countries still allow smoking in VIP gaming areas;
- All Australian States with major VIP facilities permit smoking. This maintains a 'level playing field' with those international casinos, mainly in Singapore, Macau, the Philippines and Las Vegas, all of which permit smoking in their gaming areas;
- High-value players, who play in VIP rooms in casinos around the world and who are predominantly from Asia, place considerable importance on being able to smoke while playing and would dramatically reduce their visitation to Australia if they were no longer allowed to smoke; and
- A loss of VIP gaming revenue will cause a contraction in operations and a commensurate impact on employment.

Crown takes the issue of staff occupational health and safety extremely seriously. On the issue of air quality, Crown has adopted best practice and has installed modern air-conditioning technology and air curtains (situated between dealers and VIP gaming customers who smoke) in all gaming tables.

20 Dr Marc Faber, 'The Chinese Tourists like Casinos' (22 December 2011)

21 A copy of the letter from The Innovation Group is located behind Tab 8 of Volume 1B—Attachments to the Project Submission

The Crown Occupational Health & Safety and Environment Committee oversees the air quality policy in VIP gaming areas and ensures Crown is employing the latest and most advanced technology and work practices to ensure the health and safety of employees.

Professor John Horvath is an Independent Director of Crown and an important member of Crown's Occupational Health & Safety and Environment Committee. Professor Horvath was the Australian Government Chief Medical Officer from 2003 to 2009. He is currently continuing to advise the Commonwealth Department of Health & Ageing and the School of Medicine, University of Sydney, and holds the position of Honorary Professor of Medicine.

Following a request by United Voice²², Crown has agreed to support the insertion into the relevant legislation of provisions committing Crown to:

- Install and ensure the maintenance of state of the art air quality technology in all VIP gaming areas;
- Conduct quarterly testing by an independent expert to assess the ongoing operating performance of the air quality technology;
- Make available the results of the quarterly independent testing to health and safety representatives of workers rostered to work in the VIP gaming areas;
- Report to the Minister on a quarterly basis as to Crown's compliance with the requirements set out in this Section; and
- Provide to the Minister an annual report, based on these quarterly reports, for the Minister to table in Parliament.

Crown Sydney's gaming areas will include some non-smoking tables, reflecting the preferences of some VIP gaming customers.

As the prevalence of smoking continues to decline throughout the world, Crown anticipates that over time the proportion of VIP gaming tables at Crown Sydney which are dedicated to non-smoking customers will increase.

Crown will meet the evolving preferences of VIP gaming customers in relation to the provision of non-smoking tables.

²² A copy of the letter from United Voice and Crown's response are located behind Tabs 9 and 10 respectively of Volume 1B—Attachments to the Project Submission



5. THE CROWN SYDNEY HOTEL RESORT WILL DELIVER UNIQUE BENEFITS

5. THE CROWN SYDNEY HOTEL RESORT WILL DELIVER UNIQUE BENEFITS

5.1 ECONOMIC BENEFITS FOR NEW SOUTH WALES

The Crown Sydney Hotel Resort will make a significant contribution to the New South Wales economy through investment, employment and tax. This contribution will occur as a result of Crown's investment in constructing the Crown Sydney Hotel Resort, the expenditure incurred in operating the hotel resort and through stimulating tourism. In order to measure these benefits, Crown engaged the Allen Consulting Group to assess the economic benefits of the project.²³

The modelling approach by Allen Consulting Group was to quantify the economic benefits of the Crown Sydney project relative to a "base case scenario". The results shown immediately below are relative to a base case scenario where the Crown Sydney Hotel Resort is not built and there is no alternative project built on the land at Barangaroo South which is presently earmarked for Crown Sydney. The Allen Consulting Group also modelled an alternative hotel development scenario, which assumes that if Crown Sydney is not built, something else will be built at Barangaroo South (such as a five-star (Australian standard) branded hotel).

The estimated net economic benefits to New South Wales which would arise as a result of the Crown Sydney project (being the economic benefits in excess of those which would arise out of an alternative hotel development project) are discussed in Section 5.1(e) below.

The economic impacts of the Crown Sydney project are measured in two phases:

- During the construction phase (modelled from financial year 2013 to financial year 2018), where the economic effect is due to the building activity, Gross State Product is estimated to increase by \$98 million in 2016/17 (the peak of the construction phase); and
- During the operations phase (modelled from financial year 2019 to financial year 2031), where the economic effect is due to the activity generated by visitor spending as a result of the operations of Crown Sydney. Once Crown Sydney is operational, Gross State Product²⁴ is estimated to increase by \$638 million in financial year 2022. This increase will be driven by the spending of visitors to Crown Sydney, especially overseas visitors, and the consequent flow-on effects to other industries in the State.

(A) INCREASE IN GROSS STATE PRODUCT IN NEW SOUTH WALES

New South Wales will benefit greatly from increased economic activity both during construction and once the Crown Sydney Hotel Resort is operational.

The Allen Consulting Group found the Crown Sydney Hotel Resort project will provide a significant boost to economic activity in New South Wales, particularly once the property is fully operational:

*"When the construction phase ramps up (ie. 2016/17) the increment to GSP is estimated to be \$98 million. It will be during Crown Sydney's operations that the major gains to GSP will occur, driven largely by the spending of international visitors. **In the first year of full operations (ie. 2021/22), the increment to GSP will be \$638 million.**" [Emphasis added.]*

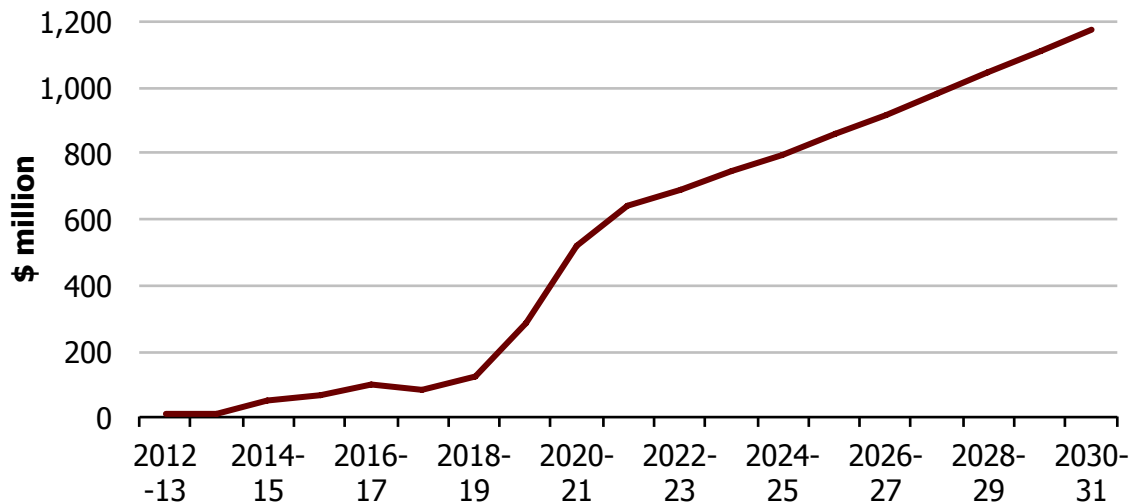
Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)²⁵

²³ Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013). A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

²⁴ All data is in 2012 prices

²⁵ A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

FIGURE 1: ALLEN CONSULTING GROUP—FORECAST REAL GSP GROWTH RELATIVE TO BASE CASE VALUES (\$MILLION IN 2012 PRICES)



Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)²⁶

(B) INCREASE IN JOBS IN NEW SOUTH WALES

Over 14,400 Australians work at Crown's Australian resorts.²⁷ Crown Melbourne is Victoria's largest single-site employer and Crown Perth is Western Australia's largest single-site employer. The Crown Sydney Hotel Resort will also make a significant contribution to direct and indirect employment for the people of New South Wales.

Crown Sydney is expected to directly employ 1,250 people and The Allen Consulting Group found that in total, across New South Wales, between 2,300 and 3,300 additional jobs should be created when Crown Sydney is fully operational in financial year 2022:

"Figure [2] shows high and low estimates for the estimated number of additional jobs which will result from the construction and operation of Crown Sydney. Both are derived from the estimates of additional employment in terms of additional hours worked. The 'high' job estimates are derived by assuming that of every one per cent increase in hours worked, that increase comes from a 2/3 per cent increase in persons employed and a 1/3 per cent increase in hours worked per person. The 'low' job estimates are derived from the opposite assumption: 1/3 per cent increase in persons employed and a 2/3 per cent increase in hours worked per person.

*Under both assumptions, there is a significant and growing increment of jobs directly and indirectly attributable to the Crown Sydney project. **By 2021/22, the number of additional jobs created ranges from about 2,300 to 3,300.**" [Emphasis added.]*

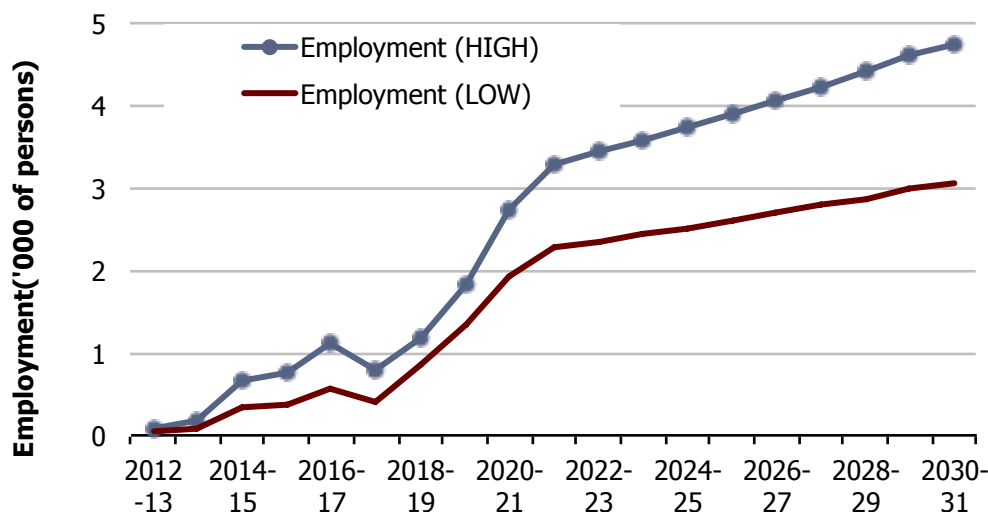
Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)²⁸

²⁶ A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

²⁷ Data as at June 2012, calculated based on headcount

²⁸ A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

FIGURE 2: ALLEN CONSULTING GROUP—FORECAST INCREASE IN EMPLOYMENT RELATIVE TO BASE CASE VALUES ('000 PERSONS)



Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)²⁹

Refer to section 6.6(a) for details on Crown's employment credentials.

(C) INCREASE IN BUSINESS INVESTMENT IN NEW SOUTH WALES

The Crown Sydney Hotel Resort is expected to boost business investment significantly throughout the New South Wales economy, during both the construction phase and the operational phase.

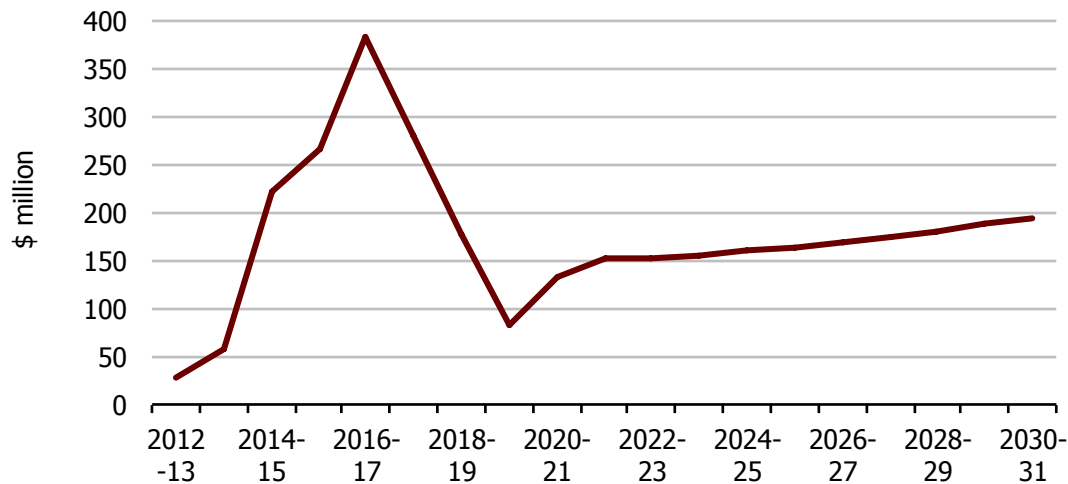
"The estimated impact of the Crown Sydney project on business investment in NSW (i.e. the aggregate of spending on buildings and equipment by businesses in every industry in the economy) is shown in Figure [3]. This shows a positive and growing effect, with the increment to investment growing from \$28 million in 2012/13 to \$151 million in 2021/22. While the investment increment peaks during the construction phase (2012/13 to 2017/18) the increment investment extends into the operations phase as the boost to the NSW economy generally generates additional business investment." [Emphasis added.]

Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)³⁰

²⁹ A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

³⁰ A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

FIGURE 3: ALLEN CONSULTING GROUP—FORECAST REAL INVESTMENT RELATIVE TO BASE CASE VALUES (\$MILLION IN 2012 PRICES)



Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)³¹

Crown has also demonstrated in both Melbourne and Perth that it reinvests in its hotels and tourist attractions on a regular basis to ensure they remain world-class. As a result, Sydney is likely to continue to benefit from Crown's ongoing investment in refurbishments years after the Crown Sydney Hotel Resort is opened. This ongoing reinvestment is an important element of Crown's success in attracting high net worth tourists.

Refer to section 6.3 for details on Crown's business investment credentials.

(D) INCREASE IN EXPORT INCOME FOR NEW SOUTH WALES

Expenditure on domestically produced goods and services by international visitors is considered export income by economists and the Australian Bureau of Statistics.

The Crown Sydney Hotel Resort is expected to significantly boost New South Wales' export income by an estimated \$513 million in financial year 2021, as a result of additional international visitors to New South Wales.

"Figure [4] shows the increment to NSW exports and imports. During the construction phase, there is a small decrease in exports. This reflects the investment surge during that time and the national income identity which states that the difference between exports and imports is equal to the difference between saving and investment. Higher investment, for a given amount of saving, will thus be reflected in lower exports and higher imports.

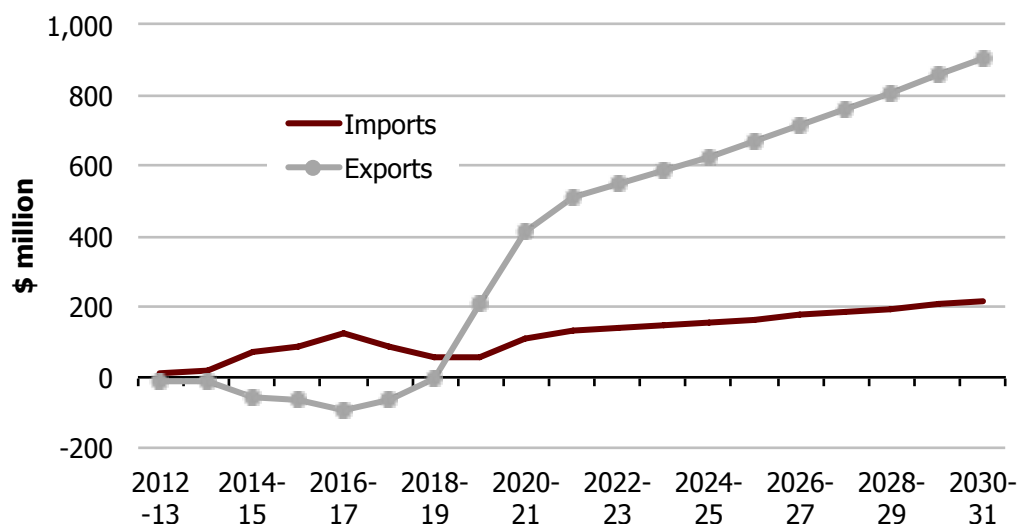
During Crown Sydney's operations phase, the sale of gaming, accommodation and entertainment services to overseas visitors drives the increase in NSW exports."

Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)³²

³¹ A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

³² A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

FIGURE 4: ALLEN CONSULTING GROUP— FORECAST REAL EXPORTS AND IMPORTS RELATIVE TO BASE CASE (\$MILLION IN 2012 PRICES)



Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)³³

"The early surge in imports reflects the increase in investment, for the reasons discussed above. As the investment increment tails off during the construction phase, so do imports. During the operations phase, the steady increase in imports reflects the increase in GSP: as income rises, so do consumer and business spending on imported goods and services."

Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)³⁴

33 A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

34 A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

(E) ALTERNATE DEVELOPMENT SCENARIO: CROWN SYDNEY COMPARED TO A FIVE-STAR HOTEL (AUSTRALIAN STANDARD) BRANDED HOTEL

In addition to modelling the estimated economic impacts of the Crown Sydney project in comparison to a base case (which sees no alternative development on the Barangaroo South site), the Allen Consulting Group also assessed the economic benefits to New South Wales that would arise where an alternative five-star hotel development is undertaken at Barangaroo South.

The estimated net economic benefits of the Crown Sydney project, being the estimated economic benefits in excess of those which arise out of the alternative development scenario, are set out below:

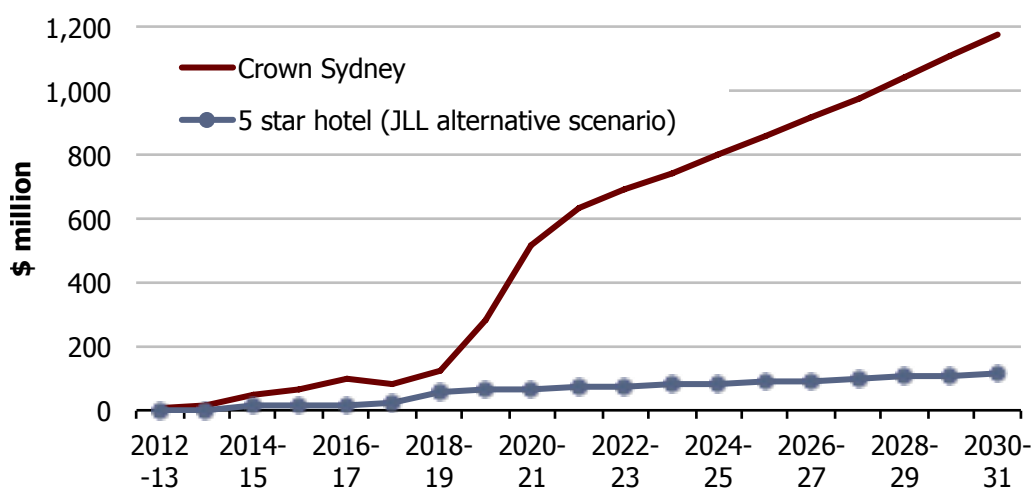
FIRST YEAR OF FULL OPERATIONS (FINANCIAL YEAR 2021/22)

- **Net GSP** is estimated to increase by \$566 million in 2022;
- **Net Employment** is estimated to increase by 2,100 – 2,900 jobs in financial year 2022; and
- **Net Business Investment** is expected to increase by \$134 million in financial year 2022.

Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)³⁵

The figures which follow show, for a variety of variables, the estimated economic impact of the Crown Sydney project as compared to the alternative development scenario (i.e. a five-star (Australian standard) branded hotel), each assessed against a base case of no development. In each case, the Crown Sydney project has a larger impact as compared to the alternative development scenario.

FIGURE 5: ALLEN CONSULTING GROUP—COMPARATIVE FORECAST REAL GSP RELATIVE TO BASE CASE (\$MILLION IN 2012 PRICES)

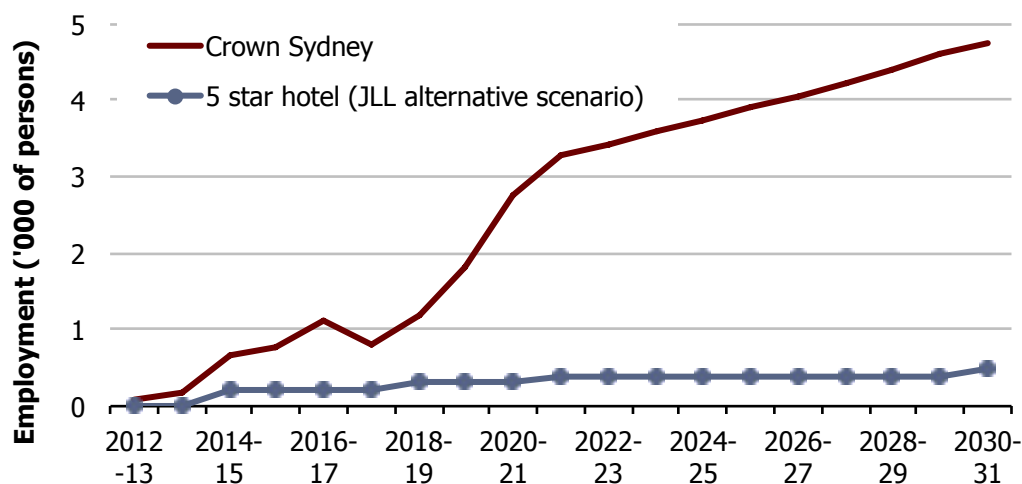


Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)³⁶

³⁵ A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

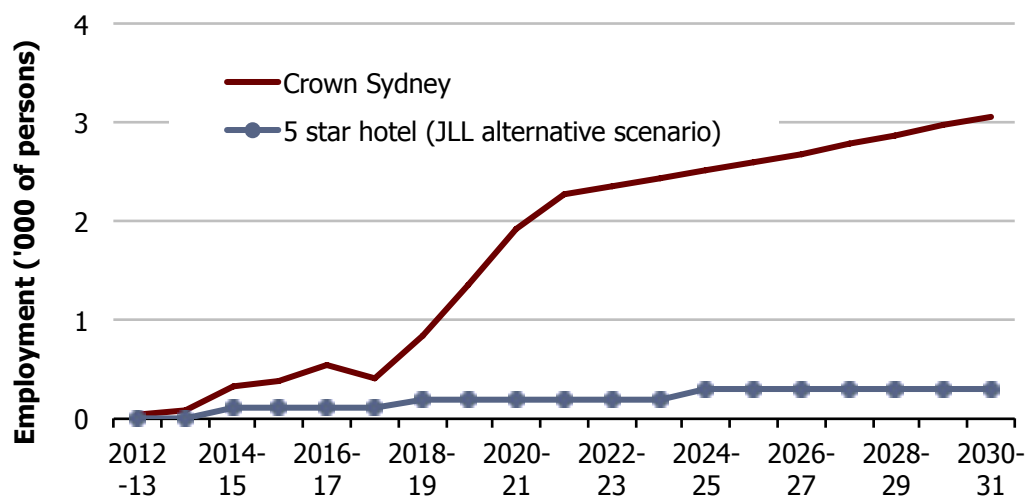
³⁶ A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

FIGURE 6: ALLEN CONSULTING GROUP—COMPARATIVE FORECAST EMPLOYMENT (HIGH) RELATIVE TO BASE CASE



Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)³⁷

FIGURE 7: ALLEN CONSULTING GROUP—COMPARATIVE FORECAST EMPLOYMENT (LOW) RELATIVE TO BASE CASE

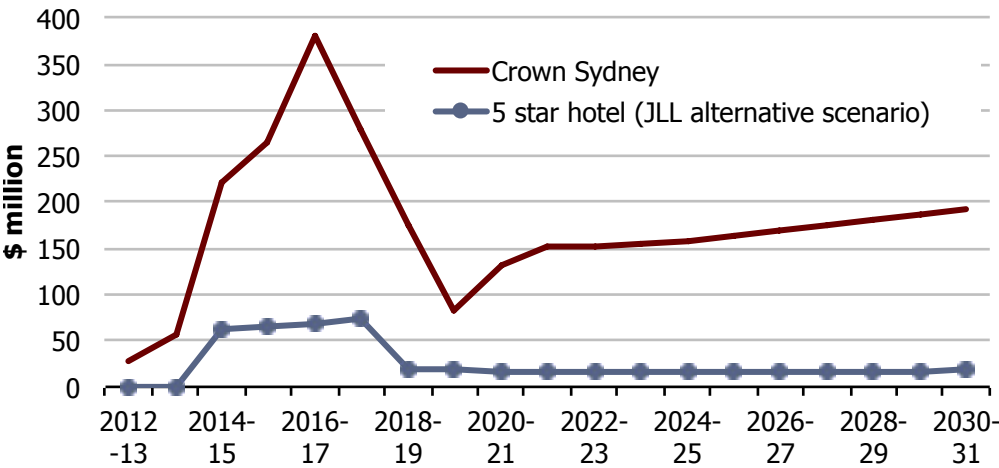


Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)³⁸

³⁷ A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

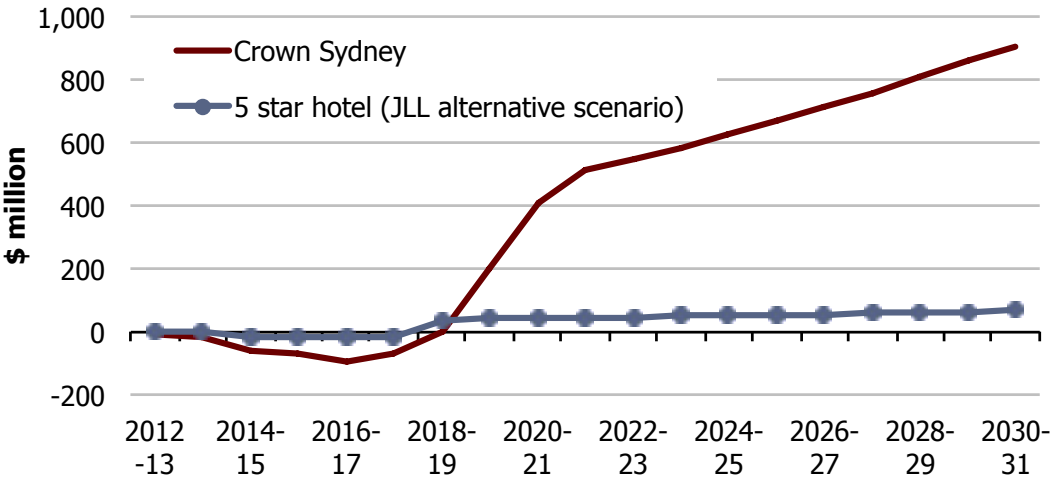
³⁸ A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

FIGURE 8: ALLEN CONSULTING GROUP—COMPARATIVE FORECAST REAL INVESTMENT
RELATIVE TO BASE CASE (\$MILLION IN 2012 PRICES)



Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)³⁹

FIGURE 9: ALLEN CONSULTING GROUP—COMPARATIVE FORECAST REAL EXPORTS
RELATIVE TO BASE CASE (\$MILLION IN 2012 PRICES)



Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)⁴⁰

39 A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

40 A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

In summary, Allen Consulting Group states:

“The Crown Sydney project is superior to the alternative development scenario and will generate greater economic benefits for NSW.”

Source: Allen Consulting Group, ‘Crown Sydney Proposal: An Economic Benefit Assessment’ (June 2013)⁴¹

Table 2 below highlights that the estimated economic impact of the Crown Sydney project will be large while the impacts of the alternative development scenario will be significantly lower:

TABLE 2: ALLEN CONSULTING GROUP—ECONOMIC BENEFITS 2021/22

Variable	Crown Sydney project	Alternative development scenario
GSP (\$ million, 2012 prices)	637.9	72.3
Real Investment (\$ million, 2012 prices)	150.9	16.6
Real Private Consumption (\$ million, 2012 prices)	131.4	17.4
Employment (High) ('000)	3.3	0.4
Employment (Low) ('000)	2.3	0.2
Economic Welfare (\$ million, 2012 prices)	287.2	31.0

Source: Allen Consulting Group, ‘Crown Sydney Proposal: An Economic Benefit Assessment’ (June 2013)⁴²

Table 3 below sets out the net economic benefit of the Crown Sydney project as compared to the base case and compared to the alternative development for financial year 2022. It can be seen that the two sets of net benefits are not materially different.

The first column in the table shows the economic benefit of Crown Sydney relative to a ‘do nothing’ base case. The second column shows Crown Sydney relative to an alternative development scenario (such as a five-star (Australian standard) branded hotel).

⁴¹ A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

⁴² A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

TABLE 3: ALLEN CONSULTING GROUP—NET ECONOMIC BENEFITS 2021/22

Variable	Crown Sydney project vs base case	Crown Sydney project vs alternative development scenario
GSP (\$ million, 2012 prices)	637.9	565.6
Real Investment (\$ million, 2012 prices)	150.9	134.3
Real Private Consumption (\$ million, 2012 prices)	131.4	114.0
Employment (High) ('000)	3.3	2.9
Employment (Low) ('000)	2.3	2.1
Economic Welfare (\$ million, 2012 prices)	287.2	256.2

Source: Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)⁴³

5.2 SIGNIFICANT INCREASE IN GAMING TAXES FOR NEW SOUTH WALES

Crown's track record of successfully operating VIP gaming facilities will ensure that the Crown Sydney Hotel Resort will generate substantial growth in VIP gaming in New South Wales. As a result of this growth, the New South Wales Government will receive significant additional gaming taxes. The additional gaming taxes will be paid from the commencement of VIP gaming at the Crown Sydney Hotel Resort in 2019 and will continue over the life of the Crown Sydney Hotel Resort.

5.3 EMPLOYMENT AND TRAINING BENEFITS

(A) HELPING INCREASE THE HOSPITALITY AND TOURISM WORKFORCE IN NEW SOUTH WALES

Sydney and New South Wales will benefit from Crown's experience and industry leadership in employment education and training.

Crown's large investment and commitment to training in Sydney's West and inner city will benefit the tourism sector and help meet Sydney's overall shortfall in hotel and hospitality staff.

43 A copy of the report is located behind Tab 11 of Volume 1B—Attachments to the Project Submission

The Visitor Economy Taskforce Report noted the following:

“There is a need to increase the number and skills of Australian residents in order to fill the gap in demand for labour in the visitor economy.

A lack of post-school qualifications significantly restricts career progression and earning potential for workers in the visitor economy. This results in difficulties in sourcing and retaining staff. The uptake of Certificate II and III programs in hospitality in NSW has reduced significantly, partially as a result of the removal of incentives for traineeships in these areas by the Commonwealth Government and State Governments.”

Source: New South Wales Visitor Economy Taskforce, ‘Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020’ (June 2012)⁴⁴

ESTABLISHMENT OF CROWN SYDNEY TRAINING COLLEGES IN PENRITH AND REDFERN

In order to meet the extremely high service requirements of a six-star facility, Crown currently trains its own employees and operates major in-house training colleges at both Crown Melbourne and Crown Perth. This model will be replicated in Sydney with training colleges to be established in Penrith, at the Penrith Panthers Group’s proposed Community Centre and in Redfern, at the NCIE.



⁴⁴ A copy of the Final Report is located behind Tab 2 of Volume 1D—Attachments to the Project Submission

Based on Crown's experience and record of training at Crown Melbourne, Crown envisages the following:

- Once operational there will be approximately 300 new employees starting at Crown Sydney annually;
- On average, each week over 100 employees would be attending induction or accredited training at the Crown Sydney training colleges;
- Crown Sydney will directly employ approximately 1,250 employees. Most of these staff will need to undergo induction training before commencement, so training numbers will be significantly higher in the lead up to the opening of the Crown Sydney Hotel Resort; and
- A school based traineeship program (special focus on Indigenous youth) from years 10 to 12 will also be established to provide a workforce pipeline.

The Crown Sydney training college in Penrith will allow Crown to provide long-term jobs and employment pathways to job seekers and students in the western suburbs and Blue Mountains. The college will work with local TAFEs and schools to provide an extensive apprenticeship and schools-based traineeship program (non-gaming) from year 10. School based traineeships and vocational training will provide on the job work experience and help fast track certifications in an industry with an acknowledged skill shortage. School based training will also provide incentives for students to stay on at school and complete their education.



It is also intended that Crown and the Penrith Panthers Group will partner with the NCIE in providing training and work experience in hospitality jobs (non-gaming) as well as cultural programs for Indigenous students and job seekers. Both parties recognise that Western Sydney has one of the highest Indigenous populations in the country and that programs are required to improve opportunities for that community.

Crown has also announced it will establish a second training college at the NCIE in Redfern. This college will primarily train Indigenous job seekers not only from the inner city, but also from throughout New South Wales.

As part of the partnership arrangement, Crown trainees, apprentices and training staff will have full access to the recreational facilities at both facilities while participating in training at the colleges.

Indigenous students will greatly benefit from individual employment pathways from school to work. Partnerships will be established by Crown and the Penrith Panthers Group in conjunction with NCIE, local high schools and TAFEs. All organisations recognise the importance of role models and mentors for their students and the importance of local Indigenous community support and involvement.

While training for the Crown Sydney Hotel Resort would not commence until the Crown Sydney Hotel Resort was closer to opening, all parties will investigate the possibility of the schools-based programs beginning sooner in 2016.

Crown will provide executive and non-executive staff to provide mentoring and career development programs for the Penrith Panthers Group and NCIE staff at times that are mutually agreeable. The parties will also establish a program for staff from both organisations to be seconded into each other's facilities to help develop the skills, business and cultural expertise of both organisations.

Please refer to section 6.6(b) for detail on Crown's training credentials.

(B) INCREASE INDIGENOUS EMPLOYMENT AND TRAINING OPPORTUNITIES

Crown has established itself as a leading company in Indigenous employment. Crown has received a number of awards for its Indigenous employment programs and the Crown Sydney Hotel Resort will make long-term jobs for Indigenous Australians a centrepiece of its employment strategy.

Refer to section 6.7 for information on Crown's Indigenous employment programs and its record of exceptional leadership on Indigenous employment.

THE NCIE TO PARTNER WITH CROWN

Crown has agreed to partner with the NCIE to help deliver training, mentoring and support for the Crown Sydney Hotel Resort's Indigenous workforce.⁴⁵

Announcing the partnership, NCIE CEO Jason Glanville stated:

"The NCIE is dedicated to providing young Aboriginal and Torres Strait Islander Australians with the opportunity to work in the hospitality industry, building successful careers that can take them anywhere in the world. Together with Crown, we're building career pathways for the next generation of Indigenous Australians."

Source: NCIE statement (10 October 2012)

⁴⁵ A copy of the Memorandum of Understanding with NCIE is located behind Tab 2 of Volume 1B—Attachments to the Project Submission

The Chairman of Crown James Packer said the following:

“Crown has worked hard to employ Indigenous Australians across our resorts; it’s something we’re very proud of. This partnership with the NCIE will allow us to expand these programs to Sydney, helping create long term career paths for Indigenous job seekers.”

Source: James Packer statement (10 October 2012)

The NCIE, based at Redfern, has a commercial kitchen, dining facilities, classrooms, dormitories and exceptional recreational facilities, which will be used by Crown to train and mentor Indigenous job seekers from across Sydney, New South Wales and Australia. In this sense, the partnership is unique.

The NCIE will primarily be the venue for pre-employment training for Crown's Indigenous employees ensuring they have the literacy, numeracy and basic employment skills to work safely at the Crown Sydney Hotel Resort. As an accredited Enterprise Training Organisation, Crown will undertake to train all Indigenous staff at the NCIE facility to ensure they reach the high levels of service required by the company and its customers.

Crown has agreed to assist the NCIE to build its training capacity and will support and involve NCIE staff in all employment programs operated at the facility.

The NCIE will also support Crown in the establishment of its primary training facility at Penrith. This partnership and commitment allows the NCIE to continue to grow in size, capacity and expertise.

Crown and the NCIE have agreed to provide school-based traineeships to Indigenous school students in Redfern, the inner city and Penrith to provide a pathway from school to employment and to encourage these students to stay at school.

Based on successful programs operated by the Aboriginal Employment Strategy and the NRL's "Learn Earn Legend Program," the NCIE and Crown will provide pre-employment training at the NCIE Redfern facility and allow students in Years 10, 11 and 12 to complete vocational studies in the hospitality areas. Once students have completed their Year 12 studies and attained their vocational certificates, they will have the opportunity to commence employment at Crown Sydney.

The NCIE will work with Crown to provide a positive transition from school to employment and will ensure new employees are supported in the workplace through mentoring and support networks.

While the NCIE will overwhelmingly concentrate on the development of Crown's Indigenous staff, it has also been agreed that non-Indigenous staff may participate in training programs and use facilities on the site when enrolled.

The NCIE's commitment to excellence matches that of Crown and this exclusive partnership is unique in the commercial sector. The Memorandum of Understanding will need to be supplemented by a commercial agreement outlining agreed payments from Crown to the NCIE for rent and services provided at the appropriate time. A commercial agreement will support the viability of the NCIE, providing secure employment for its large Indigenous and non-Indigenous workforce.

Refer to section 3.1 for further information on the NCIE.

5.4 TOURISM BENEFITS

(A) NEW SOUTH WALES TOURISM AND THE ASIAN OPPORTUNITY

(I) THE IMPORTANCE OF TOURISM TO NEW SOUTH WALES

Tourism was Australia's sixth largest export in 2011 and therefore makes a significant contribution to the overall level of economic activity and employment in Victoria and Australia.⁴⁶ In financial year 2010, tourism contributed \$81.4 billion, both directly and indirectly, to the Australian economy, equating to 5.2% of GDP and provided employment for 7.9% of the workforce.



VIEW OF CROWN SYDNEY FROM THE OPERA HOUSE FORECOURT (DESIGN IMAGE)

In terms of New South Wales, the recent New South Wales Government Visitor Economy Action Plan highlights the importance of the tourism industry to the State economy noting:

“Currently visitor expenditure in NSW contributes over \$20.2 billion to the State’s economy, supports more than 159,000 direct jobs, over 96,500 businesses and accounts for one in every 22 jobs in NSW.

In 2010-11 the direct Gross Value Added provided by tourism in the NSW economy was \$10.5 billion, representing exactly one-third of national tourism Gross Value Added, which has risen by half a billion dollars (Tourism Satellite Account, 2010/2011). This means that the NSW visitor economy is worth more than agriculture, forestry and fishing and just below mining.

⁴⁶ Tourism Research Australia, 'Factors affecting the inbound tourism sector: the impact and implications of the Australian dollar' (2011)

Businesses involved in retail, transport, investment, planning, infrastructure, training and development, and those dealing with shortages in skills and labour, are all indirectly part of the visitor economy and are impacted by fewer visitor numbers.”

Source: NSW Government, ‘Visitor Economy Action Plan: The NSW Government Response to the Final Report of the Visitor Economy Taskforce’ (December 2012)⁴⁷

(II) THE SIZE OF THE TOURISM OPPORTUNITY FROM ASIA

There are over 300 million middle class consumers in China today (equal to almost the entire population of the USA) and by 2030 China is expected to have over a billion middle class consumers.



ALFRESCO DINING AT CROWN MELBOURNE

China's growing wealth and its transformation from a production-based to a consumption-based economy provides Australia's tourism sector with massive opportunities.

China's outbound travel market is one of the fastest growing in the world as the middle class spend increasing amounts of money on luxury travel, which is one of their preferred leisure activities.

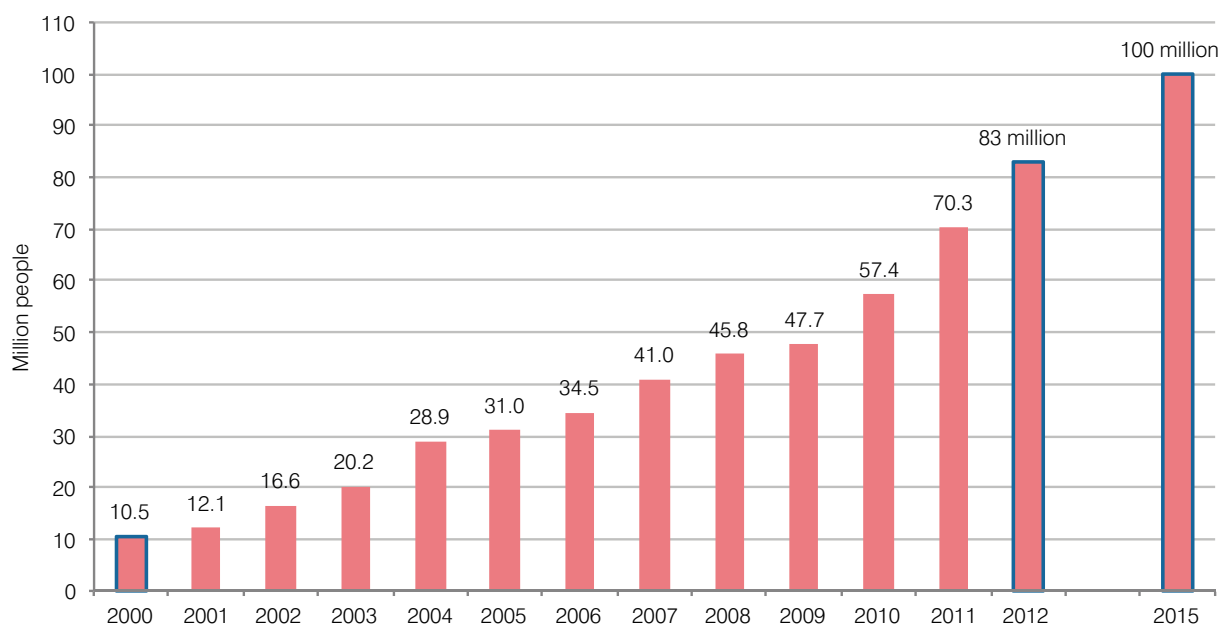
⁴⁷ A copy of the Visitor Economy Action Plan is located behind Tab 1 of Volume 1D—Attachments to the Project Submission

A report by the Boston Consulting Group in 2011 noted the following:

“The rapid escalation in social and economic mobility in China has brought a relatively rapid increase in discretionary income available for travel. Chinese travellers (including the affluent segment) are therefore more eager than Westerners to increase their spending on travel.”

Source: The Boston Consulting Group, ‘Taking Off: Travel and Tourism in China and Beyond’ (March 2011)

In the year 2000, just over 10 million Chinese people travelled abroad. This number has risen approximately 690% to 83 million people in 2012, and is now estimated to reach 100 million by 2015.



Source: Data from China Outbound Tourism Research Institute and UNWTO

In addition to the middle class, China now boasts 250 billionaires (up from only 15 six years ago) and over one million millionaires.⁴⁸

48 GroupM Knowledge and Hurun Report, ‘Hurun Wealth Report 2012’ (August 2012)



The Hurun Report and GroupM Knowledge found that travel is the biggest area of consumption for Chinese millionaires:

"Travel is the biggest area of consumption for the Chinese millionaire. They spend an average break of 20 days a year. The main reasons for going abroad are holidays and business. Sanya (Hainan Island), Hong Kong and Yunnan are the top three destinations in China, while France continues to be the most popular international destination, followed by the US and Australia."

Source: GroupM Knowledge and Hurun Report, 'GroupM Knowledge and Hurun Release Wealth Report' (31 July 2012)

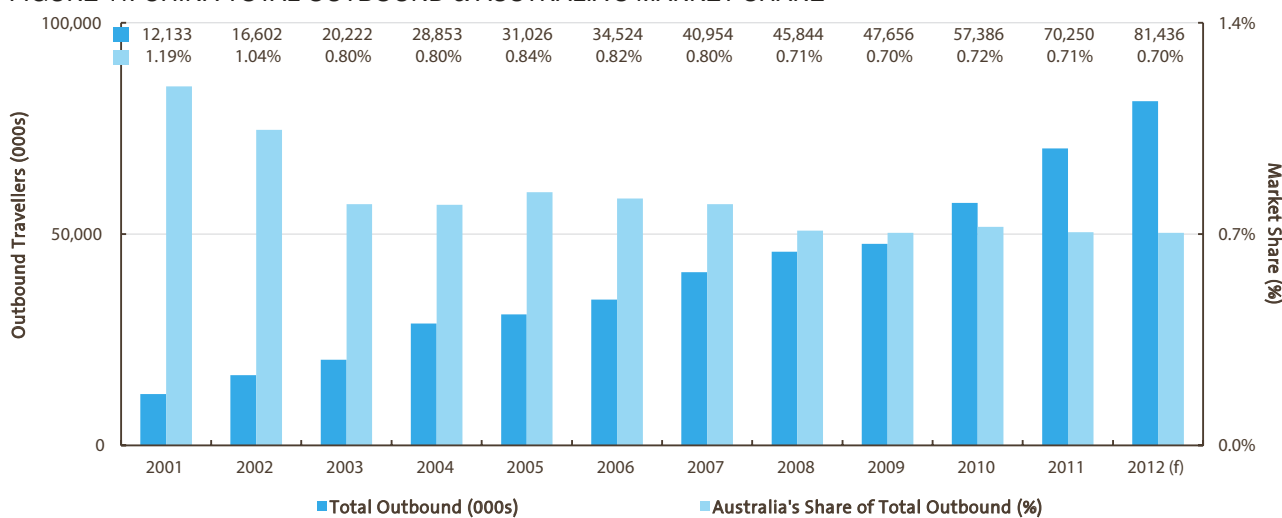
Many countries right across the world are now investing significantly in tourism infrastructure to take advantage of the immense opportunity provided by the rapidly increasing Asian wealthy and middle class, in particular, in China.

(III) AUSTRALIA IS LOSING MARKET SHARE

Australia's share of China's total outbound travel has decreased from 1.2% in 2001 to only 0.7% in 2012. This is despite a significant increase in Chinese tourist arrivals to Australia over the last 10 years.

The dark blue bars in the below graph show the increase in China's outbound tourism and the light blue bars show how Australia has been losing share of this market.

FIGURE 11: CHINA TOTAL OUTBOUND & AUSTRALIA'S MARKET SHARE



Source: Tourism Australia, 'China Market Profile' (April 2013)

This loss of market share is despite Australia being considered the top long haul 'must visit' destination for Chinese travellers. This decline would suggest that Australia is not keeping up with other countries like Singapore, in appreciating, planning and creating tourism products to meet the desires of these Chinese tourists.

The 'Australia in the Asian Century White Paper' also noted that Australia's reliance on Asian tourism is still low when compared with other Asian countries.

"Asia has become the biggest source of visitors for the Australian tourism sector, contributing around 40 per cent of visitor arrivals. Even so, Australia's reliance on Asian tourism is relatively low compared to that of most Asian countries (Boao Forum for Asia 2012)—more than 70 per cent of arrivals to China, Hong Kong, Japan, Malaysia, South Korea and Taiwan come from Asia."

Source: Australian Government, 'Australia in the Asian Century White Paper' (October 2012)

(IV) NEW SOUTH WALES IS FIGHTING TO INCREASE ITS SHARE OF INBOUND AIRCRAFT SEATS FROM KEY ASIAN COUNTRIES

New South Wales also faces many challenges in maintaining and increasing its share of Asian tourists. The 2012 New South Wales Visitor Economy Taskforce Report noted that between 2006 and 2011 New South Wales lost market share of inbound aircraft seats from key target countries including China, South Korea and Malaysia.

"In major international growth markets, like China, NSW is losing its national share of airline seat capacity and as a consequence has lost share of outbound China trips to Australia (BDA 2012). Recently, China has been the only market showing significant growth, passing the USA as the third largest market of inbound visitors to NSW (BDA 2012)."

Source: New South Wales Visitor Economy Taskforce, 'Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020' (June 2012)⁴⁹

(V) THE IMPORTANCE OF CHINA'S OUTBOUND TOURISM SECTOR TO THE AUSTRALIAN AND NEW SOUTH WALES ECONOMY

Given the sluggish nature of tourism from Australia's traditional tourist markets like the UK and the USA, visitors from Asia are critical to Australia's tourism future.



FINE DINING ABOARD CROWN'S YACHT, INFINITY, NEAR ROTTNEST ISLAND IN WESTERN AUSTRALIA

49 A copy of the Final Report is located behind Tab 2 of Volume 1D—Attachments to the Project Submission

The Australian Government's recent 'Australia in Asian Century White Paper' noted that while Asian tourism to Australia is already significant, there are significant economic benefits if we can increase it further over the next decade.

"In 2011–12, seven of Australia's top 10 most valuable inbound tourism markets were in Asia (TRA 2012b). In the same year, China became Australia's most valuable tourism market, and over time it will also become the source of the highest number of visitors. Strong growth from India and Indonesia, supported by a younger demographic and expansion in other promising Asian markets, such as Vietnam, is expected to complement the growth from China. This anticipated boost to tourism will have benefits for Australia's tourist industry, including for Indigenous Australians engaged in tourism and for regional Australia. In particular, there are opportunities for new tourism hubs in northern Australia around the growth of new Asian markets."

While overseas tourist numbers from all regions are expected to increase to 2020, the growth in numbers from within Asia will outpace growth from all other markets in both percentage and absolute terms. By 2020–21, Asia's share of inbound arrivals is expected to have increased from 41 per cent to 45 per cent (TRA 2012a) (Chart 4.8). This will drive the total economic value of inbound tourism to around \$35 billion by 2020."

Source: Australian Government, 'Australia in the Asian Century White Paper' (October 2012)

The New South Wales Government, in its Visitor Economy Action Plan, also recognises the importance of boosting visitor arrivals from China noting:

"The NSW Government recognises that in order to achieve the target set for growing the visitor economy the industry will need to focus on markets that are expected to provide a high rate of growth, such as Asian visitor markets."

Source: NSW Government, 'Visitor Economy Action Plan: The NSW Government Response to the Final Report of the Visitor Economy Taskforce' (December 2012)⁵⁰

Also in recognition of the importance of Chinese tourism, on 30 November 2012 the New South Wales Minister for Tourism and Major Events, George Souris, launched a plan called 'The China Tourism Strategy 2012-20'. This strategy document aims to significantly increase tourism from China in order to help New South Wales meet its State tourism target of doubling visitor expenditure by 2020.

Upon launching the plan, Minister Souris made it clear that the New South Wales Government is committed to growing the Chinese market saying:

"The NSW Government is committed to growing the China market and the China Tourism Strategy 2012-2020 will build on our unique tourism strengths and ensure that NSW is the premier destination for tourists from China into the next decade."

Sydney and NSW are the best prepared and most highly motivated markets to welcome China. With our iconic attractions, world class arts, cultural and sporting events, award-winning hotels and culturally aware visitor experiences, we are perfectly positioned to double China tourism by 2020."

Source: Minister George Souris, 'Media Release – NSW launches Major China Tourism Strategy' (30 November 2012)

50 A copy of the Visitor Economy Action Plan is located behind Tab 1 of Volume 1D—Attachments to the Project Submission

The China Tourism strategy has been funded by the New South Wales Government to the extent of \$15 million over the next four years and it focuses on eight key areas to deliver growth:

- “1. *Extending marketing activities into four primary China source markets, including Greater Beijing, Greater Shanghai, Guangdong Province and Chengdu.*
2. *Supporting aviation and route development, including strengthening agreements with Qantas, China Southern, China Eastern and the Sydney Airport Corporation.*
3. *Targeting high performing consumer segments, including China's emerging middle class consumers, business events, assisted Free Independent Travellers (FIT) and students.*
4. *Improving the quality and range of visitor experiences, by working with the NSW tourism industry to research customer-focused Chinese visitor needs to build on NSW's world-class visitor experiences for Chinese consumers.*
5. *Increasing consumer promotion, including strengthening Sydney's and NSW's brand appeal in key FIT markets of Guangzhou, Beijing and Shanghai to build consumer awareness of specialist product categories and experiences.*
6. *Strengthening trade distribution networks, including Missions to Market for NSW operators to engage with China-based travel distributors.*
7. *Expanding commercial and Government partnerships to provide a unified approach to working effectively within China's regulatory environment, to deliver strategic business outcomes.*
8. *Increasing resources to drive market growth, by expanding Destination NSW's stand-alone offices in Shanghai and Hong Kong to coordinate implementation of the China Tourism Strategy.”*

Source: Minister George Souris, 'Media Release – NSW Launches Major China Tourism Strategy' (30 November 2012)⁵¹

The New South Wales China Tourism Strategy is timely given the progress other States such as Victoria and Western Australia are making in targeting Chinese visitors. Victoria launched its own China Tourism Strategy in May 2012⁵² whilst Tourism Western Australia has also developed a dedicated China Strategy⁵³. All these strategies attempt to outline the actions required to increase the share of Chinese visitors to their State.

While launching the New South Wales China Tourism Strategy, Minister Souris also pointed out the massive economic benefits for New South Wales over the next decade if it is capable of maintaining and increasing its market share of Chinese visitors and visitor nights.

“If we are able to capitalise on the opportunities presented by China over the next decade, NSW visitor arrivals and visitor nights are expected to almost double. Over the ten-year period 2020/21 China will contribute more than \$17.4 billion to the NSW Visitor Economy and be directly responsible for 13,900 jobs.”

Source: Destination NSW, 'China Tourism Strategy 2012-20' (30 November 2012)⁵⁴

51 A copy of the Strategy is located behind Tab 3 of Volume 1D—Attachments to the Project Submission

52 State Government of Victoria, 'Victoria's China Tourism Strategy' (May 2012)

53 Tourism Western Australia, 'Our direction in China 2012-2015' (2012)

54 A copy of the Strategy is located behind Tab 3 of Volume 1D—Attachments to the Project Submission

Table 4 below highlights other massive benefits to New South Wales if it can meet financial year 2021 forecasts, including a contribution of more than \$17.4 billion to the New South Wales economy.

TABLE 4: IMPACTS OF NEW SOUTH WALES VISITORS, EXPENDITURE, EMPLOYMENT AND GSP

Inbound visitors from mainland China	NSW forecasts 2020/21
Chinese visitor arrivals	623,000
Visitor nights	19.6 million
Economic Contribution	
Visitor expenditure	\$2.1 billion*
GSP	\$2.1 billion*
Total contribution to GSP over the ten financial years between 2011/12 to 2020/21	\$17.4 billion*
Employment	
Number of direct jobs	13,900
Number of direct and indirect jobs	24,100

*Measured in December 2011 Australian Dollars

Source: Destination NSW, 'China Tourism Strategy 2012-20' (30 November 2012)⁵⁵

(VI) TO SUCCEED, AUSTRALIA MUST UNDERSTAND AND MEET THE DEMAND OF ASIA'S NEW MIDDLE CLASS TOURISTS

While there has been a very large increase in outbound tourism from countries on Australia's doorstep, Australia can only take advantage of this opportunity if the Australian tourism industry appreciates what the rising Asian middle class want, and can cater for their desires.

The 'Australia in the Asian Century White Paper' made this clear:

"And Australia's tourism industry will benefit from investing time and resources into better understanding and catering to visitors from growing tourist markets such as India, China and Korea."

Source: Australian Government, 'Australia in the Asian Century White Paper (October 2012)

Last year's New South Wales Visitor Economy Taskforce Report also urged New South Wales tourism operators to start understanding and catering to the taste of Asian visitors:

"The preferences of visitors from these Eastern markets are different from the traditional markets in terms of the experiences and destinations being sought, as well as their spending and travel patterns. Understanding, meeting and exceeding the expectations of these visitors, while maintaining and growing NSW's share of the traditional inbound markets, will be essential if the 2020 target is to be reached. Resource allocation must be directed to target the growth outlooks of the respective markets."

Source: New South Wales Visitor Economy Taskforce, 'Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020' (June 2012)⁵⁶

55 Forecasts are estimates based on Tourism Research Australia, 'TFC Forecasts 2012 Issue 1, Tourism Satellite Accounts and International Visitor Survey'

56 A copy of the Final Report is located behind Tab 2 of Volume 1D—Attachments to the Project Submission

A Boston Consulting Group Report in 2011 found that travel providers who understand and meet the needs of Chinese tourists, have the most to gain from the massive increase in outbound tourism from China.

A survey conducted by the Boston Consulting Group in the third quarter of 2010 found that the rapidly rising demand for travel in China, together with the lack of offerings for Chinese tourists (both within China and abroad), presents a rare opportunity to gain a first-mover advantage—which can be enormously valuable in a market where consumers are desperate for brands that meet their needs. Equipped with better insight into targeted segments, travel providers could develop differentiated products for affluent travellers, as well as for the burgeoning segment of middle-class tourists emerging in China's large and smaller cities.⁵⁷

(VII) CHINA'S RISING MIDDLE CLASS HAVE A PREFERENCE FOR LUXURY GOODS AND SERVICES

A 2011 McKinsey study into the consumption habits of China's middle class found that the rapid increases in wealth, and the shifting social conventions that sanction the display of that wealth, are driving a growing infatuation for luxury goods.

The study found that by 2015, China will account for 20% of the global luxury goods market.

The Chairman and Chief Researcher of the Annual 2012 Hurun Wealth Report, which studies the number of wealthy Chinese, is quoted as saying:

"As China is set to become the world's biggest market for luxury, it is critical to understand the Chinese luxury consumer."

Source: GroupM Knowledge and Hurun Report, 'GroupM Knowledge and Hurun Release Wealth Report' (31 July 2012)

Eve Lo, the Chief Knowledge Officer of GroupM China, which works on the Hurun Report, also noted the value of understanding the preference of China's wealthy and middle class consumers for luxury brands:

"Understanding the behaviour, attitudes and preferences of the wealthy class will help luxury brands to actively connect and engage with Chinese millionaires and their unique lifestyles. With luxury consumption as one of the main drivers of the Chinese consumer market, such insights into the world of the super-rich are invaluable to brands."

Source: GroupM Knowledge and Hurun Report, 'GroupM Knowledge and Hurun Release Wealth Report' (31 July 2012)

The Allen Consulting Group Report (August 2012)⁵⁸ noted the following in relation to China's growing middle class consumers:

"The evidence suggests these consumers are attracted to luxury hotels, great restaurants and high-end retail shopping, which is why there is a boom in luxury hotels and goods outlets across China and also in many international tourist destinations which are trying to attract Chinese consumers."

Source: Allen Consulting Group, 'Crown Sydney Proposal—An Economic Benefit Assessment' (August 2012)

⁵⁷ The Boston Consulting Group, 'Taking Off: Travel and Tourism in China and Beyond' (March 2011)

⁵⁸ Allen Consulting Group, 'Crown Sydney Proposal—An Economic Benefit Assessment' (August 2012)



VIP VILLA AT CROWN MELBOURNE

The New South Wales Government itself, in its recently released China Tourism Strategy identifies the need for the State to deliver greater luxury experiences in order to attract more Free Independent Travellers (FIT) from China.

*“Because of its leadership position in the market NSW has the potential to position itself strongly to FIT visitors—but it is quite vulnerable to competitive pressures from other state destinations. **If NSW is to successfully tap this growing segment considerable effort has to be made to address product development issues, and bring experiences to market such as Self Drive, Golfing, Resort, Food and Wine, Unique Events, Luxury and Soft Adventure.**” [Emphasis added.]*

Source: Destination NSW, ‘China Tourism Strategy 2012-20’ (30 November 2012)⁵⁹

(VIII) A PREFERENCE FOR MAJOR CITIES AND LUXURY HOTEL RESORTS WITH GAMING

The preference of the Chinese wealthy and middle class for a luxury experience explains why most Chinese tourists prefer spending time in major cities, where they can enjoy luxury products and experiences. In fact, Chinese tourists in Australia spend approximately 80% of their nights in Sydney, Melbourne, Brisbane and Adelaide when they travel within Australia.⁶⁰

⁵⁹ A copy of the Strategy is located behind Tab 3 of Volume 1D—Attachments to the Project Submission

⁶⁰ Tourism Research Australia, ‘China—Inbound and Outbound Travel, Snapshot 2011’ (June 2011)

The desire for a luxury experience also explains why so many Chinese tourists are attracted to luxury hotel resorts.

The Allen Consulting Group Report (August 2012) noted the following:

"Given the importance of luxury goods and services to China's rising middle class, it is easy to understand why they are attracted to luxury integrated resorts which have unparalleled accommodation, world-class restaurants and high-end retail."

Source: Allen Consulting Group, 'Crown Sydney Proposal—An Economic Benefit Assessment' (August 2012)

Chinese travellers are also attracted to resorts with gaming facilities. Dr Marc Faber, a well-known US investment analyst found that "80% of Chinese travelling outside the country for the first time head for a casino and 90% of Chinese who travel to the US visit Las Vegas."⁶¹

This all explains why governments globally and in particular Asia, are now considering and supporting luxury hotels, which incorporate gaming, in their push to increase tourism from China.

(IX) MACAU'S SUCCESS AT ATTRACTING ASIAN VISITORS

The success of Macau at attracting a very large increase in Asian visitors is another example of the importance of hotel resorts with gaming facilities in the competitive international tourism industry:

- Visitors to Macau have increased from 9.5 million in 2001 to 28.1 million in 2012;⁶²
- Macau received 16.9 million Chinese mainland visitors in 2012, an increase of over 40% since 2006;
- 25.1 million of Macau's visitors last year were from Mainland China, Hong Kong and Taiwan; and
- Gaming revenue:
 - In 2012 gaming revenue reached \$38.1 billion, up 13.5%;
 - Up 42% in 2011 to \$33.5 billion;
 - Grew by 58% in 2010; and
 - 6.2 times larger than Las Vegas.

Macau has seen the development of large scale integrated resorts, luxury hotels with a gaming component and lesser quality hotels with a gaming component which attract Chinese tourists of all demographics. A case in point is MCE's Altira Macau.

⁶¹ Dr Marc Faber, 'The Chinese Tourists like Casinos' (22 December 2011)

⁶² Macau Government Tourist Office, 'Visitor Arrivals'

Altira Macau (formerly known as Crown Macau) opened in 2007. Altira was designed as a VIP-focussed property with exceptionally luxurious facilities, unparalleled service, private and main gaming floor options, world-class culinary experiences and an internationally awarded spa.

The Forbes Travel Guide has awarded Altira Macau their highest accolade, the Forbes Five-Star rating, consecutively for the last four years, recognising it as one of the best hotels in the world. In addition, Altira's spa has also won the corresponding spa award for the last four years.

With primarily VIP guests, Altira Macau has forged a reputation of exclusivity and aspiration. Altira showcases MCE's in-depth understanding of the hospitality landscape in Asia and its commitment to elite tourism.

When it opened, Altira set the benchmark for luxury accommodation and VIP gaming in the diverse Macau market. Altira's luxury attractions continue to attract large numbers of VIPs from mainland China and Hong Kong in a rapidly expanding and evolving tourist market.

(B) HELP ATTRACT A GREATER SHARE OF ASIA'S BOOMING OUTBOUND TOURISM TO NEW SOUTH WALES

One of Crown's key visitor strategies for the proposed Crown Sydney Hotel Resort will be to target the growing Asian tourist markets.

Crown is firmly focussed on the tourism opportunities from Asia and in particular China. Crown's Melbourne and Perth resorts have demonstrated their understanding of the target market and their strength in attracting a large proportion of tourists from Asia.

The 'Australia in the Asian Century White Paper', while suggesting that the tourism industry develop greater luxury experiences to attract Asian tourists, singled out Crown's tourism offering as an example of what is required to succeed.

*"Importantly, the tourism industry needs to develop culturally relevant products to capitalise on growing Asian interest in Australia as a tourist destination. **This will mean developing sophisticated luxury urban tourism opportunities, such as those offered by Crown Limited,** as well as showcasing Australia's outstanding natural beauty." [Emphasis added.]*

Source: Australian Government, 'Australia in the Asian Century White Paper' (October 2012)

(I) MEETING THE NEEDS OF ASIAN CONSUMERS

Crown Melbourne and Crown Perth now offer luxury accommodation, dining, retail and entertainment facilities tailored and targeted at the rising Asian wealthy and middle class and matching the best the world has to offer.

Crown has invested heavily in both its infrastructure and its employees to ensure that its Australian integrated resorts are of major appeal to the rising number of Asian wealthy and middle class tourists.

Crown has tailored its facilities and service to appeal to high net worth Asian visitors including in relation to accommodation, shopping, dining, entertainment and events.



(II) THE IMPORTANCE OF CROWN'S BRAND IN CHINA

Crown's strong brand recognition in China and its detailed understanding of the desires of Chinese tourists will help ensure that the Crown Sydney Hotel Resort attracts a growing share of high net worth visitors to New South Wales.

Crown's brand recognition in China, assisted largely by its investment in Macau through MCE, gives it a major advantage in the Australian market as brand familiarity and loyalty is very important to Chinese middle class consumers.

A 2011 Boston Consulting Group Report noted the importance of brand to Chinese travellers, especially in terms of hotel and airline choice:

"Our survey participants listed brand—the promise of quality and service—as the most important factor in their choice of hotel or airline. Indeed, they said that they rarely choose brands that are entirely unknown to them. However, they are always eager to try a new brand if they have heard of it."

"...establishing brand loyalty is both an imperative and a challenge in China's travel market."

Source: The Boston Consulting Group, 'Taking Off: Travel and Tourism in China and Beyond' (March 2011)

The Boston Consulting Group, in September 2012, released a report titled 'Imagining Australia in the Asian Century, How Australian Businesses are Capturing the Asian Opportunity'. In the report they mentioned Crown's growing international brand as a key factor in Crown's success:

"Crown's success is driven by: a strong domestic and growing international brand; a partnership model for its expansion into Asia; innovative product offerings; and Australia's own strong brand."

Source: The Boston Consulting Group, 'Imagining Australia in the Asian Century' (September 2012)



CROWN IS A GLOBAL LUXURY BRAND

Over the past 20 years, Crown has invested significantly in building its brand in Asia and Australia.



CROWN'S YACHT, INFINITY, IS AVAILABLE FOR VIP GUESTS AT CROWN PERTH

One of the hotels at MCE's City of Dreams property is called Crown Towers. It is a prestigious, luxury hotel which in itself further heightens the Crown brand presence in Asia.

Crown has opened sales offices throughout Asia.

In September 2012, Burswood Entertainment Complex was rebranded 'Crown Perth'. This has allowed Crown Perth to utilise the internationally recognised Crown brand in order to increase the number of international and interstate visitors to Perth, especially from China.



LUXURY RESORT FACILITIES AT CROWN PERTH

In this respect, Crown Perth works closely with Tourism Western Australia in co-developing the Chinese market by:

- Utilising airport networks to assist in the delivery of direct flights to Perth from mainland China through China Southern Airlines;
- Working with the airport authority and associated third parties to expedite the customer process for key individuals;
- Conducting events designed to attract the Chinese tourist such as Asian entertainment artists, high profile meet and greets (with Lady Gaga, Robert DeNiro, Li Na and Tiger Woods);
- Supporting and sponsoring the You Yi games, a basketball series between Australia and China that was telecast live into China, to improve both state and business profile in the region; and
- Developing brand through association with famous in-house guests.

Domestically, it has also been important to build the Crown Perth brand given the significant level of investment China has in Australia's large mining and resources sectors.

In 2011, to help promote the Crown brand to hundreds of millions of people in Asia, Crown entered into a two-year sponsorship agreement with Li Na, the most successful tennis player in China's history.

Li Na won the 2011 French Open singles title, becoming the first player from Asia to win a Grand Slam in singles and she reached the final of the 2011 and 2013 Australian Open. She is currently the World Number Five and Chinese Number One.



AUSTRALIAN OPEN TENNIS FINALIST LI NA AT CROWN MELBOURNE

When Crown announced the sponsorship in Beijing in September 2011, over 200 newspaper articles were published in the Chinese press.

In the lead up to the 2013 Australian Open Women's Final, Robert Gottlieb wrote an article in *Business Spectator* which highlighted the immense tourism value of the Australian Open Tennis TV coverage in China.

"The fact that China's Li Na will play off in the Australian Open women's final will achieve TV ratings of unprecedented proportions in China. It will be the biggest Asian tourism promotion Australia has achieved to date."

Source: Business Spectator (25 January 2013)

Preliminary figures from China indicate that the Australian Open finals were watched by over 19 million people on CCTV5 alone. This figure does not include regional networks around China.

Li Na has worked hard to help Crown promote its brand in China by featuring in promotional materials and advertising campaigns, making favourable media comments about Crown in press conferences and actively promoting Crown to hundreds of thousands of followers on her Facebook and Weibo Chinese social media account.

The combination of these capabilities will help ensure the Crown Sydney offering is unrivalled in Australia. Crown's strong brand presence in Asia, supported by a strong Asian sales network, presence in Macau and sponsorship of Li Na, gives Crown a significant strategic advantage in its drive to attract high net worth Asian tourists and VIP customers to its Australian properties, which will include Crown Sydney.

(III) SUPPORTING THE NEW SOUTH WALES GOVERNMENT AND CITY OF SYDNEY IN ASSISTING BUSINESS TO BETTER UNDERSTAND CHINESE TOURISTS

It is significant that The City of Sydney and Destination New South Wales have recently launched the 'China Ready Program' which targets Sydney's tourism, hospitality and retail industries in being better informed of Chinese cultural awareness, communication styles and negotiation techniques. Given Crown's understanding of the Chinese tourism market, Crown intends to participate in similar programs.

At the end of November 2012, they ran a series of free and interactive workshops, which aimed to help local businesses learn how to make the most of Sydney's fast-growing Chinese tourist market.

The workshops build practical skills that can be applied in everyday business, covering topics including:

- Cultural awareness—focussing on Chinese cultural sensitivities, customs, traditions and etiquette;
- Communication styles—how to deal effectively with Chinese customers and clients; and
- Targeted marketing—how to tailor products and services to meet the needs of Chinese consumers.

Sydney Lord Mayor, Clover Moore, said:

"More than 400,000 Chinese tourists visit NSW each year and most spend time in Sydney.

This is one of our fastest-growing tourist markets, and we need to make sure we're providing the right level of support so local businesses can make the most of the opportunity."

Source: City of Sydney, 'Media Release – City Workshops Help Business Connect with China' (20 November 2012)



LUXURY VIP ACCOMMODATION — THE MANSIONS AT CROWN PERTH

(IV) OTHER ENDORSEMENTS OF CROWN'S ASIAN STRATEGY

In addition to the favourable comments in the Australian Government's 'Australia in the Asian Century White Paper', the following organisations have also recently endorsed Crown's Asian tourism strategy.

TOURISM AUSTRALIA

Tourism Australia's Managing Director, Andrew McEvoy, had the following to say about Crown's approach:

"Shopping, dining and entertainment are what the Crown complexes are all about and that is what Asian tourists want."

Source: Herald Sun (29 August 2012)

THE BOSTON CONSULTING GROUP

The Boston Consulting Group's submission to the 'Australia in the Asian Century White Paper', identified and profiled 13 Australian companies, one of which was Crown. Of these companies the report said:

"They are part of a vanguard of companies leading the way based on observable competitive advantages, understandable patterns of Asian needs and constant innovation of their customer propositions and business models."

Above all, these companies share a vision of an interconnected future.

Others should take note and prepare to follow."

Source: The Boston Consulting Group, 'Imagining Australia in the Asian Century' (September 2012)

The report also noted the following regarding Crown's operating model:

"Crown's operating model is to be customer focused, provide an innovative and exciting product and leverage its own and Australia's brand and expertise.

Crown has a relentless focus on customer experience. Through its training facilities and hiring practices Crown aims to ensure its Australian staff members are Asia-literate. Multi-lingual staff members assist customers with their needs and casino services are offered with the Asian customer in mind.

Crown has sought to differentiate its customer offering through innovation. It was an early leader in offering private gambling salons for VIP customers. Privacy, discretion and a complete, integrated experience are key differentiators for the Crown brand in Asia and continue to drive innovation in the organisation.

Crown has adapted its expertise to the Asian market. It provided its intellectual property, expertise and capital in taking a 33.7 percent stake in Melco Crown Entertainment. Crown's abilities to maintain relationships and adapt its expertise to Asia are now key components of its operating model.

The Australian brand is an important aspect of Crown's product offering. Australia's cities, their attractions and their businesses are central reasons for foreign visitors to choose Crown as a destination. Crown customers also care about non-gaming experiences when they visit Australia. While Crown can provide many of these experiences through its integrated resorts, it relies on the Australian brand, infrastructure and some third parties for support. As such, Australia's status as a top five destination for tourists from countries such as China is an essential driver of Crown's continued success. The strength of Australia's brand helps drive customers to Crown's resorts, while the continued strength of Crown's brand and offering helps drive Asian tourists to Australia."

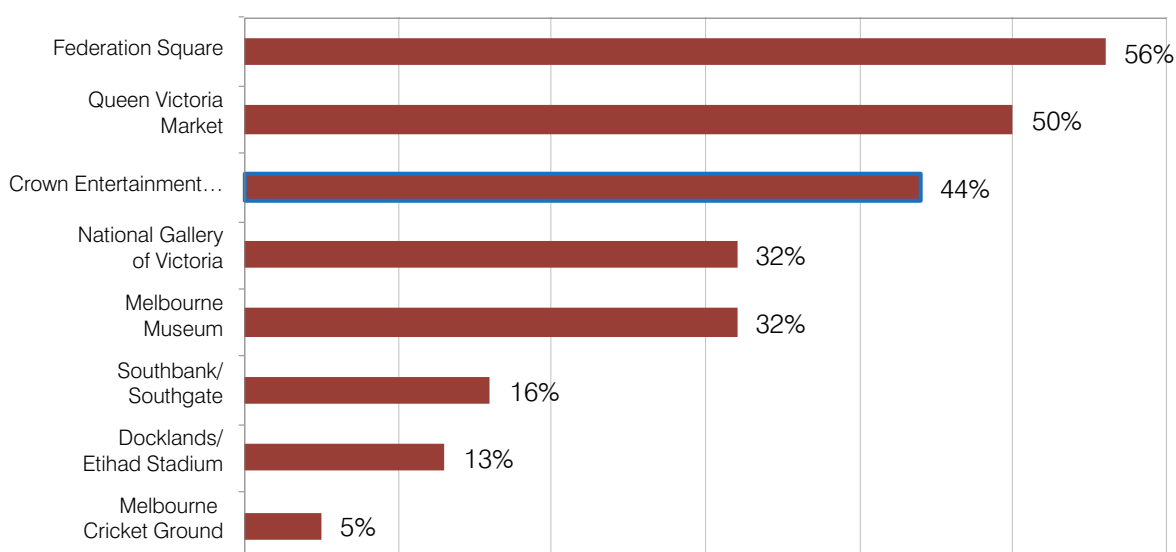
Source: The Boston Consulting Group, 'Imagining Australia in the Asian Century' (September 2012)

(V) CROWN HAS BEEN A MAJOR DRIVER OF INTERNATIONAL TOURISM FOR VICTORIA AND WESTERN AUSTRALIA AND IT CAN DO THE SAME FOR NEW SOUTH WALES

Crown's understanding of the tourism industry and its ability to drive visitors to its resorts is best demonstrated by Crown's performance in Melbourne and Perth.

Tourism Research Australia's International Visitor Survey in 2011 ranked Crown Melbourne as the third most visited tourist destination in Victoria for all international visitors. Figure 12 below shows that Crown Melbourne was also ranked third for Chinese visitors to Melbourne.

FIGURE 12: CHINESE VISITORS TO MELBOURNE'S ATTRACTIONS



Source: Tourism Research Australia, 'International Visitor Survey' (2012)

In financial year 2010, Crown's significant contribution to Australian tourism was recognised by Euromonitor International, which ranked Crown Melbourne as Australia's top tourist attraction based on its ongoing ability to attract tourists, its unique mix of world-class facilities and the value this creates for Australia's tourism industry.

Crown estimates that approximately one-third of its revenue is generated from international visitors. The majority of this revenue is from Asian customers—predominately Chinese. This makes Crown one of the most significant international tourism operators in Australia, generating valuable export income and ancillary benefits to the States of Victoria and Western Australia.



DINING AT BISTRO GUILLAUME AT CROWN MELBOURNE

(C) HELP NEW SOUTH WALES BECOME MORE COMPETITIVE WITH OTHER TOURIST DESTINATIONS

The global tourism market is fiercely competitive and cities both domestically and globally, are investing heavily in new tourism assets to increase their share of the international visitor market. The Crown Sydney Hotel Resort will play an important role in allowing Sydney to compete with and surpass these destinations in the future.

The Final Report of the Visitor Economy Taskforce commissioned by the New South Wales Government (Visitor Economy Taskforce Report) found that New South Wales needs to renew its approach to tourism:

“NSW needs to confront the fact that its destination appeal has waned and it has lost its number one status across a number of measures; it has been outperformed and outspent by competitor destinations in Australia and the Asia-Pacific region over many years and its competitive position has been eroded.”

“While NSW is the number one destination for international and domestic visitors on a range of key criteria, it continues to lose in other areas. This erosion of NSW’s competitive position as an appealing destination for visitors can be clearly seen when measured against four important indicators:

- *share of interstate visitors and expenditure*
- *share of international inbound aircraft seats*
- *share of inbound aircraft seats from the target markets*
- *share of international inbound visitors.”*

Source: New South Wales Visitor Economy Taskforce, ‘Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020’ (June 2012)⁶³

63 A copy of the Final Report is located behind Tab 2 of Volume 1D—Attachments to the Project Submission

The report also found that New South Wales faces increasingly aggressive competition from other global destinations:

“Potential visitors are now spoiled for choice—across Australia and the world, in destinations, in experiences, in price and in quality. There are major new investments being made to attract visitors into the Middle East, South East Asia, China and the Pacific, as well as domestically, particularly in Victoria. This is giving rise to new experiences in direct competition with New South Wales’s offerings.”

Source: New South Wales Visitor Economy Taskforce, ‘Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020’ (June 2012)⁶⁴

Critically, the report also found that between 2000 and 2011, New South Wales fell behind other States, particularly Victoria:

“NSW has lost its share of international arrivals to Australia (59 per cent in 2000 down to 51 per cent in 2011) and has only increased its international numbers by 2 per cent during this period. In this same period Victoria has increased its share of international visitors to Australia from 25 per cent to 32 per cent (IVS December 2011).”

Source: New South Wales Visitor Economy Taskforce, ‘Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020’ (June 2012)

The Visitor Economy Taskforce Report noted the progress Victoria has made in the domestic tourism sector:

“Victoria has been competing strongly, and overtaking NSW (and Queensland) in a number of key measures of success in the visitor economy, including:

Domestic visitors: *rated number one for more experiences than NSW, including in shopping, touring holidays, food and wine, festivals, sporting events, arts and culture (BDA 2012).*

International conventions: *Melbourne is currently ahead of Sydney in the International Congress and Convention Association (ICCA) convention city rankings.”*

Source: New South Wales Visitor Economy Taskforce, ‘Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020’ (June 2012)⁶⁵

In Melbourne, Crown has demonstrated the important role it plays in helping Victoria attract a larger share of the domestic tourist market and the Crown Sydney Hotel Resort will play a similar role in helping New South Wales.

Given the New South Wales Government’s desire to attract more tourists and to ensure Sydney remains competitive into the future, the Crown Sydney Hotel Resort would become a critical part of the State’s tourism strategy, attracting international and interstate visitors.

64 A copy of the Final Report is located behind Tab 2 of Volume 1D—Attachments to the Project Submission

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(I) HELP MARKET SYDNEY INTERNATIONALLY WITH AN ICONIC HOTEL DEVELOPMENT AND CROWN'S ASIAN MARKETING EXPERTISE

The New South Wales Government's Visitor Economy Action Plan noted that "Investing in critical infrastructure" and "raising the global profile of Sydney and NSW" were two of five key principles,⁶⁶ which are critical in boosting tourism to New South Wales.

The Crown Sydney Hotel Resort proposal will help deliver on both of these important principles by building Sydney's first six-star luxury hotel and creating an iconic addition to Sydney Harbour which would act as a magnet to attract interstate and international visitors.

Crown, Lend Lease and the BDA are working with Wilkinson Eyre, one of the world's best architects, to ensure the Crown Sydney building becomes another Sydney landmark, instantly recognisable around the world.

The New South Wales Government's 'China Tourism Strategy' highlights the importance of promoting Sydney's iconic attractions and unique experiences if New South Wales is going to compete with other domestic and international destinations at attracting Chinese visitors:

"As demand for outbound travel grows in China so too will the appeal of competitor destinations. Status, curiosity and a desire to visit iconic places and experience different aspects of Western culture are powerful motivators for travel. It is important for Australia's position in the market that Sydney continues to be perceived as an aspirational destination across all key consumer segments.

*A priority for Destination NSW over the planning period is additional investment in building consumer awareness of Brand Sydney. **Core communication messages include Sydney's iconic attractions and unique experiences; its exciting and glamorous city environment enlivened by major events; and easily accessible nature both within the city and its surrounding regions.** Particular promotional emphasis will be targeted to the FIT segment—this market is looking for more sophisticated experiences and is influential in leading travel trends." [Emphasis added.]*

Source: Destination NSW, 'China Tourism Strategy 2012-20' (30 November 2012)⁶⁷

(II) CROWN'S STRONG ASIAN MARKETING NETWORK

Crown's brand, resources and relationships in China will be invaluable in helping the New South Wales Government to market Sydney and New South Wales as an aspirational destination.

Crown will promote the Crown Sydney Hotel Resort by leveraging its global brand and reputation and utilising its international sales team.

Crown's shareholding in MCE, one of Macau's major integrated resort operators, and its extensive marketing network and commitment in Asia, has facilitated the promotion of its Australian resorts. This has also helped foster Melbourne and Perth as destinations of choice for persons of high net worth.

⁶⁶ NSW Government, 'Visitor Economy Action Plan: The NSW Government Response to the Final Report of the Visitor Economy Taskforce' (December 2012)

⁶⁷ A copy of the Strategy is located behind Tab 3 of Volume 1D—Attachments to the Project Submission

Crown's strong brand in Asia is supported by the fact that:

- City of Dreams Macau which has been awarded the “Forbes Five Star” rating in both Lodging and Spa categories, has been branded Crown Towers since its inception;
- The Crown brand features throughout the guest rooms and other facilities within the Crown Towers hotel at City of Dreams Macau; and
- The Crown Signature Club magazine features in each Crown Towers hotel room (and features Crown's Australian properties).

Crown maintains an active presence in Asian countries with an internationally based sales, marketing and support team in excess of 60 people.

Crown and MCE sales staff throughout Asia (including in Macau) collaborate to ensure that MCE VIP customers are cross-referred to Crown's Australian properties and Crown VIP customers are cross-referred to MCE's Macau casinos.

Adding the Crown Sydney Hotel Resort to the list of destinations Crown markets internationally will help New South Wales take greater advantage of the opportunities provided by the boom in Asian outbound tourism.

(III) CROWN'S EFFECTIVE MARKETING PARTNERSHIP WITH STATE TOURISM BODIES

Crown works very closely with State tourism bodies in Victoria and Western Australia in marketing those States interstate and globally. The Victorian Government's China Tourism Strategy actually mentions Crown Melbourne as one of the key partners it will work closely with in achieving their targets.

*“Work with industry partners to promote Melbourne and regional Victoria in China, **including the Crown Integrated Resort**, Phillip Island Nature Park, Sovereign Hill and the Bendigo region.”*
[Emphasis added.]

Source: State Government of Victoria, 'Victoria's China Tourism Strategy' (May 2012)

The Crown Sydney Hotel Resort would allow Crown to partner with Destination New South Wales and other tourist organisations in marketing New South Wales as a must visit destination.

Crown Melbourne's and Crown Perth's support of their State tourism bodies incorporates preferred partnership agreements. This support covers accommodation and restaurant utilisation for media and trade visits, meeting space for press conferences, airline bid opportunities, marketing promotions, joint sales calls and attendance at key trade events and missions. Crown is committed to supporting the needs of the State tourism offices and ultimately sees itself as an extension of these organisations and appreciates the impact this has overall on the success of Australian and State tourism.

Crown also provides bespoke experiences to the State tourism offices and utilises its assets and connections to enhance the State's brand and tourism messages. This incorporates access to the exclusive Capital Golf Course, Infinity Super Yacht, key sponsored Crown Events and Crown Ambassadors such as Li Na.

Crown has initiated VIP tailored package experiences for the China market supported through the State tourism offices, incorporating various tourism suppliers throughout the States which facilitates regional dispersal and marketing exposure for these key operators.

The State tourism offices often request Crown in the first instance for key media and trade visits due to its brand and the superior product and services offered that will ensure hosted guests have a truly memorable visit.

The New South Wales Government through Destination New South Wales understands the importance of strategic commercial partnerships. In its 'China Tourism Strategy' it says:

"Destination NSW is also targeting development of more commercial partnerships, both within and outside the tourism industry. These can assist NSW in meeting its strategic growth objectives by providing new promotional opportunities, extending audience reach, attracting additional investment and offering connections with development activities undertaken by other parties."

Source: Destination NSW, 'China Tourism Strategy 2012-20' (30 November 2012)⁶⁸

(D) ATTRACT HIGH NET WORTH TOURISTS AND GREATER VISITOR SPEND

The Crown Sydney Hotel Resort will help New South Wales attract high net worth tourists who typically spend significantly more than average tourists during their visit. High net worth tourists are therefore of much greater value to the local businesses and economies they visit, which explains why so many governments, both domestically and internationally are competing to attract them.



68 A copy of the Strategy is located behind Tab 3 of Volume 1D—Attachments to the Project Submission

The New South Wales Visitor Economy Taskforce Report argues that it is critical that New South Wales look at strategies to increase visitor spend:

“NSW requires growth not only in visitor numbers but also in visitor spend. High-spending, particularly high-yield international visitors, predominantly from China, have been identified in this Plan as a key target market and represents a significant opportunity to increase overnight visitor expenditure. Achieving the target requires growth in both international visitor numbers and nights stayed. NSW needs appropriately targeted strategies to tailor products and experiences that meet the demands of high-yield visitors.”

Source: New South Wales Visitor Economy Taskforce, ‘Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020’ (June 2012)⁶⁹

The New South Wales Government’s target of doubling visitor spend by 2020 is much more achievable if New South Wales can attract more high net worth visitors.



LUXURY RETAIL AT CROWN MELBOURNE

(E) ATTRACT A GREATER SHARE OF INTERNATIONAL VIP GAMING PLAYERS

(I) THE BENEFITS OF VIP GAMING FOR SYDNEY

VIP gaming delivers significant revenue which will benefit the taxpayers of New South Wales and allow Crown to cross subsidise the operations of other parts of the Crown Sydney Hotel Resort such as the building design, the hotel rooms, the restaurants and leisure facilities.

⁶⁹ A copy of the Final Report is located behind Tab 2 of Volume 1D—Attachments to the Project Submission

The Allen Consulting Group Report (August 2012) described the benefits of VIP gaming customers:

"The value of VIP casino gaming customers to the Australian economy can be summarised as:

The VIP Casino business in Australia is estimated to be worth \$1 billion in FY 2012 and it also generates additional significant high tourism on-spend.

The VIP business supports Australian integrated resorts in investing in additional non-gaming infrastructure, including new and upgraded hotels, convention and conference facilities, theatres, cinemas, restaurants and retail outlets etc., which results in further tourism on-spend.

The Australian VIP business mainly consists of high-value players, predominantly from Asia, and more specifically from mainland China and Hong Kong. There is an estimated 30 million Chinese patrons in the VIP gambling market.

In 2011/12 the international VIP business in Australia is estimated to be worth \$1 billion (prior to including the value of the tourism on-spend). Proceeds generated in VIP rooms enable casinos to further invest in tourism infrastructure, including world-class hotels, convention and conference facilities, theatres, cinemas, restaurants and retail outlets, which results in further tourism on-spend. Currently the casino industry is in the process of spending over \$4.6 billion on redeveloping and building new tourism infrastructure. Of equal importance is the fact that 35 per cent of all revenue earned in Australian casinos returns to the community through taxes paid to the three levels of government.

Despite Australia's geographic isolation, Australian casinos currently attract about 3 per cent of the highly competitive international VIP gaming business. Looking to replicate Singapore's and Macau's success, competition for this market is increasing with new integrated resorts opening in the Philippines and Vietnam, and possibly Japan and Taiwan.

When VIP customers come to Australia they visit for five to seven days (a much longer stay than for local and interstate customers) and are mostly accompanied by family or friends who participate in a range of other tourism activities beneficial to the economy, such as shopping, visiting major tourist attractions and other destinations apart from the city in which they are staying.

It has also been known for these influential and highly regarded business people's contribution to develop beyond tourism expenditure into investment in Australian businesses.

State and territory regulators recognise the importance of the high-roller business and Australia's place within a global market. For that reason state and territory governments have responded with a different taxation scheme for the VIP business, setting rates, which are competitive with Las Vegas and the Asian markets.

There can be no doubt that competition is increasing in the worldwide VIP business. Singapore's casinos offer a lower tax rate on VIP gaming than Australia and the Singapore government is focused on targeting high value players for Marina Bay Sands and Resorts World Sentosa—Singapore's two integrated resorts."

Source: Allen Consulting Group, 'Crown Sydney Proposal—An Economic Benefit Assessment' (August 2012)

Refer to section 6.4 for further information on Crown's success at attracting VIP customers.

(II) CROWN SYDNEY WILL STRENGTHEN SYDNEY'S POSITION IN THE INTERNATIONAL VIP GAMING MARKET

Currently, Australia has a very small share of the international VIP gaming market, which Crown estimates to be less than 3%. Crown expects that the addition of Crown Sydney will significantly increase Australia's share of the international VIP gaming market.

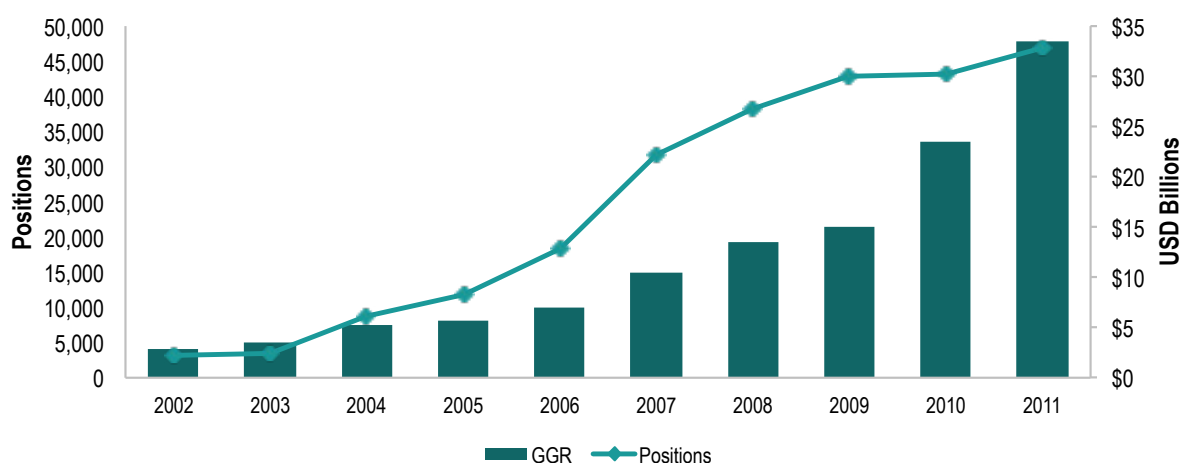
Sydney is currently missing out on the revenue and economic activity these visitors deliver to other resorts domestically and overseas given that, despite the many attractions of Sydney and New South Wales, New South Wales' share of the international VIP gaming market is only less than 1%. Once Crown Sydney is fully operational, Crown estimates that Sydney's share of the international VIP gaming market will be approximately three times its current level.

The six-star Crown Sydney Hotel Resort combined with the attractiveness of Australia's most naturally beautiful city would be a major drawcard for high wealth tourists and VIP gaming players across Asia, in particular China. An iconic, landmark hotel resort on Sydney's beautiful harbour would act as a magnet to many of these visitors.

(III) ADDITIONAL VIP GAMING SUPPLY CAN STIMULATE DEMAND FOR VIP GAMING

The Innovation Group, in its letter of June 2013,⁷⁰ notes that the addition of a high quality VIP gaming offering can stimulate latent demand for VIP gaming in an existing market. For example, over the past 10 years, Macau has achieved record gaming revenues and growth rates as the number of positions in the market continues to grow (please refer to Figure 13 below).

FIGURE 13: MACAU GGR AND POSITIONS: 2002-2011



Source: Letter from The Innovation Group, 'Re: International VIP Gaming Market Assessment' (13 June 2013)⁷¹

⁷⁰ A copy of the letter from The Innovation Group is located behind Tab 8 of Volume 1B—Attachments to the Project Submission

⁷¹ A copy of the letter from The Innovation Group is located behind Tab 8 of Volume 1B—Attachments to the Project Submission

Similarly, Resorts World Manila (RWM)—a superior high-end gaming facility supported by Genting's expertise and relationships—opened in the Philippines in 2010 and was able to attract new international customers to the region. This resulted in Filipino gaming revenue growth significantly outpacing position count growth following the opening of RWM. For example, between 2009 and 2010, gaming revenue increased approximately 30% while total gaming positions increased approximately 10%. The Innovation Group concludes that this example demonstrates that new, high quality, well-managed supply is able to drive new gaming revenue in an existing market.

Former Federal Tourism Minister Martin Ferguson last year endorsed Crown's strategy saying:

"What Packer is doing is very important."

"Casinos speak for themselves. We should continue to invest and chase this market. Packer is a major employer in Melbourne and Perth, and he has a focus on training staff and promoting Indigenous employment schemes. The high-roller market is serious business, but we have to compete with Macau, Singapore and Las Vegas in terms of chasing them."

Source: Australian Financial Review Magazine (30 November 2012)

(F) ASSIST SYDNEY TO COMPETE FOR MAJOR DOMESTIC AND INTERNATIONAL EVENTS

A six-star hotel resort on the waterfront at Barangaroo South will assist Sydney to compete with other cities in Australia and the world for major domestic and international conferences and events.



The Crown Sydney Hotel Resort will become a critical asset when New South Wales bids for these events, complementing the State's first class sporting facilities and the new convention and conference facilities being delivered by Infrastructure New South Wales.

Demonstrating the significant role this project could play in attracting events to Sydney, Andrew Demetriou, the CEO of the Australian Football League recently flagged the AFL's desire to bring the AFL Brownlow Medal to New South Wales and the possibility of holding it at the Crown Sydney Hotel Resort.

Below is an extract from the Daily Telegraph story:

"News Limited can reveal AFL boss Andrew Demetriou was in Sydney last week scouting for locations to host the glamorous award night."

Demetriou visited the recently re-developed Star City Casino but believes the new Barangaroo development would be the ideal Brownlow venue in Sydney.

'Given the size of the Brownlow now if it wasn't at Crown Casino probably the next best place would be Barangaroo,' Demetriou said.

'It would be a wonderful venue.'"

Source: The Daily Telegraph (21 March 2013)

Crown provides considerable support to Tourism Victoria, to assist them in competing for major domestic and international events. The infrastructure Crown provides supports the State convention centres and places Victoria and Western Australia in an enviable position against key international competitors.

Crown has a preferred agreement with the Melbourne Convention and Visitors Bureau to provide support to successfully bid and secure key events. The support includes financial support and the hosting of site visits, attendance at key trade shows/exhibitions, bid submissions and marketing.



Crown provides substantial support for the annual Asia Pacific Incentive and Meetings Expo (AIME) above and beyond industry standard. Crown also supplies additional room stock, access to exclusive venues for meetings and functions thereby providing a showcase experience for delegates that has proven successful in the conversion of business for both Melbourne and Perth.

Crown has representatives in key positions within tourism organisations and takes great pride in partnering with Destination Melbourne, the Melbourne Convention and Visitors Bureau, Tourism Council of Western Australia and the Australian Tourism Export Council.

(G) ASSIST OTHER HOTELS AND THE BROADER TOURISM INDUSTRY IN NEW SOUTH WALES

There is strong evidence that iconic luxury hotels and related tourist attractions can help promote the wider tourism and hotels sector:

- New luxury hotels can attract substantial media coverage and promote the hotel's destination to the international leisure market. For example, Qualia in the Whitsundays recently won the Conde Nast Traveller Award for 'Best Resort in the World, 2012' therefore promoting Queensland to a substantial US audience;
- World leading hotels can influence a person's perception of a city or country. For example, Marina Bay Sands has reinvigorated Singapore's tourism industry since opening in April, 2010;

- It allows the hotel's destination to compete on a global scale with other leading luxury destinations such as Paris, London and New York;
- They become a landmark/asset to the overall tourism message. For example, the flame towers that line Crown Towers riverside are an iconic Melbourne image that is used in Tourism Australia's key photography when promoting Melbourne; and
- It sets an expectation that the traveller's experience within that destination will be luxurious, unique and world-class.

The luxury six-star experience at the Crown Sydney Hotel Resort would be so unique to Sydney that there is likely to be minimal impact on other hotel operators. In fact, Crown Sydney's luxury offering will benefit other tourism operators across New South Wales by boosting the appeal of New South Wales as a tourist destination.

The Chief Operating Officer of Accor, Australia's largest hotel group endorses this positive effect stating the following:

"There is no doubt that Sydney failed to make the most of the Sydney Olympics and let its tourism infrastructure run-down, just at a time when cities such as Singapore, Hong Kong, Shanghai and Melbourne were ramping it up.

Sydney has so many natural advantages, but without investment in infrastructure it is easy for a city to fall behind its competitors in attracting major events, high-yielding tourists and large-scale conferences. These produce tens of millions of dollars for the local economy and in the end benefit the whole Australian economy.

After a decade of inactivity, Barry O'Farrell's Government has shown that tourism is a priority for the city by providing the opportunity for major developments, and now we have a private investor in the form of James Packer, who is prepared to fund a project that will add significantly to the city's tourism resources. We certainly need to support such commitment and vision.

Anyone who has been to Singapore and Macau will have been able to see the impact of such developments on the tourism market. It is not just about gaming, it's about creating facilities that tourists want. The Marina Bay Sands development in Singapore has created a whole new dimension to the city, attracted tourists who would never have gone there, and benefited the whole economy. The Packer Barangaroo development can have the same impact in Sydney.

China is a large part of the future of Australian tourism, and the Chinese market has shown an increasing appetite for quality integrated developments like this. It will definitely raise Australia's profile in China, as well as in many other important Asian source markets.

The development promises to be an outstanding architectural project with quality meeting and exhibition facilities, retail outlets and restaurants that will open up a previously neglected area of the waterfront. The six-star hotel promise will add a level of accommodation that Sydney doesn't currently have, and it will help to put the spotlight firmly on the city's attractiveness as a tourism destination.

We welcome the development and are very pleased at the bipartisan support from the Liberal and Labor parties. It signals that the Government—at long last—understands the value of tourism and is prepared to support it with actions."

Source: Simon McGrath, ACCOR Chief Operating Officer, Accommodation Association of Australia, 'Accor Backs Packer Casino Project' (26 October 2012)

When the two new integrated resorts were proposed in Singapore there were fears that they would adversely impact other hotels and tourist attractions however the opposite has occurred.

The integrated resorts have attracted thousands of international business conferences and events, which have revitalised and boosted Singapore's entire tourism industry.

Hotel rooms in Singapore have significantly increased in number, together with hotel occupancy and the average room rate.

A recent report from CBRE in July 2012 said that "While the integrated resorts provided significant new hotel room supply, they have, and are likely to continue to generate significant additional demand for both the tourism industry, and the economy in general".

Like Singapore's resorts, Crown provides exceptionally attractive tourism infrastructure and a compelling opportunity for the broader tourist offering in attracting Asian tourists.

(H) HELP ALLEVIATE THE SHORTAGE OF PREMIUM HOTEL ROOMS IN SYDNEY

Without investing in quality tourism infrastructure, including high quality hotel rooms, New South Wales will not be able to meet its State tourism objectives or capitalise on the huge opportunity out of Asia. A new six-star hotel resort will provide a strategic addition to the total stock of hotel rooms available in Sydney and play some part in helping to alleviate the current shortage.

(I) LIMITED SUPPLY OF HOTEL ACCOMMODATION WILL CONSTRAIN TOURISM GROWTH

The 'Australia in the Asian Century White Paper' highlighted Australia's urgent need to provide additional hotel rooms if we are to meet projected demand:

"And Australia will need to expand the supply of tourism infrastructure. Australia has one of the highest room occupancy rates among OECD countries and will need another 40,000 to 70,000 hotel rooms by 2020 to meet projected demand (OECD 2010b)."

Source: Australian Government, 'Australia in the Asian Century White Paper' (October 2012)

The New South Wales Visitor Economy Taskforce Report also highlighted the urgent need to provide new tourism infrastructure and more premium accommodation supply:

"NSW Visitor accommodation in Sydney is a critical infrastructure need. Sydney has one of the highest average annual hotel occupancy rates, at over 80 per cent, of any capital city in Australia. This means that, frequently throughout the year, there are insufficient rooms available to meet demand."

As occupancy levels have reached this level, hotel room rates have risen, putting more pressure on the 'value-for-money' equation that is now often a strong part of the decision to visit a destination or stage an event here."

Source: New South Wales Visitor Economy Taskforce, 'Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020' (June 2012)⁷²

72 A copy of the Final Report is located behind Tab 2 of Volume 1D—Attachments to the Project Submission

The New South Wales Visitor Economy Taskforce Report makes clear that without additional accommodation in Sydney, New South Wales' tourism targets will not be achievable:

"A doubling of the overnight visitor expenditure by 2020 will demand more visitor accommodation for Sydney's CBD and Greater Sydney.

Currently, there is limited capacity to promote additional visitation into Sydney."

Source: New South Wales Visitor Economy Taskforce, 'Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020' (June 2012)⁷³



The Allen Consulting Group Report (August 2012) also highlighted the shortage of hotel accommodation, noting:

"The hotel occupancy rate in Sydney is very high by international standards. The occupancy in Sydney for the 2011 December quarter was 86.3 per cent, with average room rates up 4.5 per cent to \$201.54 (TTF 2012a).

A recent report by the Tourism Association of Australia found Sydney needs 150 to 550 new hotel rooms every year or 5,000 rooms by 2020 to meet the demands of the tourism sector (TAA NSW 2012). TTF, the Australian Hotel Association and the Accor Hotel Group have all expressed the need for more quality hotels to be built in Sydney (TTF 2012a). Since the year 2000 only one five star hotel has been built in Sydney (The Darling).

Looking ahead, this shortfall of tourist accommodation, especially in the upscale segment could cost NSW tourism and the NSW economy dearly.

73 A copy of the Final Report is located behind Tab 2 of Volume 1D—Attachments to the Project Submission

The shortage of hotel rooms and undersupply of tourism infrastructure will constrain Sydney's international and domestic tourism market growth. Sydney's hotels performed above high expectations in 2011. While very strong forward outlook, very high level of occupancy and good room rate growth are predicted, high occupancy rate and minimal supply growth are expected to constrain future demand growth (Dransfield 2011)."

Source: Allen Consulting Group, 'Crown Sydney Proposal—An Economic Benefit Assessment' (August 2012)

(II) THE COMMONWEALTH GOVERNMENT HAS STEPPED IN TO TRY AND ADDRESS THE SHORTAGE OF HOTEL ROOMS

Former Federal Minister for Tourism, Martin Ferguson, acknowledged the shortage of hotel accommodation in Australia and in May 2012, he launched an initiative with Austrade to produce a hotel investors' prospectus with over 50 projects across Australia. The aim of the initiative is to encourage international investors to invest in building Australian hotels and tourist attractions.

(III) SOME REASONS FOR THE SHORTAGE OF HOTEL ACCOMMODATION

The New South Wales Visitor Economy Taskforce Report importantly notes some of the entrenched structural difficulties deterring investment by hotel resort operators:

"A historical lack of long-term Government planning, alongside the challenges presented by market fundamentals, such as the low return on hotel investment compared to retail and office space, has not helped Sydney present a competitive edge in attracting investment in visitor accommodation.

In particular:

- 1. Land available for hotel development, particularly in Sydney's CBD, competes with other asset class development opportunities. Land is scarce and, depending upon the economic and property cycle, alternative land uses for accommodation often provide higher immediate returns for private developers and landowners.*
- 2. There has been a loss of existing hotel stock due to hotel closures and conversion to residential units.*
- 3. Private investors will overlook investment into new accommodation developments in favour of higher-yield property investments such as residential or commercial office development.*
- 4. Planning and approvals processes for hotel developments have historically encountered delays due to regulatory red tape. Investors have advised the Taskforce that it takes an average of eight years to get a major development completed in Sydney. In a competitive market, this is a disincentive for pursuing accommodation development opportunities in NSW."*

Source: New South Wales Visitor Economy Taskforce, 'Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020' (June 2012)⁷⁴

⁷⁴ A copy of the Final Report is located behind Tab 2 of Volume 1D—Attachments to the Project Submission

This shortage of quality development sites and the underlying economics associated with hotel development when compared to residential or commercial opportunities has resulted in a structural deficiency in hotel accommodation in Sydney which makes it difficult to meet future increases in tourist numbers.

JLL notes⁷⁵ that “there is low to moderate probability that additional five-star accommodation supply will open in Sydney over the medium term.” Reasons for this include:

1. Cost versus value gap

JLL notes that few traditional styled projects have provided reasonable profit or return on capital over the past 15 years as hotel values have not kept pace with the rapid growth in construction and underlying land costs, with Australia having some of the highest construction costs in the world.

Historically, stand-alone hotel development profit has rarely been achieved with developers having to hold projects for a certain period to achieve an acceptable level of return. Further, hotels continue to be sold at prices generally below replacement cost and thus there is low motivation to develop.

2. Competition from higher alternate uses

Revenue per Available Room (RevPAR) is an indicator of profitability and acts as a signal for when new hotel development might become feasible. JLL estimates that the RevPAR accommodation development viability trigger for a ‘generic’ four-star Sydney CBD hotel is approximately 98% higher than the 2011 Sydney CBD RevPAR. JLL expects this feasibility gap to persist over the medium term, and believes widespread development of new accommodation appears unlikely.

3. Lack of premium sites

Typically a five-star hotel would require a historically or contemporary significant building with impressive architectural design and be located in a major metropolitan area or high quality neighbourhood, near upscale commercial, diplomatic embassies, shopping, retail and entertainment environments and with convenient access to the airport. In Sydney, JLL expects that a further prerequisite would be a harbour side location, and preferably with views of the Sydney Opera House and/or Sydney Harbour Bridge.

JLL is of the opinion that there is low to moderate probability that additional five-star accommodation supply will open in Sydney over the medium term with few premium sites available (or likely to become available), which are considered suitable for five-star hotel development (with the exception of Barangaroo).

Unlike Melbourne in particular, Sydney has a scarcity of ‘greenfield’ development sites in the core CBD and even fewer with a harbour side location. This means that when a vacant site does become available, it represents a rare offering to the development market which is made more appealing given the absence of buildings/structures with an economic value and associated acquisition/demolition costs.

⁷⁵ Jones Lang LaSalle, ‘Sydney Hotel Accommodation Report’ (June 2013). A copy of the report is located behind Tab 7 of Volume 1B—Attachments to the Project Submission

Having regard to this, in addition to Barangaroo, JLL is aware of four potential sites/buildings which have historically been or are currently regarded as suitable for five-star accommodation development, none of which are greenfield sites.

4. Limited rate growth

The high proportion of large five-star hotels in Sydney CBD, coupled with the age of Sydney room stock, can result in five-star rooms being sold at four-star prices as hotels need to achieve a base level of occupancy to cover fixed costs. This has made it hard for Sydney hotels to achieve the same level of rate growth as seen in other Australian State capitals over the last ten years as the five-star segment dictates the price ceiling for the entire market. This inevitably restricts the future development of new accommodation supply in Sydney City and this is particularly the case in the five-star segment.

(IV) AUSTRALIA IS MISSING OUT ON INTERNATIONAL INVESTMENT IN HOTEL INFRASTRUCTURE

The massive increase in Chinese outbound tourism provides global tourism operators with opportunities to invest in new hotels and resorts around the world but unfortunately Australia is not benefiting from this surge in investment in new tourism infrastructure.

In a recent interview with the Australian Financial Review, Ho Kwon Ping, the founder of Banyan Tree Hotels & Resorts, explained that while his organisation was aggressively expanding internationally, it was not commercially viable to invest in cities like Sydney given the more favourable investment returns in Asia:

*“With global tourism booming and the cashed-up middle classes across China, India, Indonesia and to a lesser extent the Middle East getting their passports in order, high-end operators such as Asia’s Banyan Tree Hotels & Resorts, to name but one, are in aggressive expansion mode as they position their brands to exploit the red luxury dollar. Of almost 20 new properties Banyan will open over the next two years, 12 will be in China. The rest will be primarily located in tourism destinations popular with Chinese travellers, including Vietnam and a number of Asian islands. Over the past five years, the Chinese have overtaken European visitors to Banyan resorts on the Maldives Islands. Banyan’s founder Ho Kwon Ping was recently in Sydney, one of his favourite cities, for four days during a trip scouting Australia and New Zealand for future Banyan opportunities. But each time he does this, he comes away empty handed. “Labour staff wages here are several times what they are in Asia,” he explains from a suite at the newly refurbished Park Hyatt on the harbour’s edge. “Sadly, I’d argue the average Australian worker is more efficient than the average Thai worker. But many things about Australia still make it hard for us to attract investors.” Ho is the first to point out it’s a shame given the ‘red’ capital on offer: Chinese investors are tipping money into destinations like Vietnam. “They have the money and you have the sun and clean beaches,” he says. “But we can’t offer investors nearly the same returns here. **It’s still very tough getting Chinese property investors interested in hotels and resorts in Australia.**”” [Emphasis added.]*

Source: Australian Financial Review Magazine (December 2012)

(V) CROWN'S CREDENTIALS AND COMMITMENT TO THE HOTEL ACCOMMODATION SECTOR

Crown operates five hotels across Crown Melbourne and Crown Perth. These hotels offer guests premium to luxury accommodation with world-class amenities that include award winning swimming pools, day spas, and luxury villas. With over one million guest nights a year⁷⁶, Crown's hotels provide local, interstate and international guests with an excellent range of accommodation options.

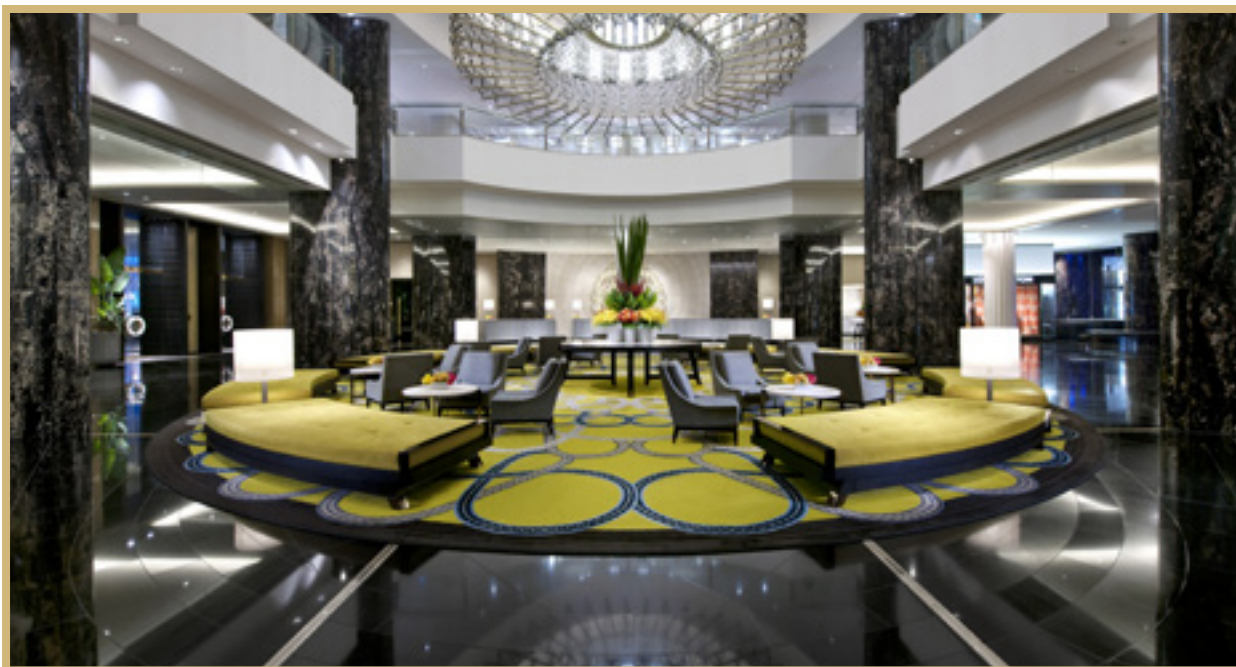
Crown's Melbourne hotels were recently awarded the Stellar Stays Award from Hotels Combines and they were also named 'Best Luxury Hotels in Australia' at the 2012 Australian Traveller Readers' Choice Awards.

Given the highly competitive nature of the international tourism industry, Crown heavily reinvests in its offering to make sure it remains competitive or better than other hotels the world has to offer.⁷⁷

CROWN TOWERS MELBOURNE

Crown Towers Melbourne maintains its position as a leader in the luxury hotel segment with the highest room rate average in Melbourne and overall occupancy of close to 90% for the last five years.

It has recently won several awards, including the '2013 Best Hotel Australia' awarded at the Asia Pacific Hotel Awards, the 2012 Gourmet Travellers Award for 'Best Large Luxury Hotel', the 'Australian and Victorian Tourism Award for Best Luxury Accommodation' and the 'Australian Traveller Magazine Award for Best Overall Hotel'.



LOBBY OF CROWN TOWERS MELBOURNE

⁷⁶ Guest nights is the sum of the number of nights stayed by each guest

⁷⁷ Between financial year 2008 and financial year 2015, Crown is investing \$2.8 billion in its Australian resorts

Comprising 480 guest rooms, spa and leisure facilities, meeting rooms and a private lounge, Crown Towers was fully refurbished in financial year 2008/09, delivering major enhancements to what were already considered world-class facilities.

The leisure and gaming markets continue to dominate the weekend periods, while corporate activity provides strong mid-week activity. This broad customer base provides protection against a downturn in any one segment.

CROWN PROMENADE MELBOURNE

The Crown Promenade Melbourne hotel has 465 guest rooms. Opened in December 2003, Crown Promenade Melbourne quickly established itself as the highest occupancy hotel in the city, consistently recording annual results of over 90%. To achieve this result, the hotel has secured large groups (conferencing and events) and corporate clients. The hotel has also increased its share in the leisure segment, which now accounts for more than one third of the total customer mix.

CROWN METROPOL MELBOURNE

In April 2010, Australia's largest hotel, Crown Metropol Melbourne, was opened at the western end of Crown Melbourne. Comprising 658 guest rooms, spa and leisure facilities, meeting rooms and a private lounge, Crown Metropol Melbourne has established itself as a destination of choice for leisure, corporate and conference guests. Its broad appeal has enabled occupancy to exceed expectations and it now welcomes more guests than any other hotel in Melbourne.

Crown Metropol Melbourne's proximity to the Melbourne Convention and Exhibition Centre and Docklands precinct provides attraction to conference delegates and companies with headquarters in the Southbank and Docklands area.

Crown Metropol Melbourne was recently awarded the '2012 Victorian Tourism Award for Best Luxury Hotel'.



THE POOL AT CROWN METROPOL MELBOURNE

CROWN METROPOL PERTH

Crown Metropol Perth is the leading luxury hotel in Perth. It has 397 guest rooms and it has recently undergone a major refurbishment including the development of the exclusive VIP luxury villas, the 'Mansions', and Infinity Suites, as well as significant extensions to the main pool, taking advantage of Perth's natural environment and temperate climate. At the Asia Pacific Hotels Awards, Crown Metropol Perth was awarded the '2013 Best Hotel Renovation / Refurbishment Australia' award.

The newly constructed Vegas-style outdoor pool facilities include 'The Enclave', comprised of six lavish private cabanas with a plunge pool and dedicated hosts, a quiet area, and a separate children's pool complete with waterslides. At the 2012 HOSPY Awards held in Las Vegas, this area was awarded 'Best Resort Pool'. Complementing the pool complex is the Poolside Bar and Grill catering to all food and beverage requirements.

To further enhance Crown Perth's luxury product offerings, ISIKA Spa, ISIKA Hair and Body and ISIKA Fitness were opened in early 2012, providing guests with the chance to indulge in a range of special treatments and consultations.

CROWN PROMENADE PERTH

Crown Promenade Perth hotel has 291 contemporary guest rooms, which are stylish and affordable for both the corporate and leisure guests.

The location of Crown Promenade Perth on the banks of the picturesque Swan River, offers guests a haven of stunning walks amongst the beautiful fauna of Australia, whilst being in the middle of the entertainment hub of Crown Perth.

Guests can enjoy these views from Crown Promenade Perth's outdoor pool and sundeck or from the fully equipped gymnasium which the hotel also has on offer.

Market & Co Restaurant and Bar is located within the Crown Promenade Perth and provides breakfast to late night dining or room service 24 hours a day.

Crown Promenade Perth also has meeting rooms located within the hotel, which can accommodate board meetings of five people to theatre style of 60 people.

CROWN TOWERS PERTH—ARRIVING IN 2016

Crown has also announced plans to build a new \$568 million luxury six-star hotel 'Crown Towers Perth'. This new hotel will add another dimension to Crown Perth's already extensive offering. When complete, it will be the largest hotel in Perth and will increase hotel room capacity at Crown Perth to nearly 1,200 rooms. Construction is expected to commence in early to mid-2013, and the hotel, which will take approximately three years to complete, will comprise 500 luxury rooms as well as restaurants, bars and resort and convention facilities.

Crown Towers Perth will provide a new standard of accommodation in Perth, and firmly position Perth as a leading tourism destination providing resort-style experiences.

HOTEL INDUSTRY AWARDS

The success of Crown's hotels has been recognised and supported by a number of industry awards including Crown Towers being awarded the 2013 Best Hotel Australia, awarded at the Asia Pacific Hotel Awards and the 'Readers' Choice Gourmet Traveller Travel awards' as 'Australia's Best Large Luxury Hotel in 2012'.

Crown Chairman, James Packer, was recently awarded the 'Accommodation Association of Australia HOSTPLUS ACES Award' for outstanding contributions and leadership in the Accommodation Sector. ACES stands for attitude, commitment, enthusiasm and service.

In presenting the award the Accommodation Association of Australia stated:

"As the Chairman of Crown Limited, James Packer has overseen the growth of Crown to be one of the world's largest resort and entertainment groups. It has properties and investments in Melbourne, Perth, Macau and London and has a market capitalisation in excess of \$7 billion as at 31 October 2012.

Crown wholly owns and operates two of Australia's leading integrated resorts, Crown Entertainment Complex in Melbourne and Crown Perth. In May this year, James announced Crown's plan to develop a world class six-star resort at Barangaroo South in Sydney.

The award recognises James's passion for the accommodation industry and enduring vision for lifting the standard of our tourism accommodation product and providing employment and professional development opportunities to the industry in a bid to reinvigorate Australian tourism and present a globally competitive product."

Source: Accommodation Association of Australia, 'Media Release – Online Showcase of Accommodation Industry's High Achievers' (11 December 2012)

Section 8 provides a comprehensive list of the achievements and awards won by each of the Crown Hotels.

(I) TOURISM SECTOR ENDORSEMENTS OF CROWN'S PROPOSAL

The Crown Sydney Hotel Resort Project has the support of many leaders in the tourism industry.

TOURISM AND TRANSPORT FORUM:

"An international hotel resort will become a focal point of Barangaroo South, attracting visitors from home and abroad. It will also help to activate the precinct, generate tourism spending and create hundreds of jobs.

Sydney needs additional hotel stock and Barangaroo needs a world-class hotel in a prominent location."

Source: John Lee, former Chief Executive of the Tourism and Transport Forum, 'Media Release – Agreement brings Barangaroo Hotel Closer' (2 August 2012)

TOURISM ACCOMMODATION AUSTRALIA:

"This is an exciting proposal put forward by Crown and it's pleasing to see the NSW Government giving it serious consideration.

Sydney is the gateway to Australia for international tourists, and it is critical that our biggest global city is able to offer the standards and experiences being expected by today's guests. The addition of a major tourist attraction in our biggest and most accessible city will help attract international visitors, many of whom will then go on to visit other parts of Australia."

Source: Rodger Powell, Managing Director of Tourism Accommodation Australia, Hospitality Magazine (29 October 2012)

ACCOMMODATION ASSOCIATION OF AUSTRALIA:

"Crown's recent announcements to develop luxury hotels in Sydney's Barangaroo and another in Perth are significant investments in accommodation infrastructure that is strongly welcomed by the accommodation industry.

Both developments will provide a much-needed boost to Sydney and Perth's tourism offerings thus it is vital that planning approval processes do not impede on timely progress on these iconic projects.

The establishments will assist in servicing the increasing demand for accommodation in both Sydney and Perth as well as contribute to the nationwide target set by Tourism Australia for an additional 40,000—70,000 new accommodation rooms by 2020."

Source: Accommodation Association of Australia, 'Media Release – Industry Welcomes Tourism Investment – Media Statement from the Chief Executive Officer of the Accommodation Association of Australia, Richard Munroe' (2 August 2012)

ACCOR, AUSTRALIA'S LARGEST HOTEL GROUP:

Quote by Simon McGrath, Accor Chief Operating Officer in March 2012:

"Cities such as Melbourne in Australia, and Singapore and Hong Kong in Asia, have invested heavily in tourism infrastructure over the past decade and reaped the rewards, whereas in Sydney there has been virtually no development, which in turn has affected our ability to attract new—and particularly high-end—tourism to the city.

The O'Farrell government and individuals like Mr Packer should be praised for their commitment and foresight.

He added that tourism in Sydney and hospitality have "enormous" potential to growth in the employment sector and re-development could very well be the much needed "kick-start" for Sydney.

The growth market for Australia is undoubtedly Asia in general and China specifically, which is why Accor has pioneered the introduction of Optimum Service Standards for the Chinese market.

But we need more if we are to win our fair share of that market.

This means high end hotels with superior entertainment facilities, such as the project suggested by Mr Packer."

Source: Simon McGrath, ACCOR Chief Operating Officer, etravelblackboard (8 March 2012)

5.5 SOCIAL AND COMMUNITY BENEFITS

Crown has a long-standing commitment to the communities it services.

Crown Melbourne and Crown Perth provide assistance, donations and support to a broad range of worthy community activities, local sporting clubs and various charities. Crown's contributions include sponsorship arrangements, employee time, use of facilities and donations of Crown packages.

It is envisaged that the Crown Sydney Hotel Resort will support a similar array of New South Wales and Sydney based community events and charities by providing financial support and sponsorships.



CROWN STAFF HAVE A STRONG COMMITMENT TO COMMUNITY AND LOCAL CHARITIES

The Crown Sydney Hotel Resort will include a number of function rooms and meeting spaces, which can be offered on a subsidised basis. In addition, the Crown Sydney Hotel Resort would seek to establish its profile in Sydney by sponsoring key charitable, sporting, arts and education organisations.

Refer to section 6.12(ii) for information on Crown's record of support for local charities and community organisations.

5.6 NO MATERIAL COSTS TO THE NEW SOUTH WALES GOVERNMENT

The New South Wales Government will not incur any material costs arising from the Crown Sydney Project. Any costs will be overwhelming outweighed by the tax revenue payable to the New South Wales Government arising from the project. However, it should be noted that:

1. The BDA will incur costs in carrying out its functions in overseeing the development of the Barangaroo South site. Such costs would have been incurred whether or not the Crown Sydney Resort Project proceeds.
2. The operation of VIP gaming facilities at the Crown Sydney Hotel Resort will necessitate the New South Wales gaming regulator, the Independent Liquor and Gaming Authority (ILGA), having to engage additional staff, most likely additional inspectors and auditors, to carry out ILGA's functions in respect of the new VIP gaming facility. The cost of employing these staff would be more than offset by additional gaming taxes payable by the Crown Sydney Resort's gaming operation.
3. The New South Wales Government will incur some costs in assessing this proposal.



6. CROWN IS UNIQUELY PLACED TO DELIVER THE PROJECT

6. CROWN IS UNIQUELY PLACED TO DELIVER THE PROJECT

Crown is uniquely positioned to design, construct and operate a world-class, six-star hotel resort, which incorporates VIP gaming facilities, at Barangaroo South, Sydney.

No other organisation can deliver this unique project and the significant associated benefits set out in this Submission.

Crown is working with a number of key industry partners to ensure the Crown Sydney project meets the extremely high accommodation and service standards required by the rapidly emerging high net worth Asian traveller market.

Crown has signed an Exclusive Dealing Agreement with Lend Lease whereby Lend Lease will work as a Project Partner on an exclusive basis with Crown to design and construct the Crown Sydney Hotel Resort.

The NCIE, United Voice, Penrith Panthers Group and Mission Australia will be Project Partners in the delivery and operation of the Crown Sydney Hotel Resort. Crown has signed Memoranda of Understanding with each of these organisations⁷⁸ in relation to employment, training and responsible gaming at the Crown Sydney Hotel Resort.

Crown's record demonstrates that it can deliver an iconic building for Sydney that will boost the New South Wales economy, generate new job opportunities, contribute significant tax revenues and enhance Sydney's status as an international tourist destination.

A six-star resort on the waterfront at Barangaroo South will assist Sydney to compete with the best cities in the world for major international conferences and events.

Crown believes that today's luxury tourism market, centres on providing attractions that provide travellers with memorable and unique life experiences. This is again where Crown has the unique ability to deliver a world-class tourist offering by establishing a luxury day retreat at Ellerston in rural New South Wales. This will allow Crown to offer international guests a once-in-a-lifetime taste of rural Australia. Crown will also establish a partnership with the Perisher Ski Resort, making the ski fields another key attraction for high net worth guests.

As outlined in this Submission, the combination of the Ellerston Retreat, the Perisher Ski Resort and Crown's existing network of resorts in Perth, Melbourne, Macau and London will ensure that the Crown Sydney Hotel Resort is unrivalled in Australia and equal to the very best hotel resorts globally.

The factors set out below make the Crown Sydney Hotel Resort project unique.

⁷⁸ A copy of the Memorandum of Understanding with each of the NCIE, United Voice, Penrith Panthers Group and Mission Australia is located behind Tab 2, 3, 4 and 5 respectively of Volume 1B—Attachments to the Project Submission

6.1 CROWN HAS SECURED SYDNEY'S BEST SITE

To be commercially successful, the luxury six-star Crown Sydney Hotel Resort and VIP gaming facility must be located in a high profile location which leverages the natural aspects of Sydney Harbour. The Barangaroo South site possesses the unique attributes of scale, greenfield development and mixed-use which has been proven to be a successful combination in other markets.

No other site in Sydney possesses the scale, location and level of overall investment that can be leveraged to attract and market to international tourists. Barangaroo South is the only waterfront location in the Sydney CBD that can accommodate a hotel resort of this nature. Following a public tender, Lend Lease entered into an agreement with the Barangaroo Delivery Authority to pay for the right to develop all the land at Barangaroo South and to then facilitate 99 year leases between the Barangaroo Delivery Authority and the owners of each new building. Crown has entered into an agreement with Lend Lease which provides Crown with the exclusive right to develop a hotel resort at Barangaroo South.

JLL opines that there is low to moderate probability that additional five-star accommodation supply will open in Sydney over the medium term with few premium sites available (or likely to become available) which are considered suitable for a five-star hotel development, with the exception of Barangaroo.

Having regard to this, in addition to Barangaroo, JLL is aware of only four potential sites/buildings which have historically been or are currently regarded as suitable for a five-star accommodation development, none of which are greenfield sites.⁷⁹

Crown's Exclusive Dealing Agreement with Lend Lease makes Crown the only company who has the ability to develop a hotel resort on Barangaroo South. The location agreed to by Crown and Lend Lease in the Exclusive Dealing Agreement, satisfies all of the requirements for a six-star resort which can become a new symbol of tourism for the city and an iconic destination with spectacular views of the Sydney Opera House, the Sydney Harbour Bridge and Sydney Harbour.

Barangaroo is Sydney's last waterfront site of scale with connectivity to the CBD and harbour side tourism precinct. This, coupled with the unique set of cultural amenities and parklands that are planned for Barangaroo, creates a compelling opportunity to create a resort destination of scale that can offer the types of experiences that are highly appealing to both domestic and international tourists.

Crown's Exclusive Dealing Agreement with Lend Lease will ensure that a collaborative and integrated approach will be utilised to create a compelling resort offering that is integrated into the most important redevelopment project of this century for Sydney. The Exclusive Dealing Agreement provides Crown with the exclusive right to work with Lend Lease to create the development plans for the Crown Sydney Hotel Resort and reach agreement on certain key milestones, including obtaining the necessary development approvals for the Crown Sydney project.

Crown and Lend Lease are working together to design and construct the Crown Sydney Hotel Resort which will be located on the northwest corner of Barangaroo South, adjacent to Sydney Harbour and Barangaroo Central.

⁷⁹ Jones Lang LaSalle 'Sydney Hotel Accommodation Report, (June 2013). A copy of the report is located behind Tab 7 of Volume 1B — Attachments to the Project Submission

6.2 CROWN WILL DELIVER A WORLD-CLASS ICONIC BUILDING

To ensure that the Crown Sydney Hotel Resort is an architecturally iconic addition to Barangaroo and Sydney Harbour, Crown, Lend Lease and the BDA are working with some of the world's best hotel resort and hospitality designers.

An international design competition was conducted under the supervision of an expert advisory panel to identify a principal architect with an iconic design.

This exciting project was able to attract three of the world's leading architectural design firms with experience in designing large scale resorts and iconic public buildings.

The combination of the unique nature of the Barangaroo South site, the vision established by Crown's Chairman, James Packer, and Crown's proven track record of developing world-class resorts attracted these renowned architects.

The brief presented to the architects specifically required the construction of an iconic world-class building on Sydney Harbour that would become a destination for international tourists.

The following architects submitted their design concepts for the Crown Sydney Hotel Resort:

- Kohn Pederson Fox—New York
- Smith & Gill—Chicago
- Wilkinson Eyre—London

Following the advice of the expert advisory panel, Crown selected Wilkinson Eyre's design for the Crown Sydney Hotel Resort. The futuristic design takes its inspiration from three twisting petals, featuring a white veil of sculptured glass rising up above Sydney Harbour.

Wilkinson Eyre's founding director, Chris Wilkinson, commented:

"My ambition is to create a sculptural form that will rise up on the skyline like an inhabited artwork, clad in a white veil of glass with differing levels of transparency, striking a clear new image against the sky."

Source: Daily Telegraph (16 May 2013)

Crown is also working with renowned architects and designers to develop concepts for other tourist attractions, which will complement the Crown Sydney Hotel Resort experience and contribute to the overall tourism appeal of Barangaroo.

Crown Chairman James Packer recently explained:

"Sydney deserves one of the world's best hotels and with these amazing architects I'm confident we will see the most iconic building constructed here since the Opera House."

I want this hotel resort to be instantly recognisable around the world and feature on postcards and memorabilia promoting Sydney. That's how you attract international tourists, create jobs and put Sydney on the map."

Source: Daily Telegraph (15 February 2013)

Crown Sydney will utilise world's best practice hospitality design and will be sympathetic to the surrounding improvements at Barangaroo South and Barangaroo Central to create a unique opportunity for tourists to experience the proposed cultural amenities and parklands.

6.3 PROVEN TRACK RECORD OF DEVELOPING AND OPERATING LUXURY HOTEL RESORTS

Key members of Crown's management team have been responsible for designing, constructing and opening some of the most iconic luxury hotel resorts in the world. Crown has dedicated project development teams in both Melbourne and Perth that have a wealth of international and domestic experience developing luxury hotel resorts.

Crown's extensive experience in the construction and operation of world-class hotel resorts is viewed as a core competency. Crown owns and operates two of Australia's leading integrated resorts, Crown Melbourne and Crown Perth. In addition, through a joint venture in Macau, Crown played a leading role in the development of Altira Macau (previously Crown Macau) and City of Dreams and will have significant input into the design and development of MCE's US\$2.3 billion Macau Studio City project as well as a new US\$1 billion integrated resort in the Philippines.



CROWN TOWERS MELBOURNE PORTE COCHERE

Crown is widely acknowledged as the best operator of hotel resorts in Australia. Both Crown Melbourne and Crown Perth continue to perform well despite the softening consumer economy. Crown's contribution extends beyond the operation of these two properties as businesses. Crown provides significant investment in tourism infrastructure, extensive employee training, considerable tax revenues for the relevant governments and makes an invaluable contribution to Australia's tourism offering.

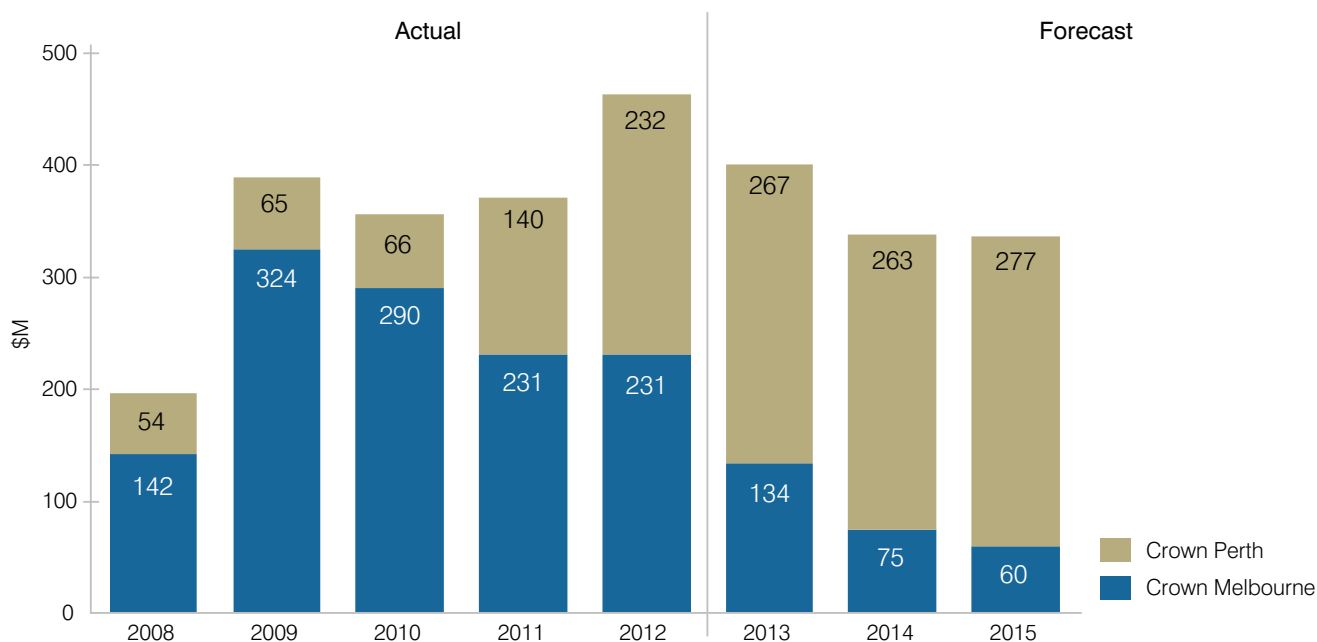
Refer to Section 8 for a full list of the achievements and awards Crown and MCE have won over the last few years.

Crown is investing \$2.8 billion (from financial year 2008 to financial year 2015), aimed at ensuring its hotel, gaming, restaurants, retail and entertainment offerings in Melbourne and Perth are at the highest level.

“The significant capital expenditure program has ensured that Crown Melbourne and Perth continue to be two of Australia’s premier tourist destinations, capable of competing with the best in the Asian region.”

Source: Rowen Craigie, CEO Crown, ‘Crown 2012 Annual Report’

FIGURE 14: CROWN’S INVESTMENT IN ITS MELBOURNE AND PERTH RESORTS



This significant investment includes the following:

CROWN MELBOURNE

- Construction of Crown Metropolis Melbourne—Australia’s largest single-site five-star hotel and winner of the ‘Victorian 2011 Luxury Accommodation Award’ and the ‘2011 Commercial Architecture Award’;⁸⁰
- Refurbished Crown Towers Melbourne including superior new Crown Spa facilities—winner of the 2013 ‘Best Hotel Australia’⁸¹ and ‘Australia’s Best Large Luxury Hotel 2012’;⁸²
- Significantly upgraded all VIP facilities—resulting in Crown being awarded the ‘2012 VIP Gaming Room of the Year’;⁸³
- Substantially refurbished the level 1 gaming area to create ‘The West End’ at Crown, combining a mix of places to dine, bars, gaming and live entertainment;
- Refurbished the dining and retail offerings, which house some of Australia’s best restaurants and some of the world’s most recognised luxury brands;

80 RACV Victorian Tourism Awards awarded the Luxury Accommodation Award and the Australian Institute of Architects awarded the 2011 Commercial Architecture Award

81 Awarded at the 2013-2014 Asia Pacific Hotel Awards

82 Awarded as part of the Reader’s Choice Gourmet Traveller 2012 Travel Awards.

83 Awarded at the International Gaming Awards 2012

- Built and extended the Crown Conference Centre facilities, which offer a multi-functional venue with a capacity for up to 840 delegates with two plenary rooms, 16 breakout rooms and a dedicated exhibition space along with exclusive group registration areas, four cafes and state of the art technology; and
- A refurbishment of the entire main gaming floor will be completed in 2013. This will include the creation of a lighter, brighter more open central gaming floor entry.

CROWN PERTH

- Development of the roof top “Sky Salon” and refurbishment of the hotel resort pool resulting in achievement of the National Commercial/Industrial Construction Award (\$10 million to \$20 million)⁸⁴ and Crown Perth being recognised for ‘Best Gaming Space’ and ‘Best Resort Pool’ at the 2012 HOSPY Awards in Las Vegas;
- Extensive refurbishment of Crown Metropol Perth including luxury day spa, beauty and fitness facilities to a five-star brand. On completion of the refurbishment, Crown Metropol Perth was awarded the Best Hotel Renovation for Australia⁸⁵;
- Development of the “Pearl Room”, an international gaming facility including VIP private gaming salons;
- The completion of the “Mansions”, two six-star VIP villas, which have reinvigorated VIP interest in the property, as they provide an exceptional level of quality and exclusivity. The level of luxury experienced by guests at the Mansions clearly showcases Crown Perth’s capacity to provide world-class products and services, particularly for international VIPs. Exceptionally well appointed and positioned beside the new pool area, the Mansions enhance Crown Perth’s international offering. The Mansions also demonstrate the integration of accommodation facilities into a river side location utilising the unique views across the Swan River;
- Development of food and beverage outlets, including internationally acclaimed restaurants Rockpool Bar & Grill, Nobu and Bistro Guillaume;
- Expanded conference and meeting facilities, together with the extension and ongoing refurbishment of the main gaming floor to meet world standards;
- To complement the significant upgrades to the property, Crown Perth is constructing a new multi-storey car park, expected to open early in 2014;
- In addition to its developments, Crown Perth purchased the InterContinental Hotels Group owned Holiday Inn Perth Burswood, recently re-branding the hotel as Crown Promenade Perth;
- Crown has also acquired a 140 foot luxury Italian-made super yacht to host VIP customers; and
- In August 2012, Crown announced it would undertake the development of Crown Towers Perth, a new six-star luxury hotel, at a cost of \$568 million. Crown Towers Perth is expected to be completed in 2016.

84 Awarded at the Masters and Builders 2012 National Excellence in Building and Construction Awards

85 Awarded at the 2013-2014 Asia Pacific Hotel Awards

6.4 PROVEN TRACK RECORD IN ATTRACTING VIP TOURISTS

Crown has built a reputation throughout Asia as a world leader in service provision for VIP gaming customers.

No other company has had the experience or success in bringing high worth tourists / VIP customers to Australian integrated resorts, a critical element in making the Crown Sydney Hotel Resort Project a success.

Since the establishment of Crown's business in Melbourne in 1994 and, particularly, since commencing operations at the current Crown Melbourne site in 1997, Crown has maintained a commitment to attracting and hosting the most discerning of international high wealth visitors or VIP customers.

Crown has always enjoyed a dominant market share of the Australian VIP gaming segment. Crown estimates that its Australian integrated resorts account for around 70% of international VIP gaming activity attracted to Australia.

Long before Macau opened its doors to international casino operators and before the integrated resorts in Singapore, Crown had established an industry-wide reputation for quality and for service, which have been the cornerstones of Crown's success.

Despite an increase in competition from new resorts in Macau and Singapore, Crown has continued to grow its VIP gaming business.

Crown's success is based on a formula of high quality assets, strong brand recognition, dedicated people, integrity, discretion and a commitment to the best possible customer service and attention to detail. This is all supported by an extensive and experienced sales network spread across Asia.

The strength of the Crown model is most evident when considering the rapid growth in VIP gaming player activity at Crown Perth post Crown's 2004 acquisition of the property, when previously it had been stagnant.



VIEW FROM CROWN METROPOL PERTH

During this time, the VIP operations at both Crown Melbourne and Crown Perth expanded significantly, proving Crown's ability to expand and improve one resort without negatively impacting the other.

It is the quality of the Crown customer experience that has allowed Crown to continue to grow despite increasing regional competition for the Asian VIP gaming player.

Crown has maintained its commitment to developing and further extending its VIP gaming business as is evidenced by the significant presence Crown has in Asia via its international marketing offices and their staff.

Crown believes that the success of its VIP gaming business is partly a function of the standard of quality of Crown Melbourne and Crown Perth and the services it offers. This is demonstrated by the following:

- Crown has made significant enhancements to its VIP assets including new gaming areas, the refurbishment of Crown Towers Melbourne Villas and hotel rooms, the refurbishment of Crown Metropol Perth, the development of resort pool facilities in "Vegas" style format which was awarded the Best Resort Pool at the 2012 HOSPY Awards held in Las Vegas and construction of its luxurious Infinity Suites at Crown Perth;
- The construction of two luxury villas, the "Mansions", at Crown Perth on the Swan River bank providing some of the most luxurious and high end VIP accommodation in the world;
- The international VIP gaming facility, the "Sky Salon", located on top of Crown Metropol Perth with sweeping views of the Swan River and Perth was awarded the 'Best Gaming Space' at the 2012 HOSPY Awards in Las Vegas;
- Crown Melbourne's new, ultra-luxurious VIP gaming salons were judged the best in the world at the International Gaming Awards (IGA) 2012 in London. In presenting the award, the IGA judges commented:

"An outstanding organisation and great achievement for Casino VIP Room of the Year. The winner has established an innovative approach to catering for casino customers; it's clear that Crown is passionate about what they do and their vision in this field goes beyond any other."

- The acquisition of a new long-range Gulf Stream jet, Crown's third VIP corporate jet, which has expanded the VIP fleet of corporate jets on offer to Crown's international customers. The Crown VIP corporate jets provide comfort and service to international customers in a highly competitive market;



CROWN OPERATES ITS OWN CORPORATE JET FLEET

- The acquisition of Crown Perth's 140 foot luxury Italian-made super yacht, Infinity, that is used by Crown Perth to showcase Perth and Western Australia to VIPs and provide an experience unique to the destination;



CROWN'S YACHT, INFINITY, IS AVAILABLE FOR VIP GUESTS AT CROWN PERTH

- Crown's range of award-winning restaurants, offering both Asian and Western fine dining cuisine, servicing VIP customers 24 hours a day;



AWARD WINNING ROCKPOOL RESTAURANT AT CROWN MELBOURNE

- Crown's customer service standards, delivered by the team of multi-lingual, highly experienced and expert VIP hosts and dealers, are recognised worldwide; and
- Crown's association with and support for Melbourne's calendar of major events such as the Spring Racing Carnival, the Melbourne Grand Prix and the Australian Open Tennis Tournament has contributed to Crown Melbourne becoming a destination of choice for international and domestic VIP guests.

6.5 UNIQUE ATTRACTIONS AVAILABLE TO CROWN SYDNEY HOTEL RESORT

To attract international tourists and entice them to repeat their visit, tourism operators need to provide a unique and memorable experience. Attractions are critical.

To contribute to achieving the goals of the Destination New South Wales Visitor Economy Taskforce to improve the visitor experience, Crown Sydney will provide guests with unique and memorable rural and alpine experiences. Crown Sydney will provide two unique attractions as part of its package to international tourists and VIP travellers.

(A) ACCESS TO THE ELLERSTON RETREAT

Crown Chairman, James Packer, and his family own a pastoral property, Ellerston, in the rural locality of the Upper Hunter New South Wales, about 322 kilometres from Sydney and 68 kilometres north-east of Scone.

This secluded property will be made available to Crown Sydney and established as a luxury day retreat for its high net worth international guests.

A combination of incredible natural beauty, wildlife and rare man-made attractions such as the Greg Norman designed 18-hole private golf course will help make Crown Sydney totally unique and as good as any tourist offering anywhere in the world.

Seaplanes will fly guests from Sydney's sea plane terminal at Rose Bay in Sydney's East to Scone Airport in the Hunter Valley. Guests will then be driven or flown by helicopter to Ellerston. The use of seaplanes to take Crown Sydney guests from Rose Bay to Ellerston will require no Government approvals or significant community impacts.

Once at the Ellerston Retreat, guests will be able to choose from numerous options at the property including:

- Golf;
- Go-karting;
- Horse riding;
- Mountain biking;
- Nature walks;
- Guided tours by 4WD or horseback; and
- Polo.

Guests will be able to relax at the resort style pool and enjoy seasonal food and wine sourced from throughout the Hunter region at the golf club house. Day spa facilities will also be provided at the retreat to ensure guests have a truly world-class experience.

(B) ACCESS TO PERISHER SKI RESORT

Crown's major shareholder Consolidated Press Holdings, owns and operates the Perisher Ski Resort and Perisher Valley Hotel in South East New South Wales.

The Perisher facilities will be made available for use by Crown Sydney high net worth guests, including accommodation at the Perisher Valley Hotel. Guests will be offered guided and private ski trips and instructor lessons.

Alpine sports such as skiing and snowboarding are becoming increasingly popular in Asia and will continue to grow as the emerging middle classes continue to travel abroad.

Crown Sydney guests will be able to enjoy the facilities of the Perisher Ski Resort and Perisher Valley Hotel to give them a taste of winter sports and Australia's alpine fauna and flora.

Perisher is the southern hemisphere's largest alpine resort and Australia's most popular snow holiday destinations.



THE PERISHER SKI RESORT IS AUSTRALIA'S LARGEST SKI FIELD

The resort is open from June to October and includes 47 lifts and the capacity to lift over 50,000 skiers per hour. Perisher has invested heavily in snow making to ensure the quality of the resort and now has 271 snow guns which are used to artificially supplement the natural snowfall over 53.4 hectares.

Crown Sydney guests are expected to fly by helicopter from Sydney airport to an existing helipad located 15 minutes from the Perisher Ski Resort.

Just as with golf, skiing is also experiencing a major increase in participation amongst China's rising wealthy and middle class.

A 2012 Report into the 'Chinese Ski Market' by the Government of Alberta, Canada found that the number of Chinese skiing has grown rapidly over the last decade and that this is likely to start impacting on the international ski industry.

"The Chinese ski market has seen a rapid growth in the number of skiers and a boom in the development of ski facilities, driven by strong economic growth, increased personal wealth and a luxury trend among Chinese consumers in the past decade.

The ski industry in China has grown rapidly—from approximately 10,000 skiers in 1996 to around a reported 5 million in 2010. In 1980, there were only three ski resorts in China. Today there are at least 70, and there may be as many as 200 ski facilities.

The dramatic increase in outbound Chinese travellers is starting to have an impact on the worldwide ski industry, with several countries reporting an increase in Chinese skiers."

Source: Government of Alberta, '2012 China Ski Study, Survey Research Report' (April 2012)

(C) ACCESS TO SOME OF AUSTRALIA'S BEST PRIVATE GOLF COURSES

Crown Sydney high net worth guests will have exclusive access to some of Australia's best private golf courses, including Ellerston Golf Course and Capital Golf Course (Melbourne).

(I) ELLERSTON GOLF COURSE

The Packer family-owned Ellerston Retreat includes an 18-hole private golf course, which was designed by Greg Norman.

This exclusive course will be made available to Crown Sydney high net worth guests.



THE ELLERSTON RETREAT INCLUDES ONE OF AUSTRALIA'S MOST EXCLUSIVE GOLF COURSES

(II) CAPITAL GOLF COURSE—MELBOURNE

Crown has exclusive access to the Capital Golf Course in Melbourne and this has proven to be an extremely popular attraction for high net worth Asian VIP guests.

Crown offers these guests the exclusive opportunity to play golf on one of the world's best 18-hole golf courses.



THE CLUBHOUSE AT THE CAPITAL GOLF COURSE IN MELBOURNE

(III) GOLF IN CHINA IS GROWING IN POPULARITY, ESPECIALLY AMONGST HIGH NET WORTH INDIVIDUALS

There are no reliable figures on the exact number of golf players in China but depending on the source, the numbers are substantial and range from three hundred thousand to three million.⁸⁶

These figures are significant given the extremely expensive and elite nature of golf in China and the fact that golf was only re-introduced to China in 1984.

A 2012 HSBC Report 'Golf's 2020 Vision' noted that golf is becoming more popular in China as the wealthy seek out new leisure activities:

"Golf is moving East. In China it is becoming the game of choice for the wealthier as Chinese men and women become rich enough to enjoy their leisure..."

Source: HSBC, 'Golf's 2020 Vision' (2012)

The HSBC report also found that golf is likely to continue increasing in popularity as the Asian middle class continues to grow:

"But the boom in young players is most marked in Asia. Here, the game as a whole is experiencing a significant upswing in popularity, allied with the region's economic boom and the rise of the middle classes. A growing number of China's emerging middle classes, with more money to spend on luxury goods and leisure pursuits, are investing in training their children in a sport that has shifted from official disapproval in the 1960s to becoming aspirational in the late—1980s."

Source: HSBC, 'Golf's 2020 Vision' (2012)

The 2008 KPMG Golf Benchmark Survey argued that demand for golf in China had been driven by the following facts:

"the rapidly growing economy generated corporate demand for the game, while the development of the leisure and tourism industry was also a driver of golf tourism. In addition, golf in China has been receiving an increasing amount of media exposure in recent years as the country host a number of world-class golf tournaments and is the home of the World Cup of Golf (and will remain so through 2018)."

Source: KPMG, 'Golf Benchmark Survey China' (2008)

The KPMG Survey also highlighted how expensive golf is to participate in:

"The extremely high pricing of golf courses, with the average initiation fee of more than USD 50,000 and an average weekend green fee of around USD 160, makes the Chinese golf market one of the most expensive in the world and casts golf as a very elitist sport."

Source: KPMG, 'Golf Benchmark Survey China' (2008)

86 KPMG, 'Golf Benchmark Survey China' (2008)



The expensive nature of playing golf in China is one factor, which makes it such an exclusive and prestigious sport to participate in for so many wealthy Chinese.

"With increasing incomes and the more widespread acquisition of luxury brands come the drive to set oneself apart from others—making leisure experiences such as international travel and sporting expertise highly sort after as status symbols. In China, the status of golf has risen dramatically. It was banned by the Communist Party until 1984; since then it has grown rapidly. Among the country's new economic elite, it has both novelty and prestige. Chinese business people see golf as a way to bridge the gap between East and West when doing business deals. Golf's inclusion in the 2016 Olympics in Rio de Janeiro will increase its appeal because of the high regard and interest which the Chinese have for the Olympics."

Source: HSBC, 'Golf's 2020 Vision' (2012)

The KPMG survey also found that the most successful golf courses in China were those incorporating luxury accommodation:

"China's most successful golfing establishments to date have been those incorporating lavish hotels and/or property developments."

Source: KPMG, 'Golf Benchmark Survey China' (2008)

The rising popularity of golf amongst China's wealthy will make access to the Ellerston Retreat another very attractive addition to the Crown Sydney Hotel Resort offering which no other company can match.

(D) ADDITIONAL TOURIST ATTRACTIONS

Crown is working with renowned architects and designers to develop concepts for other tourist attractions, which will complement the Crown Sydney Hotel Resort experience and contribute to the overall tourism appeal of Barangaroo.

6.6 FIRST CLASS EMPLOYMENT AND TRAINING RECORD

Crown has an outstanding record in employment and staff training at both its Melbourne and Perth resorts and in Sydney it will invest heavily in employment and training to meet its high service standards.



As detailed in section 6.7 and 6.9, in Sydney, Crown will work with the NCIE and Penrith Panthers Group to establish dedicated training facilities in Redfern and Penrith, to ensure job seekers and Crown's employees receive the skills and qualifications to meet Crown's highest standards.

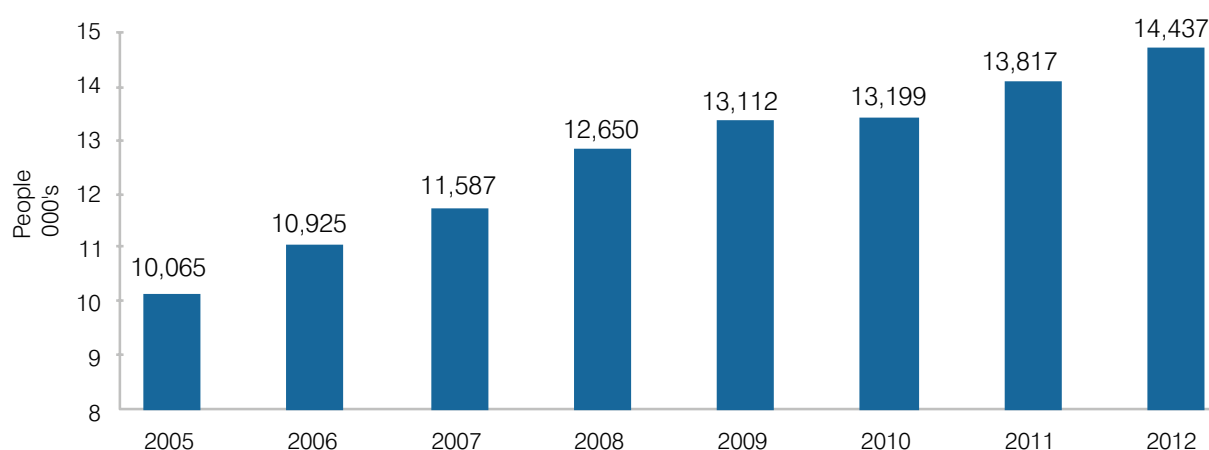
Crown's investment and commitment to training will benefit the tourism sector generally and help meet Sydney's overall shortfall in hotel and hospitality staff.

(A) CROWN'S EMPLOYMENT CREDENTIALS

Employment at Crown's Melbourne and Perth resorts has increased from 10,065 in 2005 to 14,437 in 2012.

In both Victoria and Western Australia, Crown is the largest single-site private sector employer and focuses on recruiting, developing, and retaining quality employees.

FIGURE 15: PEOPLE EMPLOYED AT CROWN'S MELBOURNE AND PERTH RESORTS



(I) CROWN MELBOURNE

More than 8,800 people work on-site at Crown Melbourne and total employment expenditure was more than \$460 million in financial year 2012.

Additionally, the salaries and wages paid by Crown Melbourne have generated further employment and income in other parts of the Victorian economy due to the demand for goods and services from Crown Melbourne employees and contractors.

In 2012, KPMG estimated that the overall Victorian employment impact associated with the operations and capital expenditure of Crown Melbourne is approximately 23,200 FTEs.⁸⁷

⁸⁷ KPMG, 'Integrated Resorts and Asian Tourism — the Role of Crown Melbourne and Crown Perth – 2012' (October 2012). A copy of the report is located behind Tab 1 of Volume 1B—Attachments to the Project Submission

(II) CROWN PERTH

Approximately 5,600 people work on-site at Crown Perth.

Crown Perth has successfully satisfied the employment needs of the business, despite the increasingly competitive labour market in Western Australia. This success has been due to a number of concerted and sustained recruitment campaigns that have emphasised the benefits and advantages of working at Crown Perth.

By focussing on the employee value proposition, these campaigns have resulted in a significant increase in the level of interest in careers at Crown Perth, which is now in a strong position to recruit and develop candidates of an increasingly higher calibre.

In 2012, KPMG estimated that the overall Western Australian employment impact associated with the operations and capital expenditure of Crown Perth is approximately 8,000 FTEs.⁸⁸

(B) CROWN'S TRAINING CREDENTIALS

Crown recognises that learning and development is integral to the continuing success of its businesses. For this reason, significant money, time and resources have been invested into developing and operating Crown College in Melbourne, which Crown believes is one of the most successful and innovative learning and development facilities in the gaming industry, not only in Australia, but globally.



⁸⁸ KPMG, 'Integrated Resorts and Asian Tourism — the Role of Crown Melbourne and Crown Perth – 2012' (October 2012). A copy of the report is located behind Tab 1 of Volume 1B—Attachments to the Project Submission

One of the primary objectives of the learning and development area is to ensure that Crown's business operations continue to be successful as a result of genuine and relevant development of Crown's employees, which can increase employee engagement and commitment provide a higher level of customer service and satisfaction and ensure the integrity of the gaming operation. In particular, Crown has recently focussed on developing new programs that are aligned to accredited qualifications and offering clear career development opportunities, moving the focus from 'training' to 'learning' and from a 'job' to a 'career'.

The following sections provide an overview of the various elements of Crown's learning and development programs.

(I) CROWN MELBOURNE

Crown has developed 'Crown College' in Melbourne, a purpose built \$10 million training facility, which has trained over 10,000 employees in the last 13 years. Crown has also graduated over 4,500 apprentices and trainees.

Crown College is Crown's on-site tourism and hospitality education facility dedicated to providing the highest quality and most relevant training available to all staff. It is estimated that since inception, Crown College has delivered over 2.6 million hours of training.

In financial year 2012 alone, more than 800,000 hours of career education training were undertaken by Crown Melbourne employees at Crown College, which is a 62% increase on 2011 and there was a 12% increase in the number of employees completing a Certificate III qualification.

Crown employees are provided with a career pathway aligned to qualifications, through Crown College's 'Learning Pathways Program'. More than 1,000 employees, including supervisors and managers, are currently undertaking training within the Australian Qualifications Framework. The Learning Pathways program won the 'Business/Higher Education Round Table (B-HERT) 2011 Best Vocational Education and Training Collaboration Award'.

Crown College has the capacity to accommodate more than 300 people at any one time. The college comprises several training rooms, including a replica of Crown's gaming floor, a dedicated Gaming Machines training room, a 70-seat auditorium used for induction training, two computer-training rooms, five general-purpose training rooms and four meeting rooms. 'The Culinarium'—a food and beverage training kitchen and restaurant, is also located at Crown College. The college houses a dedicated Recruitment Centre, which hired in excess of 1,800 people in financial year 2012 alone.

Crown College comprises four schools:

- The School of Business, which delivers accredited qualifications and employee development programs;
- The School of Gaming, which provides technical skills and training in Table Games and Gaming Machines;
- The School of Hotels, which provides front-of-house and back-of-house training programs for employees who work within Crown Hotels; and
- The School of Food and Beverage, which incorporates The Culinarium.

The Culinarium is a 70-seat training restaurant and bar. This facility provides specialised food and beverage training to employees. Apprentice chefs and trainee food and beverage attendants work under supervision to gain the knowledge and skills needed for a successful career in the hospitality industry.

With state of the art technology and modern equipment to assist with the development of staff, The Culinarium facility is setting new standards in training. Some of the finest Crown chefs oversee training in the kitchens.

Crown has also invested in a purpose built Security Training Centre, a state-of-the-art facility that provides a safe and secure environment for security staff to learn both theory and practical techniques. The practical techniques are delivered in Crown's purpose built soft-floor room, which has been designed specifically for security training. The Security Training Centre has a 20-seat theory room, soft floor room and offices for trainers.

As a Registered Training Organisation, Crown Melbourne is committed to providing quality training in its accredited programs and across all of the learning and development programs. Currently, Crown College offers:

- Traineeships, apprenticeships and a wide range of other learning and development programs to Crown employees from all business units and at all levels within the organisation; and
- An apprenticeship program to non-employee apprentice chefs.

In addition, Crown College partners with over 30 external organisations and consultants to deliver training in a broad range of areas where existing trainers do not have particular expertise (for example: graphic designers, coaches, instructional designers, management specialists and VECCI), which ensures best practice at all level; relevance and compliance of programs and alignment to Crown's business strategy. Crown is one of the few employers in Australia which provides dedicated training and learning facilities on this scale.

(II) CROWN PERTH

Crown's significant investment in training extends to Crown Perth where currently more than 830 apprentices and trainees are completing nationally accredited training, as well as nearly 200 employees participating in the Leadership Development Program.

At Crown Perth, currently 834 Crown Perth employees, representing 16% of the workforce, are obtaining an accredited qualification on the job. Crown Perth has made a commitment to grow this number to 20% of the workforce by 2015. In addition, Crown Perth delivers non-accredited training to more than 6,000 employees annually in the areas of leadership, customer service, respect and equal employment opportunity, health and safety, finance and business essentials. In 2012, over 30,000 hours of non-accredited training was delivered to 6,288 Crown Perth employees, indicative of the commitment to staff development held by the organisation.

Crown Perth delivers accredited training in Gaming and Security in dedicated onsite facilities that simulate the live workplace environment. Food and Beverage, Hotels and Hospitality Management training is conducted on the job in a live environment to maximise the learning experience for apprentices and trainees.

Crown's Perth Security Training School is recognised as Western Australia's leading provider of accredited Security Officer training and provides additional bodyguard training to selected senior officers who have demonstrated both exceptional security and customer service skills.

(III) ACCREDITED TRAINING

As a Registered Training Organisation, Crown is delivering a number of accredited programs, including traineeships and apprenticeships, a Leadership Development Program and Management Development Program. Upon successful completion of one of these programs, participants receive an accredited qualification.

Crown has qualified and experienced technical trainers on-site in Melbourne and Perth who deliver business unit training and assist employees with specific workplace-related questions.

Other learning and development programs are delivered by a combination of internal and external training specialists, as required.

(IV) EXTERNAL PROVIDERS AND PARTNERSHIPS

Crown works with a number of other Registered Training Organisations and consultancies to help develop, deliver or assess many programs, as required. These partnerships include Box Hill Institute of TAFE, Holmesglen Institute of TAFE, Kangan Institute, Swinburne University of Technology, Ezy-Learn, Chartered Accountants Australia, Victorian Employers' Chamber of Commerce and Industry, plus other providers and operators who specialise in fields such as finance, marketing, human resources and security.

Crown Perth works closely with the Chamber of Commerce and Industry of Western Australia (CCIWA) and has partnered with Polytechnic West, Western Australia's largest State Training Provider, to provide traineeships to more than 190 supervisors in the Table Games department. In 2012, as part of Crown's commitment to management development, Crown Perth also awarded seven scholarships to employees to study the Advanced Diploma of Management at Challenger Institute of Technology.

In addition, Crown Perth delivers traineeships in hospitality and security to over 590 employees making a total workforce training cohort of 848 apprentices and trainees across the organisation.

Work readiness and hospitality training is also offered to prospective Indigenous employees through Crown Perth's partnership with Polytechnic West, Western Australia's largest State Training Provider, and Emphyrean Hospitality Training Academy who provide State subsidised hospitality training specifically to students from equity and diversity groups such as Indigenous and disability groups.

(V) TRAINING CALENDAR

Crown College in Melbourne releases a training calendar every six months, which outlines the dates of all learning and development programs that are being held during those six months. The calendar helps employees and their managers identify learning opportunities and plan rosters and work commitments accordingly.

(VI) ON-LINE TRAINING (BLENDED LEARNING)

Crown has developed over 30 on-line training programs including Blackjack and its variations; Responsible Service of Gaming; Responsible Service of Alcohol; Hygiene for Food Handlers; Equal Employment Opportunity; Casino Awareness and Emergency Awareness Training.

(VII) EMPLOYEE INDUCTION

All new employees at Crown Melbourne attend a company-wide induction program, usually on their first day of employment. During the program, the employees learn about: the organisational structure; the business that is Crown; Crown's expectations of employees; key policies (including the Equal Employment Opportunity policy, Occupational Health and Safety Policies, Human Resources policies); customer service standards; compliance and responsible service of gaming obligations; AUSTRAC obligations and fire and evacuation procedures. Familiarisation with the back-of-house premises and day-to-day functions such as wardrobe and uniform procedures, parking and employee benefits is also conducted.

Orientation at Crown Perth occurs on the first two days of employment with additional training and familiarisation with the complex occurring on the second day.

(VIII) BUSINESS UNIT INDUCTION

After the corporate induction, employees receive induction into their business unit and role. This occurs in the workplace at Crown Perth and a "Buddy" is assigned to the new employee as a mentor for the first 100 days of employment.

Where relevant, some business unit induction is completed in conjunction with the employee's technical training, traineeship or apprenticeship.

(IX) TECHNICAL TRAINING, TRAINEESHIPS AND APPRENTICESHIPS

All new employees are provided with relevant technical training before commencing their duties on the gaming floor. Some of this training leads to an accredited qualification.

(X) COMPULSORY TRAINING

In addition to the technical training, traineeships and apprenticeships, Crown has a number of programs that are compulsory for employees, depending upon their role. This training is provided when an employee commences employment (sometimes as part of their traineeship or apprenticeship) and compulsory refresher courses are completed every two years.

Compulsory training aims to ensure that Crown's employees know and understand Crown's regulatory requirements and recognise the importance of compliance in their day-to-day role, along with the personal and commercial ramifications of non-compliance.

Compulsory training includes:

- **Responsible Service of Gaming:** Crown Melbourne received approval from the Victorian Commission for Gambling and Liquor Regulation (VCGLR) for a period of five years from 19 September 2007 to provide this course, which is delivered to (among others) all Gaming Machines and Table Games employees. Crown's application for a further five year approval is currently awaiting VCGLR approval. Crown Perth reports to the Department of Racing, Gaming & Liquor (DRGL) in Western Australia and since 2008 has provided compulsory Responsible Service of Gaming online learning to all staff, including online refresher courses which are completed annually;
- **Responsible Service of Alcohol:** Crown Melbourne staff from Food and Beverage, Security Services, Surveillance, Table Games, Gaming Machines, Responsible Gaming Support Centre, Banquets and Hotels participate in the Responsible Service of Alcohol Training Program and also undergo a Responsible Service of Alcohol refresher course every two years. Records of this training are updated on Crown's Responsible Service of Alcohol Registry.

All Crown Responsible Service of Alcohol trainers have been accredited by the VCGLR to conduct Responsible Service of Alcohol training courses.

At Crown Perth, all employees who are either directly or indirectly involved with the sale or service of alcohol are required to complete the online module 'Provide Responsible Service of Alcohol' (SITHFAB009A) which is provided by Crown Perth in its capacity as a Recognised Training Organisation.

Licensed Approved Managers are required to complete either the 'Short Course in Liquor Licensing' or the new course 'Management of Licensed Premises 1' as directed by the Department of Racing, Gaming & Liquor Western Australia;

- **Health and Safety Training in all areas of its operations:** Crown is self-insured under Victorian legislation and operates within the insured workers compensation scheme in Western Australia;
- **Equal Employment Opportunity training:** Equal Employment Opportunity training is provided to ensure that all aspects of recruitment, training, management and promotion are performed in accordance with equal employment opportunity legislation;
- **Casino Awareness Training:** Casino Awareness Training is provided across a wide variety of areas of the business including Crown's Corporate Policy Statements, which have been developed to ensure that Crown operates an ethical and responsible business, free from criminal activity and exploitation;
- **Respecting Each Other:** Respecting Each Other is a training course provided to all employees to ensure diversity, mutual respect and a safe work environment for all; and
- **Anti Money Laundering Training:** All employees are required to complete Anti Money Laundering training and a regular refresher course.

(XI) SUPERVISORY TRAINING

Crown delivers Leadership Development Programs at Crown Melbourne and Crown Perth for employees who are promoted to supervisory roles, or are identified as having the potential to be promoted into a supervisory role. Aligned to the Certificate IV in Frontline Management in Melbourne, the program provides participants with the skills and knowledge to competently interact with, lead and provide feedback to team members. Participants attend facilitator-led workshops, coaching sessions and meetings with their manager and course work is completed before and after each workshop.

The Leadership Development Program was developed as a direct result of recognising that while employees at this level had well-developed technical skills, this did not mean that they automatically possessed the skills to lead and develop teams. Upon successful completion of the program, participants are awarded a Certificate IV in Frontline Management.

At Crown Perth, supervisors undertake Business Essentials training to build the skills required to manage an operational environment. The Business Essentials training can be undertaken on an ad hoc basis or scheduled for completion over one year as a part of the Leadership Development Program. Alignment of the Business Essentials training with accredited units of competence is currently being implemented. Upon completion of all of the units of competence, the participants can qualify for the Certificate IV in Hospitality (Supervisor).

(XII) MANAGEMENT TRAINING

Crown Melbourne delivers a Management Development Program (titled 'Next Generation of Leaders') for employees who are promoted to management roles in the business, or are identified as having the potential to be promoted into a management role. Aligned to the Diploma of Management, this program further develops employee's leadership skills, as well as focussing on managerial functions, such as budgets, long-term planning, business strategies and so on. This program also contributes to Crown Melbourne's succession planning strategy.

(XIII) LEARNING PATHWAYS

Together, the traineeships and apprenticeships, the Leadership Development Program and the Management Development Program form Crown's Learning Pathways and give employees relevant learning and development, aligned to their career development.

(XIV) CAREER DEVELOPMENT SUPPORT

Career Development Support enables eligible employees to complete an external course (generally higher business qualifications) that is deemed to support their current or future roles in the company. Crown currently has a number of employees undertaking study in higher business qualifications under this program, whereby Crown reimburses employees up to 80% of the fees they incur to complete their studies.

(XV) CUSTOMISED SEMINARS/WORKSHOPS

Crown conducts many customised seminars and workshops for Crown employees, usually selected by managers and addressing specific topics that will directly benefit a particular business unit or team.

(XVI) DEALER WORKPLACE COACH PROGRAM

Table Games Area Managers complete training in coaching (a course delivered by Table Games Core Trainers) after which they provide one-on-one coaching to new dealers during the dealers' initial training and first six months of working on the gaming floor. Each coach is a supportive contact person for the dealer, who provides both formal and informal feedback, support and assistance.

(XVII) INDIVIDUAL DEVELOPMENT PROGRAM—SECURITY SERVICES

Security Services identifies and provides relevant training for each individual employee, in order to ensure currency of skills, the opportunity to up-skill and a career pathway for employees.

In Western Australia, Crown Perth is recognised as the leading provider of security training and offers a fee-for-service training program for Certificate II in Security Operations. On successful completion of the Certificate II, selected participants will be offered a position as an employee with Crown Perth and the opportunity to continue their studies through a traineeship in Certificate III Security Operations.

(XVIII) FOOD AND BEVERAGE 'STEP UP' PROGRAM

Food and Beverage has developed a program called 'Step Up', which provides formal career pathways for its front of house and back of house employees. The program includes coaching, mentoring, facilitator led classroom training, on-the-job training and one-on-one sessions. Relevant learning opportunities are identified for each individual employee or food and beverage outlet and delivered accordingly on an as-needed basis.

'Step Up' aims to attract and retain talented and committed employees by:

- Providing multiple training programs to develop relevant skills within the business unit;
- Encouraging employees to progressively 'Step Up' to more senior positions by offering a clear career pathway; and
- Encouraging employees to consistently demonstrate Crown's core values.

'Step Up' has been instrumental in reducing staff turnover in food and beverage, as employees value the opportunities to develop their career.

(XIX) THE FUTURE OF LEARNING AND DEVELOPMENT AT CROWN

Crown recognises that the long-term success of its business depends to a large extent on having a skilled and engaged workforce, which in turn means that Crown must provide relevant learning and development programs to its employees. Crown Perth is forecasting 1,400 employees to be engaged in apprenticeships and traineeships by 2015 to meet the growing needs of the business.

Having invested \$10 million in the Crown College premises and equipment in Melbourne, as well as providing support for the development and implementation of learning pathways, Crown's management team is determined to continue to demonstrate its commitment to developing employees at all levels of the organisation.

A component of this is to continually look at ways of improving the design, development, content, delivery and assessment of all programs, as well as the management, administration and co-ordination of them.

Crown expects that the future of learning and development will see an expansion of its scope as a Registered Training Organisation, expansion of programs offered at Crown College, a fourth level within the Learning Pathways that provides Senior Managers with an accredited qualification and continued improvement of all aspects of learning and development.

(XX) RECIPIENT OF MAJOR TRAINING AWARDS

Crown has been the recipient of numerous Industry, State and Federal Government awards for employment, training and diversity including the 'Victorian Employer Award for Apprentice Development 2012', as well as the Organisational and Staff Development category at the Learning and Technology Impacts Awards.

Crown Melbourne also won the '2012 Australian Business Award for Recommended Employer'. Set out below are comments made in relation to Crown by the Australian Business Awards:

"Crown Melbourne's commitment to developing their employees reinforces the company's reputation as an employer of choice in the hospitality and tourism industry.

Crown Melbourne opened in 1994 and has since enjoyed a steady growth in market share, profits, product offerings, employee numbers and customer base. Operating in a service-focused industry means attracting and retaining talented employees is crucial to success. Crown is always looking at ways to continue to provide rewarding employment to their 6,500+ employees.

Crown's recruitment and performance management processes are focused on capturing and developing talent. Crown also offers staff a number of attractive benefits, including free meals; fully tailored and laundered uniforms for each shift; a world-class training facility, Crown College; a reward and recognition programs; and informative internal communications.

Customer service standards (the Crown Welcome, the Crown IQ, the Crown Look, and the Crown Way) form the basis of employees' interactions with customers and ensure the service provided is of the highest standard. Together, they promote a culture where everyone at all levels is professional and welcoming, when interacting with customers, suppliers, business associates, government bodies and colleagues.

Crown provides careers, not just jobs, by offering a 'Learning Pathways strategy', which guides employees through their training and development at three key levels. There is also a strong focus on equal employment, with an Aboriginal Employment Strategy and Disability Employment Program.

Some of Crown's reward and recognition programs offer employees a variety of competitions which encourage the development and celebration of their skills. Some of these include the Cocktail Cup, Barista Competition, and Meat and Livestock Australia Competition. Crown's comprehensive employee communications also promote employee successes, as well as key information to ensure all staff are well-informed. Some employee communications tools include a weekly operational bulletin, called Frontline; a full-colour, glossy magazine, Jewel; Stop Press, a system for urgent, high-level messages; an extensive intranet; electronic noticeboards and televisions, displaying messages and footage of recent employee events; and Electronic Roster Information Kiosks (ERIKs), where employees can access rosters, receive messages, and provide feedback.

Staff are invited to CEO Forums, conducted by the Executive team. These CEO Forums are an opportunity to hear about strategies, new initiatives and are also an opportunity for employees to address their questions directly to the management team. Another way of providing feedback is through quarterly focus groups, where employees can meet with the executives in a more personal environment. Employees also have annual performance reviews and six-monthly interim reviews, to closely track how they are performing. Business units can also nominate managers for a Talent Program, which focuses on preparing them for future opportunities to progress their careers at Crown."

Source: The Australian Business Awards, Crown Melbourne Limited

Crown also had a trainee who was one of just four finalists in the Victorian Trainee of the Year award. Crown was a finalist for the 'Best Learning and Development Strategy 2011' and 'Most Innovative New Media Recruitment Campaign 2011' in the Australian HR awards, the 'Fairfax People's Choice for Employer of Choice 2011', and in the '2012 Victorian Training Awards—Employer of the Year'.

Crown's Executive General Manager of Human Resources recently won the 'Australian Government's 2012 Training Award for Leadership in Quality'.

Crown Perth, is a finalist for the 2012 Polytechnic West Employer of the Year Award and continues to build the profile of training with internal and external stakeholders.

The Australian Training Awards are Australia's peak awards for the vocational educational and training (VET) sector and this particular award recognises eligible individuals who have demonstrated outstanding leadership in promoting and advancing quality to achieve positive outcomes in the VET sector.

The Leadership in Quality award recognises all of the innovative work that Crown has completed in this important field that helps ensure all employees have the opportunity to undertake relevant and innovative learning programs. Section 8 lists these awards and the recognition Crown has received in the area of training (as well as awards received by other areas of the business).

Crown is proud of its record in training, which is reflected in the quality of staff attracted and retained by Crown.



CROWN HAS BEEN THE RECIPIENT OF NUMEROUS INDUSTRY, STATE AND FEDERAL GOVERNMENT AWARDS FOR INDIGENOUS EMPLOYMENT

6.7 PARTNERSHIP WITH THE NATIONAL CENTRE OF INDIGENOUS EXCELLENCE

(A) COMMITMENT TO INDIGENOUS EMPLOYMENT AT CROWN SYDNEY

Crown is a leading company in Indigenous employment, having received a number of awards for its Indigenous employment programs and the Crown Sydney Hotel Resort will make long-term jobs for Indigenous Australians a centrepiece of its employment strategy.

To support Sydney's large Indigenous population, Crown's successful Indigenous employment model will be replicated for the Crown Sydney Hotel Resort. Despite misconceptions, Sydney contains Australia's largest urban Indigenous population. According to ABS 2011 Census data there were over 54,000 Indigenous persons living in greater Sydney compared to 41,000 in greater Brisbane.

The NCIE has agreed to be a Project Partner for the Crown Sydney Hotel Resort and signed a Memorandum of Understanding with Crown⁸⁹ to work with Crown to deliver training, mentoring and support for the Crown Sydney Hotel Resort's Indigenous workforce.

The NCIE's CEO Jason Glanville said the partnership with Crown would provide Indigenous trainees with massive opportunities for the future:

"It is an exciting opportunity. It will act as a passport for many trainees to then work anywhere on the planet or even remain at Crown because the standards at Crown are first class."

Source: Statement by Jason Glanville, the NCIE CEO (10 October 2012)

Since its opening in 2010, the NCIE has been one of the most successful not-for-profit facilities in the country with over 10,000 Indigenous youth attending training, courses and events at the campus. The organisation established and owned by the Indigenous Land Council is operated by a Board of Directors and is operated as a social enterprise. It receives no government funds for the general day-to-day operation of its facilities or maintenance. It relies upon commercial contracts to remain viable and continue its community services.

The NCIE is having a national impact, with other States and Territories looking to emulate the facility. It has been an important driver of social change in the Redfern community through programs and world-class sporting and cultural facilities.

The NCIE currently has a commercial kitchen, dining facilities, class rooms, dormitories and exceptional recreational facilities, which will be used by Crown to train and mentor Indigenous job seekers from across Sydney, New South Wales and Australia. In this sense, the partnership is unique.

Positively, the NCIE has also recently announced that it will also work in partnership with Crown at the main training college to be established by the Penrith Panthers Group in Penrith, supporting and providing opportunities for Indigenous people in Western Sydney, which has Australia's largest urban Indigenous population.

Please refer to section 3.1 for more information on the NCIE.

⁸⁹ A copy of the Memorandum of Understanding with the NCIE is located behind Tab 2 of Volume 1B—Attachments to the Project Submission

(B) CROWN'S INDIGENOUS EMPLOYMENT CREDENTIALS

Crown has been a leader in the Indigenous employment sector and its Indigenous Employment Strategy is considered a best practice model.

Crown currently provides one of the most developed and successful Indigenous training and employment programs in the country.

Crown was the first signatory to the Australian Employment Covenant and was the first company in Australia to provide employment opportunities under the program. Crown's commitment at the time was to make 300 jobs available to Indigenous people. More recently Crown has committed to providing 2,000 job opportunities to Indigenous Australians over the next ten years.

Crown's program boasts a high retention rate with a number of people settling into permanent secure employment and building strong careers. Crown anticipates that an increasing number of these employees will begin to apply for promotions as they further develop their skills and confidence.

Before Indigenous employees begin working for Crown, the Crown Indigenous Employment Program staff complete an extensive Pre-Employment Program to ensure "best-fit" job-matching with each candidate (which may last from three weeks to four months). The Pre-Employment Program is delivered by the Indigenous Employment Program Manager, Indigenous Recruitment Co-ordinator, Crown College and the respective business units all contributing. This multifaceted approach by all stakeholders creates an environment of support and learning, ensuring that each Indigenous candidate is set up for success.

When Indigenous employees begin their employment, they receive individual and customised one-on-one training with a hand-picked trainer, based specifically on the identified gaps in their skills and knowledge and the requirements of the job. This may or may not be accredited training, depending on the role and any identified gaps.

In addition, Indigenous employees are allocated both a "Buddy" and a suitable mentor while they adjust to working life (if they are new to employment, or working in a large organisation). The "Buddy" is designed to reduce the immediate impact of working within the Crown environment of *Exceptional Standards, Outstanding Service*. The mentor is designed to support the employee through their medium to long term career journey and pathway.

Crown also provides support to its Indigenous employees outside of the workplace, assisting them in areas such as counselling, housing, relocation and any other issues that arise directly or indirectly as a result of their employment. Crown's Indigenous Employment Program also provides cultural awareness programs for non-Indigenous employees, which aim to build understanding and empathy.

Crown's commitment to addressing the retention of Indigenous workers is exemplified by both Crown Melbourne's and Crown Perth's approaches to retention. Crown Perth recently announced the creation of a Workforce Participation Unit dedicated to developing support for both the participants of the program and the business units. At Crown Melbourne the creation of the Crown Indigenous Community Group (CICG) is designed to create a sense of community driven by the Indigenous employees with oversight from the Indigenous Employment Program Manager. The CICG creates a community, which assists the employees to support and encourage one another in their social and professional lives at Crown.

Crown Perth has spearheaded the organisation's Indigenous jobs programs. In 2009 when the program began at Crown Perth, the resort had eight Indigenous staff. By 2012, the number of Indigenous employees had reached 174.

In addition, Crown acknowledges the breadth and depth approach to Indigenous employment and is actively seeking to ensure employment beyond entry level. Crown has already registered as an employer with the Department of Education, Employment and Workplace Relations—Indigenous Cadetship Support Program. The aim of this program is to develop Indigenous talent through all areas of the business including corporate.

Crown recognises the need for community consultation, to ensure that the elders and leaders within the Indigenous community are aware of how Crown supports its Indigenous employees and of the opportunities that exist for all demographics of the community. As such, Crown has consulted with the community on both the Reconciliation Action Plan and the Indigenous Employment Program.

Crown also acknowledges that as a large employer and purchaser of goods and services, it has the ability to affect Indigenous employment indirectly through its procurement practices. Crown is seeking to strengthen the use of procurement practices as a means of improving Indigenous employment via membership of Supply Nation.

Leadership support, close relationships with the Indigenous community and government agencies, a Pre-Employment Program, individual and group support and dedicated internal resources are the key factors that have made Crown's Indigenous Employment Program a success.

Crown's Indigenous employment record has also been recognised by industry and government, with Crown Perth's head of Human Resources delivering a paper on Aboriginal employment entitled 'Real Jobs' to the Western Australian Chamber of Commerce and Industry Forum in 2011 and the Western Australian HR Leaders Summit in 2012.

Crown Perth was also invited by the Minister of Training & Workforce Development to have its head of Human Resources as a committee member on the development of the 'Training Together, Working Together' Aboriginal Employment Strategy.

(C) RECONCILIATION ACTION PLAN

Crown is committed to transforming its organisation to ensure it meets the needs and aspirations of its Indigenous employees and the broader Indigenous community. As one of Australia's largest employers Crown believes it can best support reconciliation and work towards 'Closing the Gap' between and non-Indigenous inequality by creating real jobs for Indigenous Australians and supporting Indigenous businesses.

To help achieve these goals, Crown recently announced a partnership with Reconciliation Australia, and launched Crown's first Reconciliation Action Plan (RAP)⁹⁰ which was developed by a committee comprised of Indigenous and non-Indigenous employees. The RAP was developed with the support of Reconciliation Australia and in accordance with their guidelines.

⁹⁰ A copy of the Crown Reconciliation Action Plan is located in Volume 1C—Attachments to the Project Submission

The RAP provides employees with an understanding of employment programs, career pathways, professional development and contracting at Crown that will help Crown to achieve its Australian Employment Covenant pledge.

Building on the successful Indigenous employment and mentoring programs in Crown Perth and Crown Melbourne, the RAP will enable those programs to be more focused on individual support and cultural awareness,

Leah Armstrong, the Chief Executive Officer of Reconciliation Australia, recently congratulated Crown on its RAP stating:

"Crown has had an extensive Indigenous Employment Strategy in place for a number of years, and through their RAP, will also build opportunities for Aboriginal and Torres Strait Islander businesses to enter their supply chain. This is an exciting area for Crown to explore given its resorts are some of the largest tourist destinations in Australia."

Source: Leah Armstrong, CEO Reconciliation Australia, 'Crown Resorts Reconciliation Action Plan' (March 2013)⁹¹

(D) AWARDS

Crown's Indigenous employment strategy and program has been recognised as leading in this area through Crown's receipt of various awards including the '2011 Winner—Diversity Award' for Crown's Indigenous Employment Program and the '2010 Diversity@Work Awards' for the Employment and Inclusion of Indigenous Australians, which included recognition of Crown's unique and effective methods of communication with Indigenous communities regarding Crown's recruitment and training opportunities.



CROWN HAS RECEIVED MAJOR INDUSTRY, STATE AND FEDERAL GOVERNMENT AWARDS FOR INDIGENOUS EMPLOYMENT

In 2010, Crown's efforts in Indigenous employment were recognised with the National Diversity at Work Award and, more recently, Crown was named the Australian Business Award Winner for 'Community Contribution 2012' in recognition of Crown's employment and inclusion of Indigenous Australians.

⁹¹ A copy of the Crown Reconciliation Action Plan is located in Volume 1C—Attachments to the Project Submission

The Award noted some of Crown's achievements in the area:

"Crown Limited's Aboriginal Employment & Business Strategy is based around principles of sustainable employment, broadened workforce diversity, increased cultural awareness among employees, enhanced community and network relationships. Their recruitment practices are based on understanding Aboriginal traditions and preferences and include employing Aboriginal Employment Coordinators, specialist Aboriginal recruitment training for recruitment staff and managers, plus establishing a presence in Aboriginal communities.

Working with Aboriginal candidates includes job-matching and diagnostic programs with each candidate (that can last for months), to identify appropriate positions and training. Continued support for Aboriginal employees includes one-on-one training and contact with Aboriginal organisations such as the Victorian Aboriginal Health Service in Melbourne, and in Perth the Champion Centre, Aboriginal Driver Training Program.

Crown adapted their usual operations to make this program a success by operating predominantly within the Aboriginal communities and building strong ties with like-minded organisations. The success of this program has seen a marked increase in employment of Aboriginal people throughout the business, promotion and support of Aboriginal culture and a wider feeling of welcome for Aboriginal customers and suppliers.

Crown currently provides one of the most developed and successful Indigenous training and employment programs in the country and is working closely with Reconciliation Australia (RA) and our work force to develop and implement a Reconciliation Action Plan (RAP) in early 2013. A RAP will formalise and outline Crown's strategy, actions and commitment to create meaningful relationships and sustainable opportunities for Aboriginal and Torres Strait Islander Australians."

Source: Australian Business Awards, Crown Limited

6.8 PARTNERSHIP WITH UNITED VOICE

United Voice (NSW branch) trade union has agreed to become a Project Partner in the Crown Sydney Hotel Resort project and has signed a Memorandum of Understanding with Crown.⁹² As a Project Partner, Crown will consult and work with United Voice to deliver the project and to develop workforce planning and training.

This Memorandum of Understanding sets a new standard for employee-employer relations in the hospitality industry and provides for much greater co-operation and consultation than a standard enterprise agreement.

As a Project Partner, Crown will closely work with United Voice from day one to plan and deliver the Crown Sydney facility and to help develop long term workforce planning and training.

From its experience in running luxury resorts, Crown understands that in order to deliver six-star service, a happy and harmonious workforce is needed.

⁹² A copy of the Memorandum of Understanding with United Voice is located behind Tab 3 of Volume 1B—Attachments to the Project Submission

A positive relationship with Crown's employees and unions has been critical to Crown's success over the years and a crucial part of the company's corporate strategy.

Having regard to the 24 hour, 7 day a week operation of the Crown Sydney Hotel Resort business and the fluctuations in demand for labour which can occur, it is absolutely necessary to have flexible working relations and a co-operative relationship with employee representatives. This is noted in the Memorandum of Understanding by United Voice and will be of the highest priority for the parties.

The Memorandum of Understanding with United Voice will play a major role in ensuring employees at Crown Sydney have their workplace rights respected and protected while at the same time giving Crown the stability and commercial certainty needed to make the Crown Sydney project a success.

As part of the Memorandum of Understanding, Crown has undertaken to enter into an enterprise agreement with United Voice to establish the wages and conditions for the Crown Sydney workforce. The EA will cover the frontline (excluding management) hospitality and gaming employees and any other employees agreed between United Voice and Crown.

United Voice will also use its industrial and in house training experience to partner Crown and the NCIE on Indigenous employment programs. United Voice has agreed to assist in the training of Indigenous staff for the Crown Sydney Hotel Resort at the NCIE's Redfern and proposed Penrith facilities.

United Voice will further work in conjunction with Crown to help build the training capacity and development of staff at the NCIE.

Mark Boyd, the New South Wales Branch Secretary of United Voice, stated:

"We're very happy to be project partners for the proposed Crown Sydney Resort. This project will help attract tourists to Sydney and meet the urgent need for more hotel beds. Most importantly, Crown Sydney will provide long-term jobs and career paths for workers. It's a win for workers and a win for Sydney."

Source: Statement by Mark Boyd, United Voice NSW Branch Secretary (26 September 2012)

On the signing of the Memorandum of Understanding with United Voice, James Packer, Chairman of Crown, stated:

"The Crown and United Voice partnership demonstrates how business and the labour movement can work together to create world-class infrastructure projects and thousands of jobs for Sydney families."

Source: Statement by James Packer, Chairman Crown (26 September 2012)

6.9 PARTNERSHIP WITH PENRITH PANTHERS GROUP

Crown has signed a Memorandum of Understanding with the Penrith Panthers Group to establish Crown's primary training college at the Penrith Panthers Group's proposed Community Centre in Penrith.

The Crown Sydney training college in Penrith will allow Crown to provide long-term jobs and employment pathways to job seekers and students in the Western Suburbs and the Blue Mountains.

The college will work with local TAFEs and schools to provide an extensive apprenticeship and schools-based traineeship program (non-gaming) from year 10. School based traineeships and vocational training will provide on the job work experience and help fast track certifications in an industry with an acknowledged skill shortage. School based training will also provide incentives for students to stay on at school and complete their education.

When the partnership between Crown and the Penrith Panthers Group was announced, Warren Wilson the Chief Executive Officer of Penrith Panthers Group stated the following:

"Panthers look forward to working with Crown to deliver a state-of-the-art Crown Training College facility at Panthers Penrith. The opportunity compliments both Panthers core Club business as well as our development vision to create the Panthers Entertainment, Leisure, Lifestyle & Sporting Precinct. Benefits of this facility are immense for Penrith and Western Sydney, local jobs (both direct & in-direct), a boost to the local economy, training opportunities for both Crown and Panthers staff, school-based traineeships and apprenticeships, an opportunity for the Panthers rugby league players to gain a career outside of football, and all leading to premium job opportunities and the growth of the hospitality industry in Western Sydney."

Source: Statement by Warren Wilson, Chief Executive Office, Penrith Panthers Group (8 February 2013)

Phil Gould, the Panthers General Manager said:

"In an initiative which will see training and education for the youth of Sydney's West, it's a marvellous outcome and to have it on our precinct at Panthers, we're very proud of that."

Source: Nine News Sydney (8 February 2013)

David Bradbury, the Commonwealth Assistant Treasurer and Federal MP for Lindsay said:

"To have the opportunity to invest in training of young people for the future that are going to be the key part of this industry, it's a great privilege to see that happen and to see that happen in our local community."

Source: Nine News Sydney (8 February 2013)

The Chairman of Crown, James Packer, also outlined some of the benefits of the partnership stating:

"Crown Sydney, if it is approved, will generate 1,250 jobs. This announcement today gets those jobs to where they are needed most. Sydney's west. Panthers are an outstanding community club and they have a strong plan for the future. This is a partnership that will mean real training and real jobs. It's not about certificates that go nowhere – it's about getting people into long-term and secure jobs."

Source: Penrith Press (8 February 2013)

John Hart the Chief Executive Office of Restaurant and Catering Australia also endorsed Crown's partnership with Penrith Panthers Group stating:

"In my role as Chairman of Service Skills Australia and as a Board member of the National Centre for Vocational Education Research, I am acutely aware of the skills shortage faced by this industry. Further, specifically in relation to the greater Sydney labour market, Restaurant & Catering is involved in a 'hot spot' project investigating the tourism and hospitality labour market in this region.

There is no doubt that the Crown proposal 'ticks all the boxes'. Situating the facility in Western Sydney strengthens the link between the 'job rich' areas of central Sydney with the job seeker intensive areas in the West. The further enhancement of this linkage through the establishment of career pathways from Penrith Panthers in to Crown strengthens employment in both regions with very positive potential outcomes.

Restaurant & Catering has had considerable exposure to the Crown College in Victoria and last year, the second time, announced Crown as the winner of the Association's Award for training excellence. The commitment Crown shows to its human capital is outstanding. This commitment, coupled with what is an amazing proposal will make the Panthers partnership the most progressive skills initiative in the industry this decade.

Congratulations of the well thought out, superbly targeted initiative for the Crown workforce in Sydney. This will ensure that the proposed Crown Sydney will make a positive contribution to the regions tourism and hospitality workforce. It is this sort of foresight for which we now respect Crown and its senior executive team."

Source: Letter from John Hart, Chief Executive Officer, Restaurant & Catering Australia (11 February 2013)

It is also intended that Crown and the Penrith Panthers Group will partner with the NCIE in providing training and work experience in hospitality jobs (non-gaming) as well as cultural programs for Indigenous students and job seekers. Both parties recognise that Western Sydney has one of the highest Indigenous populations in the country and that programs are required to improve opportunities for that community.

As part of the partnership arrangement, Crown trainees, apprentices and training staff will have full access to the recreational facilities at the Penrith Panthers Group's complex while participating in training at the college.

Indigenous students will greatly benefit from individual employment pathways from school to work. Partnerships will be established by Crown and the Penrith Panthers Group in conjunction with the NCIE, local high schools and TAFEs. All organisations have recognised the importance of role models and mentors for these students and the importance of local Indigenous community support and involvement.

While training for Crown Sydney Hotel Resort would not commence until the Crown Sydney Hotel Resort was closer to opening, all parties will investigate the possibility of the schools-based programs beginning sooner in 2016.

Crown will provide executive and non-executive staff to provide mentoring and career development programs for the Penrith Panthers Group and the NCIE staff at times that are mutually agreeable. The parties will also establish a program for staff from both organisations to be seconded into each other's facilities to help develop the skills, business and cultural expertise of both organisations.

Please refer to section 3.3 for more information on Penrith Panthers Group.

6.10 CROWN IS A WORLD LEADER IN RESPONSIBLE GAMING

(A) CROWN SYDNEY

The VIP gaming facilities at Crown Sydney will significantly reduce the potential for problem gambling issues to arise given:

- There will be no poker machines;
- There will be no low limit tables; and
- The VIP gaming facilities will be for members only – no general public.

If these three criteria were applied to Crown Melbourne, only 5% of Crown Melbourne's local gaming customers would be playing in such a restricted gaming facility.

The focus of the Productivity Commission's report on the Australian Gambling Industry, including its analysis, findings and recommendations, was overwhelmingly concentrated on poker machines.⁹³ Similarly, measures to reduce problem gambling initiated by State and Federal governments have been overwhelmingly concentrated on poker machines (eg. poker machine pre-commitment legislation).

Crown will provide a unique set of responsible gaming programs and services to its Crown Sydney customers and will commit to a standard of care no less than that provided at Crown Melbourne.

Crown has signed a Memorandum of Understanding with Mission Australia to cover the provision of responsible gaming support services for the Crown Sydney Hotel Resort. The MOU details a number of responsible gaming support services which will be delivered by Crown and Mission Australia at the Crown Sydney Hotel Resort.

Crown will introduce a voluntary self-exclusion program to Crown Sydney, similar to that at Crown Melbourne.

In addition, where family/friends of a customer raise concerns with Crown in relation to a customer's gaming behaviour at Crown Sydney, Crown will seek permission to approach and discuss the concerns of the family/friends in order to directly assist and provide the appropriate services (eg. self-exclusion; information and counselling). If such permission is not provided, Crown's trained responsible gaming staff will consider the information provided and (whilst respecting the rights and privacy of both the customer and their family/friends) will endeavour to engage with the customer to assist with any appropriate responsible gaming services that may be required.

⁹³ Productivity Commission 2010, 'Gambling, Report no. 50' (February 2010)

(B) PARTNERSHIP WITH MISSION AUSTRALIA

As a provider of world-class integrated resorts offering gaming and entertainment facilities, Crown is committed to providing gaming services to customers in a responsible manner.

Crown's entertainment and gaming experiences are enjoyed by the vast majority of its customers, however, Crown recognises that some customers have difficulties with gambling responsibly. In recognition of this potential, Crown has been committed to the responsible service of gaming since its inception and has led the way in responsible service of gaming initiatives. Crown's initiatives, which are detailed in section 6.10(c) place it at the forefront in Australia, and arguably the world, in relation to responsible service of gaming.

Crown has recently signed a Memorandum of Understanding with Mission Australia⁹⁴ to cover the provision of responsible gaming support services for the Crown Sydney Hotel Resort.

The Memorandum of Understanding details a number of responsible gaming support services, which will be delivered by Crown and Mission Australia at the Crown Sydney Hotel Resort including:

- Responsible gaming training and education for Crown employees;
- Provision of a 24/7, multi-lingual responsible gaming counselling service;
- Conduct of a self-exclusion program;
- The creation of dedicated responsible gaming roles at the Crown Sydney Hotel Resort for staff trained and experienced in Crown's responsible gaming programs and services and having experience in VIP gaming facilities, who will ensure 24/7 coverage of the entirety of the VIP gaming facilities at the Crown Sydney Hotel Resort;
- Access to a variety of responsible gaming and related information available in selected languages aligned to those of the customers of the Crown Sydney Hotel Resort;
- A Responsible Gambling Code of Conduct to which Crown and its staff at the Crown Sydney Hotel Resort would commit and adhere; and
- The conduct of an employee assistance program.

(C) CROWN'S RESPONSIBLE SERVICE OF GAMING CREDENTIALS

Crown allocates significant resources to raising awareness of responsible gaming, and to helping customers to successfully manage and enjoy their gaming at Crown.

In Crown Melbourne's last review of its casino licence, the then State gaming regulator, the Victorian Commission for Gambling Regulation (VCGR) recognised Crown's leadership in this area, stating:

"Crown Melbourne's responsible gambling program is among the best in the world."

Source: Victorian Commission for Gambling Regulation, 'Fourth Review of the Casino Operator and Licence' (June 2008)

⁹⁴ A copy of the Memorandum of Understanding with Mission Australia is located behind Tab 5 of Volume 1B—Attachments to the Project Submission

In addition, in a recent interview with The Age, the Lord Mayor of Melbourne, Councillor Doyle stated, amongst other things, that “the casino did an ‘incredible job’ trying to curb problem gambling....”⁹⁵

Crown’s ongoing dedication is illustrated by the significant resources committed to promoting responsible gaming and providing assistance to customers who may be experiencing difficulty with their gaming behaviours at both Crown Melbourne and Crown Perth.

Several of Crown’s responsible gaming initiatives and programs have been in place since the Melbourne casino’s opening in 1994 and many of these initiatives are now in effect at Crown Perth.

Crown has been committed to the responsible service of gaming since inception. Crown has led the way in responsible service of gaming initiatives, including Crown’s voluntary pre-commitment program (in place at Crown Melbourne since 2003 and Crown Perth since 2010) and its unique array of available services offered 24 hours a day, 7 days a week by dedicated and specially trained staff of Responsible Gaming Advisors and Senior Advisors at Crown Perth’s Responsible Gaming Information Centre and Responsible Gaming Liaison Officers, Responsible Gaming Psychologists and non-denominational Chaplaincy support at Crown Melbourne’s Responsible Gaming Support Centre.

The establishment of a Crown Board Committee dedicated to overseeing the responsible service of gaming at both Crown Melbourne and Crown Perth, the continued development and delivery of extensive responsible gaming training programs for staff, the implementation of the Responsible Gambling Codes of Conduct at both Crown Melbourne and Crown Perth and the ongoing enhancement of robust internal procedures for Crown’s self-exclusion arrangements at both properties all demonstrate Crown’s continued and ongoing commitment to its customers and employees and its continued dedication to the responsible service of gaming.

At both Crown Perth and Crown Melbourne, the Responsible Gaming Departments’ key focus across each organisation is the delivery of Crown’s responsible service of gaming initiatives, which include the operation of a Responsible Gaming Support Centre and all its services, provision of information and the development and implementation of responsible service of gaming programs and training.

(I) RESPONSIBLE GAMING SUPPORT CENTRES

In March 2002, Crown Melbourne introduced a world first in responsible gaming initiatives by establishing a Responsible Gaming Support Centre at Crown Melbourne.

The Responsible Gaming Support Centre which operates 24 hours a day, 7 days a week, is a facility which includes a dedicated team of staff, managers and professionals who are specifically trained to implement Crown’s responsible service of gaming initiatives and providing a focal point for interacting with customers and other people who may need support. This initiative of a dedicated centre was replicated at the Crown Perth resort in 2009.

Crown’s Responsible Gaming Support Centres in Melbourne and in Perth are unique in the volume and breadth of the responsible service of gaming initiatives launched and the services offered including:

- In Melbourne, psychologists with experience in problem gambling can assist customers and third parties who may require support as a result of a person who may be experiencing difficulties. These trained professionals will refer them to the relevant government and other support services;

95 The Age (28 August 2012)

- In Perth, qualified professionals in human services, psychology, mental health, and/or addiction studies act as Responsible Gambling Senior Advisors. These staff members can offer support, assistance and referral for customers and third parties who may be experiencing difficulties. There are also direct referral options to Gambling Help WA;
- Providing strategies to assist customers in managing their gambling behaviours to foster responsible gaming and prevent difficulties from arising;
- Offering professional support, assistance and referral, which is available 24 hours a day, 7 days a week;
- Facilitating referrals to government funded problem gambling and financial counselling support services and welfare organisations and provide contact with and information about these services;
- Ensuring assistance and referral services are conducted on a strictly confidential basis;
- Providing information regarding self-exclusion for customers who wish to exclude themselves from the casino and managing Crown's Self-Exclusion Programs;
- Providing the ability to access and provide information in selected community languages;
- In Melbourne, providing a non-denominational Chaplaincy Support Service for customers and staff; and
- Providing all services 24 hours a day, 7 days a week, free of charge.

The Responsible Gaming Support Centres at both Crown Perth and Crown Melbourne are located away from the gaming floor in a position that is close to the casino for ease of access yet at a distance and with a discrete façade that ensures privacy. Each Responsible Gaming Support Centre comprises a reception area, private counselling rooms and an office area. The Responsible Gaming Support Centre stocks a wide range of information materials and contact details for problem gambling and other support service providers, many of which are available in languages other than English.

(II) RESPONSIBLE GAMING LIAISON OFFICERS AND RESPONSIBLE GAMBLING ADVISORS

The Responsible Gaming Support Centres are staffed by Responsible Gaming Liaison Officers (Crown Melbourne) and Responsible Gambling Advisors; and Senior Advisors (Crown Perth).

These staff interact with customers on the gaming floor and are specially trained in all aspects of Crown's responsible gaming programs and services. They are available 24 hours a day, 7 days a week to provide immediate assistance.

The Responsible Gaming Liaison Officers and Responsible Gambling Advisors are professionally supported by each other through regular debriefs and ongoing and continuous learning and improvement procedures in place at both Crown Melbourne and Crown Perth. At Crown Melbourne, Responsible Gaming Psychologists and an on-site Chaplain are also able to support and assist staff and those customers who may be experiencing difficulties.

(III) RESPONSIBLE GAMING SUPPORT CENTRE PRESENTATIONS

Crown Melbourne facilitates and conducts Professional Development sessions at the Responsible Gaming Support Centre for counsellors, social workers and others working with the problem gaming support services. Over the last few years, presentations at Crown Melbourne's Responsible Gaming Support Centre have included Gambler's Help, Turning Point, Melbourne and Monash Universities' Problem Gambling Research and Treatment Centre (PGRTC), Victorian Aboriginal Health Service and University Welfare office representatives.

In Melbourne, the Office of Gaming and Racing, the Department of Justice, the Responsible Gaming Advocacy Centre, the new Victorian Responsible Gaming Foundation (VRGF) and the VCGLR have all had representatives visit the Responsible Gaming Support Centre and participate in presentations and discussions.

Similar stakeholder engagement sessions and presentations occur at Crown Perth, including regular liaison with Gambling Help WA and offsite training with government and non-profit welfare organisations.

(IV) BOARD RESPONSIBLE GAMING COMMITTEE

In August 2010, the Crown Board established a committee dedicated to overseeing the responsible service of gaming at both Crown Melbourne and Crown Perth. The Committee is chaired by Crown Independent Director, Professor John Horvath.

Professor Horvath was the Australian Government Chief Medical Officer from 2003 to 2009. He is currently continuing to advise the Commonwealth Department of Health & Ageing and the School of Medicine, University of Sydney, and holds the position of Honorary Professor of Medicine.

The Crown Responsible Gaming Committee meets regularly to:

- Review and monitor Crown's responsible gaming programs and the effectiveness of those programs;
- Recommend policies and procedures to enhance the effectiveness of those programs; and
- Promote awareness of responsible gaming issues.

Customer feedback (including complaints) is a reportable item for the Responsible Gaming Committee.

(V) CROWN'S VOLUNTARY PRE-COMMITMENT PROGRAM

Crown led the industry with its voluntary pre-commitment (time and loss limit) program that was introduced at Crown Melbourne in June 2003 and Crown Perth in August 2010. The program, called 'Play Safe', allows members to voluntarily set, in advance of play, individual time and spend limits relating to their gaming machine and fully automated table game (FATG) activity.

Crown's voluntary pre-commitment program is conducted through each resort's loyalty program whereby members who play gaming machines (and, where relevant, FATGs) can set the following limits:

- A daily limit on time spent playing gaming machines and/or FATGs; and/or
- A daily limit on spend when playing gaming machines and/or FATGs; and/or
- An annual limit on spend when playing gaming machines and/or FATGs (this can only be set if a daily spend limit has been set).

Customers make their own decision based on their own circumstances when setting limits. Crown does not advise customers on the quantum of their personal time and spend limits.

When a limit set by a customer is reached, an audible warning sounds and a message appears on the point display of the gaming machine and/or FATG, indicating that a limit has been reached. Once this occurs for daily limits, loyalty reward points can no longer be accrued until 6am the following day.

A customer can request a change to or removal of any or all limits at any time. To change or remove any limits, the member must visit at any of the relevant property's loyalty club information desks or their

Responsible Gaming Support Centre. Decreases in any limit/s will take effect immediately. Increases to any limit/s will not apply until 24 hours after the member has made the change/s. If any limit is increased, the member is required to confirm this increase at any loyalty club information desk or an automated voucher issuance kiosk (VIK). Failure to confirm the increase within the member's next three visits to the relevant property will result in the previous lower limit being reinstated.

The availability of Crown's voluntary pre-commitment program is advertised in the regular loyalty club newsletter publications and in each property's Play Safe Limit brochures, which are on display at their respective loyalty club information desks, Responsible Gaming Support Centre and at entry points to the gaming floor.

(VI) PLAYER ACTIVITY STATEMENTS

Player Activity Statements provide Crown loyalty club members who play gaming machines and, where relevant, FATGs using their membership card with a summary of their activity.

A Player Activity Statement can be viewed on a VIK or can be collected from any of the property's loyalty club information desks. At Crown Melbourne a member can elect to have it mailed to them.

(VII) STAFF TRAINING AND EDUCATION AT ALL LEVELS

Staff training and education is the cornerstone of Crown's responsible gaming program⁹⁶ at both Crown Melbourne and Crown Perth.

Staff undergo training that begins at induction and continues throughout their career. Crown's extensive responsible service of gaming training programs include:

- Induction training. All new staff are instructed on Crown's responsible service of gaming practices, available support programs including the Responsible Gaming Support Centre, its role and services, self-care and, at Crown Melbourne, they are provided with a copy of the Crown Melbourne Responsible Gambling Code of Conduct and at Crown Perth their Responsible Gambling Code of Practice;
- A comprehensive online responsible service of gaming training program for all relevant staff. This was developed by Crown Melbourne in 2004 (prior to the introduction of legislation requiring responsible service of gaming training for staff working with gaming machines) and developed by Crown Perth in 2008. This training has been further developed and updated and more recently is completed by all relevant Crown employees;
- A Senior Manager training program. This aims to assist Managers to support staff in understanding what their responsibilities are in relation to the responsible service of gaming. This includes training in relation to the Responsible Gambling Code, the Responsible Gaming Support Centre and its services and 'observable signs' which may indicate difficulties associated with gambling behaviours. This training has been rolled out to relevant Gaming, Security Services, Cage, VIP and VIP Sales and Marketing staff;
- An online training course in Casino Awareness is undertaken by all staff. This relates to specific casino, gaming (including responsible gaming) and other related topics; and
- Refresher responsible service of gaming training every two years for relevant employees at Crown Melbourne and every year at Crown Perth.

⁹⁶ Crown Melbourne's responsible service of gaming training is approved by the Victorian Commission for Gambling and Liquor Regulation, relevant employees complete refresher training every two years.

(VIII) CHAPLAINCY SUPPORT SERVICE AT CROWN MELBOURNE

In recognition that from time to time, some people may feel they need, or would benefit from, some form of spiritual support, a Chaplaincy Support Service was established at Crown Melbourne in 2007 and remains available for the convenience of staff and customers.

This service is an Australian casino first, and no other casino offers this service at this point. The Chaplaincy Support Service is available free of charge through the Responsible Gaming Support Centre.

The Chaplaincy Support Service engages in fresh and distinctive ways of positively influencing the health and well-being of all people, utilising new models for participation in spiritual life that work in conjunction with established responsible service of gaming initiatives. This is an evolving process, which seeks to be faithful to the tradition of community service found in all religious teachings.

All inter-faith enquiries are welcome. The Chaplaincy Support Service is available by appointment and has recently been extended to be available 25 hours per week. A free call telephone service is available 24 hours a day, seven days a week.

(IX) SELF-EXCLUSION PROGRAM

Self-exclusion is a legally binding process, allowing a customer to ban themselves from entering or remaining on the gaming floor at either Crown Melbourne or Crown Perth.

Responsible Gaming staff are responsible for facilitating the Crown Self-Exclusion Program. Crown has established robust internal procedures that are followed in progressing self-exclusion arrangements for customers who believe they may have a problem with their gambling behaviours. This service is available to all customers 24 hours a day, seven days a week.

Where a customer indicates that English is not their preferred language, Crown uses the services of its multi-lingual staff to assist in the translation or alternatively uses copies of the Self-Exclusion Agreements that have been translated.

On a customer's successful application to self-exclude, Responsible Gaming staff will provide the customer with a Self-Exclusion Kit, which contains information tailored to the individual presenting for assistance or referral.

Whilst the onus is on the self-excluded person to stay away from the casino in accordance with their Self-Exclusion Order, Crown and its staff will offer assistance by way of detection where possible and assistance in the event of a breach.

When a person is detected breaching their Self-Exclusion Order, a Responsible Gaming staff member will attend to offer assistance and support. The staff member will discuss with the person the reasons for breaching their Self-Exclusion Order, the assistance available through the Responsible Gaming Support Centre and other external support services.

Where necessary, Crown interpreters are sourced to assist in translations for both Crown staff and Government Inspectors.

Where a customer who has been the subject of a Self-Exclusion Order seeks to revoke that Order, Crown has a rigorous process in place to consider an application for revocation.

All applications for revocation are dealt with on an individual basis and are considered by Crown's Self-Exclusion Revocation Committee at both Crown Perth and Crown Melbourne.

(X) ENGAGEMENT WITH GOVERNMENT, COMMUNITY AND ACADEMIA

Senior managers from Crown have participated as members of the Victorian Government's Responsible Gambling Ministerial Advisory Council (RGMAC) over the last few years.

Crown representatives participated in many of RGMAC's Working Groups and Steering Committees. These included:

- RGMAC Self-Exclusion & Pathways to Recovery Working Group;
- RGMAC Gambler's Help Self-Exclusion Program Reference Group;
- RGMAC Responsible Gambling Awareness Week Steering Committee;
- RGMAC Venue Staff Training Working Group;
- RGMAC Code of Conduct Working Group;
- RGMAC Self-Exclusion Working Group; and
- RGMAC ATM Evaluation Reference Group.

Crown Melbourne has participated in all Responsible Gambling Awareness Weeks (RGAW) since inception in 2006 and for the past three years has hosted an event in support of RGAW activities. Crown Perth has also been an active participant in RGAW since 2007 and has hosted various functions including RGAW Official Launch and RGAW WA Forum.

Crown has established strong links with the PGRTC. Crown Melbourne's General Manager Responsible Gaming is a member of the PGRTC Advisory Committee and was a member of the PGRTC '*Guideline for Screening, Assessment and Treatment in Problem Gambling*' (2011) Guideline Development Expert Advisory Panel.

Crown engages extensively with Gambler's Help. This includes direct liaison between Gambler's Help Counsellors and Responsible Gaming Support Centre staff. The Responsible Gaming Support Centre hosts numerous professional development, Code/Practice information and collaborative sessions with Gambler's Help staff. This has occurred in Melbourne both at the Responsible Gaming Support Centre and at respective Gambler's Help offices. Since the establishment of Venue Support Workers (VSW), Crown Melbourne has actively engaged with this sector. Although Crown is not assigned a VSW by the government, information sessions have been provided to ensure a thorough exchange of information and cognisance of Crown's responsible service of gaming programs to work towards good client outcomes.

Since the establishment of the Responsible Gambling Advocacy Centre (RGAC) in Victoria in 2010 and the subsequent formation of the VRGF, Crown has participated in many discussion sessions and was actively involved in the International Students Roundtable. Crown has provided information sessions and held meetings with RGAC, and VRGF staff on a number of occasions.

Crown Melbourne and Crown Perth are members of the National Association for Gambling Studies (NAGS), an organisation that aims to promote discussion and research into all areas of gambling activity. Crown representatives have attended all annual NAGS Conferences, including co-presenting a session with the Department of Justice in 2009. The 2011 Annual International Conference was held at the Crown Melbourne Conference Centre. Crown Melbourne co-sponsored this event and the General Manager Responsible Gaming was a member of the organising committee.

Crown Perth engages extensively with Gambling Help WA (GHWa), the only current provider of counselling services specific for individuals experiencing difficulties relating to gambling in Western Australia. Crown Perth and GHWa regularly meet at the Responsible Gaming Support Centre and respective GHWa offices for collaborative information sessions and activities.

The Auckland University of Technology conducts annual think tank meetings, both in New Zealand and in Australia. Crown has actively participated at a number of these invitation only events.

The Responsible Gaming Network Far North Queensland (RGNFNQ) is a network comprised of Gaming Industry, Problem Gambling Service providers and the Office of Liquor and Gaming Regulation (Queensland) that meets quarterly to discuss new and ongoing initiatives and service issues. Each quarter they endeavour to have a guest speaker. In 2012, RGNFNQ invited the Crown Melbourne Responsible Gaming Operations Manager to provide a presentation on Crown Melbourne's Responsible Gaming Support Centre and responsible service of gaming programs and to participate in discussions.

As part of Crown's ongoing commitment to ensuring that its responsible service of gaming program retains its status as being amongst the best in the world, Crown continues to review its responsible service of gaming programs and practices.

Crown's view is that the predominant research supports the identifying and assisting players that display 'observable signs' is the most reliable and effective way of assisting those players that may experience problems with their gambling behaviours. This is moreover the case at Crown where staff are trained and know how to respond. This is further supported by responsible service of gaming training and services provided at Crown Melbourne and Crown Perth.

(XI) RESPONSIBLE SERVICE OF GAMING—CUSTOMER INFORMATION

Crown's Australian resorts make available a comprehensive range of responsible gaming information to customers and extensively advertise responsible gaming programs, services and information availability to their customers, including in languages other than English.

Crown's responsible gaming messages at Crown Melbourne 'Stay in Control' and Crown Perth 'Bet with your head not over it' and each of their Responsible Gaming Support Centres and Gambler's Help contact numbers are displayed throughout each resort and in places such as:

- On gaming machines;
- At table games (including FATGs);
- At ATMs;
- On relevant advertising material;
- In customer bathrooms;
- On the back of Crown loyalty club membership cards;

- In Crown loyalty club newsletters;
- At loyalty club information desks;
- At cashier desks;
- At gaming floor entrances;
- At public telephones and motion trans; and
- In Melbourne, at Ticket Redemption Terminals and printed on the reverse of tickets.

An internal television commercial has been developed that advertises Crown Melbourne's and Crown Perth's responsible service of gaming programs and how to seek further assistance through the Responsible Gaming Support Centre.

The Responsible Gaming Departments at Crown Melbourne and Crown Perth recently introduced the 'Responsible Gaming' channel in all Crown hotels, which plays the responsible gaming television commercial. This is in addition to information pertaining to the Responsible Gaming Support Centre in all Crown hotels' in-room guest information compendiums.

Crown has launched a 'Responsible Gaming' button on VIKs, making available to print for any customer (loyalty members and non-loyalty members alike), information about the Responsible Gaming Support Centre, pre-commitment and the Responsible Gambling Code.

There is a variety of information and brochures available at each of Crown Perth's and Crown Melbourne's Responsible Gaming Support Centres and their respective loyalty club information desks and at gaming floor entrances. Examples include:

- The Victorian Government brochures 'Pokies: Know the Facts';
- 'Player Information Display' brochures;
- Crown's Responsible Gambling Codes;
- Crown's voluntary pre-commitment program 'Play Safe Limits' brochures;
- 'Responsible Gaming Support Centre' brochure;
- 'Self-Exclusion' brochure;
- 'Third Party Exclusion' brochure at Crown Perth; and
- 'Chaplaincy Support Service' brochure at Crown Melbourne.

The Responsible Gaming Support Centres also have a comprehensive suite of Gambler's Help and other service brochures. Many of these brochures are available in languages other than English.

Crown uses its extensive network of electronic screens at machine bank ends to communicate responsible service of gaming information and messages. This includes listings of services, information about Crown's responsible service of gaming programs and at Crown Melbourne, a reminder 'Have you had a break?'. The break reminder is also shown on gaming machine points display screens.

The responsible service of gaming web page on Crown's websites provide responsible service of gaming program and other useful information. All Crown's responsible service of gaming brochures are able to be downloaded. Crown Melbourne's Responsible Gambling Code of Conduct is also available via the website including in community languages: Chinese (traditional and simplified), Vietnamese, Arabic, Greek, Italian, Cambodian and Hindi.

Responsible service of gaming information is further available in gaming floor bathrooms.

(XII) RESPONSIBLE GAMBLING CODE OF CONDUCT/PRACTICE

From 2009 at Crown Melbourne and 2006 at Crown Perth, Crown's Responsible Gambling Codes of Conduct/Practice have been available either on the gaming floor via hard copy or on gaming information terminals or via Crown's website.

The documents are regularly reviewed by the relevant regulators and specific to each property.

The Responsible Gambling Codes represent Crown's commitment to its customers and employees concerning responsible service of gaming.

Since the implementation of each Responsible Gambling Code, no formal complaints have been received by Crown and no request to respond to any complaints has been received by Crown from the relevant regulators.

(XIII) INTERNATIONAL INTEREST IN CROWN'S RESPONSIBLE GAMING PROGRAMS

Since inception, Crown's Responsible Gaming Support Centres and Crown's long established responsible gaming programs have drawn interest from local, national and international parties including government and regulators. This is evidenced by the many visitors to, and presentations conducted about, the Responsible Gaming Support Centres.

More recently, international authorities keen to learn about Crown's responsible gaming programs include officials from:

- Singapore Casino Regulatory Authority;
- Korean National Gaming Control Commission; and
- The Governments of Malaysia, Singapore and Japan.

The Responsible Gaming Support Centres have also hosted a number of local, national and international industry and peak body representatives.

6.11 PROVIDING EMPLOYMENT OPPORTUNITIES FOR PEOPLE WITH DISABILITIES

Crown's Melbourne and Perth resorts invest significantly in the employment and training of people with disabilities and the Crown Sydney Hotel Resort will be similarly committed to including people with disabilities across its workforce.

Crown places a strong focus on sustainable employment and candidates with a disability are aligned to appropriate positions based on their individual choice, skills, talents, experience and abilities.

Employment opportunities exist for people with a disability in roles across Crown's businesses in Melbourne and Perth.

To access this talent resource, for the past three years Crown Melbourne has partnered with WISE Employment Services (WISE)(a not-for-profit organisation which has 20 years' experience working with the most disadvantaged in the community including people with disability, mental illness, youth, ex-offenders, refugees and Indigenous communities; specialising in breaking down barriers and assisting them into the workforce) with implementation of the following:

- Crown Melbourne and WISE first entered into a Memorandum of Understanding in mid-2009. Crown Melbourne's Disability Employment Program (DEP) was updated to reflect the implementation of disability awareness training, work place access audits and a review of recruitment strategies;
- In 2011, Crown Melbourne and WISE entered into a second Memorandum of Understanding, introducing KPI measurements for WISE, which focused on quality preparation of candidates, improved job matching and workplace information sessions and tours. KPIs also measure WISE's performance in relationship building and support of Department Managers and Human Resources teams; and
- To support the initiatives above, in May 2011, Crown Melbourne agreed to have the Disability Employment Strategy Coordinator from WISE based in the Crown Recruitment Services Department on a part-time basis (three days a week).

Actions and outcomes of the partnership are:

- The DEP, which has been developed with WISE, includes increasing awareness in each business area in support for managers who recruit WISE candidates. It also supports WISE as an organisation in developing and increasing its knowledge of job requirements, deliverables and work environments. The DEP has created a greater level of confidence for all involved in the sustainable employment of people with a disability;
- To date, Crown Melbourne has employed people with disabilities such as depression, anxiety, cerebral palsy, Asperger's Syndrome, kidney disease, debilitating migraines and hearing impairment. These employees have been placed across a variety of business areas including Security Services, Crown Services, Systems Support Administration, Food and Beverage, Table Games and Gaming Machines. Since 2009, the DEP has assisted more than 45 people to gain employment, and has achieved a very high retention rate of 95%. The DEP was a finalist in the 2011 Diversity@ Work awards in the category of Disability Employment;
- WISE provides on-site support to both newly appointed employees with a disclosed disability and candidates who disclose a disability even if not recruited via WISE. Support is also provided for existing employees who disclose a disability or need support as a result of their disability. In addition, managers, supervisors and co-workers of such employees are provided with support and coaching as required;
- It should be noted that the Memorandum of Understanding with WISE does not exclude any other agency for disability employment working with Crown Melbourne to obtain employment for their candidates;
- Some post placement support strategies include on-site progress meetings with employees, training managers and supervisors. Action plans are used to identify and minimise triggers and incidents of un-wellness. This results in agreed actions and return to work strategies, should an incident occur; and
- Reports are generated monthly, which has assisted Crown in analysing the success and retention rates of all candidates. This assists in further improvements of joint processes. Due to the commitment of the candidate and their focus on achieving and maintaining sustainable employment, the program has enjoyed a 90% retention rate in the period since May 2011.

Crown Melbourne remains committed to increasing and promoting the diversity of its workforce. In the area of disability employment, Crown Melbourne's partnership with WISE has greatly enhanced and supported this commitment. With the continued support and partnering of WISE, Crown Melbourne aims to increase the already strong contribution to the program from each business unit, by increasing knowledge, awareness and confidence in the area of disability employment.

In 2012, Crown Perth implemented a Disability Employment Program, *CROWNability*; a program that matches the skills of applicants to the inherent requirements of the position for which they are applying. Amongst several noteworthy achievements was the signing of a Memorandum of Understanding with the National Disability Recruitment Coordinator service and the profiling of the *CROWNability* program by CCIWA in its September issue of 'Business Pulse'.

The National Disability Recruitment Coordinator promotes Crown Perth job vacancies to Disability Employment Services providers, which has been of considerable benefit to Crown Perth. Having now established the program, Crown Perth is looking forward to further success as it develops.

Crown is continually working towards an inclusive environment where new and existing employees are encouraged and supported to manage and disclose (where necessary) their disability, while focussing on promoting and developing their abilities.

The greatest impact that sustainable employment for people with a disability has is not on the Crown community, but on the family and wider support community of the individual.

6.12 PROVEN TRACK RECORD OF WORKING WITH LOCAL COMMUNITIES

(I) SUPPORT FOR NEW SOUTH WALES CHARITIES AND COMMUNITY ORGANISATIONS

As referred to below, just as Crown Melbourne and Crown Perth support local charities and community events with financial support and sponsorships, particularly in the nature of subsidised functions in the Crown Melbourne and Crown Perth meeting and function rooms, it is envisaged that the Crown Sydney Hotel Resort will support a similar array of New South Wales and Sydney based community events and charities by providing financial support and sponsorships. The Crown Sydney Hotel Resort will include a number of function rooms and meeting spaces, which can be offered on a subsidised basis. In addition, the Crown Sydney Hotel Resort would seek to build its brand and reputation in Sydney by sponsoring key charitable, sporting, arts and education organisations.

(II) CROWN'S RECORD OF SUPPORT FOR LOCAL CHARITIES AND COMMUNITY ORGANISATIONS—CREDENTIALS

CROWN MELBOURNE

Crown Melbourne provides assistance, donations, and support to a broad range of worthy community activities and charities, driven by the belief that Crown Melbourne has both the responsibility and the opportunity to assist local communities, charitable organisations, and individuals touched by tragedy.

Crown Melbourne's contributions included sponsorship arrangements, employee time, use of facilities and the donation of Crown Melbourne packages.

For more than seven years, Crown Melbourne has sponsored and hosted the 'My Room Ball'. Formed in 1993 by three families whose children had undergone chemotherapy, My Room supports the Oncology Unit at The Royal Children's Hospital in Melbourne.

Crown Melbourne sponsors and hosts 'Starry Starry Night', which this year raised more than \$700,000 for The Alannah and Madeline Foundation.

Crown Melbourne also supported 'Challenge's Robert Allenby Gala Dinner', the 'Diamonds are a Girl's Best Friend Dinner' for children living with cancer and other life-threatening blood disorders and the Epworth Medical Foundation Dinner attended by 1,000 guests.

Crown Melbourne partnered with several other charities to support their annual gala balls and events, including the 'Kids Under Cover Umbrella Ball', the 'Ronald McDonald House Charity Ball', and 'Lillian Frank's Royal Children's Hospital Fashion Luncheon'. Crown is also a Premium Partner of 'Blue Ribbon Day' for 2012, 2013 and 2014.

In financial year 2012, Crown Melbourne donated \$300,000 to the Balibo House Trust, a Victorian Government initiative to preserve Balibo House as a memorial and Community Learning Centre run by the local community. Balibo House facilities include a library, computer classes, sewing machines, carpentry and mechanics workshop, and a crèche for 30 children.

Crown Melbourne continues to sponsor and host The Shane Warne Foundation, which holds a number of events to raise money for charities that work with seriously ill and underprivileged Australian children. Crown Melbourne sponsors the Joe Hachem and Shane Warne Charity Poker Tournaments.

Crown Melbourne is proud of the many employees who enthusiastically volunteer their time and efforts in a number of ways to benefit the community. Each Christmas Day, Crown employees support the Open Family Australia Christmas program by packing and distributing more than 250 hampers filled with items donated by Crown Melbourne.

Last year, employees also personally delivered hampers and other special items, such as toys, to families and individuals throughout the broader Melbourne metropolitan area. Hundreds of employees also purchased tickets in the Cadbury Easter Egg Hunt, the proceeds of which contributed to the Royal Children's Hospital Good Friday Appeal.

Crown Melbourne employees also participate in numerous sporting events that raise money for charity, including the Variety Club of Victoria's Santa Fun Run, Around The Bay in a Day 100km bike ride for The Smith Family, and the MS Melbourne Summer Cycle 46km ride to assist people with multiple sclerosis.

CROWN PERTH

Crown Perth is proud of the funding, support and employee assistance provided to many worthwhile charities, organisations and individuals throughout Western Australia. With more than 40 community and corporate partnerships, Crown Perth is able to make a difference to many people's lives.



CROWN PERTH EMPLOYEES SUPPORTING THE ANGLICARE WINTER APPEAL

Crown Perth's Community Partnership Program includes support of several not-for-profit charity events, including a number of gala balls that are always highly successful. For the third successive year, Crown Perth pledged \$1 million to the State's largest fundraising initiative, Telethon, helping its efforts to support a wide range of child health services across Western Australia. In 2011 Crown Perth donated \$100,000 to Parkerville Child Youth Care to support a new Youth Village to be built at the 18-acre campus at Parkerville.

Crown Perth continued its partnership with Foodbank WA, providing daily donations of soup that Foodbank distributes to more than 600 charitable organisations and schools across Western Australia.

As part of the Global Illumination Project that supports the National Breast Cancer Foundation, Crown Perth glowed pink for the whole of October 2011. Crown Perth also hosted the inaugural Pink Poker Tournament attended by numerous local personalities and media. An outstanding success, the Pink Poker Tournament raised over \$25,000 for the Foundation.

Crown Perth's employees also support many charitable organisations, actively participating in numerous events including Anglicare's Winter Appeal and The Salvation Army's Easter Appeal. Crown Perth's CEO, Barry Felstead, participated once again in the St Vincent De Paul's CEO Sleepout to raise awareness and funding for the homeless across Australia. His individual efforts raised over \$65,000, making him the highest fundraiser in Western Australia for the third consecutive year.

Crown Perth also connects many of its corporate partners with community partners to raise awareness of those in need, and to help increase the vital contributions to worthy organisations. One example is the popular 'Catch the Cash for Charity' event which raised nearly \$60,000 for Telethon Adventurers and Ronald McDonald House.

6.13 COMMITMENT TO THE ENVIRONMENT

The BDA in the Sustainability section of the Barangaroo website states that:

"Barangaroo is a great opportunity to showcase Sydney as a world leader in sustainability. Sustainable designs and initiatives are being created throughout the delivery of the program—environmentally, socially and economically.

Barangaroo's goal is to be the first precinct of its size in the world and certainly the first CBD precinct in Australia, to be climate positive.

We plan is to generate more renewable energy than we use at Barangaroo, recycle and export more water than we use and reuse, reduce and recycle more waste from the city than we generate.

We will be carbon neutral, water positive, generate zero waste and enhance the well-being of the community.

We will provide affordable housing for key workers as well as green skilling and local employment opportunities. Just over 50% of Barangaroo will be dedicated public space, including a 2.2 kilometre foreshore walk and the vibrant, naturalistic Headland Park.

To achieve these goals, Barangaroo infrastructure will be developed and implemented by the Authority and the site's developers across the whole district."

Source: Barangaroo Delivery Authority website

Crown will work with all stakeholders, in particular the BDA and Lend Lease, in the design and development of the Crown Sydney Hotel Resort to ensure the Crown Sydney Hotel Resort plays its part in meeting Barangaroo's environmental ambitions.

Crown's resorts continue to demonstrate a strong commitment to reducing their environmental impact by pursuing a range of sustainable practices across all operations. Crown's long-term goal is to be recognised as a leader in sustainable business practice in the tourism and entertainment industry.

(A) CROWN MELBOURNE

This year, Crown Melbourne invested over \$500,000 in a monitoring and reporting system that provides live data of electricity, gas, and water consumption throughout Crown Melbourne. Daily, weekly, and monthly reports provide relevant time-of-use data to each business unit, allowing them to monitor consumption levels, then implement effective measures to reduce consumption.

Crown Melbourne's internal Eco-Shoots employee led initiative was formed to help all employees reduce their environmental footprint through a range of practical and well publicised campaigns. Eco-Shoot's major campaigns for the year included World Oceans Day, battery recycling, Corks for the Zoo and mobile phone recycling.

Crown Melbourne also introduced a Carbon Offset Program for hotel guests. This program has achieved certification under the Australian Government's National Carbon Offset Standard, which is a first in the hospitality and entertainment industry.

Crown Melbourne's recycling programs continue to be effective in recycling a wide range of products, including green waste, polystyrene, e-waste, organics, metal, fluorescent tubes, oil, CDs, DVDs and corks.

ENERGY EFFICIENCY

In 2012, Crown Melbourne continued its focus on energy efficiency by committing \$4.5 million to energy reduction projects. With funding assistance from AusIndustry's Green Building Fund, the project's aim was to reduce greenhouse gas emissions by 3 million kg of CO₂, a 22% reduction.

To achieve this, more than 9,000 lights were replaced with LED and fluoro technology; optimised controls for heating, cooling, and ventilation were implemented; and housekeeping and maintenance procedures were improved. The project was completed in March 2012 and achieved a 25% reduction in energy use. With some fine-tuning planned, it is anticipated that further reductions will be achieved.

Crown Melbourne also upgraded the controls and lighting systems servicing the Clarke Street Administration and Car Park building. It is anticipated that these works will result in an energy reduction of approximately 15% for the building.

Other improvements at Crown Melbourne included upgrading more than 50,000 lamps to energy-efficient technology, installing more than 1,000 occupancy and daylight harvesting sensors, and installing 91 variable speed drives on fan equipment across the property which will reduce fan energy consumption by an estimated 25%.

The total energy projects for the year resulted in a CO₂ abatement of more than 14,000 tonnes, which is the equivalent to powering 1,100 homes or removing 3,500 cars from the streets.

WATER CONSERVATION

Crown Melbourne upgraded the majority of the water taps throughout Crown Melbourne by fitting them with sensors and low-flow fittings.

Continued operation of Crown Melbourne's on-site water recycling system generated 1.4 million litres of recycled water used for toilet flushing over the year. Crown also expanded its rainwater harvesting system by upgrading three rainwater collection and re-use systems, resulting in an annual saving of 1.5 million litres of drinking water.

LIFE CYCLE MANAGEMENT

Life Cycle Management (LCM) is an integrated approach to achieving more sustainable consumption and production patterns, by considering the total life cycle of products and services. LCM involves working with suppliers to ensure appropriate production and distribution methods are deployed, working with employees and customers around consumption of products, and working with waste management contractors around how the waste is disposed.

With funding assistance from the Australian Packaging Covenant, Crown Melbourne installed 380 recycling bins across the complex, potentially resulting in more than 300 tonnes of waste being diverted from landfill each year.

Another innovation implemented in financial year 2012 was the soft plastic recycling scheme run in partnership with the Red Group. This scheme ensures that all of the plastic wrapping that arrives in Crown Melbourne's loading dock is collected every day and recycled into outdoor furniture, signage and other items.

(B) CROWN PERTH

Crown Perth continued to work towards a more sustainable environment by monitoring and measuring energy consumption and performance.

Crown Perth's environmental committee, with representatives from major business units, drives environmental initiatives in the areas of energy conservation, water conservation, and waste management.

In recognition of Crown Perth's efforts in this area, Crown Perth was announced as a finalist in the Department of Environment WA Environmental Awards in the "Corporate Business Leading" by Example category.

ENERGY EFFICIENCY

As part of Crown Perth's ongoing energy monitoring program, further energy-saving initiatives were recently undertaken, including the under-croft lighting project, the continued rollout of sub-metering and the recently completed chilled water survey on Crown Events & Conferences. The installation of voltage reduction transformers resulted in a 24% reduction in electrical usage in car park lighting.

WATER CONSERVATION

Crown Perth continued its strong focus on water conservation and in financial year 2012 received a five-star rating from the Water Corporation in the One-2-FiveTM water management assessment.

A number of water saving initiatives have been successfully implemented throughout Crown Perth, including the installation of 2.5 litre tap ware restrictors/aerators to hand basins. The main cooling towers were independently audited and their efficiency rating assessed as excellent.

Crown Perth received the Silver Award from the Water Corporation for improving water efficiency by 25-35%, and was a finalist in the Western Australian Water Awards in the category "Waterwise Business".

LIFE CYCLE MANAGEMENT (LCM)

Since 2011, Crown Perth has operated a complex-wide public recycling program and an organic waste-recycling program. These programs collectively divert an estimated 54 tonnes of waste from landfill annually, reducing CO₂ emissions by approximately 160 tonnes per annum.

An audit of The Dome at Crown Perth resulted in increased recycling rates at that venue, contributing to a reduction in landfill, and raising public awareness of the role that everyone can play in reducing waste.

Crown Perth continues to improve employee awareness by providing environmental information through a number of effective and innovative communication strategies.

6.14 HIGH STANDARDS OF PROBITY AND STRONG RECORD OF COMPLIANCE

(A) HIGH STANDARDS OF PROBITY

Crown manages and maintains the highest standards with regards to probity.

Crown, or joint ventures in which Crown participates, hold gaming licences and approvals in the following jurisdictions:

- Australia
 - New South Wales
 - Queensland
 - Victoria
 - Western Australia
 - Tasmania
- Macau
- USA
 - Nevada
 - Pennsylvania
- UK

(B) COMPLIANCE WITH LEGISLATION AND THE SYSTEM OF INTERNAL CONTROLS

Crown continues to ensure the highest standard of corporate governance is maintained with a strong emphasis on good corporate governance and a supporting culture in all areas of its operations.

Crown has consistently met all required conditions, financial covenants and debt ratios and other requirements of its casino licences and approvals around the world.

Crown has a robust compliance culture and a dedicated team of staff to manage the company's compliance functions.

Crown's business ability is supported by highly capable and experienced persons in the management and operation of the business.

Crown maintains close and productive working relationships with law enforcement and regulatory agencies and interacts with relevant agencies at regular intervals.

Crown Melbourne and Crown Perth are the subject of regular anti-money laundering compliance assessments and audits conducted by AUSTRAC. AUSTRAC has stated in relation to these assessments and audits that Crown demonstrated a strong compliance culture and that no substantive or systemic issues of concern were evident.

(C) RISK MANAGEMENT AND INTERNAL AUDIT

Crown has a comprehensive risk management framework, which is summarised in Crown's Risk Management Policy and monitored by the Crown Risk Management Committee, a committee of the Crown Board comprising three directors (including two Independent Directors).

(D) OCCUPATIONAL HEALTH AND SAFETY

Crown is committed to the health and safety of its employees and the people who visit and use its facilities. This commitment is integral to the way that Crown operates.

The Crown Board, through its Occupational Health & Safety and Environment Committee, is responsible for monitoring the application of Crown OHS Policies at a corporate and operational level. This includes the identification and mitigation of workplace risks in consultation with senior management at Crown's controlled businesses, the review and recommendation of policies and procedures to protect individuals and the business and, the promotion and support for continuous improvement in health and safety performance.

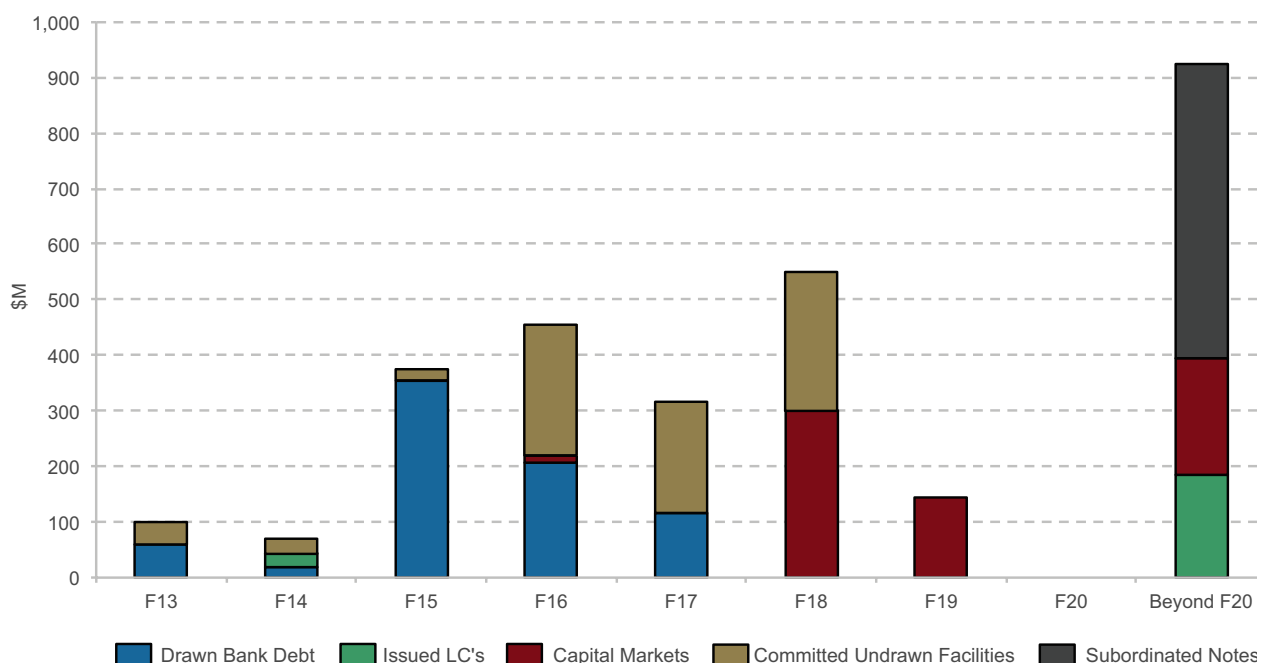
6.15 CROWN'S FINANCIAL STRENGTH

Crown is an S&P/ASX 50 company with a market capitalisation of approximately \$9.0 billion. As at 31 December 2012, Crown had total liquidity, as measured by available cash and committed undrawn bank facilities, of more than \$800 million. Following a series of refinancing initiatives undertaken during 2012, Crown's debt now has a broad spread of maturities and is being sourced from a wide range of debt capital market sources. The weighted average maturity of Crown's drawn debt is now around six years.

(A) LIQUIDITY

The chart set out below shows the sources of Crown's debt, the available liquidity and the maturity profile as at 31 December 2012.

FIGURE 16: MATURITY PROFILE FACILITY UTILISATION – 31 DECEMBER 2012



(B) CREDIT METRICS

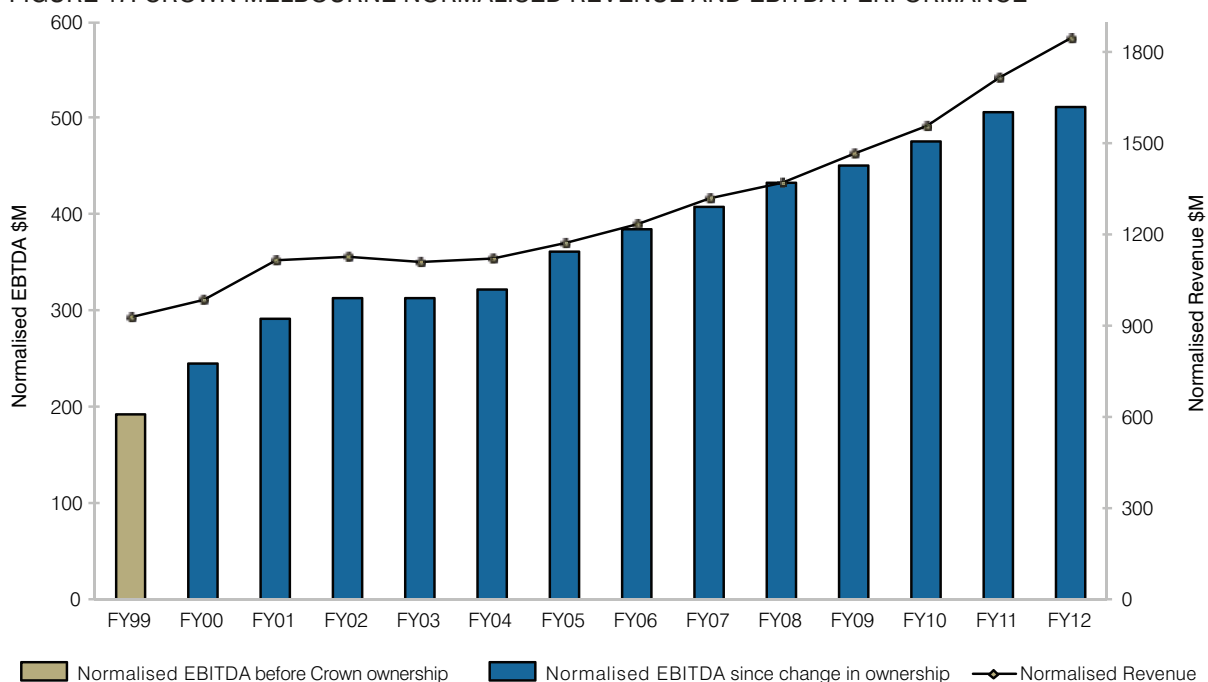
Crown has a sound credit rating and is currently rated investment grade by S&P and Fitch (BBB Stable) and Moody's (Baa2 Stable).

As a result, Crown has access to sufficient financial resources, either in existing facilities or through potential new facilities, to finance the Crown Sydney Hotel Resort project.

(C) PROFITABILITY

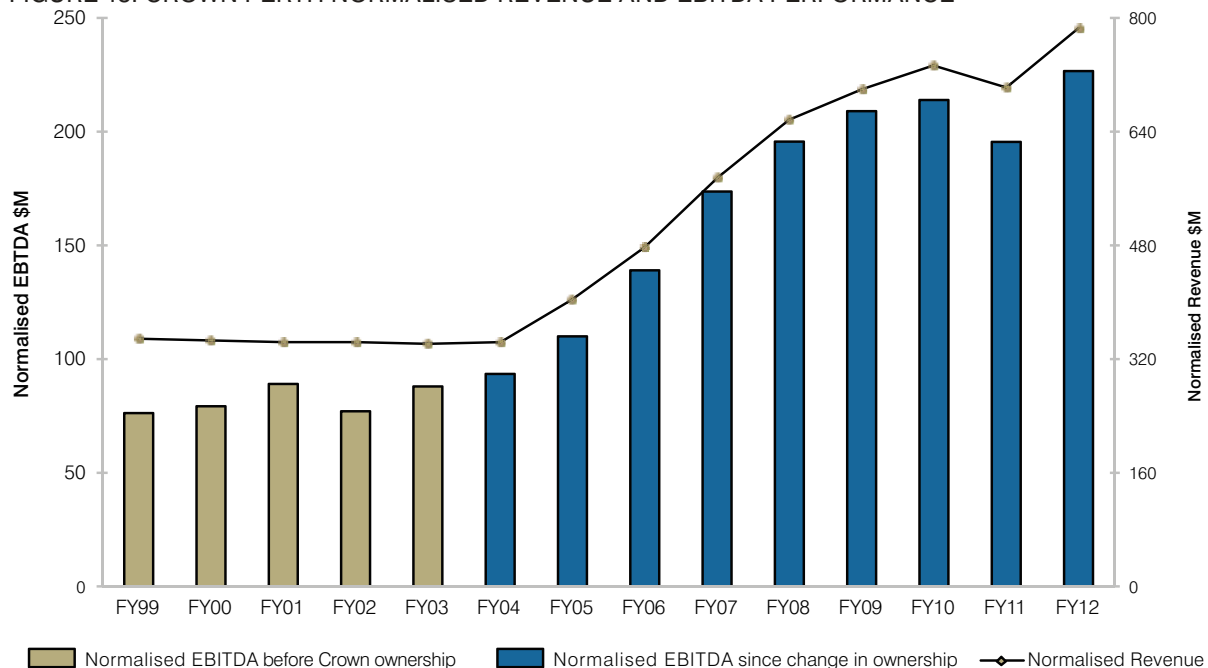
Since 1999 when Crown Melbourne was acquired, Crown Melbourne has achieved consistent revenue and EBITDA growth. Normalised EBITDA has grown 166% and revenue has nearly doubled, as shown by the following graph:

FIGURE 17: CROWN MELBOURNE NORMALISED REVENUE AND EBITDA PERFORMANCE



Similarly, since 2004 when Crown Perth was acquired, Crown Perth has achieved consistent revenue and EBITDA growth. Normalised EBITDA has grown 143% and revenue has more than doubled, as shown by the following graph:

FIGURE 18: CROWN PERTH NORMALISED REVENUE AND EBITDA PERFORMANCE



(I) RISK MANAGEMENT AND ASSURANCE

Each of Crown Melbourne and Crown Perth has dedicated risk and assurance resources who report independently of operational management. The Crown Melbourne and Crown Perth risk and assurance teams are principally responsible for:

- The development and implementation of risk management and internal audit strategies;
- The completion and reporting of risk management and internal audit activities to the respective Crown Melbourne and Crown Perth audit and risk management committees as well as to the Crown Risk Management Committee; and
- The provision of risk management and internal audit support and advice to executive management and staff.

(II) RISK MANAGEMENT STRATEGY

Pursuant to Australia & New Zealand Standard ISO 31000:2009 Risk Management Principles & Guidelines, Crown maintains a comprehensive Enterprise Risk Management System, ensuring the company's material risk exposures and corporate governance responsibilities are identified and managed effectively.

Both Crown Melbourne's and Crown Perth's internal audit approaches are subsequently aligned to material risk exposures and corporate governance responsibilities identified, providing assurance to the Crown Risk Management Committee, executive management and other key stakeholders, that Crown's goals and objectives will be achieved and ensuring audit resources are allocated to areas of greatest assessed risk.

(III) CROWN SYDNEY HOTEL RESORT

It is proposed that the Crown Sydney Hotel Resort will be incorporated into the Crown risk management and internal audit framework, in a similar way to both Crown Melbourne and Crown Perth.

(IV) WORKERS' COMPENSATION - CROWN MELBOURNE

Crown is an approved self-insurer for workers' compensation liabilities in Victoria pursuant to the *Accident Compensation Act 1985* (Vic).

Following a regulatory review, WorkSafe Victoria deemed Crown fit and proper to hold a self-insurance licence. This approval, held since 2000, endorses Crown's ability to manage its workers compensation obligations, adhere to strict financial and prudential requirements and to maintain a robust Health and Safety Management System.

(V) WORKERS' COMPENSATION - CROWN PERTH

Crown Perth operates within the insured workers' compensation scheme in Western Australia.

Through demonstrated leadership and commitment, Crown Perth continues to meet its legal and regulatory obligations within the local jurisdiction. Consistent with Crown Melbourne and through an established hazard identification and risk management system, continuous improvement in health and safety performance has been achieved.

6.16 WELL-RESOURCED, STABLE AND EXPERIENCED BOARD AND MANAGEMENT TEAM

Crown's Directors and key executives each have extensive experience in their respective fields and play a key role in the ongoing success of Crown's operations and ensuring that Crown and the Crown brand remain pre-eminent, both in Australia and overseas.

Please refer to Crown's website (<http://www.crownlimited.com>) for profiles of Crown's Directors and executive team.



7. FUNDING OF THE PROJECT AND RISK ALLOCATION

7. FUNDING OF THE PROJECT AND RISK ALLOCATION

7.1 NO TAXPAYER FUNDING REQUIRED

The New South Wales Government is not required to contribute any funding for the construction of the Crown Sydney Hotel Resort.

7.2 CROWN WILL ASSUME PROJECT RISK

Like all major development projects, the Crown Sydney Hotel Resort project is subject to various risks.

Crown will assume project risk, including construction and development risk, international VIP gaming competition, volatility of VIP gaming business, credit exposure in the VIP business and general economic conditions and consumer sentiment.

Crown's expertise and experience in operating VIP gaming businesses in Melbourne, Perth and Macau as well as managing the construction, development and operation of projects similar to Crown Sydney will enable Crown to manage and mitigate the risks set out above.

The risk to the New South Wales Government is minimal given that, even in a downside scenario, New South Wales would still benefit from an iconic six-star hotel resort on the harbour at Barangaroo South and would still receive a significant boost to tourism and employment. In addition, the New South Wales Government would still receive significant additional gaming tax revenue, the magnitude of which is a function of some of the risks set out above.



8. CROWN'S ACHIEVEMENTS AND AWARDS

8. CROWN'S ACHIEVEMENTS AND AWARDS

Crown has received many awards across all facets of its business including for its gaming facilities, most notably the VIP gaming salons which were voted best in the world; hotel operations; training; employment; restaurants and spas.

Collectively, this celebrated recognition cements Crown as one of Australia's most awarded tourist destinations.

8.1 CROWN MELBOURNE

(A) THE COMPLEX—GENERAL AWARDS

TABLE 5: CROWN MELBOURNE AWARDS LIST

Date	Award	Recipient	Provider of Award
2013	Stellar Stays Award	Crown Melbourne Hotels	Hotels Combined
2012	Best in the World	VIP Gaming Salons	International Gaming Awards -London
2012	Finalist—Best Tourism and Leisure Development	Crown Melbourne	Victorian Property Council
2011	Named Australia's Top Tourist Attraction	Crown	Euro monitor International
2011	Finalist—Major Tourist Attraction	Crown	Melbourne Airport Award
2010	Excellence in Sustainability Award	Crown	Restaurant and Catering Awards for Excellence
Other accolades include:			
Crown Features in Tourism Australia's 'There's Nothing Like Australia' Global Advertising Campaign			

(B) HOTEL AWARDS

TABLE 6: CROWN TOWERS MELBOURNE AWARDS LIST

Date	Award	Recipient	Provider of Award
2013	Best Hotel Australia	Crown Towers Melbourne	Asia Pacific Hotel Awards
2013	Australia's Best Large Luxury Hotel	Crown Towers Melbourne	Readers' Choice Gourmet Traveller Travel Awards
2012	Australia's Best Large Luxury Hotel	Crown Towers Melbourne	Readers' Choice Gourmet Traveller Travel Awards
2012	Runner-up—Best Capital City Hotel	Crown Towers Melbourne	Gourmet Traveller Travel Awards

Date	Award	Recipient	Provider of Award
2011	Winner Luxury Hotel	Crown Towers Melbourne	Hotel Management Awards
2011	Highly Commended—Hotel of the Year	Crown Towers Melbourne	Hotel Management Awards
2011	Winner—Outstanding Spa	Crown Spa	Spa Universe
2011	Runner-up—Nespresso Best Large Luxury Hotel	Crown Towers Melbourne	Australian Gourmet Traveller Travel Awards
2010	Winner—Nespresso Best Large Luxury Hotel	Crown Towers Melbourne	Australian Gourmet Traveller Travel Awards
2010	Runner-up—Nespresso Best Hotel Villas/Suites	Crown Towers Melbourne	Australian Gourmet Traveller Travel Awards
2009	15th in the Top 20 Best Oceania Hotels	Crown Towers Melbourne	Condé Nast Traveller Best in the World
2009	Winner superior accommodation hotel of the year	Crown Towers Melbourne	Australian Hotels Association
2009	Named as one of the 101 Best Places to Stay in Victoria	Crown Towers Melbourne	Royal Automobile Club of Victoria (RACV)
2009	Winner—Top Three Hotels in Victoria	Crown Towers Melbourne	Victorian Hotel Club Annual Awards
2009	Winner—Best Luxury Hotel	Crown Towers Melbourne	Victorian Hotel Club Annual Awards
2009	Best Service Hotel	Crown Towers Melbourne	Victorian Hotel Club Annual Awards
2009	Winner: Accommodation Property—Five-Star	Crown Towers Melbourne	Hotel Management Awards
2009	Highly commended: Business Hotel	Crown Towers Melbourne	Hotel Management Awards
2009	Winner—Deluxe Accommodation Hotel of the Year	Crown Towers Melbourne	Australian Hotels Association (AHA) Awards Victoria
2009	Named one of the top hotels of the Australia, New Zealand and the South Pacific Region	Crown Towers Melbourne	Travel and Leisure Awards (U.S.)

Date	Award	Recipient	Provider of Award
2009	<ul style="list-style-type: none"> • Voted one of favourite hotels in Australia. Accolades include: • Voted Best Weekend Away Hotel • Voted Best Romantic Stay • Named in Top Five Leisure and Business Hotels • Voted Best Leisure Hotel Room • Voted Best Location for Leisure Hotel • Voted Best Leisure Facilities • Voted Best Restaurant • Voted Best Business Facilities • Named In Top Five Hotels For Business 	Crown Towers Melbourne	Qantas Frequent Flyers Australia's Favourite Hotels
2008	Winner—Top Five Best Australian Hotels	Crown Towers Melbourne	Luxury Travel Magazine Awards
2008	Winner—Top Three Hotels In Australia	Crown Towers Melbourne	HotelClub Awards
2008	Winner—Top Hotel—Australia/Pacific	Crown Towers Melbourne	U.S. Conde Nast Awards
2007	Winner—Top Three Hotels In Oceania And Top Three Hotels In Victoria	Crown Towers Melbourne	HotelClub Awards
2006/07	Winner—Best Business Hotel in Australia (judged by the readership of Business Asia Magazine)	Crown Towers Melbourne	Best Business Hotels in Asia Awards
2007	Top 101 Luxury Suites from Around the World	Georgian Manor Villa, Crown Towers Melbourne	Elite Traveller
2007	Best Australian Hotel	Crown Towers Melbourne	Luxury Travel Gold List Awards
Other accolades include:			
<ul style="list-style-type: none"> • 2011 Hotel Management Awards, Highly Commended, Ronald Maskell Chief Concierge • 2011 Hotel Management Awards, Highly Commended, Tara Bishop Communication Associate 			

TABLE 7: CROWN PROMENADE MELBOURNE AWARDS LIST

Date	Award	Recipient	Provider of Award
2012	Winner—Superior Accommodation Hotel of the Year	Crown Promenade Melbourne	Tourism Accommodation Australia (Victoria) State Awards for Excellence
2012	Finalist—Hotel bar of the year	Tonic Bar Crown Promenade Melbourne	Tourism Accommodation Australia (Victoria) State Awards for Excellence
2008	Winner—Deluxe Accommodation Category For Three Consecutive Years	Crown Promenade Melbourne	Inductee Victorian Tourism Hall of Fame
2008	Winner—Deluxe Accommodation	Crown Promenade Melbourne	Melbourne Airport Victorian Tourism Awards
2007	Winner—Deluxe Accommodation	Crown Promenade Melbourne	Australian Tourism Awards
2007	Winner—Deluxe Accommodation	Crown Promenade Melbourne	Melbourne Airport Victorian Tourism Awards

TABLE 8: CROWN METROPOL MELBOURNE AWARDS LIST

Date	Award	Recipient	Provider of Award
2012	Awarded best luxury Hotel	Crown Metropal Melbourne	RACV Victorian Tourism Awards
2012	Recognised—Best Tech Hotel	Crown Metropal Melbourne	Hotel Management Awards
2012	Winner—Upper upscale hotel	Crown Metropal Melbourne	Hotel Management Awards
2011	Recognised—Upper upscale hotel	Crown Metropal Melbourne	Hotel Management Awards
2011	Highly Commended	ISIKA Day Spa	Hotel Management Awards
2011	Winner—Commercial Architecture Award	Crown Metropal Melbourne	Australian Institute of Architects Awards

Date	Award	Recipient	Provider of Award
2011	Nominated for Best Hotel Spa and Best Signature Treatment	Crown Metropol Melbourne	Crystal Awards Asia Pacific
2011	Runner-up—Nespresso Best Large Luxury Hotel	Crown Metropol Melbourne	Australian Gourmet Traveller Travel Awards
2011	Nominee—Best Spa	SIKA Day Spa	Australian Gourmet Traveller Travel Awards
2011	Hot 100 List	Crown Metropol Melbourne	Condé Nast Traveller
2011	Nominee	Crown Metropol Melbourne	RACVs People's Choice Award
2010	Nominee—Most Innovative Spa of the Year 2010	SIKA Day Spa	ASIASPA awards
2010	Nominee—Urban Spa Of The Year	SIKA Day Spa	ASIASPA Awards

(C) FOOD AND BEVERAGE AWARDS

Crown has achieved the following awards and recognition of its Food and Beverage Operations:

TABLE 9: CROWN MELBOURNE FOOD AND BEVERAGE AWARDS

Date	Award	Recipient	Provider of Award
2012	Listed in Australia's top 100 restaurants	Spice Temple; The Atlantic and Rockpool Bar & Grill (top 25)	Australian Gourmet Traveller Restaurant Awards
2012	Winner New Restaurant	Conservatory	Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence
2012	Winner Modern Asian Restaurant	Nobu	Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence
2012	Winner Chinese Restaurant	Silks	Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence
2012	Finalist Japanese Restaurant	Koko	Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence

Date	Award	Recipient	Provider of Award
2012	Finalist Chinese Restaurant	Mings	Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence
2012	Finalist Contemporary Australian Restaurant Informal	Number 8 restaurant and wine bar	Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence
2012	Finalist New Restaurant	The Merrywell	Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence
2012	Finalist Restaurant in a Training Institute	Culinarium	Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence
2012	Finalist Function/Convention Centre Operator	Crown	Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence
2012	Finalist Wedding Caterer	Crown	Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence
2012	Winner George Mure Memorial Award	Food & Beverage Training Department	Savour Australia Restaurant and Catering HOSTPLUS Awards for Excellence
2012	Two Glasses Award	Number 8 restaurant and wine bar	Wine Spectator Magazine—Best of Award of Excellence August 2012 Issue
2012	Two Glasses Award	Rockpool Bar & Grill	Wine Spectator Magazine—Best of Award of Excellence August 2012 Issue
2012	'Two Hats'	Rockpool Bar & Grill	The Age 'Good Food Guide Awards' 2013
2012	'One Hat'	Bistro Guillaume	The Age 'Good Food Guide Awards' 2013
2012	'One Hat'	Spice Temple	The Age 'Good Food Guide Awards' 2013
2012	Honourable Mention for Best Wine List	Spice Temple	The Age 'Good Food Guide Awards' 2013
2012	Top Ten Business Lunch	Rockpool Bar & Grill	The Age 'Good Food Guide Awards' 2013
2012	Top Ten Cheap Thrills	Rockpool Bar & Grill (the bar's burger)	The Age 'Good Food Guide Awards' 2013
2012	Top 10 Places to Eat Late	Sho Noodle Bar	The Age 'Good Food Guide Awards' 2013

Date	Award	Recipient	Provider of Award
2012	Top 10 Bars	The Waiting Room	The Age 'Good Food Guide Awards' 2013
2011	'Two Hats'	Rockpool Bar & Grill	The Age 'Good Food Guide Awards' 2012
2011	'One Hat'	Gordon Ramsay's Maze	The Age 'Good Food Guide Awards' 2012
2011	Wine List of the Year	Spice Temple	The Age 'Good Food Guide Awards' 2012
2011	Professional Excellence Award	Neil Perry	The Age 'Good Food Guide Awards' 2012
2011	Asian Restaurant—Metro	Nobu	Restaurant & Catering Victoria Awards for Excellence
2011	Winner—Victoria Events Caterer	Crown Events – Crown	Restaurant & Catering Victoria Awards for Excellence
2011	George Mure Memorial Professional Development Award	Crown	Restaurant & Catering Victoria Awards for Excellence
2011	Winner—Professional Development	Crown	Restaurant & Catering Victoria Awards for Excellence
2010	Winner—Most Admired Customer Service Silver Award	Crown Events – Crown	International Customer Service Professionals
2010	Winner—Caterer of the Year	Crown Events – Crown	Restaurant & Catering Victoria Awards for Excellence
2010	Winner—Wedding Caterer	Crown Events – Crown	Restaurant & Catering Victoria Awards for Excellence
2010	Award for Employment and Inclusion of Indigenous Australians	Crown	The Diversity @ Work 2010
2010	Best of Award for Excellence (2 Glasses)	Number 8 restaurant and wine bar	Wine Spectator
2010	Gourmet Traveller Wine—Highly Recommended (3 Glasses)	Number 8 restaurant and wine bar	Gourmet Traveller Wine
2009	Winner—Function Centre Caterer	Crown Events – Crown	Restaurant & Catering Victoria Awards for Excellence
2009	Winner—Function/Convention Centre Caterer	Crown Events – Crown	Restaurant & Catering Victoria Awards for Excellence
2008	Winner—Professional Development	Crown	Restaurant & Catering Victoria Awards for Excellence
2007	Winner—Professional Development	Crown	Restaurant & Catering Victoria Awards for Excellence

Date	Award	Recipient	Provider of Award
2007	Winner—Asian Restaurant	Koko	Restaurant & Catering Victoria Awards for Excellence
2007	Winner—Function Centre—Million Dollar Lunch	Crown Events	Restaurant & Catering Victoria Awards for Excellence

(D) LEARNING AND DEVELOPMENT AWARDS

Crown has achieved the following accolades and recognition of its Learning and Development Programs:

TABLE 10: CROWN MELBOURNE GENERAL AND LEARNING & DEVELOPMENT AWARDS

Date	Award	Recipient	Provider of Award
2012	Winner of 2012 Victoria Training Award for Organisational and Staff Development	Crown	Learning and Technology Impacts Award
2012	Winner of 2012 Victoria Training Award for Apprentice Development	Crown	Skills Victoria Training Awards
2012	Winner of the Recommended Employer Award	Crown Melbourne	Australian Business Award
2012	Winner—Victorian Training Awards 2012	Crown Melbourne	Victorian Training Awards
2012	Winner of the Significant Contribution to the Community Award	Crown	Australian Business Awards
2012	Winner—Learning and technology impact award	Crown Melbourne	Learn Learning and Technology Impact Awards
2012	Finalist—Success factors HR Team Award	Crown Melbourne	Australian Business Awards
2012	Winner of Leadership in Quality	Peter Coyne, EGM, HR Crown	National Focus, Australian Training Awards
2012	Finalist, Tourism, Education and Training	Crown Melbourne	Victorian Tourism Awards
2012	Finalist, Employer of the Year	Crown Melbourne	Skills Victoria, Victorian Training Awards
2011	Winner—Diversity Award for Crown's Indigenous Employment Program	Crown	FEMA Diversity Awards (Fairfax Employment Media Awards)
2011	Finalist in the category Most Innovative New Media Recruitment Campaign	Crown	Australian HR Awards
2011	Winner—The Wurreker Award	Crown	Awarded in the Private Sector Employer division for Achievements in Aboriginal Employment.

Date	Award	Recipient	Provider of Award
2011	Finalist	Crown	FEMA People's Choice Award (Fairfax Employment Media Awards)
2011	Finalist – Tourism Education and Training	Crown	Victorian Tourism Awards
2011	Best Vocational Education & Training Collaboration	Crown	Business/Higher Education Round Table (B-HERT) Award
2011	Finalist—Leadership In Quality Award	Peter Coyne, EGM, HR Crown	Australian Training Awards
2011	Winner of the Organisational Individual Laureate	Executive General Manager Food and Beverage	National Diversity@Work Awards
2011	Winner – Best Vocational Education and Training Collaboration	Crown Melbourne	Business & Higher Education Round Table (B-HERT) Awards
2010	Winner of Victorian Employer of the Year	Crown	Skills Victoria
2010	Winner of Australian Employer of the Year	Crown	Australia Training Awards
2011	Finalist—Disability Employment	Crown	Diversity@Work Award for Employment and Inclusion
2011	Finalist—Leadership in quality award	Crown Melbourne	National Focus on training awards
2011	Finalist—Best Learning and Development Strategy	Crown Melbourne	Australian HR Awards
2010	Diversity@Work Award for the Employment and Inclusion of Indigenous Australians, which included recognition of Crown's unique and effective methods of communication with Indigenous communities about its recruitment and training opportunities and the one-on-one customised learning and development opportunities provided to Indigenous students	Crown	Employment and Inclusion Awards

Other Accolades:

Judge of the 2011 Australian Employer of the Year.

Crown has received letters of congratulations from the former Federal Minister of Education, Chris Evans; Swinburne University; Kangan; Holmesglen; Box Hill TAFE; William Angliss; Service Skills Victoria; Melbourne Convention Centre; Sunraysia and a 2-page feature in the 2010 Australian Government's Training Awards magazine.

Crown also received invitations to present at conferences and other events, for example, the Executive General Manager—Human Resources delivered a paper entitled *The Role of the Enterprise RTO* at the Partnerships between Employers & Tertiary Education conference in August 2011.

8.2 CROWN PERTH

(A) THE COMPLEX—GENERAL AWARDS

TABLE 11: CROWN PERTH AWARDS LIST

Date	Award	Recipient	Provider of Award
2012	Best Gaming Space	Crown Perth	HOSPY Awards (Las Vegas)
2012	Best Resort Pool	Crown Perth	HOSPY Awards (Las Vegas)
2010	Business Category	Burswood Entertainment Complex	Save Water Awards
2010	Environmental Initiative	Burswood Entertainment Complex	AHA Aon Awards of Excellence
2010	Winner Waterwise Business Category	Burswood Entertainment Complex	AWA WA Water Awards
2009	Live Entertainment Venue Award	Burswood Entertainment Complex	Australian Hotels Association
2008	Winner Waterwise Business Category	Burswood Entertainment Complex	WaterWise
2008	Winner of Business and Meetings Tourism Award	Burswood Entertainment Complex	Western Australian Tourism Awards
2008	Live Entertainment Venue Award	Burswood Entertainment Complex	Australian Hotels Association
2007	Live Entertainment Venue Award	Burswood Entertainment Complex	Australian Hotels Association

(B) HOTEL AWARDS

TABLE 12: CROWN PERTH HOTELS AWARDS LIST

Date	Award	Recipient	Provider of Award
2013	Best Hotel Renovation/ Refurbishment Australia	Crown Metropol Perth	Asia Pacific Hotel Awards
2010	Front Office/Guest Services Award	InterContinental Perth Burswood Hotel	AHA Aon Awards of Excellence
2008	Deluxe Accommodation	Holiday Inn Perth Burswood Hotel	Western Australian Tourism Awards
2008	Superior Accommodation Award	Holiday Inn Perth Burswood Hotel	Australian Hotels Association
2008	Team Award Front Office Team	Burswood Entertainment Complex	Australian Hotels Association
2008	Team Award Hotel Sales	Burswood Entertainment Complex	Australian Hotels Association
2007	Concierge & Guest Services Award	Burswood Entertainment Complex	Australian Hotels Association

(C) FOOD AND BEVERAGE AWARDS

Crown Perth has achieved the following awards and recognition of its Food and Beverage Operations:

TABLE 13: CROWN PERTH FOOD AND BEVERAGE AWARDS LIST

Date	Award	Recipient	Provider of Award
2011	Best Bar Menu Award	Rockpool Bar and Grill	WA AHA Aon Hotel Awards of Excellence
2011	Best New Restaurant	Rockpool Bar and Grill	Gold Plate Awards
2011	Best Restaurant within a Hotel	Rockpool Bar and Grill	WA AHA Aon Hotel Awards of Excellence
2011	Best Steakhouse	Rockpool Bar and Grill	Gold Plate Awards
2011	Best Wine List & Seafood	Rockpool Bar and Grill	Gold Plate Awards
2011	Best Hotel Restaurant	(A)LURE and Yu	AGFG Chef Hat Awards
2011	"Highlighted" Restaurant	Yu	Good Food Guide Gala Awards
2011	Mixology and Cocktail Menu Award	Rockpool Bar and Grill	WA AHA Aon Hotel Awards of Excellence
2011	One Star rating	Modo Mio	Good Food Guide Gala Awards
2011	Best Sporting Entertainment Venue	Carbon Sports Bar	National AHA Awards for Excellence
2011	WA's Best Hospitality Venue	Rockpool Bar and Grill	WA AHA Aon Hotel Awards of Excellence
2010	WA's Best Chef	Executive Sous Chef, Banquets	Restaurant & Catering Industry Association of WA
2010	Conference and Banquet Services	Burswood Entertainment Complex	AHA Aon Awards of Excellence
2010	Responsible Service of Alcohol Excellence Award	Burswood Entertainment Complex	AHA Aon Awards of Excellence
2010	Best Seafood Dining (Winner of Hall of Fame Award)	(A)LURE	Gold Plate Awards
2010	Best Sporting Entertainment Venue	Carbon Sports Bar	AHA National Awards of Excellence
2010	Late Night Venue	Eve Nightclub	AHA Aon Awards of Excellence
2010	Sporting Entertainment Venue	Carbon Sports Bar	AHA Aon Awards of Excellence
2009	Best Seafood Dining (Winner Prix d'Honneur)	(A)LURE	Gold Plate Awards
2009	Best Steakhouse	Victoria Station	Gold Plate Awards

Date	Award	Recipient	Provider of Award
2009	Best Hotel Wine List (Winner Prix d'Honneur)	(A)LURE	Australian Hotels Association
2009	Responsible Service of Alcohol Excellence Award	Burswood Entertainment Complex	Australian Hotels Association
2009	Sporting Entertainment Venue	Carbon Sports Bar	Australian Hotels Association
2008	Best Seafood Dining	(A)LURE	Gold Plate Awards
2008	Best Steakhouse	Victoria Station	Gold Plate Awards
2008	Best Wine List & Seafood	(A)LURE	Gold Plate Awards
2008	Best Food & Beverage Services Award	Burswood Entertainment Complex	Western Australian Tourism Awards
2008	Hotel Wine List Award	(A)LURE	Australian Hotels Association
2008	Best Late Night Bar	MINQ	Australian Hotels Association
2008	Responsible Service of Alcohol Award	Burswood Entertainment Complex	Australian Hotels Association
2008	Sporting Entertainment Venue	Carbon Sports Bar	Australian Hotels Association
2007	Best Buffet	Atrium Buffet	Catering Institute of Australia
2007	Best Seafood Dining	(A)LURE	Catering Institute of Australia
2007	Best Steakhouse	Victoria Station	Catering Institute of Australia
2007	Hotel Wine List	(A)LURE	Australian Hotels Association
2007	Responsible Service of Alcohol Excellence Award	Burswood Entertainment Complex	Australian Hotels Association

(D) LEARNING AND DEVELOPMENT AWARDS

Crown Perth has achieved the following accolades and recognition of its Learning and Development Programs:

TABLE 14: CROWN PERTH GENERAL AND LEARNING & DEVELOPMENT AWARDS LIST

Date	Award	Recipient	Provider of Award
2012	School Community Partnership Training Award	Crown Perth	AHA Aon Hotel and Hospitality Awards of Excellence
2012	Community Contribution	Crown Limited	Australian Business Awards
2012	Finalist—Best Workplace Diversity Strategy	Crown Perth	Australian HR Awards
2011	School Community Partnership Training Award	Burswood Entertainment Complex	WA AHA Aon Hotel Awards of Excellence
2010	Employer of the Year	Burswood Entertainment Complex	WA Training Awards
2010	Training Initiative Award	Burswood Entertainment Complex	AHA Aon Awards of Excellence
2010	Leadership and Excellence in Diversity of Indigenous Australians in large Organisations	Crown Limited	Diversity@Work Employment and Inclusion Awards
2008	Training Initiative Award	Burswood Entertainment Complex	Australian Hotels Association
2007	Training Initiative Award	Burswood Entertainment Complex	Australian Hotels Association

8.3 MELCO CROWN ENTERTAINMENT AWARDS

(A) MCE—GENERAL AWARDS

TABLE 15: MCE AWARDS LIST

Date	Award	Recipient	Provider of Award
2011	Casino Operator of the Year Australia/Asia	Melco Crown Entertainment	International Gaming Awards
2011	Best Casino Operator of the Year in Asia	Melco Crown Entertainment	International Gaming Awards
2011	Recognition Award for Program on Hiring Handicapped Employees	Melco Crown Entertainment	Macau Labor Affairs Bureau
2010	Casino Operator of the Year Australia/Asia	Melco Crown Entertainment	International Gaming Awards
2009	Casino Operator of the Year Australia/Asia	Melco Crown Entertainment	International Gaming Awards

(B) THE COMPLEX—GENERAL AWARDS

TABLE 16: CITY OF DREAMS AWARDS LIST

Date	Award	Recipient	Provider of Award
2011	Indoor Environmental Quality Certification	City of Dreams	Environmental Protection Bureau (DSPA)
2011	Best Casino Interior Design	City of Dreams	International Gaming Awards
2010	Best Integrated Resort in Asia Pacific	City of Dreams	TTG Asia Travel Awards 2010
2010	Asian Urban Landscape Award	City of Dreams	UN-HABITAT Regional Office for Asia and the Pacific, Asia Habitat Association, Japan's Fukuoka Asian Urban Institute, the Asian Landscape Design Association
2010	Best Leisure Development in Asia Pacific	City of Dreams	International Property Awards
2010	Best Leisure Development in China	City of Dreams	International Property Awards
2011	Best Casino VIP Room	City of Dreams	International Gaming Awards
2010	Best International Design Award	City of Dreams	Australian Interior Design Awards
2011	Design for Asia Merit Recognition—Environmental Design (Culture, Public and Exhibition Spaces)	City of Dreams—House of Dancing Waters	Design for Asia Awards

Date	Award	Recipient	Provider of Award
2011	Design for Asia Merit Recognition—Design Excellence	City of Dreams—House of Dancing Waters	Design for Asia Awards
2011	Gold Prize for Innovation	City of Dreams—House of Dancing Waters	HKMA/TVB Awards for Marketing Excellence organized by the Hong Kong Management Association

(C) HOTEL AWARDS

TABLE 17: CROWN TOWERS (CITY OF DREAMS) AWARDS LIST

Date	Award	Recipient	Provider of Award
2012	Forbes Five-Star Award	Crown Towers (City of Dreams)	Forbes Travel Guide

TABLE 18: ALTIRA MACAU AWARDS LIST

Date	Award	Recipient	Provider of Award
2012	Forbes Five-Star Award	Altira Macau	Forbes Travel Guide
2011	Forbes Five-Star Award	Altira Macau	Forbes Travel Guide
2011	Five-Star Best Spa Macau	Altira Macau	Forbes Travel Guide
2011	Five-Star Best Hotel Macau	Altira Macau	International Hotel Awards in association with Bloomberg Television
2011	Five-Star Best Spa Macau	Altira Macau	International Hotel Awards in association with Bloomberg Television
2010	Forbes Five-Star Award	Altira Macau	Forbes Travel Guide
2010	Best Luxury Hotel in Macau	Altira Macau	TTG China Travel Awards 2011
2009	Four-Star Award for Lodging	Altira Macau	Mobil Travel Guide
2009	Four-Star Award for Spa	Altira Macau	Mobil Travel Guide
2009	Best Business Hotel in Macau	Altira Macau	TTG China Travel Awards
2009	Best Hotel Spa in Asia	Altira Macau	Asia Spa & Wellness Festival
2009	Top Executive Suites	Altira Macau	Hurun Presidential Awards
2009	Top Swimming Pools	Altira Macau	Hurun Presidential Awards
2008	Best Casino Interior Design	Altira Macau	International Gaming Awards
2011	Macao Green Hotel Award	Crown Towers Macau	Environmental Protection Bureau (DSPA)
2011	Best Luxury Hotel Spa	Crown Towers Macau	The World Luxury Spa Awards
2011	Gold Medal	Crown Towers Macau	Macao Green Hotel Awards
2009	Top Executive Suites	Crown Towers Macau	Hurun Presidential Awards
2009	Top Presidential Suites	Crown Towers Macau	Hurun Presidential Awards

Date	Award	Recipient	Provider of Award
2008	Casino Interior Design	Crown Towers Macau	International Gaming Awards – London

TABLE 19: GRAND HYATT MACAU (CITY OF DREAMS) AWARDS LIST

Date	Award	Recipient	Provider of Award
2011	Macao Green Hotel Award	Grand Hyatt Macau	Environmental Protection Bureau (DSPA)
2011	Best Business Hotel in Macau	Grand Hyatt Macau	Business Traveller Asia Pacific Awards
2011	Best Business Hotel in Macau	Grand Hyatt Macau	Business Traveller China Awards
2011	Best Luxury Hotel in Macau	Grand Hyatt Macau	TTG China Travel Awards 2011
2011	Macao Green Hotel Award—Silver Medal	Grand Hyatt Macau	Macao Green Hotel Awards
2010	Best Business Hotel	Grand Hyatt Macau	Wallpaper* and Fortune magazines
2010	Best New Hotel in Macau	Grand Hyatt Macau	TTG China Travel Awards 2010
2009	Best Executive Club Lounge Macau (Best Facilities)	Grand Hyatt Macau	Hurun Presidential Awards
2011	Macao Green Hotel Award	Grand Hyatt Macau	Environmental Protection Bureau (DSPA)
2011	Best Business Hotel in Macau	Grand Hyatt Macau	Business Traveller Asia Pacific Awards

TABLE 20: HARD ROCK HOTEL (CITY OF DREAMS) AWARDS LIST

Date	Award	Recipient	Provider of Award
2011	Macao Green Hotel Award	Hard Rock Hotel	Environmental Protection Bureau (DSPA)
2011	Gold Medal	Hard Rock Hotel	Macao Green Hotel Awards
2010	21st Century Business Herald and Business Travel Magazine	Hard Rock Hotel	7th Golden-Pillow Award
2009	Top Executive Suites	Hard Rock Hotel	Hurun Presidential Awards
2009	Top Presidential Suites	Hard Rock Hotel	Hurun Presidential Awards
2009	Top Swimming Pools	Hard Rock Hotel	Hurun Presidential Awards



9. ASSESSMENT CRITERIA CHECKLIST

9. ASSESSMENT CRITERIA CHECKLIST

The New South Wales Government Guide for Submissions and Assessment of Unsolicited Proposals lists seven criteria against which the Crown Sydney Hotel Resort proposal must be assessed.

These criteria are set out in Table 21 below. Crown has satisfied all of these criteria.

TABLE 21: ASSESSMENT CRITERIA CHECKLIST

Criterion	Summary comment	Status
1 Unique benefits of proposal providing justification to directly negotiate	<p>Crown Sydney is a unique world-class project which will deliver significant and unique benefits for New South Wales.</p> <p>Crown is uniquely placed to deliver this project given that Crown has entered into an agreement with Lend Lease which provides Crown with the exclusive right to develop a hotel resort at Barangaroo South. Following a public tender, Lend Lease entered into an agreement with the Barangaroo Delivery Authority to pay for the right to develop all the land at Barangaroo South and to then facilitate 99 year leases between the Barangaroo Delivery Authority and the owners of each new building.</p>	Satisfied
2 Value to Government; encompassing economic benefit, service delivery, whole-of-life costs, risk transfer, timely achievement of objectives and qualitative outcomes	Value to Government includes significant increases in taxation revenue, GSP, employment, training, business investment, export income and tourism.	Satisfied
3 Whole-of-Government impact, including opportunity cost	The New South Wales Government will not incur any material costs arising from the Crown Sydney project. Any costs will be overwhelmingly outweighed by the additional tax revenue payable to the New South Wales Government arising from the project.	Satisfied
4 Appropriateness of return on investment obtained by the Proponent given project risks	Crown believes its expected returns are appropriate given the project risks.	Satisfied
5 Capability and capacity of Proponent to deliver the proposal	Crown's track record demonstrates that it is uniquely positioned to design, construct and successfully operate a luxury, six-star hotel resort, which incorporates VIP gaming facilities.	Satisfied
6 Affordability	<p>The New South Wales Government will not be required to contribute any funding for the construction of the Crown Sydney Hotel Resort.</p> <p>The New South Wales Government will also be a major beneficiary of the additional tax revenue generated by the project.</p>	Satisfied
7 Appropriate risk allocation	<p>Crown will assume project risk.</p> <p>The risk to the New South Wales Government is minimal given that, even in a downside scenario, New South Wales would still benefit from an iconic six-star hotel resort on the harbour at Barangaroo South and would still receive a significant boost to tourism and employment. In addition, the New South Wales Government would still receive significant additional gaming tax revenue.</p>	Satisfied



IO. LIST OF ATTACHMENTS

10. LIST OF ATTACHMENTS

Set out in Table 22 below is a list of the attachments to the Project Submission. These attachments can be found in Volumes 1B, 1C and 1D.

TABLE 22: LIST OF ATTACHMENTS

Volume	Tab	Attachment
1B	1	KPMG, 'Integrated Resorts and Asian Tourism — the Role of Crown Melbourne and Crown Perth – 2012' (26 October 2012)
1B	2	Memorandum of Understanding – National Centre of Indigenous Excellence (NCIE) (6 September 2012)
1B	3	Memorandum of Understanding – United Voice New South Wales Branch (4 September 2012)
1B	4	Memorandum of Understanding – Penrith Panthers Group (7 February 2013)
1B	5	Memorandum of Understanding – Mission Australia (12 March 2013)
1B	6	Letter from Lend Lease, 'World-class hotel at Barangaroo South' (19 March 2013)
1B	7	Jones Lang LaSalle, 'Sydney Hotel Accommodation Report' (June 2013)
1B	8	Letter from The Innovation Group, 'Re: International VIP Gaming Market Assessment' (13 June 2013)
1B	9	Letter from United Voice (29 April 2013)
1B	10	Crown response to letter from United Voice (13 May 2013)
1B	11	Allen Consulting Group, 'Crown Sydney Proposal: An Economic Benefit Assessment' (June 2013)
1C		Crown Resorts Corporate Profile (December 2012)
1C		Crown Reconciliation Action Plan
1D	1	NSW Government, 'Visitor Economy Action Plan: The NSW Government Response to the Final Report of the Visitor Economy Taskforce' (December 2012)
1D	2	New South Wales Visitor Economy Taskforce, 'Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020' (June 2012)
1D	3	Destination NSW, 'China Tourism Strategy 2012-2020' (30 November 2012)



II. IMPORTANT NOTICE

II. IMPORTANT NOTICE

The information included in this document has been prepared by or on behalf of Crown Limited (Crown) in connection with the Crown Sydney Hotel Resort Unsolicited Proposal.

The information included in this document is confidential and is provided for the sole purpose of assisting with the evaluation of the Crown Sydney Hotel Resort Unsolicited Proposal and may only be used for that purpose.

Without limiting the above, the information included in this document has been provided under the terms of the Confidentiality Deed between Crown and the NSW Department of Premier and Cabinet on behalf of the Crown in right of New South Wales dated 13 December 2012 (the Confidentiality Deed) and may therefore only be disclosed to limited persons in limited circumstances and used in limited circumstances, in each case as set out in the Confidentiality Deed. By reading this document, the reader acknowledges that they are aware of the restrictions which apply under the Confidentiality Deed and will comply with those restrictions as though they were a Receiving Party under the Confidentiality Deed.

The information in this document is an overview and does not contain all the information necessary to evaluate the Crown Sydney Hotel Resort Unsolicited Proposal.

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