

Benefits of the Crown Sydney Hotel Resort

Sydney deserves
one of the world's
great hotels



Background to the Crown Sydney Proposal

- Sydney deserves one of the world's great hotels. Sydney's current hotel offering (including The Star's latest hotel) does not match the standard of the best hotels in Asia;
- Barangaroo South represents a spectacular opportunity to showcase an iconic six-star hotel resort;
- A world-class six-star hotel resort will enable Sydney to capitalise on the growth in Asian tourism, particularly high net worth and luxury focused tourists from China;
- Incorporating world-class VIP gaming into such a hotel resort will provide a further attraction to high net worth tourists and will make the project commercially viable;
- Despite the many attractions of Sydney, its share of the international VIP gaming market is estimated to be less than 1%.

Crown Sydney Hotel Resort Details

- Sydney's first six-star hotel resort;
- Location: Barangaroo South;
- 350 luxury hotel rooms and suites (approximately);
- Luxury apartments, signature restaurants, bars, luxury retail outlets, pool and spa facilities, conference rooms;
- Wilkinson Eyre, one of the world's best architects, has been engaged to design a landmark building that will be instantly recognisable around the world;
- Dedicated training colleges at Redfern and Penrith;
- Construction is subject to receipt of all necessary approvals including BDA and Planning approvals;
- VIP gaming can only commence following the expiry of The Star's exclusivity arrangements in November 2019.



A Unique Set of Project Partners

- **The United Voice Union**
(Workforce planning, development and EA)
- **The National Centre of Indigenous Excellence**
(Indigenous Employment)
- **Lend Lease**
(Concept plan, design, construction)
- **Penrith Panthers Rugby League Club**
(Employment and Training)
- **Mission Australia**
(Responsible Gaming Support)
- **South Sydney Rabbitohs**
(Indigenous Employment)
- **Australian Rugby League Commission**
(Indigenous Employment)



Construction Standard and Internal Design

The Crown Sydney Hotel Resort and its facilities will be of 'six-star' standard (ie. superior to the existing Australian five-star industry standard).

This six-star facility is distinguishable from a Forbes five-star and Australian five-star hotel standard based on the following criteria:

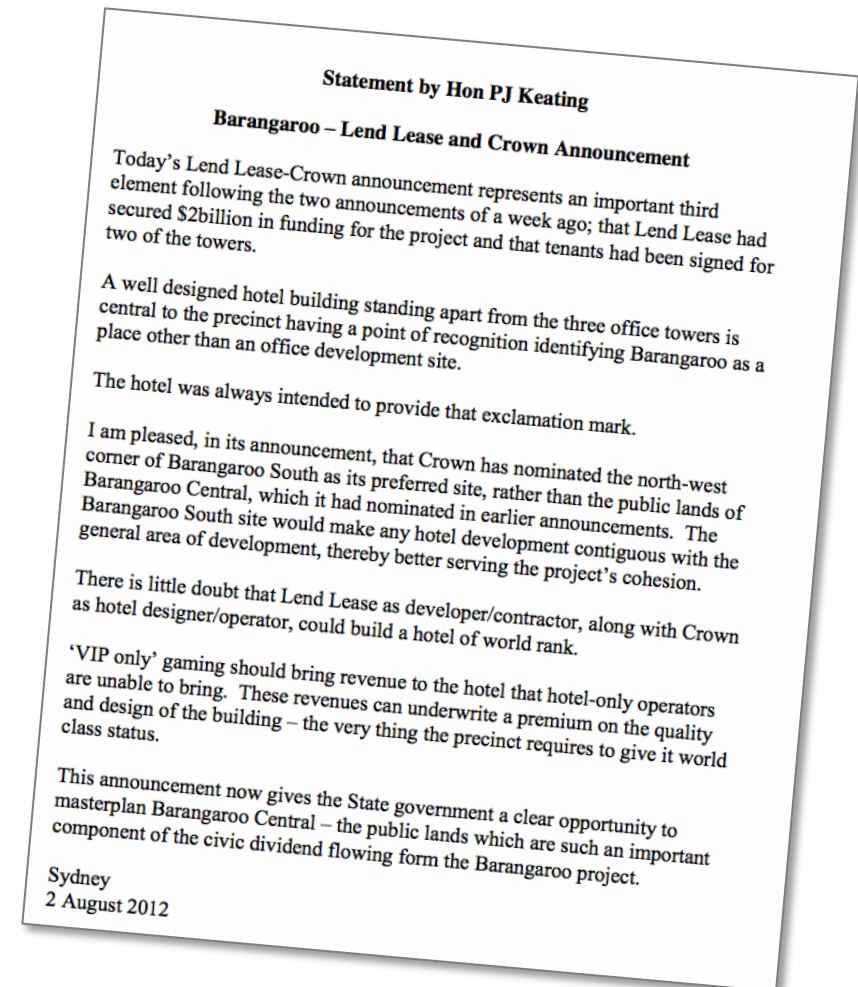
- Guest room/standard suites: 50-75sqm and premium suites/villas: 100-600sqm;
- Lobby area: architecturally dramatic with high levels of service and amenity;
- Porte cochere: statement arrival with personalised greeting and capacity for limousine and valet;
- Restaurants: signature dining experiences with celebrity chefs;
- Luxurious spa facilities with segregated VIP treatment rooms and customised treatments;
- Cocktail lounge/bar: Signature lounge environment which is 'destinational' in nature and leverages the unique aspects of the location;
- Meeting and convention facilities: unique outdoor environments which leverage Sydney's climate and harbour environment.

Statement by Former PM Paul Keating

Statement by Former Prime Minister Paul Keating

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

'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."



Significant Harbour-side 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;
- The Crown Sydney Hotel Resort will help NSW meet its objective of making Barangaroo an active and vibrant destination, both during the day and at night;
- Barangaroo is Sydney's last waterfront site of scale with connectivity to the CBD and harbour side tourism precinct. In its proposed location on the Northwest corner of Barangaroo South, the Crown Sydney Hotel Resort will serve as the transitional bridge between the commercial office towers of Barangaroo South and the open space and parklands of Barangaroo Central and the headlands;
- Crown has entered into an agreement with Lend Lease which provides Crown with the exclusive right to develop a hotel resort at Barangaroo South.

Benefits: Economic and Employment

The Crown Sydney Hotel Resort is expected to provide a significant contribution to the NSW economy and employment through the investment in the facility, the expenditure incurred in operating the facility and through stimulating tourism.

The Crown Sydney Hotel Resort is expected to contribute the following to the NSW economy, in the first full year of operations (FY22)*:

- Employment (direct and indirect) is estimated to increase by between 2,300 and 3,300; 1,250 direct jobs after construction;
- Gross State Product (GSP) is estimated to increase by \$638 million;
- Export income is estimated to increase by \$513 million;
- Business investment is estimated to increase by \$151 million.

Crown will make an upfront payment of \$100 million to the NSW Government upon the issue of the VIP gaming licence.

Importantly, Crown Sydney will also deliver a very significant increase in gaming tax revenue for NSW taxpayers.

The total of licence fees plus gaming taxes paid by Crown over the first 15 years of full operation must exceed \$1 billion (nominal)

Benefits: 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. It is intended that this model will be replicated in Sydney with training colleges to be established in Penrith (at the Penrith Panthers proposed Community Centre) and in Redfern, at the National Centre of Indigenous Excellence (NCIE);
- The 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 NCIE in Redfern to train Indigenous Australians from the inner city and from throughout NSW.



Benefits: Making Barangaroo a more vibrant precinct

- The Crown Sydney Hotel Resort will help make Barangaroo an active and vibrant destination, both during the day and at night.
- Andrew Wilson, Lend Lease's Managing Director of Barangaroo South 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 Mar 13)

- 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.

Benefits: Tourism Growth

The Crown Sydney Hotel Resort will provide a major boost to the NSW Tourism sector, including:

- Helping NSW to meet its State tourism objectives;
- Helping NSW to become more competitive with domestic and international tourist destinations;
- Helping NSW to compete for major domestic and international events;
- Assisting NSW in attracting a greater share of Asia's booming outbound tourism market;
- Attracting high net worth tourists and increasing visitor spend. High net worth tourists have significantly higher levels of on-spend both within the hotel resort and within the host city;
- Attracting a greater share of international VIP gaming players;
- Providing a strategic addition to the stock of hotel accommodation in Sydney.
- 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.

Benefits: Increase share of Asian High Net Worth Tourism

- The Crown Sydney Hotel Resort is expected to 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 project a success;
- 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.

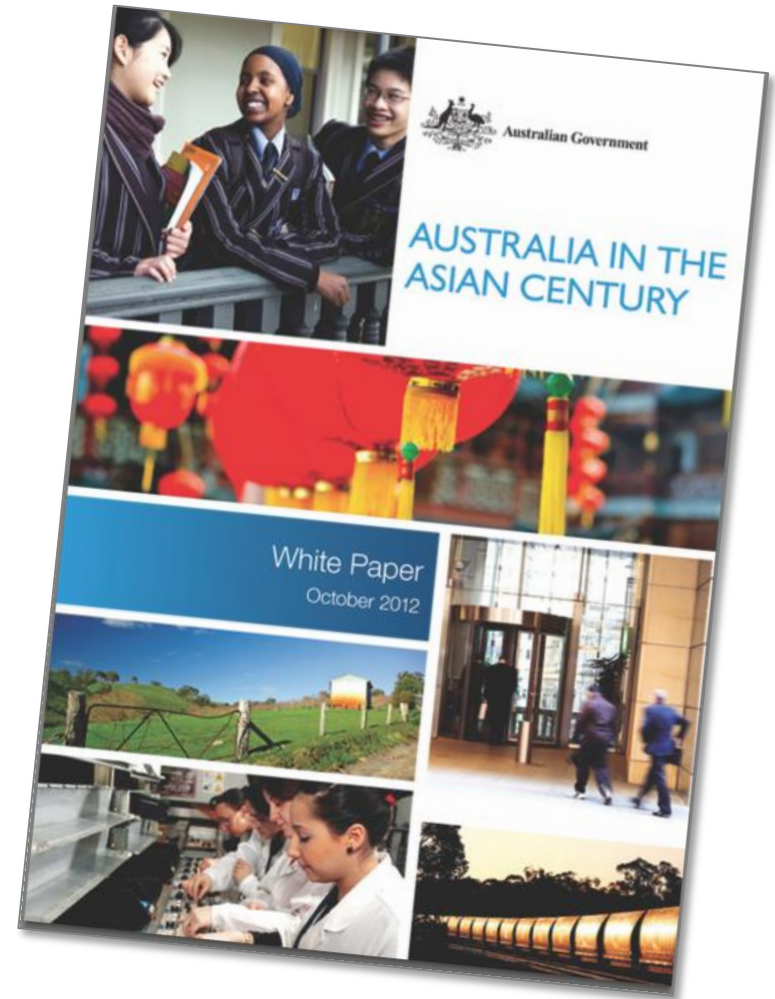


Crown highlighted in The Asian Century White Paper

The Asian Century White Paper singled out Crown's luxury 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.”

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



Unique Tourism Attractions available to Crown Sydney

- 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 NSW to give high net worth visitors a taste of rural Australia. Crown will also establish a partnership with the Perisher Ski Resort, making the ski fields another key attraction for these VIP guests:
 - ✧ Ellerston Retreat will be developed into a luxury day retreat with an exclusive golf course in the Hunter Valley of rural NSW.
 - ✧ Perisher is the southern hemisphere's largest alpine resort located in the Snowy Mountains and is Australia's most popular snow holiday destination.
- The combination of the Ellerston Retreat, the partnership with Perisher Ski Resort and Crown Sydney's network of associated 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.



Benefits: Increase NSW Share of the International VIP Gaming Market

- Despite the many attractions of Sydney and New South Wales, the New South Wales share of the international VIP gaming market is estimated to be less than 1%;
- In contrast, Crown has been very successful in attracting VIP gaming customers from Asia to its resorts in Melbourne and Perth. Crown estimates that its resorts in Melbourne and Perth account for about two thirds 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 licence in Macau, the world's largest gaming market;
- Given Crown's success at attracting international VIP customers to its resorts in Australia, the Crown Sydney Hotel Resort is expected to significantly increase Sydney's share of the international VIP gaming market.

VIP Gaming 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.

- 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', 2 Aug 12

A Unique Set of Project Partners

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(Workforce planning, development and EA)
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(Indigenous Employment)
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Indigenous Jobs – Partnership with NCIE

National Centre of Indigenous Excellence (NCIE) to partner on Crown Sydney Hotel Resort

As Project Partners, NCIE, United Voice, Penrith Panthers Group and the Australian Rugby League Commission will work to deliver Indigenous employment programs for the hospitality areas of the resort, including pre employment and traineeships with local schools.

Quotes from Jason Glanville CEO, NCIE

“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.”



Partnership with United Voice

United Voice Union (NSW Branch) partners on Crown Sydney Hotel Resort

As a project Partner, United Voice will work with Crown on issues relating to employment, training and workforce development for the operation of the Sydney Hotel Resort.

Quotes from Mark Boyd NSW Branch Secretary, United Voice

“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.”

“I accept that to be commercially viable, VIP gaming facilities will need to be a part of this project. As former PM Paul Keating said “VIP only gaming should bring revenue to the hotel that hotel-only operators are unable to bring.”



Partnership with Penrith Panthers

Penrith Panthers partner on Crown Sydney Hotel Resort

As a project Partner, Penrith Panthers will work with Crown on issues relating to employment, training and workforce development for the operation of the Sydney Hotel Resort.

Quote from Phil Gould, Executive General Manager Penrith Panthers

“Panthers look forward to working with Crown to deliver a state-of-the-art Crown Training College facility at Panthers Penrith. Benefits of this facility are immense for Penrith and Western Sydney, local jobs (both direct and indirect), 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.”

FRIDAY, FEBRUARY 8, 2013 // THE TELEGRAPH.COM.AU 09

Packer college brings \$10m in jobs to West



James Packer with players Wes Naiqama and Luke Walsh and students Zac Loneragan and Brittany Brown; and (below) with Panthers' general manager Phil Gould. Pictures: Craig Greenhill



EXCLUSIVE ANDREW CARSWELL

IT will be unabashed luxury, a creative masterpiece, a centrepiece for Australia's biggest urban development — and it will all be staffed with eager workers from western Sydney.

Billionaire gaming mogul James Packer will build a \$10 million college in Penrith to train 1250 staff to work in what he claims will be one of the world's greatest hotels — his \$1 billion six-star Crown Sydney Hotel Resort at

Barangaroo. The Crown chairman yesterday signed a deal with the Penrith's Panthers club that will see the state-of-the-art training facility built within the club's proposed community centre.

Mirrored on the company's successful in-house Crown College in Melbourne, which has trained 4300 apprentices in the past 10 years, the Penrith centre will feature a school of business, a hotel and food academy built around a large-scale replica restaurant, and a fully equipped gaming hall.

Under the terms of the memorandum of understanding, Panthers NRL stars will be hired as mentors for the trainees and, in turn, gain a career pathway after football.

Crown also will push into local Penrith schools and create avenues for students to complete school-based traineeships and apprenticeships. Panthers staff also will be

given the opportunity to be trained in the college and seconded to work at Barangaroo when required.

For Mr Packer, as with the extensive footprint of his proposed casino resort on Sydney Harbour, location was imperative.

He personally wanted to offer an opportunity to western Sydney, where high-class training avenues are seldom found and luxury-focused hospitality jobs are even rarer, and where his passion for giving the indigenous community the tools for success can be utilised.

“Crown Sydney, if it is approved, will employ 1250 people; this announcement today gets those jobs to where they are needed most — Sydney's west,” he said.

“This partnership 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 employment.”

Partnership with the NRL

NRL partners on Crown Sydney Hotel Resort

The NRL and Crown Resorts have announced a landmark agreement creating vocational and employment opportunities for hundreds of Indigenous Australians

Quote from Dave Smith, NRL CEO

"This partnership is one that provides real opportunities for Indigenous Australians

We are proud of what we have achieved in these areas to date but the scale of what we can achieve with the support of James Packer and Crown clearly adds a whole new dimension."



Responsible gaming at Crown Sydney

The VIP gaming facilities at Crown Sydney will have significantly reduced 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, it is estimated that only 5% of Crown Melbourne's local gaming customers would be playing in such a restricted gaming facility.

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 an MOU 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.

Additional Information on Crown Resorts Limited

Crown's Contribution to Employee Development & Training

- Crown is a major provider of training and career development opportunities for young Australians including award winning Indigenous employment programs
- Since inception Crown Melbourne has graduated approximately 6,000 apprentices and trainees
- At the 2013 Victorian Government's Training Awards, Crown Melbourne was awarded the 2013 Victorian Employer of the Year award
- At the 2012 Australian Business Awards, Crown Melbourne was awarded the Recommended Employer award and Crown Resorts Limited was awarded the Community Contribution award
- Crown Perth received the Organisational and Staff Development award at the 2012 Learning and Technology Impacts Awards

2013 Victorian Employer of the Year



Crown's Commitment to Indigenous Employment

- Crown was the first company to sign the Australian Employment Covenant (AEC) in 2009, initially committing to creating 300 job opportunities for Indigenous Australians;
- In 2012, Crown revised its commitment and increased the number of opportunities to be provided to 2,000 by 2020;
- Crown has partnered with Reconciliation Australia to help us achieve our AEC goal and to create a Reconciliation Action Plan (RAP);
- Crown's RAP builds on the successful Indigenous employment and mentoring programs currently in place, the RAP will enable these programs to be more focussed on individual support and cultural awareness;
- Crown is also now a corporate partner of the National Centre of Indigenous Excellence in Redfern – looking to create future career training and employment opportunities for Crown Sydney Hotel Resort.



CROWN RESORTS Reconciliation Action Plan

Crown's Corporate Social Responsibility Approach

- Crown seeks to act responsibly in all of our activities;
- To oversee Crown's commitment, the Board has this year established a Corporate Social Responsibility (CSR) Board Committee, chaired by The Honorable Helen Coonan;
- The Board Committee will continue Crown's efforts in promoting CSR initiatives across the business;
- Crown will soon release its first CSR report that outlines the business-wide initiatives and projects that are contributing to Crown's more sustainable path for future growth.





- The Crown Resorts Foundation, announced in September this year, will formalise Crown's community involvement program and aggregate the range of community initiatives already being undertaken at Crown Melbourne and Crown Perth
- As the philanthropic arm of Crown, the Foundation will provide engaged financial support to programs with demonstrated success in the areas of community welfare, education, health care and research, the arts and the environment
- The Foundation is focussed on creating effective local partnerships by facilitating cooperation between our community partners and our targeted not-for-profit organisations to deliver unprecedented outcomes in Indigenous education and employment by utilising the strengths of all groups involved

- Crown recognises it can play a significant role within the community and seeks to do so through its partnerships with leading community organisations;
- These partnerships include the National Centre of Indigenous Excellence (NCIE), Reconciliation Australia, The Salvation Army, Mission Australia and the NSW branch of United Voice;
- Crown also provides assistance, donations and support to a broad range of community activities, local sporting clubs and various charities.



NATIONAL CENTRE OF
INDIGENOUS EXCELLENCE

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