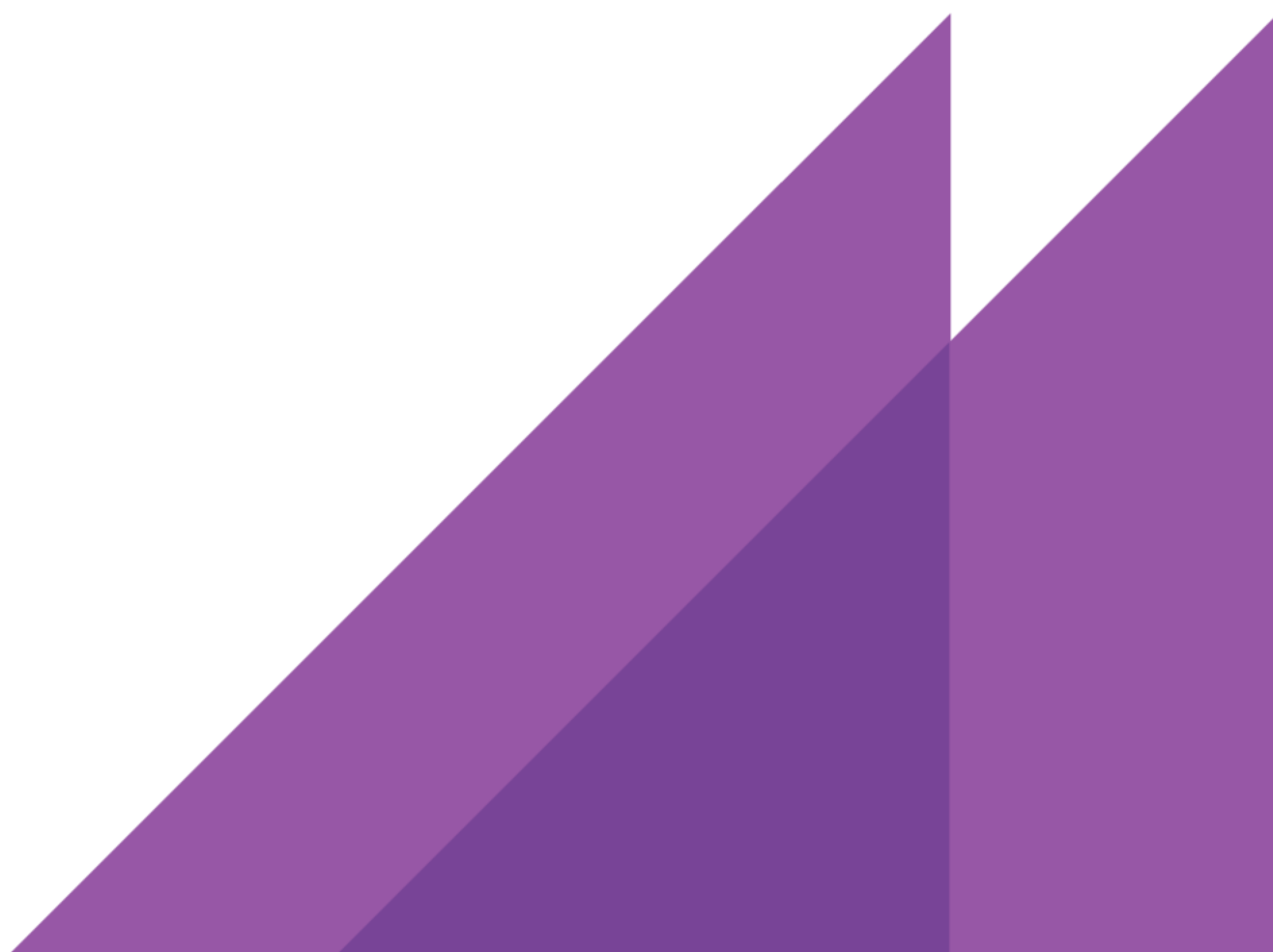


REPORT TO
CROWN RESORTS LIMITED
OCTOBER 2018

CROWN RESORTS IN AUSTRALIA



THE ECONOMIC CONTRIBUTION OF
CROWN MELBOURNE AND CROWN
PERTH





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Economic contribution of Crown Resorts to Australia

Crown Resorts contribute to the Australian economy through four key sources:

1. direct operational employment and spending by Crown Resorts
2. direct capital expenditure by Crown Resorts
3. employment and expenditure activities of tenancies operating within Crown buildings but not owned by Crown Resorts
4. induced expenditure on Australian goods and services outside of the resort by international visitors who would not otherwise have visited Australia (predominantly through the international VIP program but also includes a portion of general international visitors).

Combining the estimated contribution of operations and ongoing capital expenditure, it is estimated that in 2017-18 Crown Melbourne and Crown Perth contributed between \$3,133–\$4,402 million to Australian real GDP and between 18,055–25,054 full-time equivalent (FTE) jobs across Australia, with:

- Crown Melbourne contributing between \$2,242–\$3,160 million to Australian real GDP and between 11,474–16,548 FTE jobs
- Crown Perth contributing between \$891–\$1,242 million to Australian real GDP and between 6,581–8,507 FTE jobs.

1.1 Summary

1.1.1 Crown Melbourne operations

The estimated direct and indirect contribution of Crown Melbourne to the Victorian and Australian economies in 2017-18 is presented in **Table 1.1** and **Figure 1.1**.

The direct economic contribution of Crown Melbourne was separated into two sources:

- the direct activities of Crown Melbourne (operations and capital expenditure)
- the direct activities of the various tenancies operating within the Crown Melbourne buildings but not owned by Crown Resorts.

In 2017-18, the direct economic contribution of Crown Melbourne to the GSP and GDP of the Victorian and Australian economies is estimated to have been \$1,520 million directly employing 7,019 FTE employees.

In total, the 2017-18 operations of Crown Melbourne are estimated to have contributed (directly or indirectly):

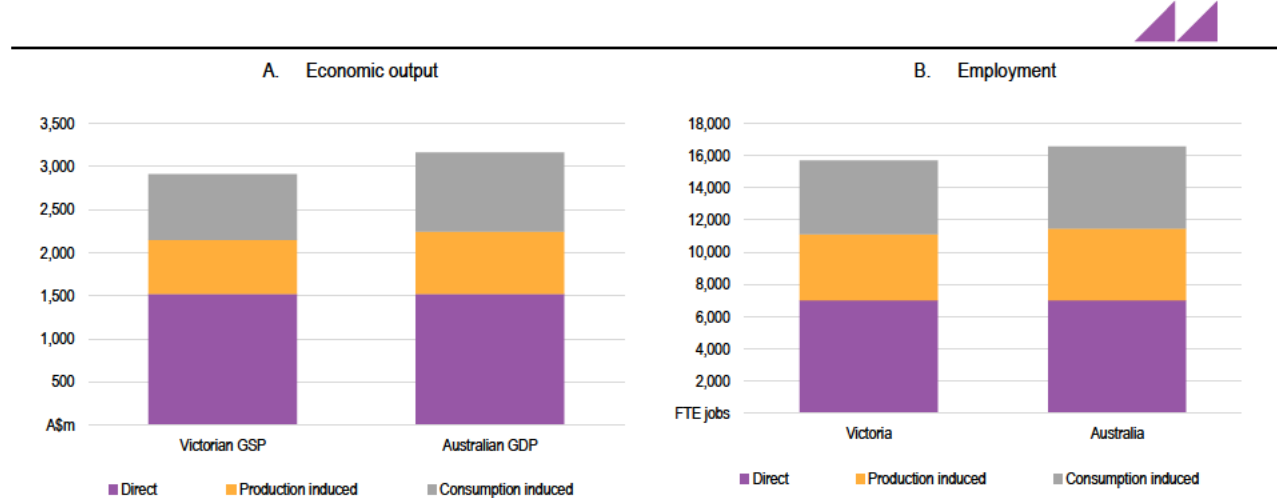
— between 11,133–15,687 FTE jobs and \$2,146–\$2,907 million to the GSP of the Victorian economy
 — between 11,474–16,548 FTE jobs and \$2,242–\$3,160 million to the GDP of the Australian economy.

This is a significant contribution by a single asset, representing approximately 0.68 per cent of the Victorian GSP and 0.57 per cent of Victorian employment.

TABLE 1.1 ESTIMATED ECONOMIC AND EMPLOYMENT CONTRIBUTION OF CROWN MELBOURNE ACTIVITIES TO VICTORIA AND AUSTRALIA

	Direct contribution		Total contribution – Economic output (GSP/GDP)		Total contribution – Employment	
	Economic output (GSP/GDP)	Employment	Lower	Upper	Lower	Upper
	A\$m	FTE jobs	A\$m	A\$m	FTE jobs	FTE jobs
VICTORIA						
Crown Melbourne – operations	1,464	5,611	1,810	2,394	8,330	11,835
Crown Melbourne – capital expenditure	13	111	50	75	375	525
Tenancies	44	1,297	218	331	1,827	2,507
Induced visitor spend	0	0	68	108	581	820
Total	1,520	7,019	2,146	2,907	11,113	15,687
AUSTRALIA						
Crown Melbourne – operations	1,464	5,611	1,868	2,573	8,548	12,401
Crown Melbourne – capital expenditure	13	111	53	84	371	547
Tenancies	44	1,297	231	360	1,835	2,569
Induced visitor spend	0	0	89	143	721	1,031
Total	1,520	7,019	2,242	3,160	11,474	16,548

Note: on site contractors, whether permanently on-site or not, are not included in the direct employment in this table as they are classed as indirect employment stimulated through the purchases of services by Crown Melbourne
 SOURCE: ACIL ALLEN CONSULTING

FIGURE 1.1 ESTIMATED ECONOMIC AND EMPLOYMENT CONTRIBUTION OF CROWN MELBOURNE ACTIVITIES TO VICTORIA AND AUSTRALIA

SOURCE: ACIL ALLEN CONSULTING

1.1.2 Crown Perth operations

The estimated direct and indirect contribution of Crown Perth to the Western Australian and Australian economies in 2017-18 is presented in **Table 1.2** and **Figure 1.2**.

In 2017-18, the direct economic contribution of Crown Perth to the GSP and GDP of the Western Australian and Australian economies is estimated to have been \$652 million, directly employing 4,927 FTE employees.

In total, the 2017-18 operations of Crown Perth are estimated to have contributed:

- Between 6,231–7,630 jobs and \$836–\$1,089 million to the GSP of the Western Australian economy
- between 6,581–8,507 jobs and \$891–\$1,242 million to the GDP of the Australian economy.

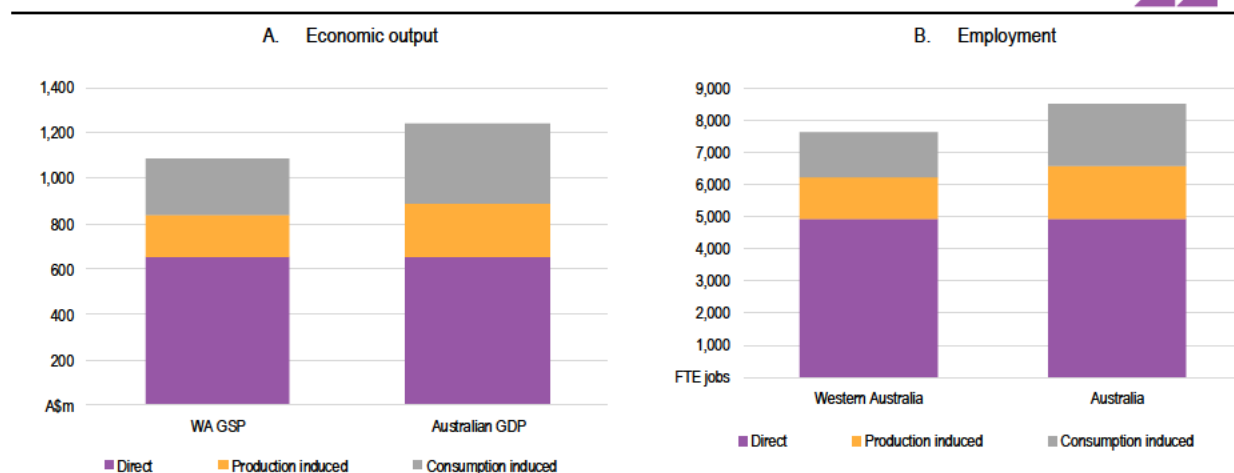
As with Crown Melbourne, this is a significant contribution by a single asset, representing approximately 0.42 per cent of the Western Australian GSP and 0.68 per cent of Western Australian employment.

TABLE 1.2 ESTIMATED ECONOMIC AND EMPLOYMENT CONTRIBUTION OF CROWN PERTH ACTIVITIES TO WESTERN AUSTRALIA AND AUSTRALIA

	Direct contribution		Total contribution – Economic output (GSP/GDP)		Total contribution – Employment	
	Economic output (GSP/GDP)	Employment	Lower	Upper	Lower	Upper
	A\$m	FTE jobs	A\$m	A\$m	FTE jobs	FTE jobs
Western Australia						
Crown Perth – operations	641	4,625	752	967	5,425	6,604
Crown Perth – capital expenditure	6	47	19	28	139	190
Tenancies	6	255	23	31	295	343
Induced visitor spend	0	0	42	63	372	492
Total	652	4,927	836	1,089	6,231	7,630
AUSTRALIA						
Crown Perth – operations	641	4,625	785	1,075	5,619	7,199
Crown Perth – capital expenditure	6	47	23	36	157	231
Tenancies	6	255	25	37	310	379
Induced visitor spend	0	0	58	94	495	698
Total	652	4,927	891	1,242	6,581	8,507

Note: on site contractors, whether permanently on-site or not, are not included in the direct employment in this table as they are classed as indirect employment stimulated through the purchases of services by Crown Perth

SOURCE: ACIL ALLEN CONSULTING

FIGURE 1.2 ESTIMATED ECONOMIC AND EMPLOYMENT CONTRIBUTION OF CROWN PERTH ACTIVITIES TO WESTERN AUSTRALIA AND AUSTRALIA

SOURCE: ACIL ALLEN CONSULTING

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ABOUT ACIL ALLEN CONSULTING

ACIL ALLEN CONSULTING IS THE
LARGEST INDEPENDENT,
AUSTRALIAN OWNED ECONOMIC
AND PUBLIC POLICY CONSULTANCY.

WE SPECIALISE IN THE USE OF
APPLIED ECONOMICS AND
ECONOMETRICS WITH EMPHASIS ON
THE ANALYSIS, DEVELOPMENT AND
EVALUATION OF POLICY, STRATEGY
AND PROGRAMS.

OUR REPUTATION FOR QUALITY
RESEARCH, CREDIBLE ANALYSIS
AND INNOVATIVE ADVICE HAS BEEN
DEVELOPED OVER A PERIOD OF
MORE THAN THIRTY YEARS.

