

AUSTRALIA'S CASINOS

MORE THAN GAMING

Our Contribution to the Economy

Australia's 13 casinos make a major economic contribution to the Australian community. Our casinos are entertainment complexes that operate in total compliance environments. They are major providers of employment and training, important players in the tourism and convention industries and an important source of revenue for all levels of government.

Economic Contribution

The annual economic impact of the Australian casino industry is equivalent in size to the economic impact of holding four and a half Commonwealth Games in Australia each year. Australia's casinos made a direct contribution to Australia's Gross Domestic Product of \$2.5 billion - i.e. 68 cents in every dollar spent in our casinos contributes directly to GDP.

Overall, our casinos directly and indirectly contributed \$7.5 billion in GDP to the Australian economy in 2005/06. They generated \$9.4 billion in industry sales, and provided \$2.5 billion in salaries and wages to Australian households by providing more than 46,000 full and part time jobs.

Taxes

The Australian casino industry contributes 26% of all revenue to government taxes at all levels, which equates to approximately 50% of earnings.

Total taxes and levies paid by the Australian casino industry in 2005/06 was \$956.8 million, a 10.9% increase in taxes paid in the previous year.

In 2005/06 state gaming taxes amounted to \$389.6 million, an 8.3% increase over the previous year. There were substantial increases in the amount of payroll tax and community benefit levies paid by casinos. Australian casinos pay a range of local, state and federal taxes in addition to gaming taxes.

Total taxes paid to state and local government amounted to \$467.4 million while the casino industry contributed \$489.4 million to the commonwealth government.

The Community and Our Social Responsibility

In 2005/06, the casino industry contributed \$31.5 million in community benefit levies. In addition to community benefit levies, the Australian casino industry contributed to a range of other specific community groups, charities, special events and sporting organisations.

For 2005/06, total additional contributions to community organisations and charities totalled \$8.5 million - making the industry's total contribution to community related activities \$40 million.

Employment

Casinos rely on their people; most are operating 24 hours per day, meaning the largest expenditure component for the casino industry was salaries and wages. In 2005/06, casino staff salaries and wages amounted to \$830.4 million, with additional labour oncosts of \$158.7 million - consisting of costs such as superannuation and



other associated staff costs such as uniforms.

As at June 2006, the industry directly employed 19,729 people. More than 50% of those employed are between the ages of 18 and 34 years and 81% are under the age of 45. Using the Australian Bureau of Statistics data for the total work force, average casino incomes were 2.5 % higher and an additional \$997 per annum more than the national average in 2005/06.

Tourism & Entertainment

Casinos provide over 3,800 first class hotel rooms and an extraordinary variety of dining and entertainment experiences. In 2005/06, 47 million people visited our casinos - an increase of 1.1 million over the previous year.

Casinos provide some of Australia's best meeting and convention venues, as well as being sought after leisure destinations for corporate tourism. There were 3,350 conventions / conferences hosted during 2005-2006 with over 590,000 attendees.

Our Entertainment facilities

- 36 entertainment facilities to casino visitors - 15 movie theatres, 5 live theatres, 4 night clubs and 3 amusement arcades

- 33 sporting facilities - 13 gyms / health clubs, 2 golf courses, 1 driving range 10 swimming pools and 5 no guest services. tennis courts and others such as horse riding and fly fishing facilities

- 59 retail shops

Casinos are a major part of Australia's entertainment industry, providing some of the best venues in which a wide range of Australian and international talent is showcased.

Expenditure

Casino operating costs rose by 6.2% from 2004/05 to 2005/06. Apart from salaries and wages and labour oncosts, other key expenditure items included utilities amounting to \$53.6 million, marketing and promotions \$134.9 million, repairs

and maintenance \$57.5 million, food and beverages cost of goods sold (cogs) totaling \$152.5 million and a combination of a range of sundry costs totaling a \$323.2 million. Capital expenditure amounted to \$212.6 million. While capital expenditure tends to oscillate from year to year it represented approximately 5.9% of total industry revenue in 2005/06.

Revenue

The overall total casino revenue totaled \$3.61 billion in 2005/06 - a compound annual growth rate of 4.8% from the previous year. Gaming revenue remains the largest contributor to overall revenue at an estimated \$3.6 billion. However, growth from the gaming sector remains static and non-gaming sectors of the casino business are generating a greater growth for many of the businesses.

In 2005/06 non-gaming revenue totalled \$759 million amounting to 21% of total revenue. Non-gaming revenue included food and beverage sales of \$427.8 million, followed by accommodation \$202 million, rent and leasing \$28.1 million, entertainment \$23.2 million and other income of \$77.9 million consisting of items such as car parking fees, foreign exchange commissions and casino guest services.

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