

Media release

Arrow's own analysis of planned Gladstone LNG plant shows 1,600 jobs could be lost

A Liquefied Natural Gas (LNG) plant proposed for Gladstone will have serious negative consequences, including large job losses, across the local and State economy, according to an analysis of the project's own Economic Impact Assessment (EIA).

Arrow Energy concedes that 1,600 jobs across Queensland will be lost, with Gladstone's already struggling manufacturing sector hardest hit. The EIA also identifies housing affordability, staff shortages for local businesses and cost of living pressures as potential knock-on effects of the project, stating that it:

"...is expected to contribute to wage and cost increases throughout Australia, in particular in Gladstone... and may also have some effects in terms of maintaining higher costs for housing and accommodation."

In a submission to the proposed Arrow Energy LNG plant, The Australia Institute's Senior Economist Matt Grudnoff, argues that it will create a yo-yo local economy and should not proceed.

"With a large number of existing and planned mining construction projects in Gladstone, the pressures and constraints on the local economy are already being felt," said Mr Grudnoff.

"For those not employed by the LNG plant, they can expect to see housing affordability go through the roof, and fewer jobs in an already struggling manufacturing industry.

Modelling on the impact on domestic gas prices also indicates that the profits of gas producers exporting overseas will increase, at the expense of local gas prices.

"With wholesale gas prices predicted to double by 2015, and possibly increase more than five times the current price by 2025, the impact on consumer gas prices for Queenslanders already facing cost of living pressures will be significant.

"Gladstone's economy is already suffering from the dislocation caused by the mining boom, and this project, if approved, will only seek to exacerbate it," concluded Mr Grudnoff.

A full copy of our submission can be found on our website, under 'publications.'

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