

Media release

09 August 2012

James Price Point LNG project will cost jobs and drive up cost of living for local communities: new analysis

According to the Western Australian government's own economic assessment, the Browse LNG precinct proposed for James Price Point is likely to have a significant adverse impact on the state's budget, will employ few local workers and harm the region's reputation as a tourist destination, a new analysis by The Australia Institute has found.

Mr Matt Grudnoff, Senior Economist at The Australia Institute, a Canberra-based public policy think tank, said the evidence to support the state government's claim that the precinct will deliver economic benefits is virtually non-existent.

An analysis of the WA government's Strategic Social Impact Assessment prepared for the proposed gas hub reveals the project is likely to:

- Be a net cost to the taxpayers of WA with the government spending more money supporting it than it will collect in state taxes
- Rely on up to 97 per cent fly-in fly-out (FIFO) workers and employ very few local workers
- Reduce the Kimberley's reputation as a world class tourism destination
- Place additional demand on already stretched community services such as health and police
- Cause inflation in the Broome region.

"While there is little doubt that the Browse LNG development has the potential to deliver substantial profits to companies such as Woodside, there is also little doubt that the local community will suffer a higher cost of living during the construction phase and enjoy very few long-term benefits," said Mr Grudnoff.

"If the WA government believes it has made the economic case for this project it should explain where this evidence can be found as its own Social Impact Assessment primarily presents evidence that rejects that conclusion.

"It is also curious that the WA government has chosen not to undertake a robust economic modelling exercise for a \$30-\$45 billion project. It is unclear how it can be confident of the benefits of the project when it's not even clear about the size of it. This raises questions about whether the state government has done its due diligence to ensure this project is in the best interests of the local and state communities.

"While the government has been quick to dismiss the environmental concerns raised about the LNG precinct it might be harder to ignore the economic consequences for the local community when construction begins," concluded Mr Grudnoff.

A copy of James Price Point: An economic analysis of the Browse LNG project is available to download from www.tai.org.au under 'Publications'

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