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LNG: Jobs for Gladstone?

Campaign Brief



LNG: JOBS FOR GLADSTONE?

Gladstone is placed at the epicentre of the Liquefied Natural Gas boom and it's only right that the local region shares in the medium and long-term spoils of such a boom. For this to happen there needs to be sustained employment long after the current frenzied construction phase draws to a close.

One such way is to secure Australian workers on the LNG tankers that will ply the trade route between Gladstone and the Asian market. Fostering local employment will create a local hub for business and produce a whole host of other benefits for the Gladstone community.

Each LNG vessel has the capacity to employ 32 people a year. Conservative estimates show that there will be approximately 25 LNG vessels calling into Gladstone a year.

That's 800 local jobs before we consider the auxiliary employment in towage, pilotage, maintenance, port authority and a range of ancillary jobs such as providoring, brokering and shipping agents.

AUSTRALIAN LNG EXPANSION

Two-thirds of global LNG production investment is occurring in Australia, and Australia is soon to become the world's largest exporter of LNG.

Massive amounts of money are involved. An estimated \$62 billion has been invested in building the Gladstone plants alone. The Australian LNG production areas are roughly divided into North-West (offshore Western Australian and Northern Territory), and East Coast Coal (CSG) which will be shipped from Gladstone via pipelines throughout Queensland and New South Wales.

GLADSTONE LNG

There are currently three LNG projects under construction in Gladstone: The US\$20.4bn Queensland Curtis LNG (QCLNG) project, the US\$18.5bn Santos Gladstone LNG (GLNG), and the US\$22bn Asia Pacific LNG (APLNG).

The fourth, Arrow Energy, is significantly delayed and there is speculation that the gas from this project will be sold to one of the other three operators.

Involved in these projects are multi-billion dollar multi-national corporations such as France's Total, the UK's BG Group, the USA's ConocoPhillips and Malaysia's Petronas.

HOW MANY SHIPS WILL BE EXPORTING LNG FROM GLADSTONE?

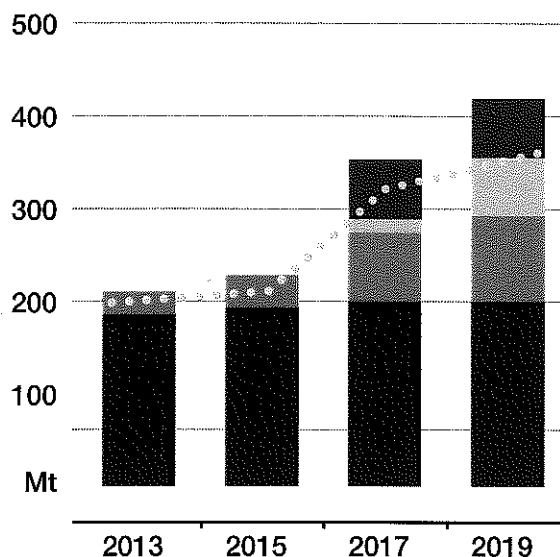
According to the Environmental Impact Statements completed for the three Gladstone LNG projects, there will be 360 loadings of huge LNG tankers each year – at least one shipload every day of the year.

At least 25 \$200 million-dollar ships, crewed by 900 people, will be involved in exporting LNG from Gladstone. These ships will mainly be travelling to Japan, China, South Korea, Malaysia, Singapore, and Chile, supplying vital energy needs to these countries.

CURRENT SITUATION

While employment is relatively good at 4.8% there has been a general increase from the historically low rate of 3.97% recorded in June 2012. Australian Bureau of Statistics figures show that Aboriginal unemployment for the Rockhampton region (which includes Gladstone) sits at more than 16%. Unemployment across the board could potentially double once the construction phase dies down between now and 2016. Business sentiment is also not optimistic for the coming years with a downturn in work being the highest concern for local business, according to a Gladstone Chamber of Commerce and Industry survey released earlier in 2014. In the same survey, 20% of businesses said they would be reducing staff within the next year. More than 800 jobs would help offset these losses and help bolster local business and protect Gladstone's property market from crashing.

GLOBAL LNG PRODUCTION AND IMPORTS



LNG PRODUCTION

Rest of the world
 Australia
 North America
 Africa
 LNG imports

Australian Bureau of Resources and Energy Economics

It is in the best interest of the people and businesses of Gladstone to secure LNG jobs for the local community.

GAS PRICES

Recent research is indicating that despite Australia being poised to be one of the world's biggest gas producers that there will be little benefit in the way of cheap domestic energy. A report commissioned by six peak industry bodies including the Australian Industry Group (AiGroup) shows that gas prices are set to triple putting the whole manufacturing sector under more pressure and approximately 15,000 jobs at risk. Even factoring in benefits from LNG gas exports, the report said "Queensland's economy will also suffer the most severe decline in non-gas sectors, with a cumulative \$60 billion contraction in manufacturing output and a \$22 billion contraction in mining output in net present value terms to 2021."

It won't just be business that suffers either. At home people will be shelling out three times as much for their energy bills over the coming years, which will mean less money being injected back in the local market.

Providing employment is not going to mitigate gas prices in Australia.

But there is a solid argument that there should be a program in place to ensure Australians are better benefiting from the resources we all own. One such way is to ensure jobs - particularly good, skilled and permanent jobs, like seafaring - are provided to local people first.

GOING FORWARD

It is in the best interest of the Gladstone community and businesses to secure LNG jobs for the local community. The local Goreng Goreng people are onboard the campaign, as they too would like to see some more trickle down benefits from the resources on their traditional land. This campaign has the potential to grow into other industries and areas where more local people could set to benefit from Australia's natural wealth, not just massive multi-national corporations.

To show your support, or to find out more about this campaign please contact Jason Miners on 0401 211 866

