

Origin gas project fires promise of jobs boom

John McCarthy

ANOTHER \$US14 billion of investment is about to pour into Queensland after the Origin Energy-led joint venture gave the green light to its liquefied natural gas project on Curtis Island, near Gladstone.

The development will mean another 6000 jobs in construction, adding to the more than 10,000 already announced by its competitors, Queensland Gas and the Santos-led consortia, which already have started building another two LNG facilities on Curtis Island.

The go-ahead means \$45 billion has been committed by the industry.

Premier Anna Bligh said the decision would turbocharge the local economy and help return Queensland to its position as the nation's engine room.

"It puts us where we want to be, right out in front of the pack," she said.

The investment is only the first stage of an anticipated \$US20 billion investment from the Origin team with an expansion of the facility also factored in.

Queensland Treasury will earn about \$850 million a year in royalties from the industry when production ramps up, but Origin's project alone will generate a massive \$7 billion a year.

Ms Bligh also tipped a housing boom for Gladstone as hundreds of people moved to the city in search of work.

"Central Queensland will feel a ripple effect over every part of its economy. People from Bundaberg to Mackay will want to be a part of this," she said.

Origin managing director Grant King said that getting the huge number of skilled workers was an issue but the company was counting on not only the local workforce but also workers currently in Western Australia who wanted to return home, as well as interstate migration.

The gas for the scheme will come from the controversial coal seam gas wells dotted over a massive area of central and southern Queensland.

The industry expects 40,000 wells will eventually be drilled.

PIPE DREAM



THE BASICS

- Gas is extracted by wells from underground coal seams
- Compressed and piped to Curtis Island
- Turned into a liquid at processing facility
- Shipped to China

THE PROJECTS

- QGC**
- \$US15 billion
 - 6000 wells in next 20 years
 - Production by 2014
 - 5000 jobs in construction, 700 in operation

- SANTOS (GLNG joint venture)**
- \$US16 billion
 - 2650 wells
 - Production by 2015
 - 5000 jobs in construction, 1000 in operation

- ORIGIN (APLNG joint venture)**
- \$US14 billion
 - 1300 wells
 - Production 2016
 - 6000 jobs in construction, 1000 in operation.

But the go-ahead is expected to meet with some resistance with the Queensland Farmers Federation saying it would add to tensions between the gas companies and producers over Queensland's most productive land.

"The pressure will increase and that will increase tension," QFF chief executive Dan Galligan said.

"We have four years (of construction) and there will be a lot of holes drilled and pipelines built. We really are at the beginning of the problem, not the end."

Anti-gas activist Drew Hutton said his Lock the Gate group was preparing for resistance and had about

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Anna Bligh

1500 landowners prepared to fight the gas companies.

Mr King rejected accusations made in Senate hearings last week that farmers were being subjugated by the gas companies and ripped off by the compensation process.

He said all its dealings with farmers had been resolved by mutual agreements and he would be happy to front the Senate's hearings.

He also rejected any need for Federal Government intervention or oversight.

Ms Bligh also said the criticism was not informed and rejected the suggestion the Government could not properly regulate something it earned royalties from.