

Economic Impact of the Scarborough Energy Project

August 2025

 **US\$12.5bn**
Capital expenditure

Offshore and onshore components of the Scarborough Energy Project will cost an estimated US\$12.5 billion. This includes the construction of Pluto Train 2, installation of a floating production unit (FPU), initially up to 8 wells drilled, a new trunkline, and new domestic gas facilities.

 **600 FTEs p.a.**
Operational employment

Over its productive life between 2027 and 2055, the Scarborough Energy Project will directly create or sustain 600 FTE jobs each year across Western Australia. During the construction phase, ACIL Allen estimates a peak of 3,200 direct and contract workers will be employed annually between 2021 to 2026 to build the Project.

Case Study of the downstream benefits of the Scarborough Energy Project: The Perdaman Urea Project

The size and scale that the Scarborough Energy Project makes to the Western Australian economy reflects its important role in supplying gas to the domestic economy. Domestic gas is the primary fuel source for power generation in Western Australia and is also a critical input into a number of downstream industries. One such use specific to Scarborough gas is the US\$4.5 billion Perdaman Urea Project, which will be the first major downstream gas development in Western Australia in 20 years. The Perdaman Urea Project proposes to utilise natural gas feedstock from the Scarborough Project, sourced under a 20 year offtake agreement with Woodside Energy.

The Perdaman Urea Project is considered 'transformational' in the context of Western Australia's economy, and is expected to provide an \$8.5 billion public benefit, supporting approximately 2,500 construction and operations jobs over its 40-year life. The successful commissioning and operation of the Perdaman Urea Plant is contingent on the development of the Scarborough Energy Project.

Source: ACIL Allen; Perdaman; Woodside Energy

 **A\$537m p.a.**
Operational expenditure

Once operational, the Scarborough Energy Project will spend on average an estimated A\$537m per year which will support Western Australian and Karratha-based businesses.

 **A\$5.4bn**
Direct spend with WA businesses

The Scarborough Energy Project is estimated to spend over A\$5.4 billion in Western Australia throughout the development phase of the project.

About the Scarborough Energy Project

The Scarborough Energy Project involves the development of the Scarborough field in the Carnarvon Basin, approximately 375km off the Pilbara Coast of Western Australia. New offshore facilities will be connected by pipeline to a new LNG train (Pluto Train 2) at the existing Pluto LNG onshore facility, enabling the Scarborough Energy Project to produce up to 8Mtpa of LNG and up to 225 TJ/d of domestic gas.

The project is expected to play a key role in the global energy transition, assisting neighbouring countries to reduce emissions, while also supplying domestic gas and funding the next steps in Western Australia's own energy transition. In addition to supplying affordable energy to the domestic market, the project is expected to have downstream industry uses, including the critical input to Perdaman's multi-billion dollar urea plant which is expected to operate for up to 25 years.



Economic Impact of the Scarborough Energy Project

The Scarborough Energy Project is one of the most significant investment projects undertaken in Australia this decade. ACIL Allen estimates that over the study period (which includes both construction and operational phases of the project), the Scarborough Energy Project will boost Australia's GDP by \$174.1 billion (averaging \$5.5 billion per annum once operational in 2026), and support almost 3,011 FTE jobs per annum across Australia once operational.

While the Scarborough Energy Project is nationally significant, it will primarily deliver benefits to the Western Australian economy through higher export earnings, the supply of gas to the local economy to support power generation, and as a critical input into a number of downstream industries.



Image: Woodside Energy Pluto LNG Plant, onshore


 **A\$174.1bn**
Gross Domestic Product

The Scarborough Energy Project will boost Australia's GDP by an estimated \$174.1 billion between 2021 and 2056, the majority of which will be realised in WA. Once operational, ACIL Allen estimates the Project will add an additional \$5.5 billion per annum to Australia's GDP.

 The estimated increase in Western Australia's GDP arising from the Scarborough Energy Project is greater than the economic contribution made by the State's hospitality sector in 2022-23.


 **3,011 FTEs p.a.**
Direct & indirect jobs

Once operational, the Scarborough Energy Project will directly and indirectly support an estimated 3,011 FTE jobs per annum across Australia, the majority (2,514 FTE jobs) of which will be employed in WA. Of this amount, the Project will support an estimated 428 FTE jobs directly and a further 2,086 FTE jobs indirectly on average each year.

 The average number of jobs created or supported by the Scarborough Energy Project is more than twice the number of full time fire and emergency service workers employed across Western Australia in 2022-23 (1,316 FTE workers).


 **A\$133.2bn**
Real Income

The Scarborough Energy Project is expected to boost real incomes in Australia by an estimated \$133.2 billion between 2021 and 2056, with over half (or \$76.9 billion) being retained in WA. Once operational, ACIL Allen estimates that national income will increase by \$4.2 billion per annum.

 The boost to the State's income would be equivalent to twice the size of the welfare benefits associated with the WA Government's Royalties for Regions Program, which distributes more than one billion dollars per annum to improve service provision across the regions of WA.

 **A\$55.5bn**
Taxation

Between 2021 and 2056, the Project will generate an estimated \$23.4 billion in direct taxation payments, and a further \$32.1 billion in indirect taxation, to the Commonwealth and State Governments. In total, the Commonwealth is expected to collect \$52.3 billion in company and income taxes, while the WA Government is expected to collect \$3.2 billion in payroll tax and GST payments.

 The average annual tax payments arising from the Scarborough Energy Project would be enough to fund one new 60,000 seat Optus Stadium each year for the next 30 years.

About this report

This summary report has been independently prepared by ACIL Allen for Woodside Energy to provide a high-level overview of the estimated direct and indirect economic impacts of the Scarborough Energy Project on the Australian and Western Australian economies over the life of the project. The results represent the incremental economic impacts over and above current production levels from the existing Pluto LNG project.

Methodology and assumptions

Economic impacts have been estimated using ACIL Allen's proprietary computable general equilibrium model *Tasman Global*. Economic impacts include the direct and indirect (or flow on) impacts of the Scarborough LNG Project proposed by Woodside and its relevant joint venture participants. The indirect impact is a result of changes in demand in other industries from the initial impact created from the construction and operation of the developments. Economic impacts are reported in terms of:

- Gross product or real economic output: A measure of the size of an economy or the output generated by an economy over a period of time, referred to as Gross Domestic Product at a National level and Gross State Product at a State (WA) level.
- Real income: A measure of the welfare of residents in an economy through their ability to purchase goods and services and to accumulate wealth.
- Real employment: The number of net full time equivalent job years created as a result of a project. Real employment creation is the direct and indirect (flow on) employment as a result of a project. Real employment is measured in full time equivalent (FTE) job years which is equivalent to the employment of one person on a full-time basis for one year.
- Total taxation: The direct taxation paid by the development as well as the indirect taxation created as a result of additional economic activity resulting from the development.

Assumptions

The economic impact assessment has been undertaken on the assumption that joint venture and regulatory approvals are obtained, and commercial agreements finalised. The study period for the economic impact assessment is 2021 to 2056 (or 30 years of operations commencing from 2026). All results presented are for the total share of the development and therefore include the Woodside share as well as joint venture share. Only the Woodside operated assets are included in this report. All values are reported in real Australian dollars (2024). All estimated construction and operation spending data for each development has been supplied by Woodside Energy. A flat USD\$65 per barrel price for oil has been assumed, with prices for LNG, LPG and Condensate benchmarked to this. Reported direct taxation and royalty payments paid by Woodside Energy and its joint venture participants include all Company Taxation, Petroleum Resources Rent Taxation (PRRT), Payroll Taxation, development specific royalty payments, Condensate Excise, and carbon payments.

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Image: Woodside Energy
Scarborough Floating Production Unit

