1. In February 2008, the Environmental Protection Agency commissioned preparation of a background report to inform the development of an oil vulnerability mitigation strategy and action plan (the Oil Strategy) on the challenges and opportunities for Queensland in relation to increased oil prices and possible supply shocks. The interim report is entitled *Oil Vulnerability Mitigation Strategy/Action Plan: Research Paper*.
2. The preliminary findings of the research paper suggest that at a broad macroeconomic level, Queensland’s rich resource endowments of gas and coal provide a natural hedge against increasing oil prices that would be reflected in improved terms of trade, economic activity and higher government revenue for Queensland.
3. The research paper outlines the equity implications of high oil prices for vulnerable Queensland industries (e.g. agriculture and air transport) and communities (e.g. low income areas).
4. The Environmental Protection Agency proposes to release *Towards Oil Resilience: A Community Information Paper* (the Information paper) at the same time as the research paper. The Information paper describes the issues surrounding peak oil and higher oil prices and discusses various actions that are being investigated as part of the development of the Oil Strategy to improve Queensland’s resilience to high oil prices and reduced supply.
5. The Information paper is designed to complement the research paper and is intended to raise awareness of the issues within the community. This Information paper broadly discusses potential actions to address oil vulnerability and recognises that other government policy initiatives on climate change, congestion management and alternative fuels have a relationship to the development of the Oil Strategy. Release of the Information paper will also provide an opportunity for the public to provide comment about the issue and potential solutions to help inform the Oil Strategy
6. Cabinet noted the background report *Oil Vulnerability Mitigation Strategy/Action Plan: Research Paper* on the effects and opportunities for Queensland in relation to increased oil prices and the peak oil effect and the information paper *Preparing for an Oil Resilient Future: A Community Information Paper.*
7. Cabinet approved that the Environmental Protection Agency publish the *Oil Vulnerability Mitigation Strategy/Action Plan: Research Paper* and the *Towards Oil Resilience: A Community Information Paper* on its website for public comment.
8. *Attachments*
* [*Oil Vulnerability Mitigation Strategy/Action Plan: Research Paper*](attachments/Oil%20Vulnerability%20Action%20Plan%20Queensland%20Research%20Paper.pdf)
* [*Towards Oil Resilience: A Community Information Paper*](attachments/Oil%20Vulnerability%20Info%20Paper%20Toward%20Oil%20Resilience.pdf)