* + - 1. The first commercial production of coal seam gas (CSG) in Queensland occurred at Moura in 1996. Since then the industry has experienced remarkable growth, with considerable investment in the development of the State’s extensive CSG resources leading to the emergence of the proposed Liquefied Natural Gas (LNG) export industry to be based in Gladstone.
      2. Partly as a result of the emerging LNG industry, major gas users throughout Australia, particularly in Queensland, have expressed concerns regarding the lack of availability of competitively priced long-term gas contracts. Some users are of the view that the development of gas reserves to support LNG projects will lead to reduced supply for the domestic market.
      3. The Government committed to addressing the issue of security of supply for domestic users as part of its *Blueprint for Queensland’s Liquefied Natural Gas Industry*, released on 17September 2009. A consultation paper canvassing two options for resolving this issue was released in late September 2009, with comments closing on 15 October 2009.
      4. The Annual Gas Market Review (AGMR) was initiated in December 2009. The purpose of the AGMR is to inform Government decision-making in relation to issues of security of supply, more effective resource management and the development of a more competitive Queensland gas market.
      5. For the 2010 AGMR Report, McLennan Magasanik Associates was engaged to undertake modelling and analysis on a range of issues relevant to the future of the Queensland (and broader eastern Australian) gas market, including:
* LNG industry development;
* gas resource levels;
* supply-demand balance;
* infrastructure constraints; and
* gas pricing.
  + - 1. Industry stakeholders were consulted extensively throughout the AGMR process and made written submissions in response to the draft AGMR Report. Submissions were incorporated, as appropriate, into the final AGMR Report and accompanying Government response.
      2. Cabinet approved a number of Government actions in response to the AGMR Report.
      3. Cabinet approved the release of the final AGMR Report and Government actions to industry stakeholders.
      4. *Attachments:*
* [2010 Annual Gas Market Review Report](Attachments/ann_gas_mkt_rev_mma_report_to_deedi_23-06-2010%5b1%5d.pdf)