

# Report on Peak Oil Workshop

Manningham City Council, 4th February 2010

Prepared by the Institute for Sensible Transport



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## 1 About this report

In late 2009, Manningham City Council committed to holding a Peak Oil Workshop and this was held on 4th February 2010. The workshop's aim was to improve Council's understanding of oil depletion and what it means for local government. This report is designed to capture the key messages that emerged from the half day workshop.



*Manningham staff during the Peak Oil Workshop*

## 2 Peak oil and why it's important for local government

The world's oil resources are finite and the greatest share of those resources were discovered in the United States and the Middle East as long ago as the 1930s and 1940s. Oil is a fantastically rich and convenient source of energy, and it is no surprise that we have become addicted to it. But in contrast to our growing demand, worldwide discovery of oil peaked in 1964 and has been on a declining trend ever since.

For the engineers in the industry, applying available technology and expanding exploration into new frontiers, the work remains challenging and rewarding. But for more than two decades, the industry has discovered less oil than the world economy has demanded and we now consume five barrels for every one discovered.

While we are not 'running out', supply of oil cannot grow forever. Production of this finite resource must at some time 'peak' and begin a long decline. We already depend on 120 of the largest fields for half the world's oil supply. Almost all of these fields are mature and production from many is in decline. The smaller and more challenging oil fields available to the industry today cannot make up for the decline in these giant oil fields. In the words of one oil company executive, "peak oil is either here or very close".

A recent report from the **UK Industry Taskforce on Peak Oil & Energy Security** sends a clear message:

"As we reach maximum oil extraction rates, the era of cheap oil is behind us. We must plan for a world in which oil prices are likely to be both higher and more volatile and where oil price shocks have the potential to destabilise economic, political and social activity".

"There are two challenges for government and policy-makers. Firstly, to recognise the situation we face, and secondly to take action to mitigate the worst implications of the crunch".

"Our message to government and businesses is clear. Act now."

**Richard Branson**, Founder, Virgin Group

**Ian Marchant**, CEO, Scottish & Southern Energy

**Brian Souter**, CEO, Stagecoach Group

**Philip Dilley**, Chairman, Arup

**Jeremy Leggett**, Chairman, Solarcentury

### 3 Workshop presentations and activities

The workshop involved a combination of presentations on peak oil and group activities, designed to gauge the thoughts of Council staff on what oil depletion means for Manningham. The Workshop Agenda can be found in Appendix One. The Workshop presentations started with an **Introduction to Peak Oil** by Phil Hart, who formerly worked in the North Sea oil and gas industry. This presentation (provided as Appendix Two) was followed by an extended opportunity for questions and discussion. Participants were then asked to record their reactions to peak oil, which were placed on the function room wall. This provided an opportunity for participants to view the thoughts of fellow staff during the break.

Elliot Fishman then presented on **oil vulnerability planning for local government**. Following this, group activities then explored the following questions:

- What is Manningham doing already?
- What are the significant oil dependencies in your area?
- What strategies and processes will need to be adapted?



*Phil Hart discussing peak oil with Manningham staff*

## 4 Key workshop questions

Participants recording their thoughts following the peak oil presentation

### 4.1 Your reactions

- A change in mindset is required from high consumption lifestyles and work practices towards resource efficiency
- Concern – oil is imbedded in so much we do
- Peak oil represents an imminent threat and awareness of the issue is not widespread
- Strong leadership is needed
- Education is required to increase awareness of oil energy situation
- Business as usual is no longer an option
- Peak oil represents an opportunity to create a sustainable city.

### 4.2 Personal barriers

- Oil is very much ingrained in our daily lifestyle; from the distance we travel between home and work, to the types of food we consume and how far they need to travel to get to us
- Cost
- Our systems are geared towards high energy consumption and this makes it hard to reduce oil use
- Alternative modes of transport are currently slower and in a time poor environment this makes it harder to leave the car at home.

### 4.3 Organisational barriers

- Manningham has a level of built in car dependence related to its low density and limited public transport opportunities
- Lack of political will and priority among decision makers
- Cost
- The organisational culture within Manningham is very car focused
- A lack of technical innovation, such as alternatives to bitumen or electric cars
- Emphasis on short term thinking
- Lack of understanding regarding the magnitude of peak oil as a public policy issue.

### 4.4 What are the significant oil dependencies in your area?

- Staff travel to/from work
- Staff travel to meetings/site visits
- Fleet vehicles, including contractors; including fuel, as well as tyres and lubricant etc.
- Services delivered directly, such as vaccinations, food inspections, local law enforcement, grass cutting, community transport
- Services delivered via contractors, such as waste management, meals on wheels, home care, street sweeping
- Roads and building; construction and maintenance
- Office supplies and servicing.

#### 4.5 What is Manningham doing already?

- Fleet policy improvements
- Promoting electric bikes (Council has two), Metcards, Car pooling
- Integrated Transport Strategy
- Procurement Policy; Eco-Buy, purchasing green products and tendering
- Green Office Green Organisation (GOGO)
- Climate 2020 Strategy
- Strategic Transport Committee and Strategic Transport Plan
- Doncaster Hill, Green Wedge and Activity Centre Strategies to develop higher density housing, with less car dependence
- Community workshops to encourage behaviour change
- Waste management strategy; recycling
- Environmental management system, including reporting on sustainability and environmental target
- Peak oil identified as a strategic risk.

#### 4.6 What strategies and processes will need to be adapted?

- Planning Scheme
- Purchasing policies; encouraging identification of alternatives to oil based products
- Fleet management and purchasing guidelines; review vehicle policy to close loopholes and improve vehicle efficiency
- Staff travel policies
- Transport Strategies (all modes)
- Risk management; re-evaluate strategic risk/impact and prioritise resources accordingly. Recognise peak oil within the top 10 strategic risks and develop an action plan

- Communications and marketing re: oil depletion issues
- Waste management; frequency of collection, review waste contract vehicles, green fleet rating
- Community Farmers Markets and Trading
- Communication to community and education, awareness
- Working from home
- Service delivery – new innovative fuel/energy saving methods of delivery. Reviewing how communities access services given current lack of alternatives.

#### 4.7 Is this a priority for Manningham? (Open discussion)

- At the moment we are making small steps in a process of continuous improvement The challenge will be to take it to the next level
- Peak oil has been identified within the top 10 strategic risks; an action plan is now needed
- Peak oil principles are not always imbedded in the decision making process
- 2030 Plan starting development now
- This is a role for the Municipal Association of Victoria to bring councils together
- Residents want local government to show lead vs State/Federal Government inaction
- Decisions need to be made regarding upfront costs/financial resources vs possible larger costs later. A risk management approach is needed
- It is not clear who has ownership of the issue – Executive Management Team needs to lead as well as Councillors
- Peak oil has ramifications for the provision of Council services as well as wider community implications.

## 5 Conclusion

Peak oil is a major issue for local government. Rising demand for oil and serious supply limitations present a significant threat to business continuity for all local governments. Waste management, meals on wheels and road maintenance are just a few of the responsibilities local governments are expected to carry out every day; and each are highly dependent on oil. Manningham City Council is vulnerable to the threats posed by peak oil and this workshop has provided an opportunity for Council staff to explore what it means for them and the community.

This workshop has outlined the key principles of peak oil and oil vulnerability planning. Council staff have been able to articulate what Manningham is currently doing to strengthen Council's position in the likely event of rising oil prices, as well as outlining what needs to happen, in order to prepare both Council's business practices and the community for a future of rising oil costs and dwindling supply.

**Peak oil and climate change have emerged as major public policy issues. By tackling both these challenges in an integrated manner, Manningham will be better placed to simultaneously reduce its emissions and increase its resilience to a future of higher oil prices.**

## 6 Recommendation: The Next Step

The workshop should be seen as the start of Council's journey towards developing a service delivery organisation that is more robustly prepared for a future of declining oil supply. The next step is to develop an agreed process and plan to enable each Council service area to respond and adapt to the challenges of peak oil.

It is recommended that Council commence the development of a framework and action plan for the impact of peak oil on Council operations. It is also recommended that Council consider including climate change adaptation in the framework, to ensure an integrated approach is undertaken, cognisant of the combined threat posed by peak oil and climate change.



## 7 Appendix One – Workshop Agenda

### **Peak Oil Workshop** **Manningham City Council** **Agenda**

Prepared by Elliot Fishman & Phil Hart  
Institute for Sensible Transport

4th February 2010

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9:00am Open by Paul Molan

9:05am An overview of the workshop.

9:10am Introduction to Peak Oil  
Questions and discussion

10:15am Group activity - Reactions to peak oil  
Participants place Post-It notes on wall

*10:30am Morning tea*  
Return to tables with team/directorate

11:00am Oil vulnerability planning for local government  
What is oil vulnerability? What are other Councils doing?  
Scenario planning

11:20am Group activity - Oil use in Manningham  
What are the most significant oil dependencies in your  
service area? Participants work in groups and record on A3 Sheets

11:35am Group activity - Where does peak oil fit in Council's strategy?  
Participants work in groups and record on A3 Sheets

11:40 Group activity - What is Manningham doing already?  
Participants work in groups and record on A3 Sheets

11:50 Group activity - Which key strategies and processes need to be  
adapted. Participants work in groups and record on A3 Sheets

12:05pm Is Peak Oil a priority for Manningham?  
Room Discussion

12:20pm Participants leave a Post-It note on the table, listing 1 or 2 things they will take  
away from the workshop.

12:30 *Close*

# Peak Oil Workshop

**Manningham City Council**

4<sup>th</sup> February 2010

